



# SAN FRANCISCO PLANNING DEPARTMENT

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## Executive Summary Planning Code Amendment

HEARING DATE: JANUARY 28, 2016  
90-DAY DEADLINE: MARCH 15, 2016

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

### PLANNING CODE AMENDMENT

Ordinance amending the Planning Code to add Section 206, the Affordable Housing Bonus Program, consisting of the Local Affordable Housing Bonus Program, the 100% Affordable Housing Bonus Program, the Analyzed State Density Bonus Program and the Individually Requested State Density Bonus Program, to provide for development bonuses and zoning modifications for affordable housing, in compliance with, and above those required in the State Density Bonus Law, Government Code Section 65915; and to add Section 328 to set forth the procedures in which the Local Affordable Housing Bonus Program and the 100% Affordable Housing Bonus Program shall be reviewed and approved.

### GENERAL PLAN AMENDMENT

Ordinance amending the General Plan to make conforming changes in association with legislation creating the Affordable Housing Bonus Program by amending the Housing Element, Urban Design Element, Van Ness Avenue Area Plan, Chinatown Area Plan, Downtown Area Plan, and Northeastern Waterfront Area Plan; making findings, including findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1 and affirming the Planning Department's determination under the California Environmental Quality Act.

**The Way It Is Now:**

The California State Density Bonus Law, Government Code Section 65915, was first enacted in 1979 to address the State’s shortfall of affordable housing. The law offers development incentives to developers who provide on-site affordable housing. The law is prescriptive and generally favorable towards a project sponsor’s request for concessions, incentives and waivers. Local entities may only disapprove a requested development incentive in instances where the requested incentive would have “adverse impacts” on the health and public safety of the entity as defined in California Government Code Section 65589.5<sup>1</sup>

Historically, San Francisco implemented the State Density Bonus Law on a project by project basis – usually requiring projects that elected to provide on-site affordable housing to obtain a rezoning through a Special Use District (SUD). San Francisco has approved about 10-15 housing projects through this SUD process, primarily 100% affordable projects.

In 2013, the First District Court of Appeal in *Latinos Unidos de Napa v. City of Napa*, found that the State Density Bonus law applies to any affordable housing unit provided by a developer, including affordable units required by a local inclusionary housing ordinance. Thus, projects that comply with the City’s Inclusionary Housing Program by providing inclusionary housing units onsite are eligible for a State density bonus. In San Francisco, this means that projects with 10 or more units, which are currently required to participate in the City’s Affordable Housing Program, are eligible for a State Density Bonus for providing the required 12% inclusionary units if they provide those units on-site.

**The Way It Would Be:**

The proposed Affordable Housing Bonus Program (AHBP) is an optional program for market rate and publicly funded projects that provide affordable housing units on-site. Generally, to qualify for the program, housing projects must provide greater benefits to the City in the form of additional on-site affordable housing. Projects that choose to provide higher amounts of affordable housing will be awarded commensurate development incentives in the form of increased density, heights, and limited reductions in other zoning requirements. Note that for projects to be eligible for the programs listed below, projects must not be seeking and receiving a density or development bonus under Section 207, Section 304, or any other local or state bonus program that provides development bonuses. Projects that elect to pay an in lieu fee to satisfy their Inclusionary Housing Program requirements do NOT qualify for the AHBP.

**Draft General Plan Amendment**

The draft General Plan Amendment ordinance proposes adding language referencing the AHBP to a few Housing Element policies. The draft ordinance also includes references to potential higher densities for projects that provide additional affordable housing on Map 6 of the Housing Element. Proposed language amending relevant maps and Policies of the General Plan, will also be included in the Land Use Index. The draft amendments to the General Plan propose the inclusion of the following phrase in the relevant sections of the General Plan:

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<sup>1</sup> California State Density Bonus Law: <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=65001-66000&file=65915-65918>

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

### Draft Planning Code Ordinance

The draft Planning Code ordinance proposes four new program options for development projects. This section provides an overview of these four programs:

- Local Affordable Housing Bonus Program
- 100% Affordable Housing Bonus Program
- State Analyzed Affordable Housing Bonus Program
- Individually Requested Affordable Housing Bonus Program

### The Local Affordable Housing Bonus Program

The Local AHBP will offer development incentives to encourage project sponsors to provide 30 percent or more affordable units on site. Projects that choose to participate in the Local Program must meet the following **requirements**:

1. Must be a new construction project
2. Contains three or more residential units (not including Group Housing or Efficiency Dwelling Units)
3. Is not seeking to merge lots that result in more than 125 feet in lot frontage on any one street for projects located in Neighborhood Commercial Districts
4. Is located in any zoning district that:
  - a. is **not** RH-1 or RH-2 and
  - b. establishes a maximum dwelling unit density through a ratio of number of units to lot area: including RH-3, RM, RC, C-2, Neighborhood Commercial Districts, Chinatown Mixed Use Districts, or
  - c. in the Fillmore Neighborhood Commercial Transit District and Divisadero Neighborhood Commercial Transit District
5. Provides a minimum of 40 percent two-bedroom units. Alternatively projects could provide any unit mix such that 50% of all bedrooms within the project are provided in units with more than one bedroom.
6. **Provides 30% on-site permanently affordable housing. Local AHBP projects must first meet the requirements of Section 415, if applicable, and then provide an additional percentage of affordable units as Middle Income Units, such that the total percentage of permanently affordable units equals 30 percent.**

Projects that meet the above requirements will be eligible for the following **incentives**:

1. Relief from residential density limits.
2. Up to an additional two stories of residential development, and
3. Up to three incentives or Planning Code concessions as described in the table below.

Program	Incentives/Concessions	Description
Local AHBP	Rear Yard	No less than 20% of the lot depth, or 15 feet whichever is greater.
	Dwelling Unit Exposure	Can be satisfied through qualifying windows facing an unobstructed open area that is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in every horizontal dimension at each subsequent floor.
	Off-Street Loading	None required.
	Parking	Up to a 75% reduction in residential and commercial requirements.
	Open Space	Up to a 5% reduction in common open space.
	Open Space	An additional 5% reduction in common open space.
	Open Space Inner Courts	May provide an inner court that is at least 25 feet in every horizontal dimension, with no restriction on the heights of adjacent walls. All area within such an inner court shall qualify as common open space per Section 135.

**The 100 Percent Affordable Housing Bonus Program**

The 100 Percent Affordable Housing Bonus Program offers a clear process for 100% affordable projects to seek density bonuses and enable the City to maximize subsidies in publicly funded affordable housing projects. Projects seeking entitlement under this program would be reviewed under the standard project review and approval process, but would no longer require a special rezoning or a site specific SUD to proceed through entitlement. Projects that choose to participate in the 100 Percent Affordable Program must meet the following criteria:

1. Contains three or more Residential Units, as defined in Section 102,
2. Is located in any zoning district that:
  - a. allows Residential Uses; and
  - b. is not designated as an RH-1 or RH-2 Zoning District;
3. Meets the definition of a “100 Percent Affordable Housing Project” defined as the following:
  1. Is affordable to a household at or below 80% of the Area Median Income (as published by HUD), including units that qualify as replacement Section 8 units under the HOPE SF program;
  2. Is subsidized by MOHCD, the San Francisco Housing Authority, and/or the San Francisco Redevelopment Agency; and
  3. Is subsidized in a manner which maintains its affordability for a term no less than 55 years, whether it is a rental or ownership opportunity. Project sponsors must demonstrate to the Planning Department staff that a governmental agency will be enforcing the term of affordability and reviewing performance and service plans as necessary.

If a project meets the above requirements the projects will be offered the following development incentives:

1. Relief from residential density limits;
2. Up to an additional three stories of residential development; and
3. Any incentives off of the below menu.

<b>100 Percent AHBP</b>	Rear Yard	No less than 20% of the lot depth, or 15 feet whichever is greater.
	Dwelling Unit Exposure	Can be satisfied through qualifying windows facing an unobstructed open area that is no less than 15 feet in every horizontal dimension, and such open area is not required to expand in every horizontal dimension at each subsequent floor.
	Off-Street Loading	None required.
	Parking	Up to a 100% reduction in residential and commercial requirements.
	Open Space	Up to a 10% reduction in common open space if provided per Section 135 or any applicable special use district.
	Open Space Inner Courts	May provide an inner court that is at least 25 feet in every horizontal dimension, with no restriction on the heights of adjacent walls. All area within such an inner court shall qualify as common open space per Section 135.

**The State Analyzed Program**

The State Analyzed program directly implements the State Density Bonus Law (California Government Code Section 6515) and would offer a clear and simple programmatic approach to implementing the State Density Bonus Law. This program articulates to developers, planners, and community members the City’s understanding of how the State Density Bonus Law works best in San Francisco’s neighborhoods – especially in reference to increased heights, bulk, and related development concessions and waivers.

Projects that choose to participate in the State Analyzed Program must meet the following criteria:

1. contain five or more residential dwelling units not including any Group Housing or Efficiency Dwelling Unit as defined in Section 318;
2. is not seeking to merge lots that result in more than 125 feet in lot frontage on any one street for projects located in Neighborhood Commercial Districts; and
3. is located in any zoning district that:
  - a. is not designated as an RH-1 or RH-2 Zoning District; and
  - b. establishes a maximum dwelling unit density through a ratio of number of units to lot area, including but not limited to, RH-3, RM, RC, C-2, Neighborhood Commercial, Named Neighborhood Commercial, Chinatown Mixed Use Districts; or
  - c. is in the Fillmore Neighborhood Commercial Transit District and Divisadero Neighborhood Commercial Transit District.

Projects that wish to participate in the State Analyzed Program will be eligible for:

- a. a maximum of 35% density bonus, calculated from the base density of the underlying zoning;
- b. up to 3 Concessions or Incentives set forth in the **State Analyzed Program: Menu of Incentives** below; and
- c. height increases of no more than two stories, based on a formula in the Planning Code determining whether additional height is necessary to accommodate additional density.

**Summary of State Mandated Density Bonuses (Gov't Code § 65915):**

Restricted Affordable Units or Category	Minimum Percentage of Restricted Affordable Units	Percentage of Density Bonus Granted	Additional Bonus for Each 1% Increase In Restricted Affordable Units	Percentage of Restricted Units Required for Maximum 35% Density Bonus
Very Low Income	5%	20%	2.50%	11%
Lower Income	10%	20%	1.50%	20%
Moderate Income	10%	5%	1%	40%

**State Mandated Concessions and Incentives**

Target Group	Restricted Affordable Units		
Very Low Income	5%	10%	15%
Lower Income	10%	20%	30%
Moderate Income (Common Interest Development)	10%	20%	30%
Maximum Incentive(s)/Concession(s)	1	2	3

**State Analyzed Program: Menu of Incentives**

Rear Yard	No less than 20% of the lot depth, or 15 feet whichever is greater
Dwelling Unit Exposure	Can be satisfied through qualifying windows facing an unobstructed open area that is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in every horizontal dimension at each subsequent floor.
Off-Street Loading	None required
Parking	Up to a 50% reduction in residential and commercial requirements

Open Space	Up to a 5% reduction in common open space if provided
Open Space	Up to an additional 5% reduction in common open space if provided

**The Individually Requested Program**

The Individually Requested Program directly implements the State Density Bonus law. This program is designed for projects that seek a density bonus that is consistent with State Law, Government Code section 65915 et seq., but cannot be achieved under the State Analyzed Program.

Because the State Analyzed Program cannot encompass every individual site condition or development scenario in San Francisco, the Individually Requested Program provides a path for project sponsors to seek incentives, concessions and/or waivers, as allowed by State law on an individual basis. The program sets out application procedures and requirements, including requirements for providing evidentiary support for requests for waivers and/or concessions and incentives.

Projects that elect to seek entitlement through this section must meet the following requirements, as provided in State law:

1. contains five or more residential units, as defined in Section 102;
2. provides Restricted Affordable Housing Units, including but not limited to Inclusionary Housing Units, at minimum levels as in Table 206.6 A
3. provides replacement units for any units demolished or removed that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are units qualifying for replacement as units being occupied by households of low or very low income, consistent with the requirements of Government Code section 65915(c)(3).

**Table 206.6 Density Bonus Summary-Individually Requested**

Restricted Affordable Units or Category	Minimum Percentage of Restricted Affordable Units	Percentage of Density Bonus Granted	Additional Bonus for Each 1% Increase In Restricted Affordable Units	Percentage of Restricted Units Required for Maximum 35% Density Bonus
Very Low Income	5%	20%	2.50%	11%
Lower Income	10%	20%	1.50%	20%
Moderate Income	10%	5%	1%	40%
Senior Citizen Housing	100%	20%	-----	-----

Project Sponsors who seek a density bonus under the Individually Requested Program must provide specific documentation. New Planning Code Section 206.6 states that an application for project seeking a bonus under the Individually Requested program must include:

1. A description of the proposed Project, and a full plan set, including a site plan, elevations, section and floor plans, with the total number and location of dwelling units, Restricted Affordable Units, and Density Bonus Units proposed;
2. Sufficient detail for the Planning Department to determine the project site's Base Density. The project sponsor shall submit plans for a base project that demonstrates a Code complying project on the Housing Project site without use of a modification, Conditional Use Authorization, Variance, Planned Unit Development, or other exception from the Planning Code. Such plans shall include similar detail to the proposed Housing Project. The project sponsor shall demonstrate that site constraints do not limit the Maximum Allowable Residential Density for the base project in practice. If the project sponsor cannot make such a showing, the Zoning Administrator shall determine whether the Maximum Allowable Residential Density shall be adjusted for purposes of this Section.
3. The zoning district designations, assessor's parcel number(s) of the project site, and a description of any Density Bonus, Concession or Incentive, or waiver requested;
4. If a Concession or Incentive is requested that is not included within the menu of Incentives/Concessions set forth in the state analyzed program a submittal including financial information or other information providing evidence that the requested Concessions and Incentives result in identifiable, financially sufficient, and actual cost reductions required in order to provide for affordable housing costs, or for rents for the Restricted Affordable Units to be provided as required under this Program. The cost of reviewing any required financial information, including, but not limited to, the cost to the City of hiring a consultant to review the financial data, shall be borne by the applicant. The financial information shall include all of the following items:
  - a) The actual cost reduction achieved through the Concession or Incentive;
  - b) Evidence that the cost reduction allows the applicant to provide affordable rents or affordable sales prices; and
  - c) Any other information requested by the Planning Director. The Planning Director may require any financial information including information regarding capital costs, equity investment, debt service, projected revenues, operating expenses, and such other information as is required to evaluate the financial information;
5. If a waiver or modification is requested, a submittal containing the following information. The cost of reviewing any required information supporting the request for a waiver, including, but not limited to, the cost to the City of hiring a consultant to review the architectural information, shall be borne by the applicant.
  - a) Why the Development Standard would physically preclude the construction of the Development with the Density Bonus, Incentives, and Concessions requested.
  - b) Any other information requested by the Planning Director as is required to evaluate the request;
6. Level of affordability of the Restricted Affordable Units and a draft Regulatory Agreement;
7. The number of residential units which are on the property, or if the residential units have been vacated or demolished in the five year period preceding the application, have been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through the City or other public entity's valid exercise of its police power; or occupied by lower or very low income households;

8. If the property includes a parcel or parcels in which dwelling units under (6) are located or were located in the five year period preceding the application, the type and size of those units, the incomes of the persons or families occupying those units.
9. Documentation that the applicant has provided written notification to all existing commercial or residential tenants that the applicant intends to develop the property pursuant to this section. Any affected commercial tenants shall be given priority processing similar to the Department's Community Business Priority Processing Program, as adopted by the San Francisco Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such business in concert with access to relevant local business support programs.

Note that Individually Requested State Density Bonus reflects language in California Government Code Section 65915 for land donation, childcare facility, and condo conversions. All projects who apply under the Individually Requested Program are subject to a Planning Commission hearing.

## **ISSUES AND CONSIDERATIONS**

This section includes discussion of several Issues and Considerations that have been raised by the Planning Commission, Board of Supervisors and the public. Note that some of these issues have resulted in amendments to the draft ordinance.

### **Potential Impact on existing Rent Control Units**

The goal of the AHBP is to incentivize additional affordable housing. This should not be done at the expense of existing affordable housing, including rent controlled housing units. Some community members assert that additional density and heights, even if accompanied by additional affordability requirements, would create a financial incentive for project sponsors to demolish existing sound housing stock, particularly older units protected by rent control, in order to build larger buildings. Some assert that the State mandated requirement to replace lost rent control units with permanently affordable units (AB 2222) does not provide adequate protections.

In response to these concerns Supervisor Breed has introduced an amendment (*Exhibit E*) that limits the AHBP to projects that will not result in the demolition of a rent controlled unit. Further, the amendment directs the Department to collaborate with community groups, housing activists, housing developers, and others to study the City's rent control housing supply.

Supervisor Breed's proposed amendment would limit use of the Local AHBP or State-Analyzed AHBP to projects that do not demolish rent control units.

### **Impact on Existing Neighborhood Serving Businesses**

San Francisco's diverse economy includes a number of important neighborhood serving businesses of varying scales. Unlike residential tenants, commercial tenants are not afforded protections such as controlled rental rates or certain tenant rights. Accordingly, commercial establishments can be required to relocate due to rent increases or when a property owner chooses to demolish the existing building. Under the existing regulatory structure, business

owners may not be given much advance notice of the property owner's intention to develop the property.

Small businesses looking to relocate face numerous challenges. For example, in order to relocate to a new space, a commercial business would need to find an affordable space, it may need a small business loan, and it would need to navigate the requirements of the City to secure the new space. Many small businesses facing eviction lack the financial flexibility to compete in the current real estate market. Many small businesses must update their business plans and seek technical assistance to better navigate their relocation. These steps can take many months, particularly when a new space requires capital improvements.

The City and state operate several programs to support local businesses. Although there are multiple access points to these services, there is not currently a cohesive program, and not all business owners are aware of these programs.

**Invest In Neighborhoods program.**

OEWD staff working in the Invest In Neighborhoods (IIN) program provide technical assistance to businesses and help them identify relocation sites when possible. For businesses relocating to one of the 24 IIN areas, OEWD can offer funds for specific improvements, such as façade upgrades.

OEWD staff are currently working to identify ways to improve small business transition and to reach businesses before they must relocate.

**Small Business Development Center.**

OEWD staff work closely with the San Francisco Small Business Development Center. Both agencies offer pro bono legal advice and technical assistance, and each agency has its particular area of expertise. Neither agency currently employs real estate brokers to help small businesses navigate the commercial real estate marketplace.

**Office of Small Business.**

The City also operates the Office of Small Business. This "one-stop shop" offers case management and referrals on a wide variety of topics, including business registration requirements, permits and licensing, taxes, compliance with ADA, zoning and land use, the permitting process, and technical assistance resources.

The Office of Small Business is also considering new strategies to augment existing policies and programs, including expanding small business lease negotiation and eviction intervention services, and creating a nonprofit and creative space displacement program.

The draft AHBP legislation adds two important protections for businesses that would need to relocate as a result of the program.

1. Commercial tenants must be notified of the proposed project and referred to business services before a project files for environmental review.

This early notification provides businesses with the necessary time to complete needed business planning and research so that it may successfully relocate. As drafted, the AHBP ordinance requires that projects participating in the program submit documentation to the Planning Department that they have alerted all commercial tenants of their intent to file for demolition prior to commencing environmental review, which could give businesses 1 to 2 years prior notification. The notification letter would include a reference to City and private agencies that provide technical and financial assistance to small businesses.

2. Relocating businesses would receive priority processing at the Planning Department, to help expedite entitlement at their new location. Impacted businesses would qualify for the Department's Community Business Priority Processing Program (CB3P).

The Planning Department has assembled a designated staff to help navigate the application process. The Community Business Priority Processing Program (CB3P)\* streamlines the Conditional Use review process for certain small and mid-sized business applications and provides a simplified and efficient system to open businesses sooner. Projects that qualify for and enroll in the CB3P are guaranteed a Planning Commission hearing date within 90 days of filing a complete application, and placement on the Consent Calendar. CB3P applications are subject to the same level of neighborhood notice, the same Planning Code provisions, and the same (if applicable) CEQA review requirements; and may still be shifted from Consent to Regular Calendar if requested by a Planning Commissioner or member of the public.

While some individual businesses will be required to re-locate and perhaps modify their business models, neighborhoods will continue to have neighborhood services. The AHBP will generate a net increase in neighborhood commercial space. Newer spaces may command a higher commercial rent than some businesses can afford to pay – however supply of new commercial space could reduce the demand for existing and older commercial spaces that are more affordable.

The nature of neighborhood retail more likely to be influenced by national trends than by new construction.<sup>2</sup> Both San Francisco and that nation are experiencing an increase in the amount of retail space provided as well as increased competition from online stores. The result is an increase in retail vacancies.

Some have expressed concern that future development might change the character of existing neighborhood commercial corridors. Projects entitled through this program would be subject to the AHBP design guidelines which include extensive guidelines on the treatment of ground floor commercial uses. Some have suggested that limitations on size of new commercial space could help to both maintain the existing neighborhood character and potential reduce rental costs.

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<sup>2</sup> "San Francisco Formula Retail Economic Analysis", Prepared for the San Francisco Planning Department by Strategic Economics. June 2014, page 114

**How much housing will this program produce? How can we be sure?**

This program is projected to produce up to 16,000 new housing units over a 20-year period. While offering incentives for new housing, the program also requires higher levels of affordable housing. Most sites in the program area have already been developed with healthy, valuable and well-loved buildings – that would not be redeveloped through this program because:

1. The existing buildings are more valuable than a new building would be;
2. The owners of the existing buildings will not choose to develop the sites;
3. The existing buildings are historic and therefore not eligible for this program;
4. The existing building includes a rent control unit and is therefore not eligible for the program;
5. There are more easily developed sites in the program area that make more sense to develop;
6. Each project requires City review and approval with public input.

The City will closely monitor the program. The draft legislation includes a monitoring report which will provide an annual report on the production of the program in detail, and also a multi-year report which will include both data analysis and a program evaluation. These reports include presentation to the Planning Commission for review and discussion. Some have suggested stronger monitoring of the program outcomes. For example some suggested limits on the number of projects or units approved over a given time period.

**How much affordable housing will this program produce new affordable housing units?**

The AHBP builds on the City's existing Inclusionary Housing program, which serves moderate income households earning up to 55% of AMI (rental) and 90% of AMI (ownership). First the bonuses incentivize projects to build affordable units on-site within the project, rather than paying the Affordable Housing fee<sup>3</sup>. The AHBP also increases the total number of affordable housing units by increasing the total number of units allowed on a site. As the on-site requirement is calculated as a percentage (12%) of all units in a new development, projects with more units result in more permanently affordable inclusionary units. Staff estimates that the AHBP could result in 2,000 moderate income inclusionary units over the next 20 years, a more than twofold increase over the 900 possible inclusionary units under current zoning.

In addition to increasing the number of moderate income affordable units (for households making 55% or 90% of AMI), the AHBP establishes a new source of permanently affordable housing for middle-income households, defined as households earning 120%-140% of AMI. To date, the City has established no other programs aimed at providing permanently affordable housing for middle income households. In order to receive the benefits of the AHBP Local Program, project sponsors would be required to make 18% of all units in a new building

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<sup>3</sup> For context, 79% of projects subject to San Francisco's Inclusionary Housing requirements from 1992 through 2014 have chosen the on-site option, resulting in nearly 2,000 affordable units.<sup>3</sup>

affordable to middle-income households, *in addition* to the 12% of units dedicated to the existing inclusionary program. The AHBP could produce up to 3,000 middle-income units *with no public subsidy*.

The program could produce up to 5,000 new permanently affordable units. Under existing zoning the same sites would only produce 900 inclusionary units (if projects chose to provide the units onsite).

**Who/What households will benefit from new housing?**

This program incentivizes new affordable housing units for moderate (55% and 90% AMI) and middle income households (120% and 140% AMI).

In 2015, a one-person household making 120% - 140% of Area Median Income makes between \$85,600 and \$99,900.<sup>4</sup> For a family of three, the range is \$110,050 to \$128,400. While wages such as those are significantly higher than in most other parts of the country, consider what an “affordable” housing price would be for those households, compared to current market rates in San Francisco. Generally, for housing to be considered “affordable”, a household should spend no more than 30% of their income on it.

By that standard, the following affordable rents (for those making 120% of AMI) and sales prices (for those making 140% of AMI) for middle-income households would be:

	Affordable monthly rent	Affordable sales price
1 person household (studio)	\$2,145	\$398,300
3 person household (2BR)	\$2,750	\$518,700

Comparatively, recent estimates show median asking rents of up to \$3,490 for a 1 bedroom and \$4,630 for a 2 bedroom apartment in San Francisco<sup>5</sup>, while the median sales price of a home in the city recently topped \$1 million<sup>6</sup>.

Census data shows that middle-income households (120-150% AMI, the blue line below), while holding steady in absolute numbers, represent an increasingly smaller share of the city’s growing population.

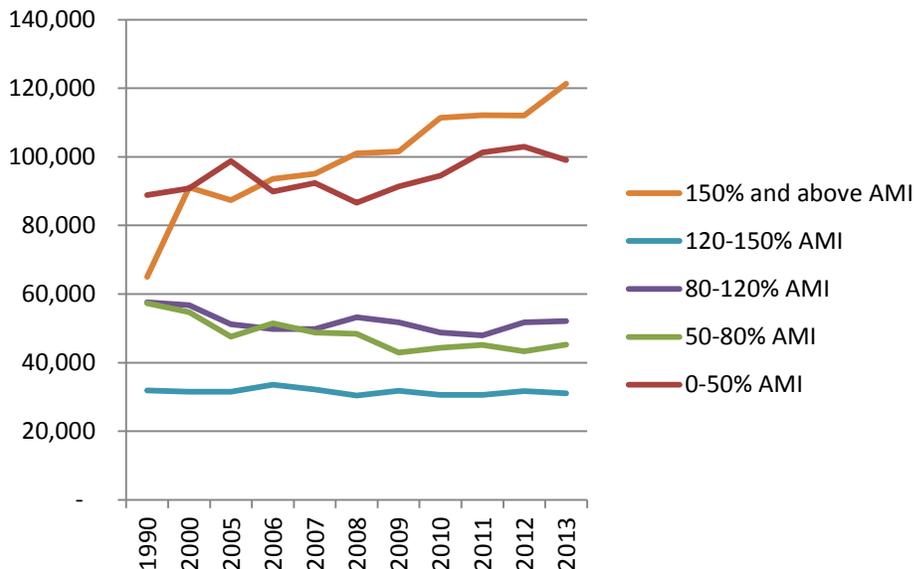
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<sup>4</sup> <http://www.sfmohcd.org/modules/showdocument.aspx?documentid=8829>

<sup>5</sup> <https://www.zumper.com/blog/2016/01/zumper-national-rent-report-january-2016/>

<sup>6</sup> <http://www.sfgate.com/business/networth/article/1-million-city-S-F-median-home-price-hits-7-5626591.php>

San Francisco's Households by AMI, 1990-2013



The last several RHNA cycles show that San Francisco has historically under-produced housing for this income category over the same period of time.<sup>7</sup>

From the 2014 Housing Element:

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

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

SOURCE: SF Planning Department; ABAG

<sup>7</sup> Note that since the City does not currently have a program which guarantees affordability for households above 120% of the Area Median Income, we do not have data on the production of housing for that housing type. Based on current understanding of market sales and rental costs, we infer that new housing is not affordable to middle income households.

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

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

From the 2004 Housing Element:

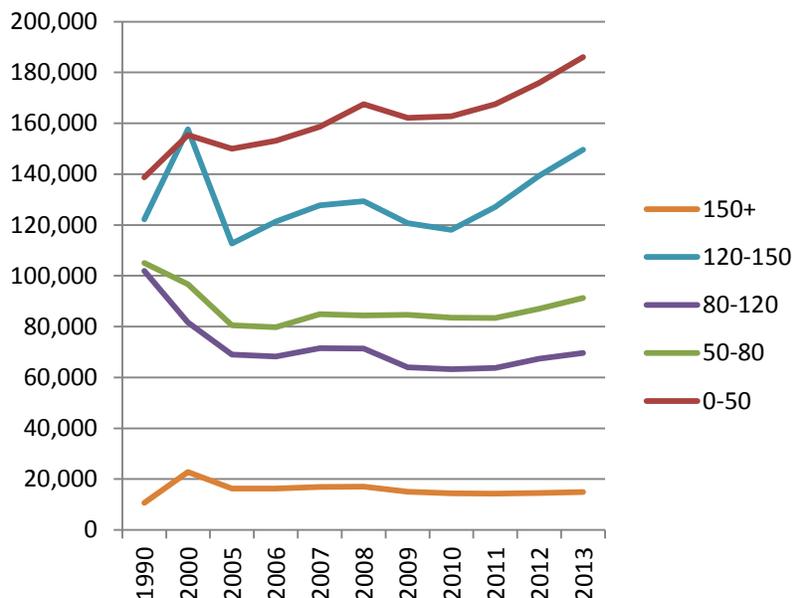
**TABLE I-65**  
*Annual Production Targets and Average Annual Housing Production, 1989-1998\**

Affordability Categories	Housing Goals 1989-June 1995 (6.5 years)		Actual Production 1989-1998 (10 years)*		% of Annual Target Achieved
	Total	Annual Targets	Total	Annual Average	
Very Low Income (below 50% AMI)	5,392	830	2,202	220	26.5%
Low Income (50% - 79% AMI)	3,595	553	1,515	152	27.4%
Moderate Income (80% - 120% AMI)	4,493	691	557	56	8.1%
Market Rate (over 120% AMI)	6,987	1,383	9,693	989	71.6%
Annual Production Target, 1989 - June 1995	22,467	3,456	14,167	1,417	41.0%

\*ABAG Reporting Period

Meanwhile, jobs paying 120-150% of AMI represent the second largest category of employment in San Francisco, after low-wage jobs paying up to 50% of AMI. Employment data shows that jobs in these two wage categories have grown far faster than others since the Great Recession.

San Francisco's Jobs by AMI, 1990-2013



Included in this income category are many professions that keep our city functioning; educating our school children, policing our streets, and providing many other essential services. Consider the following households, who would all likely qualify for permanently price-controlled middle-income housing created under the Affordable Housing Bonus Program.

Some have suggested that only moderate-income households should be offered permanently affordable housing. Others have suggested that all new affordable housing units produced in this program should service teachers – especially teacher households with lower incomes. Still others suggest that the City should prioritize affordable housing for middle income households only for larger households with two or more people. Generally commenters are interested in making sure the City services a variety of household incomes and types – but in recognition that demand for affordable housing will always exceed supply, opinions about which household types to service with this program continue to vary. The following income levels have been suggested to for further consideration: 70%, 80%, 100%, 110%, and 150% of Area Median Income.

**What happens if San Francisco does not adopt a local ordinance to implement the state law?**

As described earlier, the existing state density bonus law applies to any project with 5 units or more that provides inclusionary housing at specified levels. Absent a local ordinance, cities and counties must still comply with state density bonus law. On-site inclusionary units provided as part of the City's Inclusionary Housing Program (which applies to projects of 10 units or more) qualify for a density bonus under state law. State law does not constrain the types of incentives and concessions or waivers that a developer can request.

The state law is very permissive and does not adjust to our local context, which includes recent area plan rezonings, densities higher than what is found in other cities, and the City's long-

standing inclusionary housing requirements. A local law that outlines preferred incentives, concessions or waivers gives developers specific guidance on how the City would like to see the bonuses provided. Failure to adopt a local law would not prevent a developer from being entitled to a density bonus, but would prevent the City from contextualizing the density bonus to better fit within the City's various neighborhoods.

### **Project Review and Approval Process**

Some community members have expressed concern that AHBP projects will not have adequate public input, city review or public hearings.

The Affordable Housing Bonus Program legislation does NOT reduce public input or City review process for projects entitled under this program. Review process for all AHBP projects will continue to include:

- Preliminary Project Assessment (PPA) review by Planning Department,
- Environmental Review
- Pre-Application Meeting with neighbors
- Design and Plan Review by the Planning Department,
- Neighborhood notification (Section 311/312), or Notification regarding a Planning Commission Hearing and
- A hearing at the Planning Commission
  - Local Program: required for all projects
  - State analyzed program: if the project requires a CU or other CPC approval, or a community member requests a discretionary review hearing

Projects entitled under the Local AHBP and the 100% AHBP would be reviewed under Section 328 of the Planning Code. This process is similar to the existing Large Project Authorization process in Eastern Neighborhoods. This process mandates a public hearing and generally consolidates all of a project's entitlements into a single case. The 328 process directs the Planning Commission to make findings that AHBP projects are consistent with AHBP design guidelines so that projects respond to their surrounding context while still meeting the City's affordable housing goals. This review process allows the Planning Commission to grant minor exceptions to the provision of the code to shift building mass to appropriately respond to neighborhood context. The Commission is required to make specific findings if the project for any parts of the project that would otherwise trigger a Conditional Use Authorization for use size, a specific land use, or a requirement by the voters. Formula retail would require a separate Conditional Use approval. There are no discretionary reviews required because the projects have a mandatory Planning Commission hearing.

Projects entitled through the state-analyzed program would be subject to the same review and approval processes as they would today – the triggers for conditional use authorization or any other code section that requires a commission hearing would continue to have a Planning Commission hearing. Projects that use the state-analyzed program and are not subject to a hearing are still subject to Discretionary Review. Note that projects using the state-analyzed program and choose an incentive of the pre-determined menu that would have required a variance would no longer be subject to a variance hearing. However, if the projects seeks a variance that is not from the menu, a variance hearing would be required.

Projects that provide 20% affordable housing or more are currently eligible for priority processing – which means they are the first priority project for assigned staff. Priority processing does not change the steps in the review process, however it can reduce some processing time that backlogs may cause on other projects. Affordable Housing Bonus Program projects that include 20% or more affordable housing would receive priority processing.

### **Design Review of AHBP buildings**

Inviting and active ground floors, sidewalks and streets and high-quality design and construction enrich and enliven dense neighborhoods. Above the first twenty feet, thoughtful small-scale adjustments can help larger-scale volumes that add significant housing complement existing neighborhood architectural character. In recognition that the projects utilizing the Affordable Housing Bonus Program will sometimes be taller or of differing mass than the surrounding context the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context.

In order to ensure consistency with the intent of the Planning Code and, the General Plan, and construct high quality buildings, as well as provide project sponsors with guidance and predictability in forming their building proposals, the Planning Commission and City Agencies will use the following guidelines as an evaluating tool for specific project implementation. Furthermore, the AHB Design Guidelines were greatly expanded to reflect community concerns on the impact of AHB Buildings on surrounding neighborhood context.

Four categories of AHBP Specific Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context. These categories consist of:

- Tops of Buildings,
- Building Mass and Articulation,
- Ground Floors, and
- Historic Preservation

### ***Historic Preservation***

Because several portions of the AHBP program area, such as the neighborhood commercial districts, do not have design guidelines, design principles around massing, articulation, ground floor treatment and streets apply as well as these specifically noted to address additional height.

Guidelines applicable to AHBP projects in historic districts ensure that projects will preserve material features of the District and be complementary and differentiated. For specific guidelines, see Exhibit J.

### ***Interface with Existing Guidelines:***

Generally, AHBP projects will be reviewed under existing guidelines, however in some cases, due to the specific goals of the bonus program, guidelines adopted in this program will supplement or supersede portions of them. These existing guidelines include the Residential Design Guidelines, the Draft Ground Floor Residential Design Guidelines and the forthcoming Urban Design Guidelines. The general principles and the related policies of these documents shall apply to AHBP projects. In cases where there is a discrepancy between the unique

architectural attributes accessible through the AHBP and existing guidelines the AHBP Specific Design Guidelines shall apply.

### *Limitations on Lot Mergers*

Community members and decision makers have expressed concern that the Affordable Housing Bonus Program (AHBP) will incentivize lot mergers, especially in the Richmond and the Sunset District. In particular, concerns relate to the street frontage appearance that could result in the merging of several lots on neighborhood commercial corridors, namely that the corridor would not be as active. To address this concern, staff reviewed lot merger trends and regulations in the city.

Lot mergers are currently approved through the Department of Public Works. Generally, project sponsors do not pursue a lot merger until entitlements are approved through the Planning Department and/or Planning Commission. Lot Mergers may be appealed to the Board of Appeals.

Since 2008, the city has seen a total of 37 lot mergers, averaging less than five a year. While lot mergers occur citywide, they are most common in RH-1 and RH-2 districts (which are not included in the AHBP program area). The most common mergers observed were two adjacent lots on a corner or two adjacent, irregularly shaped lots merged into one larger lot. Past City outreach efforts, such as the Invest in Neighborhoods program, indicate that merging lots can be difficult if the lots are owned by different property owners.

The typical commercial corridor block length in the Richmond and the Sunset is around 240 feet, fitting about nine to ten typical 25 by 100 foot parcels. Existing patterns, however, demonstrate that many lots on these corridors are larger than the standard 25 by 100 feet. Also many existing buildings utilize roughly half of an entire block.

The substitute legislation (*Exhibit K*) includes a limit on the street frontage of buildings to address the concern regarding street frontage appearance. The legislation now limits the lot mergers to projects that do not exceed 125 feet. Projects with lot mergers would be subject to public review and approval.

### **Changes to the Legislation**

On Tuesday January 11<sup>th</sup>, the Mayor and Supervisor Tang introduced substitute legislation which includes several technical changes to the draft AHBP legislation introduced on September 29, 2015. These changes respond to community and stakeholder comments. The table below documents changes to the September 29<sup>th</sup> draft legislation.

Page number	Line Number	Section	Changes	Purpose
6, 7	1, 21	Section 206.2 Definitions	Removing the reference of inclusionary unit in Section 102 and 401.	A definition of inclusionary units was added.
7	3	Section 206.2 Definitions  Section 206.5 (c)(3) State Residential Density Bonus Program: Analyzed Development Bonuses	Clarified the definition of Base Density	Clarified so the public is aware of how Base Density is calculated and that definition is used in calculating potential height for the State Analyzed program.
8	7	Section 206.2 Definitions	Clarified the definition of Maximum Allowable Residential Density	Clarified so the public is aware of how Maximum Allowable Residential Density is attained.
9, 20	18, 17	Section 206.3 (b) Applicability of the Local Affordable Housing Bonus Program  Section 206.5 (b) Applicability of the State Residential Density Bonus Program: Analyzed	Exclude both group housing and efficiency dwelling units as defined in Section 318 from the Local and State analyzed Program	Clarified that projects providing group housing or micro units cannot participate in the Local or State Analyzed Program
9, 23	24	Section 206.3 (b) Applicability of the Local Affordable Housing Bonus Program Section 206.5 (b) Applicability of the State Residential	The North of Market Special Use District (SUD), Planning Code section 249.5 has been removed from the Local and State Analyzed	This area will be studied in the Affordable Housing Incentive Program (AHIP) which will study a number of tools to incentivize affordable housing, including application of the state density bonus law.

		Density Bonus Program: Analyzed	AHBP  Clarified that only SoMa Mixed Use District that have a density measured by a maximum number of dwelling units per square foot of lot area qualify.	
10, 23	16, 24	Section 206.3 (b) Applicability of the Local Affordable Housing Bonus Program  Section 206.5 (b) Applicability of the State Residential Density Bonus Program: Analyzed	Prohibits the merging of lots that result in more than 125 feet in lot frontage for projects located in a Neighborhood Commercial District for both the Local and State Analyzed Program.	Addressed community concern scale of potential projects. Limits on lot mergers limit the scale of the project.
10	18	Section 206.3 (b) Applicability of the Local Affordable Housing Bonus Program	To avoid the potential of vertical additions in both the Local and State Analyzed Program, the following condition was added: <i>consists only of new construction, and excluding any project that includes an addition to an existing structure.</i>	Clarify that vertical additions to existing buildings do not qualify as part of this program.
11	1	Section 206.3 (c) Eligibility Requirements of the Local	Language was added to address how the AHBP could interact with	If the proposed Inclusionary Housing Dial legislation passes, this clarifies how the programs would interface.

		Affordable Housing Bonus Program	the proposed Dial Legislation. <sup>8</sup>	
12,19	17,1	Section 206.3 (d)(2) Local Affordable Housing Bonus Program Development Bonuses  Section 206.4 (c)(3)100% Affordable Housing Bonus Program Development Bonuses	Language was clarified regarding the additional 20 feet provided under the Local Program to ensure that the height results in 10-foot stories. The same clarification was made for the 100% Affordable AHBP.	Ensures that the additional height is distributed as 10-foot stories and prevents project sponsors from providing low ceiling heights.
12	22	Section 206.3 (d)(3) Local Affordable Housing Bonus Project Development Bonuses	Language was added to clarify that the additional five feet is to be used only for the ground floor ceiling height. Projects that already receive such a height increase under Planning Code Section 263.20 may not receive an additional five fee.	Clarifies that projects receiving the five foot height bonus must use the bonus on the ground floor and cannot receive an additional five feet if the project is already in a zoning district that grants such a bonus.
13, 19	19, 24	Section 206.3 (d)(4) Local Affordable Housing Bonus Program Development Bonuses  Section 206.4 (c)(5) 100% Affordable	For the Local and 100% Affordable program, and State Analyzed language was added to ensure that the parking reduction was only for automobiles.	This ensures no reduction in bicycle parking.

<sup>8</sup> <https://sfgov.legistar.com/LegislationDetail.aspx?ID=2459631&GUID=8DE27A61-302F-47BC-86A4-1114E6D89326&Options=ID|Text|&Search=150911>

		Housing Bonus Program Development Bonuses  Section 206.5 (c)(3) State Residential Density Bonus Program: Analyzed Development Bonuses		
14, 20	1, 3	Section 206.3 (d)(4) Local Affordable Housing Bonus Program Development Bonuses and  Section 206.4 (c)(5) 100% Affordable Housing Bonus Program Development Bonuses	Another zoning modification was added for inner court open to space. The modification allows an inner court that is 25 feet in every horizontal dimension with no restriction on the heights of adjacent walls.	Adding a zoning modification for inner courts as open space is another method to allow flexibility in the open space requirement and this modification could work in tandem with a project using the exposure waiver. Take the example of an interior dwelling unit that fronts onto an interior courtyard, that courtyard is required to get enough light and air exposure in order to be considered useable. Most likely if a project is meeting dwelling unit exposure for those units, then the courtyard would not meet its exposure requirement either, although it may be providing a significant amount of open space.
16, 31, 41	1, 1, 7	Section 206.3 (e)(5) Local Affordable Housing Bonus Program Implementation  Section 206.5 (f) State Residential Density Bonus Program: Regulatory Agreements Section 206.6 (f)	Regulatory Agreements between the City and recipients of the Density Bonus to ensure the number of units- both market rate and income restricted, the location of units and, dwelling unit sizes, a schedule of completion, and	The term Regulatory Agreements was used in the definitions but not consistent across all sections of the legislation. The expanded description ensures consistency and provides clarity on what the recipient and the City would receive if an applicant uses the AHBP.

		State Density Bonus Program Individually Requested: Regulatory Agreements	other provision to ensure compliance with the AHBP.	
16	17	Section 206.3 (e)(5) Local Affordable Housing Bonus Program Implementation	For the Local AHBP, a condition was added requiring project sponsors to commit to completing a market survey of the area before marketing Middle Income Units	This condition was added to ensure that middle income units are priced well below market rate units in response to community input.
33	12	Section 206.6 Applicability State Density Bonus Program Individually Requested	A clarification was added to address RH-1 and RH-2 properties that could permit five or more units based on the current Planning Code.	This condition was added based on community input
46, 47	1, 7	Section 206.8 Affordable Housing Bonus Program Evaluation.	Added more conditions as part the program evaluation including the number of larger units, square feet, the number of projects with nine or fewer units, the number of appeals of projects in the AHBP and stated reason for the appeal.	Additional study criteria were added to the Monitoring and program evaluation in response to community input.
52	5	Section 352 (o) Commission and Zoning Administrator	Added a fee for AHBP projects	Fee was based on projects of similar scope and scale.

		Hearing Applications, Affordable Housing Bonus Program		
52	21	Section 5 Effective Date and Operative Effect	Text was added to address projects that the Planning Department or Planning Commission have not approved as of the effective date.	This language clarifies that the Department will establish a clear review and approval process for projects that have already filed with the Department, but have not yet received their entitlement, should they elect to seek entitlement under the AHBP program once effective.

**REQUIRED COMMISSION ACTION**

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

**RECOMMENDATION**

The Department recommends that the Commission recommend *approval* of the proposed ordinance. The Department further recommends that the Planning Commission support inclusion of Supervisor Breed’s proposed amendment regarding rent control units and the AHBP.

**BASIS FOR RECOMMENDATION**

*Affordable Housing Crisis*

San Francisco is in a housing affordability crisis frequently described as among the worst in the nation,<sup>9 10 11 12</sup> and the demand for housing is expected to increase. The 2012 American

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<sup>9</sup> Fortune Magazine. July 10, 2014. “Americas Housing Affordability Crisis is Getting Worse” Matthews, Chris. Retrieved at: <http://fortune.com/2014/07/10/us-housing-affordability/>

<sup>10</sup> A June 21, 2014 article in the NextCity, a city planning nonprofit wrote: “Mayor Lee has called the lack of affordable housing a “crisis” that “threatens to choke off [the city’s] economic growth and prosperity for the future”. Retrieved from: <http://nextcity.org/daily/entry/san-francisco-apartment-cost-affordable-housing>

<sup>11</sup> New York Times. April 14, 2014. “In Many Cities, Rent Is Rising Out of Reach of Middle Class”. Dewan, Shaila. Retrieved from: <http://www.nytimes.com/2014/04/15/business/more-renters-find-30-affordability-ratio-unattainable.html>

<sup>12</sup> The Economist. April 16, 2014. “The Spectre Haunting San Francisco”. London, R.A. Retrieved from: <http://www.economist.com/blogs/freeexchange/2014/04/housing-markets>

Community Survey estimated San Francisco's population at 807,755. The Association of Bay Area Governments projects continued population growth to 981,800 by 2030, or an overall increase of about 174,045 people who will need to be housed over the next 18 years. Population and household growth, an approximation of the demand for housing, indicates a need for some 72,530 new units by 2030.<sup>13</sup> The City's challenge is to find new ways to accommodate more housing units into the existing urban fabric in order to meet current and future demands without negatively impacting neighborhood character.

*State Law*

The California State Density Bonus Law was first enacted in 1979 to address the State's shortfall of affordable housing. The law offers incentives to developers who provide on-site affordable housing. The Law is incredibly prescriptive and favorable towards a project sponsor's request for concessions, incentives and waivers.

The City needs a local program to create clarity in the potential program development outcomes and clarify the review and approval process. A local ordinance that clearly spells out the process for reviewing density bonus requests, reduces the overall process demands given the potential scale of the program, and candidly spells out expectations for planners, community members and developers about how these projects should look is a preferred approach.<sup>14</sup>

*Program outcomes – Number of Units*<sup>15</sup>

Planning staff analyzed 240 soft sites throughout the program area, and estimates the AHBP could result in up to 16,000 new residential units over the next 20 years (roughly 800 units per year on average). Included in those 16,000 new residential units would be 5,000 permanently affordable, income-restricted units: 2,000 homes for very-low, low and moderate income households, and 3,000 homes for middle-income households. By comparison, existing zoning would likely produce fewer than 1,000 affordable units, and just under 7,500 housing units overall. The AHBP could more than double the amount of on-site BMR units for very low, low and moderate income households, while creating a new source of income-restricted housing for middle income households earning between 120 and 140% of area median income. Currently, no programs exist which guarantee housing for middle income households, a group which includes many of the professions necessary to keep our city functioning. Furthermore, middle-income households are a shrinking proportion of our city's population.

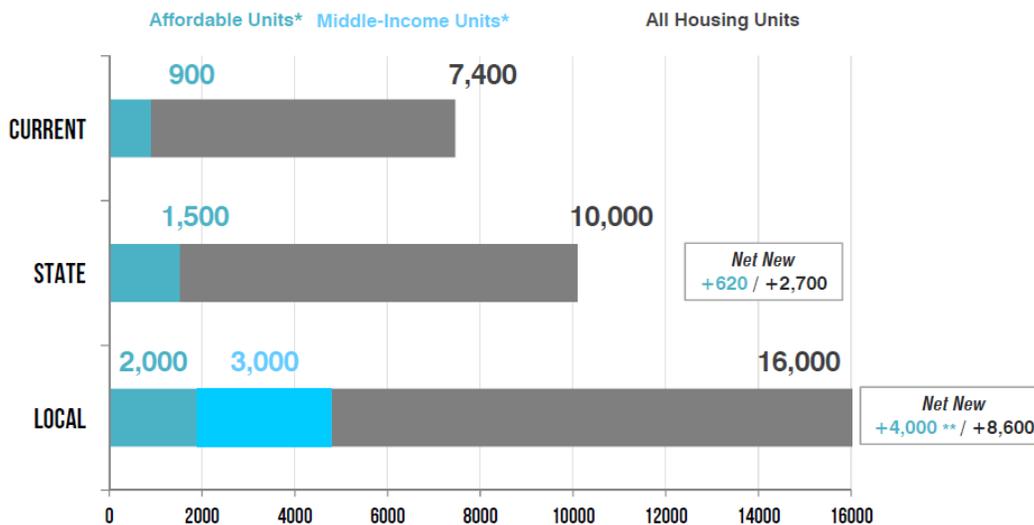
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<sup>13</sup> San Francisco General Plan 2014 Housing Element

<sup>14</sup> For more information, read the State Density Bonus Law in detail<sup>14</sup> and learn more about the 2013 court case refer to the November 5th case report.

<sup>15</sup> Further detail about the planning and analysis can be found in the November 5th Planning Commission case packet (<http://commissions.sfplanning.org/cpcpackets/2014-001503PCA.pdf>) and related studies.

**PROJECTED MAXIMUM TOTAL NEW UNITS SOFT SITES IN PROGRAM AREA , 20 YEARS**



Affordable Units – permanently affordable, deed restricted housing units built by market rate developers.  
\* Assumes all projects provide inclusionary units onsite. Does not include 100% affordable housing projects.  
\*\* Includes some middle income units for 120% or 140% AMI.

*Program Outcomes - Location of Units*

New housing built under the AHBP would be spread throughout the program area, in the city’s numerous neighborhood commercial corridors and the higher density zones surrounding many of them. Almost the entire program area is located within ¼ mile of the Muni Rapid network, a set of transit lines the SFMTA has identified for major investments in capacity and reliability in the near future, and which will provide frequent, all-day transit service.

As shown on the map below, most neighborhoods would receive less than 5% of the total units projected under the Affordable Housing Bonus Program. Larger neighborhoods and those with more and larger soft sites will likely see more AHBP units built than smaller, more densely built-out neighborhoods. Neighborhoods with more AHBP projects will receive more affordable and middle-income units as well. For a detailed description of the program area, see Exhibit I.



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

## **PUBLIC COMMENT**

### *Community Public Comment*

Public Outreach: Input to the AHBP planning process included the Housing Element updates, Proposition K, the Mayor’s Working Group, the Sunset Blueprint, Invest in Neighborhoods, and the Mayor’s Working Group on Housing. Since the December 5<sup>th</sup> Planning Commission hearing staff have participated in 18 community meetings, in coordination with district Supervisors and neighborhood organizations. Additionally staff presented to many special interest groups. A detailed list of all outreach done to date can be found in Exhibit D. Key meetings include:

- Citywide Open House at City Hall
- Online Webinar
  
- District meetings
  - o District 1 – 2 meetings
  - o District 2 – 1 meeting
  - o District 3 – 1 meeting
  - o District 4 – 2 meetings
  - o District 5 – 2 meetings
  - o District 6 –
  - o District 7 – 1 meetings
  - o District 8 – 1 meeting
  - o District 9 – 1 meeting with District 11
  - o District 10 – 1 meeting
  - o District 11 – 1 meeting with District 9
- Two meetings hosted by CSFN
- Market Octavia CAC
- Eastern Neighborhoods CAC
  
- Chamber of Commerce
- San Francisco Planning and Urban Research
- San Francisco Housing Action Coalition
- Residential Builders Association
- American Institute of Architects
- Council of Community Housing Organizations
- Code for America

The Department reviews, considers and responds to all public comments received at community meetings and through other venues. A complete list of comments and responses is available on

the program website (link). Below is a list of common themes heard at district wide meetings, the Planning Commission, and meetings with key stakeholders:

- How will this program impact my neighborhood?
- How will this program impact RH-1 and Rh-2 districts?
- Has the City planned for adequate services for new residents? Transit, water, parks ect.
- How will this program impact existing businesses and rent control tenants?
- Why wasn't there more community outreach?
- How will we monitor the affordability of the units?
- What will the units be like? Size? Bedrooms? Etc.

*Related Programs Proposed by the Board of Supervisors*

Supervisor Wiener proposed legislation to eliminate a hearing for 100% Affordable Projects that trigger a Conditional Use Authorization, Large Project Authorizations, or permit review in Downtown Districts that is scheduled to be heard at the Land Use Committee of the Board of Supervisors on January 25, 2016. The Planning Commission considered this related proposal<sup>16</sup> on December 3, 2016 and at the hearing Commission entertained two motions which both failed to pass. After closing public comment, a motion to continue the proposed ordinance to January 21, 2016 failed on a 3 to 3 vote (Antonini, Hillis, Fong against, Johnson absent). A second motion to adopt a recommendation for approval as amended by staff, including the removal of grocery stores and theaters from the legislation, and consideration to ground floor commercial uses also failed on a 3 to 3 vote (Moore, Richards, Wu against, Johnson absent).

Per Planning Code Section 302(c), given that the Commission was unable to pass a motion the Ordinance was forwarded to the Board of Supervisors with a recommendation of disapproval. As currently proposed in the AHBP materials currently before the Commission, projects that are 100% affordable and wish to take advantage of the zoning modifications and density bonuses outlined in the 100% Affordable Program are still subject to a Planning Commission hearing per the new entitlement process (Section 328) in the Planning Code. The Planning Commission could make add an amendment that 100% Affordable Housing Projects that take advantage of the AHBP also be considered for under the Wiener sponsored legislation.

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<sup>16</sup> Full Case Report for Eliminating CUS for 100% Affordable Housing Projects please visit: <http://commissions.sfplanning.org/cpcpackets/2015-012718PCA.pdf>

<b>RECOMMENDATION:</b> <b>Recommendation of Approval</b>
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**Attachments:**

- Exhibit A:      Draft Planning Commission Resolution
- Exhibit B:      Draft Planning Commission Resolution
- Exhibit C:      Letters of Support/Opposition /public comment
- Exhibit D:      Detailed Outreach Log
- Exhibit E:      Amendment from Supervisor Breed
- Exhibit F:      Addendum 3 to Environmental Impact Report
- Exhibit G:      Letter from HCD
- Exhibit H:      Affordable Housing Bonus Program Area
- Exhibit I:      Affordable Housing Bonus Design Guidelines
- Exhibit J:      Ordinance Adopting General Plan Amendments
- Exhibit K:      Board of Supervisors File No. 150969



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Draft Resolution

HEARING DATE JANUARY 28, 2016

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

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*Date:* January 28, 2016  
*Case No.:* 2014-001503GPA  
*Project:* **Affordable Housing Bonus Program**  
*Adoption Hearing*  
*Staff Contact:* Menaka Mohan – (415) 575-9141  
[Menaka.Mohan@sfgov.org](mailto:Menaka.Mohan@sfgov.org)  
Paolo Ikeoze – (415)-575-9137  
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*Reviewed by:* Kearstin Dischinger  
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(415) 558-6284  
*Recommendation:* **Adopt General Plan Amendments**

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

### PREAMBLE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. That landmarks and historic buildings be preserved.

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

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

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

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

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

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

## HOUSING ELEMENT

### OBJECTIVE 7

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

#### POLICY 7.5

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

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

#### Policy 7.7

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

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

### OBJECTIVE 8

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

#### POLICY 8.1

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

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

#### POLICY 8.3

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

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

#### POLICY 11.3

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

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

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

## URBAN DESIGN ELEMENT

### OBJECTIVE 3

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

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

## COMMERCE AND INDUSTRY ELEMENT

### OBJECTIVE 1

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

#### POLICY 1.1:

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

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

## BALBOA PARK AREA PLAN

### OBJECTIVE 4.5:

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

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

## BAYVIEW AREA PLAN

### OBJECTIVE 6

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

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

## CENTRAL WATERFRONT AREA PLAN

### OBJECTIVE 2.1

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

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

## CHINATOWN AREA PLAN

### OBJECTIVE 3

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

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

## DOWNTOWN PLAN

### OBJECTIVE 7

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

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

## MARKET AND OCTAVIA AREA PLAN

### OBJECTIVE 2.4

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

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

## MISSION AREA PLAN

### OBJECTIVE 2.1

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

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

## SHOWPLACE/POTRERO HILL AREA PLAN

### OBJECTIVE 2.1

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

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

## SOMA AREA PLAN

### OBJECTIVE 3

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

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

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

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

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

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

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

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

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

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

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

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

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

Jonas Ionin  
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Commission Resolution No.

HEARING DATE JANUARY 28, 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve** the proposed ordinance.

## **FINDINGS**

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

1. The purpose of the Affordable Housing Bonus Programs is to facilitate the development and construction of affordable housing in San Francisco, and implement 2014 Housing Element Implementation Program 39b.
2. Affordable housing is of paramount statewide concern, and the California State legislature has declared that local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
3. The State Legislature has found that local governments must encourage the development of a variety of types of housing for all income levels, including multifamily rental housing and assist in the development of adequate housing to meet the needs of low- and moderate-income households.
4. San Francisco has one of the highest housing costs in the nation, but San Francisco’s economy and culture rely on a diverse workforce at all income levels. It is the policy of the Board of Supervisors to provide housing to these workers and ensure that they pay a proportionate share of their incomes to live in adequate housing and to not commute ever-increasing distances to their jobs. The Association of Bay Area Governments determined that San Francisco’s share of the Regional Housing Need for January 2015 to June 2022 was provision of 28,870 new housing units, with 6,234 (or 21.6%) as very low, 4,639 (or 16.1%) as low, and 5,460 (or 18.9%) as moderate income units.
5. This Board of Supervisors, and the voters in San Francisco, have long recognized the need for the production of affordable housing. The voters, or the Board have adopted measures such as the

establishment of the mandatory Inclusionary Affordable Housing Ordinance in Planning Code section 415; the San Francisco Housing Trust Fund, adopted in 2012, which established a fund to create, support and rehabilitate affordable housing, and set aside \$20 million in its first year, with increasing allocations to reach \$50 million a year for affordable housing.

6. The adoption of Proposition K in 2014 which established as City policy that the City, by 2020, will help construct or rehabilitate at least 30,000 homes, with more than 50% of the housing affordable for middle-income households, and at least 33% as affordable for low-and moderate income households; and the multiple programs that rely on Federal, State and local funding sources as identified in the Mayor's Office of Housing and Community Development (MOHCD) Comprehensive Plan.
7. Historically, in the United States and San Francisco, affordable housing requires high levels of public subsidy, including public investment and reliance on public dollars. Costs to subsidize an affordable housing unit vary greatly depending on a number of factors, such as household income of the residents, the type of housing, and the cost to acquire land acquisition. Currently, MOHCD estimates that the level of subsidy for an affordable housing unit is approximately \$250,000 per unit. Given this high cost per unit, San Francisco can only meet its affordable housing goals through a combination of increased public dollars dedicated to affordable housing and other tools that do not rely on public money.
8. Development bonuses are a long standing zoning tool that enable cities to encourage private development projects to provide public benefits including affordable housing. When a municipality offers increased development potential, a project sponsor can offset the expenses necessary to provide additional public benefits. In 1979, the State of California adopted the Density Bonus Law, Government Code section 65915 et seq, which requires that density bonuses and other concessions and incentives be offered to projects that provide a minimum amount of on-site affordable housing.
9. In recognition of the City's affordable housing goals, including the need to produce more affordable housing without need for public subsidies, the Planning Department contracted with David Baker Architects and Seifel Consulting to determine a menu of zoning modifications and development bonuses that could offset a private developer's costs of providing various levels of additional on-site affordable housing. David Baker Architects and Seifel Consulting analyzed various parcels in San Francisco, to determine the conditions in which a zoning accommodation would be necessary to achieve additional density. The analysis modeled various zoning districts and lot size configurations, consistent with current market conditions and the City's stated policy goals, including achieving a mix of unit types, including larger units that can accommodate larger households.
10. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are, *on balance*, consistent with the Objectives and Policies of the General Plan, as it is proposed for amendments in Planning Case 2014-001503GPA. Note that language in policies proposed for amendment in Planning Case 2014-001503GPA is shown in underlined text. (Staff discussion is added in *italic font* below):

## HOUSING ELEMENT

### OBJECTIVE 1

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

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

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

**POLICY 1.1**

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

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

**POLICY 1.6**

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

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

**POLICY 1.8**

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

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

**POLICY 1.10**

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

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

**OBJECTIVE 3**

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

**POLICY 3.3**

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

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

**OBJECTIVE 4**

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

**POLICY 4.1**

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

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

**POLICY 4.4**

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

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

**Policy 4.5**

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

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

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

**Policy 4.6**

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

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

**OBJECTIVE 7**

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

**Policy 7.1**

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

**Policy 7.5**

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

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

**Policy 7.7**

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

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

**OBJECTIVE 8**

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

**POLICY 8.1**

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

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

**POLICY 8.3**

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

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

**OBJECTIVE 10**

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

**POLICY 10.1**

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

**POLICY 10.2**

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

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

**OBJECTIVE 11**

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

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

**POLICY 11.2**

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

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

**POLICY 11.3**

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

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

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

**POLICY 11.5**

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

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

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

**OBJECTIVE 12**

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

**POLICY 12.1**

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

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

**OBJECTIVE 13**

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

**POLICY 13.1**

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

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

**URBAN DESIGN ELEMENT**

**OBJECTIVE 3**

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

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

**POLICY 4.15**

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

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

## TRANSPORTATION

### **POLICY 11.3**

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

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

## COMMERCE AND INDUSTRY ELEMENT

### **Policy 1.1**

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

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

## VAN NESS AVENUE AREA PLAN

### **OBJECTIVE 1**

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

### **Policy 5.1**

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

### **POLICY 5.3**

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

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

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

## CHINATOWN AREA PLAN

### **POLICY 1.1**

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

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

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

**NORTHEASTERN WATERFRONT AREA PLAN**

**OBJECTIVE 10**

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

**POLICY 10.26:**

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

**POLICY 26.27**

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

**POLICY 30.18**

Develop housing in small clusters of 100 to 200 units. Provide a range of building heights with no more than 40 feet in height along the Embarcadero and stepping up in height on the more inland portions to the maximum of 160 feet. In buildings fronting on Brannan Street in the 160 foot height area, create a strong base which maintains the street wall created by the residential complex to the east and the warehouse buildings to the west. Orient the mix of unit types to one and two bedrooms and include some three and four bedroom units. Pursue as the income and tenure goals, a mix of 20 percent low, 30 percent moderate and 50 percent middle and upper income, and a mix of rental, cooperative, and condominium units.\*

**POLICY 30.22**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. That the landmarks and historic buildings be preserved;

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

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

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

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

*The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed amendments. Projects would be ineligible to use the Local and 100% Affordable AHBP if they create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.*

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

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

FURTHER RESOLVED, that the Commission finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the

severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and be it

FURTHER RESOLVED, that the Commission hereby recommends that the Board ADOPT the proposed Ordinance.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on January 28, 2016.

Jonas P. Ionin  
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

**Exhibit C**

**Hearing Date: January 28, 2016**

**Public Comment received from November 5, 2015 to January 14, 2016**

**CASE NO. 2014-001503PCA**

**Affordable Housing Bonus Program**

I am asking for a continuance on the Affordable Housing Bonus Program (AHBP) ordinance until late Spring. The City has provided little information to the public regarding this important Ordinance and almost no public outreach. The AHBP will have a major impact on neighborhoods all over San Francisco. Yet there are many conflicts with the planning code and AHBP that need to be explained.

The public has the right to understand these changes and the time to weigh in on them in a thoughtful manner. This feedback should then be considered by both the Planning Department and the Planning Commission before this legislation is forwarded to the Board of Supervisors.

Thank you for your consideration!

Ilana Bar-David  
510 48th Ave  
SF 94121

Dear President Fong and Members of the Planning Commission,

You earlier received a communique regarding the AHBP from Jordan Park Improvement Association (JPIA) President, Larry Costello (see attached).

I am a member of JPIA, a member delegate to the Coalition for San Francisco Neighborhoods (CSFN).

I am requesting a continuance on Item #11 on your Nov. 3, 2015 Planning Commission Agenda the Affordable Housing Bonus Program (AHBP) ordinance for at least 6 months (other planning efforts that potentially impacted large areas of the city got much more time).

The City has provided little to no specifics for what would be the impacts for the different neighborhoods once AHBP is instituted. There has not been a vetted planning process with all the neighborhoods affected by the 30,850 parcels eligible under the proposed AHBP. Many believe there are various unexplained conflicts with the Planning Code, need for an EIR and a more fully explained AHBP.

If San Francisco is going to adopt any local version of the State Density Law, it needs to give the citizens a meaningful, thoroughly vetted agreed-upon “menu of incentives” especially for neighbors that are low-density such as is JPIA which is mostly RH-1/RH-2 with very few RM-1 and RM-2. One suggestion is for a “menu” choice is that for lots (currently RH-3, RM-1, RM-2 per the legislation) adjacent to RH-1/RH-2 should be exempted.

**Exhibit C**

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**Affordable Housing Bonus Program**

Another suggestion is that RH-1/RH-2 adjacent to NCDs should have a different “menu selection” than the “canned local version” in the proposed legislation; otherwise, the low-density lots will be looking up at canyon walls with little to no open space exposure.

Various other neighborhoods may have other reasons where the current proposed “menu of incentives” for development is not conducive nor respectful of each of the varied characters of the neighborhoods. Thus, please defer the date of adoption for at least several months or until all issues have been vetted with buy-in from the neighborhoods.

Apologies for not being able to attend the Nov. 3, 2015 Planning Commission meeting.

Sincerely,  
Rose Hillson  
Jordan Park Improvement Association Member

Dear President Fong, Vice-President Wu, and Commissioners,

The West of Twin Peaks Central Council asks for a continuance of the Affordable Housing Bonus Program (AHBP) ordinance until late Spring 2016, specifically on Planning Commission Agenda Item Number 11, on the November 5 calendar. The City has provided limited information to the public regarding this important ordinance and limited public outreach. The basic question is whether the proposal is even necessary.

We need more time to consider this important matter.

Respectfully submitted,

Roger Ritter  
President,  
West of Twin Peaks Central Council

Dear President Fong and Commissioners,

The Richmond Community Association is asking for a continuance on the Affordable Housing Bonus Program (AHBP) ordinance until late Spring. We are asking for a continuance specifically on Planning Commission agenda item number 11. The City has provided little to no information to the public regarding this important Ordinance and almost no public outreach. There are many unexplained conflicts with the planning code, EIR's and AHBP that need to be explained. Is San Francisco's new AHBP proposal even necessary?

Questions/issues Affordable Housing Bonus Plan..

1. In the Richmond District, 75% of the blocks will be included in the AHBP. It would be the largest area of height increase and densification in 50 years  
No public input or public notification. How many residents or property owners of the over 30,000 parcels in the AHBP have been notified. Planning Department outreach has

**Exhibit C****Hearing Date: January 28, 2016****Public Comment received from November 5, 2015 to January 14, 2016****CASE NO. 2014-001503PCA****Affordable Housing Bonus Program**

been virtually non-existent. No detailed articles or informative meetings in the BOS districts.

2. Planning Commissioner Dennis Richards stated that two other major development plans in the City, the Eastern Neighborhoods Area Plan and the Market Octavia Area Plan, took 5 to 10 years to be approved. This is taking 3 months thus far.
3. The Planning Commission is being given 90 days to decide to on the ordinance. BOS MUST extend the deadline well beyond Dec. 29, 2015. The approval of the AHBP must be continued to allow for public notification and input.
4. The AHBP will allow a two story increase above the existing height limit if 30% of the units are affordable and 40% of those units must have two bedrooms. If the project provides 100% affordable units, three additional stories will be allowed. For 10 units, 3 must be affordable, and is it 1 or 2 units must be 2 bedroom. How to calculate?
5. The problem is that the plan does not limit the location of these large apartment buildings to wide major transit corridors, and this can cause havoc on smaller streets and in the mid-block of small streets.
6. Many areas have a mix of two, three, or four story block faces.
7. Buildings on the north side of the 6 or 7 story building will be in shadows, and there will be decreased parking, decreased open space/rear yard, and decreased privacy.
8. Neighborhood character will be greatly negatively impacted. It is difficult to imagine a two story building next to a six or seven story apartment building, or even a three or four story building next to a six or seven story building.
9. David Baker, architect, provides example of various plan options: where is a 25 foot lot plan?
10. 240 soft sites will increase by \$1,000s if rents and condo prices continue to increase. Seifel and Company, provides a financial analysis of various plan options: Is there incentive if rents are \$3000/mo x 10 units= \$30,000 mo. X 12 mo=\$360,000What is the rent needed to fund 25 ft lot. If condo \$700,000 x 10=\$7,000,000 is that enough incentive, If not what is the incentive.
11. Is the local AHBP required by law? Are any other jurisdictions in better compliance than San Francisco regarding the State Affordable Housing bonus density plan. How does San Francisco compare to other jurisdictions regarding affordable housing or ABAG's RHNA goals?
12. Plan approval process is being given priority. Sect. 329, permits will be being bundled. The large project authorization team will all issues of the project including

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**Affordable Housing Bonus Program**

consider Design review. Will design review be taken seriously or ignored because of additional affordable units. Will Planning Commission be allowed to consider parts of the package and make changes?

13. Parking reduced to 75% for 30% affordable projects. Parking reduced 100% for 100% affordable projects.

14. Will affordable units be allowed to participate in sharing economy..Airbnb?

15. Commissioners stated demos are concern, will rent controlled units be allowed to be demolished? How replaced. Right to return. Will owner of commercial properties be allowed to return?

16. Will Family units be of adequate size for family of 4?

Sincerely,  
Hiroshi Fukuda, President  
Richmond Community Association

Dear Commissioners:

In conjunction with the Coalition for San Francisco Neighborhoods, SPEAK, a member group, has the following comments on the Affordable Housing Bonus Program (AHBP) :

1. The matter before you is not a “program” at all and it is not a study. No matter what this “program” is called, it is, in effect, **legislation for a massive citywide rezoning** that will reclassify every lot affected into a higher density category and abolish or reduce code requirements such as parking, setbacks and open space. Fast track should not have been indicated for such a comprehensive and far-reaching change in the zoning law. We join other groups in requesting the Commission to postpone hearings on this legislation for six months, until Spring 2016. During this period, the Department should hold community meetings all over the City to explain the basis for this legislation and gain community input.
2. Stakeholders. The Department has not granted the status of “stakeholder” to the residents of the City! As neighborhood groups, we do our best to represent the residents of our neighborhoods; the residents of the City are the real stakeholders. The City maintains a list of neighborhood groups; no outreach was made to these groups in 2013 when this study was begun; we have just started to learn about and understand the vast scope of this legislation after hearing about it now, two years later. Neighborhood groups should not have to ask to get on Planning's notification list for these massive code changes. We are the real stakeholders and we were not reached for comment until after the publication of the study.
3. Any legislation would have to contain a mechanism for compliance so that affordability would be retained over the years. This legislation does not propose satisfactory means of implementation and oversight. To achieve lasting affordability, a special Office would be needed. Does the Mayor's Office of Housing have the capability to assure that the housing remain affordable? Or to qualify individuals and families by a means test to determine their occupy these structures that benefit from the AHBP perks. Without a special Office to do this, future affordability cannot be assured.

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**Affordable Housing Bonus Program**

4. We have been told that the State law regarding bonus units in exchange for affordability is more developer-friendly and that our local law would protect the special character of San Francisco, But in at least one example, the State law is superior in that it contains provisions requiring stepping down of density to that in adjacent areas. No objective evaluation has been made comparing State law to the proposed local law.
5. The Guidelines for this program should not be different from the adopted Residential Guidelines (RDG) of the City. The addition of extra density, altered height limits and use of rear yards for building call out for **more guidelines** to be applied so that they fit into the neighborhood, **not fewer**.

Please take this project off the fast track and give the true stakeholders a chance to participate.

Sincerely,

Mary Anne Miller, President of SPEAK (Sunset-Parkside Education and Action Committee)

Dear Planning Commissioner,

The Parkmerced Action Coalition is asking for a continuance on the Affordable Housing Bonus Program (AHBP) ordinance until late Spring. We are asking for a continuance specifically on Planning Commission agenda item number 11. The City has provided little to no information to the public regarding this important Ordinance and almost no public outreach. There are many unexplained conflicts with the planning code, EIR's and AHBP that need to be explained. Is San Francisco's new AHBP proposal even necessary?

Sincerely,

Glenn Rogers, PLA

Landscape Architect

License 3223

Phone 415 333 9317

Email: [alderlandscape@comcast.net](mailto:alderlandscape@comcast.net)

Web Site: [alderlandscapearchitecture.com](http://alderlandscapearchitecture.com)

November 2, 2015

Planning Commission President Rodney Fong and Commissioners

San Francisco Planning Commission

1650 Mission Street, Suite 400

San Francisco, CA 94103

Planning Commissioners: Please continue these items.

Re: item # 1-3 AFFORDABLE HOUSING BONUS PROGRAM

2014-001503GPA – General Plan Amendment and Planning Code Amendment

and 2015-012718PCA – Planning Code Amendment

**Exhibit C**

**Hearing Date: January 28, 2016**

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**Affordable Housing Bonus Program**

Concerned Citizens' Response to the Mayor's Bonus Housing Plan petition with signatures attached. This petition is being delivered via email directly to the Mayor and Supervisors to give the petitioners an opportunity to voice their reasons for opposing it.

San Francisco Needs a Better Plan that does not disrupt our neighborhood communities.

We oppose this solution to the housing crisis for many of the reasons that others, including many affordable housing advocates, will describe, but, I will be brief and specific on one issue that greatly concerns me.

I am particularly concerned about using inclusionary housing to break up the neighborhoods. By offering Mission residents affordable units in SOMA and residents affordable units in the Richmond, etc., you will essentially kill all the neighborhood communities by dispersing the ethnic and social groups that have tied the neighborhood safety nets together for generations. This is especially on the elderly and disabled, and families with strong community ties. The way the SFMTA is making travel more difficult by increasing the need for more transfers, will further impact their lives.

I haven't heard anyone else express this yet, but it greatly concerns me, as I am also involved in trying to protect the city artists and cultural institutions.

Sincerely,

Mari Eliza, concerned citizen

- 1) This legislation is very complex and should not be fast-tracked.
- 2) Public outreach has been inadequate and more time is needed for review and comment.
- 3) The impact of this program on transit must be carefully considered, especially increasing housing density before increasing transit capacity.
- 4) Protections must be strengthened to prevent demolition of existing mid-block 6-unit buildings and any RH1/RH2 lot merging with variances for the construction of new 6 to 8-story buildings on blocks with smaller 2 to 3-story homes.

*Nora*

Nora Blay

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**Affordable Housing Bonus Program**

415-752-1390 (office)  
415-819-4798 (mobile)  
[nora@norablays.com](mailto:nora@norablays.com)

Dear Kearstin and Menaka,

At the PC meeting November 5, Commission and public both asked to have made public the list of 240 soft site properties.

Will that list be made available soon? Please add us to your list of "stakeholders" so that we may be assured of receiving the list of soft sites.

Please keep us in the loop as you work through the changes to the legislation suggested by Commission and public that are outgrowths of the testimony on November 5. We would hope to have more than just a few days to review the revisions before the hearing January 25.

Our further review of the legislation as proposed November 5, we note several glaring ambiguities. What is the difference between "middle income" and "moderate income? (definitions lacking) Sometimes reference is made to 120% and sometimes to 140% AMI. Which one is moderate and which one middle income? This must be made much more clear.

Thank you for responding in a timely way.

Mary Anne Miller  
President, SPEAK  
SUNSET-PARKSIDE EDUCATION AND ACTION COMMITTEE  
Member group, COALITION FOR SAN FRANCISCO NEIGHBORHOODS

Kearstin Dischinger,

I'm puzzled at your web page describing the Affordable Housing Bonus Plan (AHBP), specifically the table on "Who Is Affordable Housing for?" My attention, in particular, was drawn to the table rows for "very low" and "low" income households. There appears to be no correlation between your data and that provided by HUD for 2015 for Section 8 Guidelines. That may well be the source of my confusion, assuming there should be a correlation, and that these tables are not intended to be related. I'd appreciate some clarification.

I am a 73-year old, retired single man in good health who moved back to the Bay Area in October after 23 years living in western Massachusetts. I moved to be near my two children's families including four grandchildren, half living SF and half in Oakland. I have been looking for low income senior housing since before I moved, and, you will not be surprised to know, I'm having difficulty finding facilities with open waiting lists. I am on 11 and literally, hundreds more are closed.

I would point out these two facts I've heard repeatedly lately:

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- Over 50% of the American population earns less than \$30,000 per year (Granted, SF is in an anomaly in this context because of its real estate desirability, obscene property values, and its proximity to silicon valley salaries }
- The so-called “silver tsunami” of retirees has begun to assault the various governmental systems unprepared to handle it (e.g., SSA, Medicare, Medicare Advantage, Housing, Transportation, Senior Centers, etc.) and will continue to weigh on those systems it is estimated until 2030.

A 14-page study entitled *The National Elder Economic Security Standard Index* was published in December 2012 and is to be updated in October 2015 (See <http://www.wowonline.org/wp-content/uploads/2013/06/WOW-EESI-National-Fact-Sheet-Jan-2015.pdf>). It is a collaborative project of the Department of Gerontology at University of Massachusetts, Dartmouth and Wider Opportunities for Women (WOW). The study is available on the Internet and can be viewed on, and downloaded free to, any computer with Internet access. The Elder Index is defined as:

- A measure of income that older adults require to maintain their independence in the community and meet their daily costs of living, including affordable and appropriate housing and health care.
- A measure of income that respects the autonomy and goals of older adults, rather than a measure of what we all struggle to avoid—**poverty**. It measures the amount of income needed for older adults *to live modestly in the community*.
- Economic security, which for elders is having sufficient income (from Social Security, pensions, retirement savings, and other sources) to cover basic and necessary living expenses.
- A tool for use by policy makers, older adults, family caregivers, service providers, aging advocates, and the public at large.

Again, SF is clearly an anomaly with many of its retirees able to afford retirement as was intended by the American Dream. However, as I drive about the Bay Area after being away so long, I am astonished at the level visible homelessness, poverty and unemployment which, according to the following table produced by the 2012 Elder Study cited above, should not be surprising.

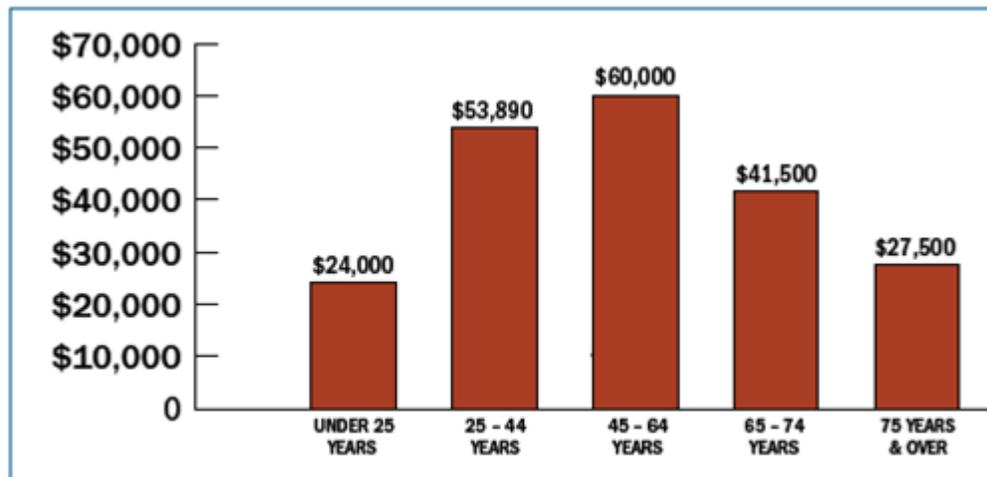


Figure 1 - Median Household Income in the United States by Age, 2010

Source: Microdata from the 2010 American Community Survey, Census Bureau.

At 73, though I am not yet in the final cohort in the table above, my income from SSA and a small pension is already below the \$27,500 indicated, and, as you know, they ain't no COLA increase comin; for 2016.

Clearly the City, indeed all Bay Area cities, need an urgent, coherent and coordinated emphasis on low income housing. Your AHBP benefits developers first in a similar way that the federal Low Income Housing Tax Credit program benefits investors first; folks for whom those programs are designed are secondary and suffering a greater need. I don't pretend to have the answer, but would suggest that leadership in a major paradigm shift is needed sooner than later in the way we both do business and govern. These are revolutionary times exacerbated by political policies intended to preserve wealth and privatization before allocating that wealth to the basic human needs of an increasingly large public which should be primary focus.

Again, my questions are:

- Why isn't your AHBP data consistent with similar HUD data?
- What are the SF demographics (aging population and incomes, by race would be interesting) and what local policies directly address those demographics
- Do local agencies within SF, as the leading city in the area, coordinate with counterparts in other Bay Area cities in any housing capacity, particularly low income senior housing?

Thanks in advance.

Fred S. Morris

Dear Commissioners,

**Exhibit C**

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**Affordable Housing Bonus Program**

I am urging the Commission to become actively involved in the Affordable Housing Density Bonus Program process as department staff have stated that more than 30,000 parcels in the City could potentially qualify for one of these programs.

Even more concerning is that all of these programs apply only to demolitions and would involve widespread citywide rezoning.

It appears that the City may be at the point it was 50 years ago when Victorians were considered old fashioned and belonging more to San Francisco's past than to its future.

As a longtime resident who truly values historic preservation, I look to the Commission to keep San Francisco's architectural heritage alive for the next generation.

Eileen Boken

District 4 resident

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

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

**1. Is this really all necessary by State Law?** The "State Program" was supposedly developed to bring the City into "compliance with State Law" after last year's Napa court ruling. It gives developers a 35% density bonus, up to two additional stories above height limits, and 1 -- 3 "concessions" (setbacks, parking, etc.), in exchange for an additional 1% affordable rental units OR an additional 8% affordable ownership units. While we understand that the Napa ruling means the City may now have to give "density relief" simply for complying with existing inclusionary policy if the developer elects to provide the units on-site, we believe the law is very clear that neither heights nor other concessions need to be given, if the project is feasible without the concessions. The city has 14 years of a successful inclusionary housing requirement, proving that projects with 12--15% on-site inclusionary are feasible without increased heights and concessions. Is the City going too far to meet minimum state law?

**2. Is the City getting enough in exchange for the development bonuses?** The program, as written, gives unlimited density, two additional stories above the height limit, an additional 5 feet on ground floor (with no guarantee of use or affordability), and additional “zoning modifications” including, rear yard reduction (from 25% to 20%), dwelling unit exposure reduction, 75% parking reduction, 5-- 10% open space reduction. In exchange, the City gets an additional 18% “middle-income” units, the majority priced for individuals earning \$100,000, for a total 30% inclusionary housing. Given the amount of development bonuses, is the City recapturing enough of the conferred value, could this percentage be higher?

**3. Are the “affordable” income targets right?** Given the AMI levels proposed, most of the units will likely be Studios and 1--Bedrooms priced for individuals earning \$86,000--\$100,000. Are these really the targets the City needs to be subsidizing with developer incentives and height increases? If the goal is to solve for particular income levels that are not being served by "the Market," then the unit sizes and income levels need to be calibrated accordingly.

-- To understand “affordability,” it’s useful to translate “AMI” into real numbers. For a single individual, 100% AMI = \$71,000; 120% AMI = \$86,000; and 140% AMI = \$100,000. Under the Density Bonus program, 60% of the middle-income units could be Studios priced for individuals earning \$86,000--\$100,000/year. For comparison, an SFUSD teacher earns between \$49,000 (entry-level) and \$68,000 (10-years).

-- For a family of four, 100% AMI = \$102,000; 120% AMI = \$122,000; and 140% AMI = \$138,000.

For comparison, two teacher salaries are between \$98,000 (entry) and \$136,000 (10-years). Under the Density Bonus program, only 40% of the middle-income units (ie, 7% of the new units) would be 2-Bedrooms that might be affordable to families with two income earners with teacher salaries (and no guarantee of any larger units).

Under the current City proposal, many middle-income households are left out of the opportunities this program may aim to be providing – a new “middle income gap” is being created by the imbalance of income targeting. The Mayor’s Office of Housing diagram below illustrates this problem.

## INCOME LEVELS: CONTEXT



Should the Density Bonus Program use a “graduated” range of income targeting for the bonus units rather than all the units at 120% to 140% AMI affordability levels at the upper end of the “middle income” range? For example, requiring the bonus units to be mixed at a combination of 70%AMI, 90%AMI, 110% and 130% AMI, all of which are middle-income households. Or another example is to simply require the bonus units in aggregate to be at a maximum average 100%AMI with an upper end of 130%AMI and leave the “mix” flexible to each project developer, which would result in an equal distribution of units affordable to households above and below the true “middle” of 100%AMI.

**4. Will the program result in many family units?** By eliminating density controls, “the market” incentivizes smaller units, because developers can squeeze more per floor. The City’s proposed “State Program” may result in ALL Studios and 1-Bedrooms, as the proposal does not include a unit-mix requirement. The proposed “Local Program” allows up to 60% of the middle-income units to be 1-Bedrooms, Studios or micro-units, and the other 40% will be 2-bedroom size (which means that in the end *only 7% of the total units will be additional affordable 2-bedrooms*). Also it is important to note, there are no minimum square foot size standards for a “family housing” unit. Thus, simply using “2-bedrooms” as a proxy for “family housing” is at best crude (market rate developers are now building 750 square-foot sized 2-bedroom units in some cases). Is this what is needed?

**5. How does the program address the development review process?** The program incentivizes an additional 25’ above the existing height limits, and reductions in setback and open space. Typically through the development review process, project sponsors may address questions of neighborhood character with upper floor setbacks or respond differently on wider commercial streets than on narrower or residential streets. The City’s proposed “Local Program” gives as-of-right development to

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market rate projects with the Planning Commission "*review shall limited to design issues.*" Is the proposed process for this program appropriate?

**6. How is increased density connected to transit and other neighborhood infrastructure?** In Plan Areas where development has been encouraged through density decontrol, height increases and other incentives, the plans have been accompanied with increased neighborhood impact fees and plans for developing the additional infrastructure needed for the new population, such as increased transit, open space and recreation facilities, and childcare centers. The City's recently adopted "Transportation Sustainability Fee" applies only to residential projects larger than 20 units in size, and those fees are directed at MTA's discretion to the citywide "network" not necessarily local transit increase related to the developments paying the TSF. How can transit infrastructure (and service increases) and other improvements be aligned with/connected to this increase development?

**7. What will happen to existing residents, rent-controlled units, and community-serving businesses?** Most of the area where this program applies already has existing residents and neighborhood commercial businesses. Will there be replacement of rent-controlled units with affordable units (not "counted" as bonus units), temporary relocation assistance and a right to return for existing tenants? And should there be a right to return at affordable lease rates or relocation of existing neighborhood businesses? Should the program be tailored to only apply to vacant sites, parking lots and other "underutilized" sites?

Kearstin and Menaka, and Jonis

We notice that your Density Bonus legislation is on the hearing agenda for this Thursday Planning Commission. Here attached is the CCHO analysis right at the time of its introduction, which we sent to Jeff Buckley. Please provide this for the Planning Commissioners in advance of this thursday.

We also notice that in your staff report you have referenced CCHO as involved in the Working Group from which this proposal presumably emerged. It should be clear that in no way does that imply CCHO endorsement of the proposal. In fact at this point we have no position.

Happy to walk through any of our comments and suggestions with your team.

Regards,  
Fernando and Peter

Hi, Gina, I am writing another piece in more detail on this, and I remain confused.

If a building with rent-controlled units is demolished to build a larger structure under this program, how does the replacement work? Would the new units be under rent control (despite state law)? Would the rent be set at what it was before the demolition? Or would those units be replaced with BMR units -- and at what income level?

You say existing renters would have priority -- but what happens to them during construction? Is there any provision for that?

Thanks for helping me understand this proposal.

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

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

Going about this massive destruction of buildings that exist to allow them to be larger, denser, or taller won't fix the problem since you will displace hundreds or thousands of the people that make this city run. If you destroy the places they live, they will move and find work elsewhere. It was proven years ago when "mass destruction for the betterment of the city" took place in SF...read the history books and you will see. Massive demolition of units these people live in today will cause an implosion of the workforce needed to make our city a tourist and business destination. To build more units, we need it to be done in an orderly manner and not at once. We need it to be done with very specific rules and code – not based on getting it done quickly at expense of quality and esthetics. All of the new buildings in the downtown area are ugly steel & glass with little to no design...and all for the rich with a \$4k, \$5k, \$10k monthly rental. We need to fine building owners that neglect or keep units from being rented, whether a business or residential unit. We have business locations in many areas of the city (significant in District 8) that have been closed for 5, 10 or even 20 years due to landlords. The longer a unit sits empty, the more the tax rate should be; incent for good behavior, cause impact for bad.

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

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

SF is a great city, but when we make bad decisions we will pay for them for years or decades or forever. Right now the decision on affordable housing and how to save or destroy are city are being considered. The plans

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are disastrous and completely unacceptable to a quality of life and a quality of a great city. Please consider that the decisions being made will be a legacy – hopefully you will vote this down and prevent the mass destruction of housing and take time to determine a better way to move forward.

Respectfully -

Douglas

Homeowner & concerned SF citizen

Dear Kearstin and Menaka:

I was reading an interesting article posted on 48hillsonline (July 2015).

The link is below and it comes with blog comments.

<http://www.48hills.org/2015/07/15/wiener-undermines-affordable-housing-proposal/>

While the proposed AHBP is being reviewed, unless I am wrong, the ARTICLE 2 changes that allowed SROs to be “principally permitted (P)” -- **\*no\*** CUs -- in ALL residential zoning ***INCLUDING RH-1, RH-2, RH-3 and all RMs*** will work IN CONJUNCTION WITH the AHBP legislation to possibly create many SROs in the low-density areas. When the Article 2 change was adopted, the city had “floor-to-area-ratio” (FAR) or basically a density cap of x units per y sq. ft. of lot. This is still true today. This kept the SROs within some reasonable bounds from exploding in low-density residential areas.

Now consider the nexus with the proposed AHBP.

The AHBP proposal is to ***eliminate*** the density cap for RH-3 & all RMs. When a neighborhood of mainly RH-1 & RH-2s are interspersed by RH-3s and RMs, the neighboring RH-1/RH-2s will be impacted by having a bunch of SROs with no size minimum (again, density cap removed for RH-3/RMs in AHBP). RH-1 & RH-2 homes/dwellings could be right up next door to a bunch of SROs/micro-units with density cap removed by AHBP.

I think the current iteration of the AHBP will allow the above scenario, especially since nobody will be able to appeal. The only grounds for **\*any\*** AHBP project to not go forward, as I understand it, is based on violations to CA Government Code Health and Safety – those violations very hard to prove.

I feel that the AHBP will take advantage of the Article 2 change to allow SROs in the RHs & RMs and would permit the unfettered building of SROs in RH-1/RH-2 and in RMs (and NCDs) adjacent to the low-density parcels ***even though technically, the proposed AHBP legislation explicitly states RH-1/RH-2 are exempted.***

The small upscale units (micro or SRO) will **\*not\*** accommodate FAMILIES.

Look at the Article 2 changes that were passed for SROs (yellow highlight & for the specific zones):

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<u>Zoning Category</u>	<u>§ Reference</u>	<u>RH-1 (D)</u>	<u>RH-1</u>	<u>RH-1(S)</u>	<u>RH-2</u>	<u>RH-3</u>
<b>RESIDENTIAL STANDARDS AND USES</b>						
<u>Development Standards</u>						

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<u>Usable Open Space [Per Dwelling Unit]</u>	<u>§§ 135, 136</u>	<u>At least 300 square feet if private, and 400 square feet if common.</u>	<u>At least 300 square feet if private, and 400 square feet if common.</u>	<u>At least 300 square feet for the first unit and 100 for the minor second unit if private, and 400 square feet for the first unit and 133 square feet for the second unit if common.</u>	<u>At least 125 square feet if private, and 166 square feet if common</u>	<u>At least 100 square feet if private, and 133 square feet if common</u>
<u>Parking Requirements</u>	<u>§§ 151, 161</u>	<u>Generally, a minimum of one space for every dwelling unit required. Certain exceptions permitted per §161.</u>				
<u>Residential Conversion, Demolition, or Merger</u>	<u>§ 317</u>	<u>Loss of 1-2 units Mandatory DR/Loss of 3 or more units C</u>				

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<u>Zoning Category</u>	<u>§ References</u>	<u>RM-1</u>	<u>RM-2</u>	<u>RM-3</u>	<u>RM-4</u>
<b>RESIDENTIAL STANDARDS AND USES</b>					
<u>Development Standards</u>					
<u>Usable Open Space [Per Dwelling Unit]</u>	<u>§§ 135, 136</u>	<u>At least 100 square feet if private, and 133 square feet per dwelling unit if common</u>	<u>At least 80 square feet if private, and 106 square feet per dwelling unit if common</u>	<u>At least 60 square feet if private, and 80 square feet per dwelling unit if common</u>	<u>At least 36 square feet if private, and 48 square feet per dwelling unit if common</u>
<u>Parking Requirements</u>	<u>§§ 151, 161</u>	<u>Generally one space for every dwelling unit minimum. Certain exceptions permitted per §161.</u>			

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<u>Residential Conversion, Demolition, or Merger</u>	<u>§ 317</u>	<u>Loss of 1-2 units mandatory DR/Loss of 3 or more C</u>			
<u>Use Characteristics</u>					
<u>Single Room Occupancy</u>	<u>§ 102</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Student Housing</u>	<u>§ 102</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>Residential Uses</u>					
<u>Residential Density, Dwelling Units</u>	<u>§ 207</u>	<u>Up to one unit per 800 square feet of lot area.</u>	<u>Up to one unit per 600 square feet of lot area.</u>	<u>Up to one unit per 400 square feet of lot area.</u>	<u>Up to one unit per 200 square feet of lot area.</u>
<u>Senior Housing</u>	<u>§§ 102, 202.2(f)</u>	<u>P up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all the requirements of § 202.2(f)(1). C up to twice the number of dwelling units otherwise permitted as a principal use in the district and meeting all requirements of Section § 202.2(f)(1) except for § 202.2(f)(1)(D)(iv), related to location.</u>			
<u>Residential Density, Group Housing</u>	<u>§ 208</u>	<u>P (7). Up to one bedroom for every 275 square feet of lot</u>	<u>P(7). Up to one bedroom for every 210 square feet of lot</u>	<u>P(7). Up to one bedroom for every 140 square feet of lot</u>	<u>P(7). Up to one bedroom for every 70 square feet of lot</u>

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Square footage of units will be key (since no density cap) for the livability for the RH-1s & RH-2s and even some of the RM-1s and RM-2s. Lots of SROs could be built in and among low-density parcels *without* the density cap.

This proposed AHBP cannot be taken in a vacuum. It **MUST BE CONSIDERED** with prior allowances such as those in the Article 2 changes. I think fewer families will live in SF and more "single person pads" will be built.

In addition, with the proposed **AHBP DG (design guidelines)**, which are sketchy, there is not a real way to say that the RH-1s & RH-2s will be given any sort of relief from this potential of many micro-units going into these neighborhoods.

An excerpt from the above 48hillsonline link:

*But now we're seeing higher-end SROs and micro-units coming onto the market, aimed at single people who are willing to live without a kitchen in a group setting. Frankly, they're aimed at young tech workers who get their meals at the office and just need the equivalent of a dorm room to sleep in.*

Would you please explain if this is a possibility under the proposed AHBP. Thank you.

Sincerely,

Rose (Hillson)

Jordan Park Improvement Association, CSFN delegate

Hello, Kearstin --

As a renter of more than 40 years in San Francisco, I am quite alarmed by the implications of this program. I am retired and live in a 100-year-old rent-controlled 6-unit apartment building designated for "redevelopment" on Parnassus Avenue in the Cole Valley neighborhood.

Please clarify:

- Since this is new construction, would all resulting units be exempt from rent control?
- Is one of the goals of this program to phase out rent control?

According to the Affordable Housing Bonus Program Web Map,

<http://sfgov.maps.arcgis.com/apps/PublicInformation/index.html?appid=e3fbe74b746a448b8622daaba65649d1> :

[Public Information Map - ArcGIS](#)

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sfgov.maps.arcgis.com

A fully configurable and responsive web mapping application that highlights areas of interest through data, map notes, and/or social content to a wide audience.

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- Effectively all apartment buildings in my neighborhood are targets of this program, while single-family house parcels are not. Is it the intention of this program to completely repopulate Cole Valley (except for the single-family homes, many of which have been recently purchased by wealthy newcomers to San Francisco)?
- Why have single-family homes in general been exempted from this program?
- Is one of the goals of this program to replace entire blocks of Victorian apartment buildings, if not entire Victorian neighborhoods? If not, how would you prevent this from happening?
- At one time, both Geary Street and 19th Avenue were identified as "transit corridors" and appropriate for higher density development, yet 19th Avenue is not included in this project at all. Why is that? Does it have anything to do with voting patterns in the Sunset?
- Geary Street has many decrepit one- and two-story commercial buildings and others, such as single-story banks with parking lots, that could be "redeveloped" with the least social disruption. Why does this plan focus on replacing residential rental units?
- Why does this program target the dense population of tenant voters east of Stanyan Street? Is the intention to "redistrict" these areas so that the pro-tenants rights voters are thinned out?
- Is this program designed for San Francisco residents who are commuting south to their jobs?
- Why is the Outer Sunset, the least dense area of San Francisco, where adding more density would cause the least social disruption, largely exempted from this program?

Other very important questions:

- Where do you expect to put people displaced by this program, while they wait for their "right to return"?
- Who originated this plan? Who are its governmental and non-governmental sponsors?
- What is the projected increase in market value for San Francisco apartment buildings eligible for this program? Do you perceive this as an incentive for owners to "Ellis Act" their buildings without actually going through the Ellis Act?

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- What developers have contacted you who are interested in supporting this program?
- Which of the Planning Commissioners may be replaced by the Board of Supervisors?
- When was the last time a representative from the Planning Commission or the Mayor's Office sat down with their colleagues in San Mateo and Santa Clara counties and discussed increasing housing density closer to jobs in the southern counties, rather than assuming San Francisco would take on the role of a bedroom community for Silicon Valley?

Thank you,

Adele Frammer

Hi Kearstin,

I have been talking with Katy Tang about the AHBP and following with interest the latest developments. She suggested I contact you as you are familiar with it.

I have a site at 45th and Judah which would qualify for this program.

What is your opinion of the likelihood of it becoming reality in the not too distant future?

Best regards,

Brendan Quinlan

Dear Mayor Lee,

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

1. Population and housing permits in the pipeline:

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

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

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

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

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

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

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

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

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

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

Thank you.

Jason Jungreis

527 47th Avenue

[415-750-0830](tel:415-750-0830)

Greetings President Fong and fellow Commissioners:

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

Please consider:

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

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

It removes individual projects from an established public input processes.

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

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

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

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

Thank you.

Kim Krummel

581 29th St.

San Francisco, CA 94131

**Greetings President Fong and fellow Commissioners:**

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

Please consider:

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

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

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

Thank you.

Ralph Gutlohn and Alice West

4047 Cesar Chavez Street  
San Francisco, CA 94131

Greetings President Fong and fellow Commissioners:

I am requesting that Noe Valley be either exempted from this program entirely or that its adoption be postponed until serious questions on its impacts are resolved. I live on 29th Street and already tall single-family buildings along with ugly apartment buildings area creating towers the undermine the historical charm of our 1897 Victorian and others like it on my block and neighborhood. The apartment building next to my home is already an affordable housing solution that creates large shadows over my home. A recent rebuilding of a home across the street created what one called a "Mordor Tower." Please do not encourage further development that would be so overbearing that we wouldn't get to enjoy the sunshine, let alone our garden.

Please consider:

The proposal has not yet been promoted sufficiently such that there is a majority awareness and all concerned citizens may speak to its impacts. In its present form, it cannot reasonably guarantee any significant increase in affordable housing stock and could, in fact, displace a great number of our neighbors without any promise that they will have a home here in the future. It removes individual projects from an established public input processes. It stands to undermine the fundamental qualities of our neighborhood, as well as much of our City.

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

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

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

Thank you.

Leslie Eichenberger  
443 29th St  
San Francisco, CA 94131

Hello President Fong and fellow Commissioners:

I am writing to express my strong support for the Density Bonus Program and its plan to allow increased density in certain transit accessible corridors around San Francisco, including Noe Valley, where I reside. As a renter in San Francisco, I directly face the challenges of ultra-high rents on a day to day basis. If I wanted to relocate, I would be unable to afford to do so, a direct result of the lack of available housing.

I know that you are having a meeting on January 28th. However, like many San Francisco residents, I work a full time job that does not allow me to leave in the middle of the day. I urge you to consider my opinion, and the silent voices of others unable to attend the City Hall meeting because they are too busy working to afford skyrocketing rent prices.

Thank you,  
Logan Williams

Greetings President Fong and fellow Commissioners:

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

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

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

**Exhibit C**

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**Affordable Housing Bonus Program**

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

Thank you,  
Laura Fingal-Surma  
Member, Progress Noe Valley

Greetings President Fong and fellow Commissioners:

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

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Thank you,  
Dan Fingal-Surma  
Member, Progress Noe Valley

Greetings President Fong and fellow Commissioners:

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

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

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the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

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

Thank you,  
Joerg Schumann

Dear President Fong and Members,

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

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

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

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

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

Best,  
Christine Troy

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Greetings President Fong and fellow Commissioners:

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

Please consider:

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

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

It removes individual projects from an established public input processes.

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

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

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

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

Thank you.

Julia Relinghaus

Greetings President Fong and fellow Commissioners:

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

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

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

Thank you,

Karin Payson AIA LEED AP  
4489 24th St, 94114  
Member, Progress Noe Valley

Greetings President Fong and fellow Commissioners:

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

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Thank you,

Michael Fasman

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24th St, 94114

Member, Progress Noe Valley

Michael

Dear Ms. Dischinger,

I was sent a video link to the D2 meeting. I watched part of it.

1. DESIGN REVIEW PROCESS & PUBLIC INPUT slide (Page 49 of pdf on Planning website):



The last graphic showing “Entitlement” is still vague (e.g. **\*may\*** include Planning Commission Hearing). See #2 below.

2. REQUEST MORE DETAILED FLOWCHART / GRAPHIC for ENTITLEMENT PORTION as a separate page:

Besides the one slide (Pg. 49) you presented on how there are still the Pre-app process, Planning Dept. review, the CEQA & Planning Code review, the design review (by whom?), would you please explain the Entitlement portion of the graphic? What is the public participation portion at the Planning Commission & what does the Planning Commission decide on vs. what does the Director of Planning or the MOH person or the ZA do as decision-makers in the AHBP projects? Please include how CUs, Variances, DRs tie in or not into the AHBP project entitlement process of review (no CUs or Variances or DRs for AHBP projects due to somebody else (who?) making decisions – CUs, Variance hearings & DRs were tools for the public but they are not allowed for AHBP projects).

Where are the “minor changes” in the process as you stated in the D2 meeting?

Any noticing changes (e.g. # of days)?

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Any point at which the Planning Commission does not get a vote on AHBP project entitlement? Who will make the decision on if an AHBP project gets the entitlement at the PCommission meeting level? Would that be a change from review of a building project?

It is a bit complex to figure out reading the September 2015 version of the proposed AHBP legislation and going back & forth w/ Planning Commission Rules & Regulations and Planning Code as it exists today. Would you please provide a graphic with more detailed info on the decision makers, the tools the public has or lost in the "Entitlement" part of your slide presentation for AHBP projects?

**3. REQUEST NEW MAP WITHOUT RENT-CONTROLLED UNITS:**

One other thing you mentioned at the D2 meeting is that of rent-controlled units and their possibly not participating in the AHBP.

What would the blue map look like if those units were deleted?

**4. REQUEST "SUBSTITUTE LEGISLATION":**

At the 12/10/2015 D5 meeting, you stated that there will be substitute legislation before the 01/28/2016 AHBP being heard at Planning Commission. When will the public be able to see this substitute legislation?

Thank you for any assistance to clarify and working with the community.

Rose (Hillson)

Jordan Park Improvement Association

CSFN Member Delegate

Dear President Fong and fellow Commissioners:

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

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

Please consider:

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

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

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

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

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

Thank you for your consideration.

Regards,

Margo Engels

Gerhard Engels

537 Jersey St.

Are the replacement rent-controlled units income means-tested? i.e. does a tenant have to prove they meet some income test?

I am a very low income senior who has lived in my rent control for 30 years. I am very afraid I may fall through the cracks and be forced to move.

If non-rent-controlled tenants are evicted so that the owner can tear down to build a larger building, is there any assistance for those forced to move?

A block has zoning and height limit. This plan negates all this, yes?

With the widespread loss of views and parking competition residential and business displacement shouldn't residents get a vote?

A disguise that screams pro developer - bigger, taller (smaller units), less parking, less open space, and on. The problem is Muni - make it better, more frequent, etc. You "fix" everything - no pkg, etc, etc, but Muni rots!

Why not try to get the Density Bonus Law repealed?

If I am very-low income and live in rent controlled apartment, would I be entitled to move back at 30% of my income?

Why won't you put this on the ballot so residents can tell you what is wanted, not just developers?!

Can the state override SF local program?

You are trying to sell this program by showing us what larger attractive buildings can look like. You have not addressed the consequences of larger buildings on the quality of life. More traffic, more cars looking for places to park because the projects will not have enough parking spaces, more overall congestion. There is no plan for parallel infrastructure or transportation improvement. The only people who will profit are the developers. You should all be ashamed of yourselves for destroying what makes this city special.

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The AHBP would apply to more than 30,000 parcels throughout the City. Yet, you predict only about 240 parcels are "soft sites" that might take advantage of this program. Why are you subjecting 30,000 parcels to a program that really applies to less than 1% of them?

Your 240 properties total is a hypothetical - you cannot guarantee that will be the max can you?

Does the local AHBP apply to new construction only?

What is the plans for people in rent control units? If there is demolition, is there a fund to pay moving expenses and rent assistance?

Demolition of single family or duplex can provide 10-12 units. Big incentive for developers. What type of demolition controls for residential houses?

Is this 100% about buildings to be developed & built or will any part of this impact existing rental units that do not get torn down? Especially non rent controlled units

Does the AHBP override height limit restrictions? If so, is there a limit on how much additional height can be added?

Does AHBP make any distinction based on size of development?

How is the fee that is paid in lieu of building affordable housing spent?

People move here for the context but the context is changing when businesses (Flax for example) are replaced by housing

Tracking dislocated rent control residents and monitoring incomes for AHBP tenants will add administrative costs to monitor – by Mayor's office? Have these staff and program costs been completed? How will these costs be paid for?

City's median income is 75-77,000 – why providing affordable housing for people earning 200% of median income?

City ever consider means testing tenants' incomes in rent controlled units, like in this new program? If 50% of the rental stock is rent controlled, this would greatly impact affordability.

Will the schools, colleges, health care organizations and other large institutional owners of SF real estate be the primary users of this legislation?

What are the reasons there is a need to "modernize" the planning code?

What is the notification timeframe for neighborhood input?

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What is the administrative process which expedites projects? When is it used, who decides which projects are eligible?

While nothing is decided, is it possible that a building with rent controlled units can be built into a hybrid rent control and market rate ownership units?

What are current minimum square footage standards?

Can we guarantee a minimum square footage per unit type – studio, one bedroom, two bedroom, etc?

What will you do to make sure that developers don't use the "threat" of seeking benefits under the AHBP to get neighborhoods to support zoning exemptions for new market rate development?

What provisions for current residents who will be displaced while construction is going on?

State vs local option: which one fosters greater density?

What will be done to have adequate public transportation? City has history of extreme laws that can't be supported by infrastructure

What relief/incentives will local businesses receive? They are being pushed out by the high rents.

The bonus increased density: will this increased density have an environmental impact study?

On affordable owned units: if the original owner sells, what controls that the sale price will be "affordable"?

Has there been 3rd party review of the legislation to analyze loophole?

Infrastructure doesn't support density. It takes an hour to get across SF via Muni!

Do affordable income brackets inflate over time to represent impact of cost of living?

Is the city subsidizing AHBP rents to building owners to make up for loss of rental income?

If there are only 240 soft sites, why not limit plan to those sites? Otherwise single family houses and duplex could be demolished to build condos for big profits

This program will allow developers to avoid longstanding good housing policies like density + height limitations. Are those policies no longer beneficial to our city?

Why not simply require developers to include some percentage of affordable units as a condition to building without changing SF to a high density skyscraper city?

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Kim inclusionary 25% Mayor's inclusionary? Why is AHBP first should be last?

Why are the rates being changed?

A one size fits all flies in the face of neighborhood character and the wishes of the residents. Who benefits? How?

What will you do with the community input received?

Does AHBP override existing process and neighbor/citizen ballot rights?

What are current minimum square footages?

Why not settle on just one affordable housing proposal?

What about mid-block, one-story commercial buildings?

How will AHBP distinguish between different building/parcel types, i.e. corner vs mid-block? Any power to guide development based on needs of the area?

Density: units or bulk? Can bulk be increased?

What is the evidence that developers will lose money building affordable units?

Greetings President Fong and fellow Commissioners:

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

Exempting higher income neighborhoods like Noe Valley would be both exclusionary and irresponsible. San Francisco is facing a severe housing affordability crisis. Although the AHBP cannot solve the problem alone, it is one of the most ambitious and impactful solutions on the table. In addition, the inclusion of apartments for those making up to ~\$92K per year is a brilliant recognition of the fact that middle-wage earners are getting squeezed just as much as those on the bottom end. This is the kind of creative thinking that San Francisco needs.

We can both gradually grow our housing stock and maintain neighborhood character — unless the term character is really code for exclusivity. If any neighborhood does not do its part, it

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pushes the burden onto surrounding neighborhoods. This directly drives displacement in lower income neighborhoods.

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Thank you,

Jason Friedrichs

1188 Noe St

Greetings President Fong and fellow Commissioners:

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Thank you,

Kristy Friedrichs

Noe Valley resident since 2010

Member, Progress Noe Valley

To the Planning Commission:

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

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

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

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

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

State law says that buildings built after 1979 are not subject to rent control, so these new buildings would not be rent controlled, nor would they have to be rented at the same rate as the units they replaced. Displaced tenants are not guaranteed a return to their homes or a reasonable rate of rent. Neither are they guaranteed a temporary

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affordable and equal style or standard of living while the “remodel” is happening. There is no credible way to relocate tenants who are paying and can afford well below this heated market rate rent.

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

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

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

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

Sincerely,

Mary McFadden  
3993 24<sup>th</sup> street D  
San Francisco, CA 94114  
[marycmcf@comcast.net](mailto:marycmcf@comcast.net)

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

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

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

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

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

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

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

The third step is implementing a City policy that says that we will build forty thousand or more housing units in the approximately twenty square miles of the low density portion of our City. These units should be in addition to the 30,000 units currently being planned for in the more dense parts of the City. Some of these additional units could be built on lots that are zoned for four stories but now only have one or two units. To visualize this additional housing consider that the units will be in apartment houses similar to those now in Park Merced, that is, thirteen stories tall with about 100 units per building. This means that there will: about 400 new tall buildings: or twenty tall building per square mile and each building will be on average about 1,200 feet from the nearest other tall building. However, it will be better to concentrate up to four tall buildings at the intersection near BART stations and major Muni transfer points and allow

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buildings to be as close as 500 feet apart close to transit and commercial streets. This means that, every day the people in these neighborhoods will see one or more of these buildings, along with few more people on the sidewalk as they walk to their Muni stop or shopping. Is this a severe impact? Those neighbors who drive a ways will see more buildings and more traffic unless the amount of parking in the new buildings is severely restricted. I suggest that these point increases in density surrounded by most of the existing low density housing will preserve most of San Francisco as it is now while still increasing the supply of housing enough to make housing more affordable.

Because the objective is not only about increasing density but also improving affordability we should mandate that a high percentage of units be affordable. We can also reduce the cost of the new units by not mandating a minimum parking supply and actually set a low maximum supply of parking so that people will be encouraged to reduce their cost of living by not owning a car. The reduced parking will be acceptable to the existing neighbors if the people in the new buildings are excluded from ever obtaining a residential parking permit. The ground floor of the buildings on commercial streets should be mandated to be mostly commercial. The reasonable spaces between buildings will prevent the construction of a continuous wall. Even though density is necessary some open space should remain at ground level to partially maintain the continuity of our back yard areas.

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

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

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

**Exhibit C**

**Hearing Date: January 28, 2016**

**Public Comment received from November 5, 2015 to January 14, 2016**

**CASE NO. 2014-001503PCA**

**Affordable Housing Bonus Program**

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

The examples showed are all monolithic blocks

Will a result of this program be demolition of buildings of varied character, their replacement by such boring structures?

What about Shade with all that height

Median income (\$100,000-\$140,000)

Why the rush if we haven't been in compliance for a long time?

Developer friendly as well AHBP

Will there be a yearly cap on the number of AHBP projects?

You stated that density will now be determined by a formula that requires 40% of units be 2-bedroom. Is there any minimum size requirement for a bedroom or for a unit?

Is there a minimum size for the "affordable" units?

What parking requirement will exist?

Could you clarify when state + local bonus programs are operative is it one or other or both at once?

Building on top of existing buildings to add stories?

What happens to all the people living in the building when you add on the extra floors?

What about the businesses that are one story will have to move?

How will you protect rent controlled units?

Why isn't the housing burden being distributed throughout entire Bay Area? IE: peninsula where Google creates 10,000 new jobs

We know that from the work of architect Oscar Newman that increasing density increases the common areas and it reduces defensible space. Reducing defensible space increases crime. How does your program affect that crime rate?

What about properties put into shadow by a higher height limit?

Small businesses – help them move – probably OUT of SF + definitely OUT of our n'hood.

NOT GOOD ENOUGH! They need protection – NOT a workshop!

Is a parking garage considered a story even if that level doesn't include housing?

**Exhibit C**

**Hearing Date: January 28, 2016**

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**CASE NO. 2014-001503PCA**

**Affordable Housing Bonus Program**

Why “can not be demolished” language?

Should it not be more clear, such as “can not be redeveloped” under the program

Does income level count pension benefits, that really make income much higher than those without?

What’s to prevent a developer under AHBP from building very small studio units?

The only notice I saw or received re this (...) was through SHARP. What methods did the SF Planning Dept use to notify residents of District 7? Better communication is needed for all residents Be a hi priority for SF Planning Dept!

Where are people going to park?

Where will we get the additional water?

Please email me the AHBP slides to [Arthur.perkins.sf@comcast.net](mailto:Arthur.perkins.sf@comcast.net). Also, please email me a link to the proposed legislation as it stands now

All of this is based on the hope that only hi tech are encouraged to move here and live here and creates the new “moderate income” who DO WILL + WILL NOT live without their amenities = CARS

Many apartment buildings must form Home Owners Associations to manage/maintain the building asset. Are those costs added to the actual expense of living in one of these buildings + the calculation of whether or not these units are really “affordable”.

Why would the Plan C’s not follow the new laws instead of having any negotiation powers so that developers get more than the should.

Y you don’t modify DR power, this program will not work. You can regulate these programs, but people’s attention won’t change.

People seem to wonder why more housing is not being built. Here’s why:

A. Cost to build, all-in, incl. permits/design etc = \$480/sf

B. Rent for ground flr unit, 1000 SF = \$4/sf/mo - \$48/yr

C. Expenses incl. taxes, vector control, etc. all in = 4040

D. Net return on cost =  $\$48 \times (1-40\%)/\$480/\text{sf} = \$29/\$480 = 6.00\%$  R.O.C Return on cost

This is not appealing, and this market not BMR!

Is the Planning Staff on record opposed to rent controlled units?

What longer term protections are being developed for displaced small local businesses?

Rent control is independent of income levels.

If income is determining factor, now would that be administered?

If person’s income rises, must they move?

**Exhibit C**

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**CASE NO. 2014-001503PCA**

**Affordable Housing Bonus Program**

Have any notices been published in Chinese language or Russian language newspapers about AHBP + inviting comment?

Are you proposing any change in response to concerns expressed at these meetings?

Specialan do have any proposals to protce small scale neighborhood commercial p. strecc nal + NCZ

When do you expect the AHBP will be instituted, in its present form, or in a modified form?

What is the timeline?

Have you drafted any amendments to the legislation based on the input you have received from the public + from Planning Commissioners, and if so what are they?

- 1) The mayor's task force is working on streamlining reviews, notices, and approvals. How does this affect public comment on a project?
- 2) Under what circumstances can public reaction stop a project?
- 3) The Planning Dept has been haphazard in protecting neighborhoods. What kind of selection will be exercised to assure that entire blocks will not be replaced? Good architectural quality?
- 4) What are the projections for "hard" site development? I.e. 240 sites vs 30,800 identified candidates?

I'm from District 5, which is almost ALL teal on your map. What are projections for how many buildings might be replaced, for example, on Haight Street?

You're showing ISOLATED buildings of greater height in a neighborhood. What are the controls on selectively building taller buildings and or replacing series or blocks of buildings?

Architecture – past iteration of condo building intended for Haight + Stanyan was hideous. (Project stopped because of recession) Is that the Planning Dept's idea of acceptable neighborhood architecture?

What happens to the buildings there now?

Is conditional ure needed for us increased height limit?

Will introducing new height limit per this program make it a precedent for new buildings to raise the heights without taking part in this program?

I understand why this is good for people who need housing. But why is it good for the property owner? Wouldn't the property owner be better off if the AHBP does not pass, and instead the State law applies?

1. How many developers have actually built 12% of affordable housing in San Francisco btw years 2010-2015? As opposed to paying penalties.
2. Are your slides available for additional review on your website or can you email these to us?
3. Did you discuss your proposal with developers? Which ones?
4. What are your plans for parking + transportation

**Exhibit C**

**Hearing Date: January 28, 2016**

**Public Comment received from November 5, 2015 to January 14, 2016**

**CASE NO. 2014-001503PCA**

**Affordable Housing Bonus Program**

Will the price of “affordable” units change if the real income statistics for San Francisco significantly changed?

Are the building owners required to maintain the affordable units in perpetuity regardless of changes in ownership?

Will affordable unit requirements carry over to replacement buildings built to same height

How will affordable requirements be enforced?

What is “permanently affordable”

How does the AHBP work for someone buying a unit? Does the buyer buy it at a subsidized price?

How does AHBP differ from the Mayor’s office BMR program with regard to:

1. Resale and appreciation for owners
2. Ability to rent for owners
3. Ability to pass on to heirs

How will the AHBP impact our parks in terms of shadowing?

(Can a tall AHBP building cast shadows on parks?)

How will the requirements for open space (setbacks, side yards, backyards) change with the AHBP, compared to the existing requirements?

What about transportation?

It’s fine if you live by St. Brendan’s and can take Portola or walk to Forest Hill. If you live out off Sloat, fine. If you live off Geary, fine.

In this area we are blocked by Mt. Sutro, Twin Peaks, etc.

If you live at 15<sup>th</sup> and Noriega, the Inner Sunset, or Cole Valley, transportation is an issue.

Short of boring a new tunnel, how is this issue going to be handled?

I understand density- my concern is commersuste infrastructure – Muni, traffic, quality of life. Is that considered?

Suggestion re: outreach

SFPUC/stuff the bills

1. What is the guarantee that new units won’t become Airbnbs?
2. The nebulousness of the waners is troubling. Where is the guarantee that the character of the city will not be destroyed by high-rises and edifices that do not fit with the landscape?

**Exhibit C**

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**Affordable Housing Bonus Program**

I am troubled that the Program will encourage property owners sell and developers to demolish rent controlled buildings, and displace local neighborhood serving merchants all along and near transit corridors and in neighborhood commercial districts.

Commercial property owners more and more are imposing dramatic rent increases forcing merchants out. The losses to the displaced tenants and merchants is irreversible, and the most likely consequence is that both tenants and merchants will be forced out of San Francisco, to who knows where to live and/or rent new commercial space.

The program claims it is to develop affordable housing, but nobody I know wants affordable housing at the expense of existing tenants and merchants. Somehow the City approved endless luxury condos (now over 109% of projected demand) but only 20% of working class and middle class units.

Now, AHBP proposes existing tenants and merchants may have to leave to make room for the not very affordable housing for workers, while luxury condos continue to be approved and built.

At recent AHBP D5 meeting, you told people that you were concerned abt. Demolition of rent controlled units/bldgs. Rent controlled building or rent controlled units must be prohibited from demolition. Is the Planning Dept going to support amending AHBP to prohibit demolition of rent controlled?

1-12-16

Hall of Flowers

How to qualify for an affordable unit

-Mayor's Office of Housing + Community development has a procedures manual on website  
-tie growth to infrastructure

-What about parking?

-What about foreign capital?

-Minimum unit size?

-What about Airbnb rentals?

-Can we consider not applying programs to NG-1 or Ng-2s?

-Could we limit size of retail buildings? (location)

-Seniors and Muni

-Backyard should be protected

## Affordable Housing Bonus Program Outreach Log

January 14, 2016

### Presentations and Community Meetings

The AHBP team participated and presented at several agency, organization and community meetings; and hosted a number of community events and meetings.

<b>Date</b>	<b>Meeting</b>
08/2013-12/2014	Mayor's Working Group General sessions
4/23/2014	Mayor's Working group – density bonus session
2014	Mayor's Working group – density bonus: focus 100% affordable housing
8/18/2014	San Francisco Housing Action Coalition (SFHAC) working session – developers and architects
9/19/2014	SFHAC regulatory Committee
10/22/2014	Council of Community Housing Organizations (CCHO) general meeting
October 2014	AIA – David Baker (DB) team only
11/7/2014	CCHO
12/9/2014	AIA subcommittee – Kearstin Dischinger and DB team
8/11/2015	SPUR
8/14/2015	SFHAC
8/26/2015	CCHO
9/15/2015	Coalition of San Francisco Neighborhoods (CCHO)
9/15/2015	Residential Builders Association of SF
10/15/2015	Supervisor Tang – presentation to Committee of Youth Commission
10/18/15	Overview Video
10/22/15	Webinar (recording and presentation posted on website)
10/26/15	Open House (boards and handouts posted on website)
10/29/15	Democratic Club, the Outer Sunset Parkside Residents Association, and Supervisor Katy Tang
11/18/15	SFHAC Housing Huddle
12/2/15	Code for America meeting
12/9/15	Planning Association for the Richmond Community Meeting - Richmond
12/10/15	District 5 Community Meeting
1/6/16	District 2 Community Meeting
1/6/16	District 10 Bayview Hunters Point CAC Meeting
1/6/16	Chamber of Commerce Meeting
1/12/16	District 7 Community Meeting
1/13/16	SPUR
1/14/16	District 3 Community Meeting
1/19/16	District 4 Community Meeting
1/21/16	District 8 Community Meeting
1/23/16	District 1 Community Meeting
1/25/16	Alamo Square Neighborhood Association

**Meetings with Other Agencies/Internal Staff**

The AHBP team met with other agencies and internal staff about the program.

<b>Date</b>	<b>Meeting</b>
8/26/2014	Meeting with City Attorney's Office
9/4/2014	Meeting with internal TSP staff
9/9/2014	Meeting with MOH to discuss 100% affordable
9/17/2014	Meeting with MOH to discuss Inclusionary
9/26/2015	Briefed Gil Kelley on Density Bonus program
9/14/2015	Meeting with MOH to discuss 100% affordable
10/6/2014	Briefed, JR, AM, SS, and DS on Density Bonus
3/26/2015	Mayor's Office Staff – SDP, Jeff, JR, Gil, Sophie, Nicole Weaton
6/3/2015	Sarah Jones and Tania
6/22/2015	Briefed Teresa Yanga, Kate Hartly and project teams (30 people)
June/July 2015	Current Planning Team meetings
1/14/2016	Mayor's Office of Economic and Workforce Development

**Briefings**

The AHBP team briefed Supervisors about the program.

<b>Date</b>	<b>Meeting</b>
7/16/2014	Briefed Supervisor Tang
9/24/2014	Briefed Jeff Buckley from MYRs Office
9/29/2014	Briefed Supervisor Tang
4/29/2015	Briefed Mayor Lee
5/21/2015	Briefed Sup Christensen
5/28/2015	Briefed Sup Mar
5/9/ 2015	Briefed Supervisor Weiner
6/30/2015	Briefed Supervisor Breed
07/01/2015	Briefed Supervisor Cohen
07/06/2015	Briefed Supervisor Kim
07/08/2015	Briefed Supervisor Yee
1/5/16, 1/8/16	Briefed Supervisor Peskin

**Media Coverage**

Various media sources have written about the program.

<b>Date</b>	<b>News Source</b>
8/11/15, 9/24/2014	SF Business Times
8/12/15	SF Examiner
8/26/15	JD Supra Business Advisor
9/28/15	SF Chronicle
9/29/15	SF Examiner
9/30/15	SocketSite
11/6/15	SF Chronicle
11/15/15	Hoodline
11/16/15	KALW

**Emails and Social Media Promotions**

San Francisco Planning promoted community events and meetings by:

- Emailing those who signed up for AHBP email updates online (AHBP email list), San Francisco Planning neighborhood list, Neighborhood Groups, relevant City agencies, and Board of Supervisor offices.
- Posting announcements to Nextdoor, San Francisco Planning Twitter and Facebook.

<b>Date</b>	<b>Outreach</b>
8/29/2015	Invitation to visit website and sign up for AHBP email list: Email to Housing Element email list, interested stakeholders, San Francisco Planning neighborhood list, and Neighborhood Groups to visit website and sign up for email updates (AHBP email list).
9/18/15	Website update: Email AHBP email list.
October 2015	SF Planning publication.
10/19/2015	Webinar and Open House: Email to AHBP email list, interested stakeholders, SF Planning neighborhood list, Neighborhood Groups. Social media promotion: SF Planning Facebook, Twitter, and Nextdoor.
10/23/2015	Webinar and Open House: Email AHBP email list, interested stakeholders, San Francisco Planning neighborhood list. Social media promotion: SF Planning Facebook, Twitter, and Nextdoor.
11/4/2015	Website update - Open House and Webinar materials and Planning Commission hearings: Email to AHBP email list and interested stakeholders.
11/25/15	Website and event update - Upcoming Meetings and Events and Open House and Community Meeting question and answer documents posted: Email AHBP email list, targeted stakeholders, San Francisco Planning neighborhood list, and District 5 Neighborhood Groups.
11/25/15	District 5 Community Meeting: Social media promotion: SF Planning Facebook, Twitter, and Nextdoor.

12/29/15	District 1, 2, 3, and 7 Community Meeting: Email AHBP email list, interested stakeholders, San Francisco Planning neighborhood list, and Neighborhood Groups.
1/5/16	District 1, 2, 3, and 7 Community Meeting: Social media promotion: SF Planning Facebook, Twitter, and Nextdoor.
1/12/16	District 4 Community Meeting: Email AHBP email list, interested stakeholders, San Francisco Planning neighborhood list, and Neighborhood Groups. Social media promotion: SF Planning Facebook, Twitter, and Nextdoor.
1/13/16	District 8 and Alamo Square Neighborhood Association Meeting: Email AHBP email list, interested stakeholders, San Francisco Planning neighborhood list, and Neighborhood Groups. Social media promotion: SF Planning Facebook, Twitter, and Nextdoor.

**Planning Commission, Land Use Commission, and Board of Supervisors**

<b>Date</b>	<b>Meeting</b>
9/24/2015	Planning Commission information session
11/5/2015	Planning Commission review
12/3/2015	Planning Commission review
1/28/16	Planning Commission adoption
TBD	Land Use Commission
TBD	Board of Supervisors

Proposed Amendments from Supervisor Breed

Underline text is proposed language  
Strikethrough is deleted language  
Italics is existing language

**Section 206.9**

**Local Affordable Housing Bonus Program**

**Section 207.9 (c) (6) (7)**

**Local Affordable Housing Bonus Project Eligibility Requirements**

(6) Unless and until the Planning Department study required in Section 206.8 is completed and any legislative action taken, does not demolish, remove or convert any units that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37; and,

*(7) Provides replacement units for any units demolished or removed that are ~~subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are~~ units qualifying for replacement as units having been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income or being occupied by households of Low or Very Low Income, consistent with the requirements of Government Code section 65915(c)(3).*

**Section 207.9 (e) (1) (A) (ii)**

**Local Affordable Housing Bonus Project Implementation**

(ii) A signed affidavit in a form acceptable to the Planning Department and City Attorney establishing that no units on the property are or were subject to rent control within the preceding 5 years, and document of the ~~The~~ number of dwelling units which are on the property, or if the dwelling units have been vacated or demolished in the five year period preceding the application, have been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through the City or other public entity's valid exercise of its police power not including rent control; or occupied by lower or very low income households; and

**Section 206.5**

**State Residential Density Bonus Program: Analyzed**

**Section 207.9 (b) (H) (I)**

**Applicability State Residential Density Bonus Program: Analyzed**

(H) Unless and until the Planning Department study required in Section 206.8 is completed and any legislative action taken, does not demolish, remove or convert

any units that are subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37; and,

- (i) *Provides replacement units for any units demolished or removed that are ~~subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code Section 37, or are~~ units qualifying for replacement as units having been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income or *being occupied by households of Low or Very Low Income, consistent with the requirements of Government Code section 65915(c)(3).**

**Section 207.9 (d) (7)**

**Applicability State Residential Density Bonus Program: Application**

- (ii) A signed affidavit in a form acceptable to the Planning Department and City Attorney establishing that no units on the property are or were subject to rent control within the preceding 5 years, and document of the ~~The~~ number of dwelling units which are on the property, or if the dwelling units have been vacated or demolished in the five year period preceding the application, have been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control through the City or other public entity's valid exercise of its police power not including rent control; or occupied by lower or very low income households; and

**Section 206.8 (e) Affordable Housing Bonus Program Evaluation.**

- (e) Application of the Program to Sites Where Units Subject to Rent Control Exist. The Board of Supervisors requests the Planning Department to collaborate with community groups, housing activists, housing developers, and others to study the relationship between the Affordable Housing Bonus Program and the City's rent controlled and affordable housing stock. The Department shall study the feasibility of:

- (1) allowing for new construction in place of existing rent controlled units to use the Program only if there is (a) a one-to-one replacement of rent controlled units with Below Market Rate affordable units; and (b) adequate protections for existing tenant(s) displaced by any Project subject to the Program, including relocation assistance and rights to return; and
- (2) Other ways to ensure that the application of the Program does not incentivize the demolition of existing rent control units.

The Planning Department shall report to the Planning Commission. The Planning Commission shall consider the Department's findings and recommend any appropriate modifications to the Affordable Housing Bonus Program to the Board of Supervisors by January 1, 2017.



# SAN FRANCISCO PLANNING DEPARTMENT

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## Addendum 3 to Environmental Impact Report

*Addendum Date:* January 14, 2016  
*Case No.:* **2014.1304E; 2014-001503GPA**  
*Project Title:* BOS File No. 150969 – Affordable Housing Bonus Program  
*EIR:* San Francisco 2004 and 2009 Housing Element, 2007.1275E  
SCL No. 2008102033, certified March 24, 2011, re-certified April 24, 2014  
*Project Sponsor:* Mayor Lee and Supervisor Tang  
*Sponsor Contact:* Kearstin Dischinger, (415) 558-6284, [kearstin.dischinger@sfgov.org](mailto:kearstin.dischinger@sfgov.org)  
*Lead Agency:* San Francisco Planning Department  
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### REMARKS

On April 24, 2014, the San Francisco Planning Commission certified the Final Environmental Impact Report for the 2004 and 2009 Housing Element (“2004 and 2009 Housing Element FEIR” or “FEIR”) pursuant to the California Environmental Quality Act (“CEQA”).<sup>1</sup> On June 17, 2014, the San Francisco Board of Supervisors (“Board”) adopted the 2009 Housing Element as the Housing Element of the San Francisco General Plan. On April 27, 2015, the Board adopted the 2014 Housing Element, which updated the Data and Needs Analysis of the 2009 Housing Element and added five additional policies. Based on an addendum issued by the San Francisco Planning Department (“Planning Department” or “Department”) for the 2014 Housing Element, the Board found that no additional environmental review was required beyond the review in the FEIR.<sup>2</sup>

This document is an addendum to the 2004 and 2009 Housing Element FEIR. Its purpose is to substantiate the Planning Department’s determination that no supplemental or subsequent environmental review is required prior to adoption of the City and County of San Francisco (“City”) Affordable Housing Bonus Program (“proposed program,” “proposed project,” or “AHBP”) and related General Plan amendments. As described more fully below, the AHBP is an implementing program of the 2014 Housing Element. The Department has determined that the environmental effects of the AHBP have been adequately identified and analyzed under CEQA in the 2004 and 2009 Housing Element FEIR, and the proposed project would not result in any new or more severe environmental impacts than were identified in the FEIR.

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<sup>1</sup> San Francisco Planning Department, *2004 and 2009 Housing Element Final Environmental Impact Report*, April 24, 2014. Case No. 2007.1275E, <http://www.sf-planning.org/index.aspx?page=1828>, accessed on January 13, 2016. Unless otherwise noted, all documents cited in this report are available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA as part of Case No. 2014.1304E or the identified file number.

<sup>2</sup> San Francisco Planning Department, *Addendum to 2004 and 2009 Housing Element Final Environmental Impact Report, 2014 Housing Element*, January 22, 2015. Case No. 2014.1327E, <http://www.sf-planning.org/index.aspx?page=1828>, accessed on January 13, 2016.

## Background

### *State Housing Element Law – Government Code Section 65580*

The Housing Element is an element of San Francisco’s General Plan which sets forth the City’s overall policies regarding residential development and retention. Since 1969, California State Housing Element law (Government Code Section 65580 et seq.) has required local jurisdictions to adequately plan for and address the housing needs of all segments of its population, including low and very low income households, such that all communities contribute to the attainment of the state housing goals. Housing Element law requires local governments to plan for their existing and projected housing needs by facilitating the improvement and development of housing, rather than constraining opportunities. Under State Housing Element law, San Francisco’s 2014 Housing Element was required to plan for an existing and projected housing need of 28,869 new residential units, 56.6 percent (%) of which must be affordable to very low, low, or moderate income households.

### *State Density Bonus Law – Government Code Section 65915*

Under Government Code Section 65915, the State Density Bonus Law (“State Law”), cities are required to grant density bonuses, waivers from development standards,<sup>3</sup> and concessions and incentives<sup>4</sup> when a developer of a housing project of five or more units includes at least 5% of those units as housing units affordable to moderate, low or very low income households (between 50% and 120% of area median income).<sup>5</sup> The increased development potential allowed under this law is intended to offset the private developer’s expenses necessary to provide additional affordable units. The amount of the density bonus, and the number of concessions and incentives varies depending on the percentage of affordable units proposed and the level of affordability; generally, however, State Law requires that cities grant between a 7% to 35% density bonus, and up to three concessions and incentives, if a developer provides between 5% and 40% affordable units. Additionally, project sponsors are able to request waivers from development standards if the development standards physically preclude the project with the additional density or with the concessions and incentives.<sup>6</sup> State Law requires that rental units be affordable for a term of no less than 55 years, and that ownership units be affordable to at least the first buyer through a shared equity

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<sup>3</sup> “Development standard” includes a site or construction condition, including but not limited to a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation. (See Government Code Section 65915(0)(1).

<sup>4</sup> Concessions and incentives mean (1) a reduction in site development standards or a modification of zoning requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions; (2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located; or (3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable, financially sufficient, and actual cost reductions. (See Government Code Section 65915)

<sup>5</sup> See generally, Government Code Section 65915 et seq.

<sup>6</sup> See Government Code Section 65915(e).

agreement.<sup>7</sup> Local jurisdictions are required to adopt an ordinance implementing the State Density Bonus Law; however, absent an ordinance, local jurisdictions are still required to comply with the law.<sup>8</sup>

### *City and County of San Francisco 2014 Housing Element of the General Plan*

To support the development of affordable housing, the City's 2014 Housing Element anticipates the adoption of a "density bonus program" implementing the State Law. As envisioned in the 2014 Housing Element, such a program would allow density bonuses for projects that include certain percentages of affordable housing, as well as allow other incentives, concessions, and waivers for projects that include more affordable units than required under existing City programs.

Specifically, the 2014 Housing Element contains the following discussion of a density bonus program in Part I, on page A.6:

*The City has continued the policy of establishing special use districts (SUDs)<sup>9</sup> and height exceptions intended to support the development of affordable housing by allowing density bonuses for higher percentages of affordable or special needs housing. Almost all new Area Plans adopted during the 2007-2014 reporting period also include these policies, as well as additional affordable housing impact fees. Floor area ratio (FAR) limitations have been removed in the downtown areas to encourage housing development. The Board of Supervisors is currently considering legislation to exempt on-site inclusionary units from existing density limits in certain districts, essentially giving developers who include affordable units within their projects a density bonus.*

*In February 2014, the Department released an RFP [Request for Proposals] for consultant support to develop a more proactive program to implement Government Code Section 65915. For example, the proactive approach may follow the model of other municipalities which indicate which exemptions will be not be [sic] deemed as potentially having an adverse impact on health and safety.*

In addition, under the 2014 Housing Element Implementing Programs (Part I, Chapter C, on page C.11), the following Implementing Program is identified to meet the goal of establishing a density bonus program in the City:

*Implementing Program 39b. Planning will develop a density bonus program with the goal of increasing the production of affordable housing. The program will be structured to incentivize market rate projects to provide significantly greater levels of affordable housing than required by the existing City Programs.*

A related strategy for further review of this Implementation Program is listed on page C.13:

*Planning should examine incentives such as density bonuses, or other zoning related mechanisms that encourage long-term (i.e. deed-restricted) permanently affordable rental housing.*

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<sup>7</sup> See Government Code Section 65915(c)(1) and (2).

<sup>8</sup> See Government Code Section 65915(a).

<sup>9</sup> Approximately a dozen SUDs have been established in order to provide density bonuses and zoning modifications for affordable housing projects. Examples include the Alabama and 18<sup>th</sup> Streets Affordable Housing SUD (Planning Code Section 249.27), the Third Street and Oakdale Avenue Affordable Housing SUD (Section 249.30), the Third Street and Le Conte Affordable Housing SUD (Section 249.43), the 1500 Page Street Affordable Housing SUD (Section 249.47, and the Lombard and Scott Street Affordable Group Housing SUD (Section 249.55).

## *City and County of San Francisco Inclusionary Affordable Housing Ordinance*

The Inclusionary Affordable Housing Ordinance is found in Planning Code Section 415 et seq. This ordinance requires project sponsors of residential projects with 10 units or more to pay an Affordable Housing Fee as a way of contributing to the City’s affordable housing stock. Under certain circumstances, a project sponsor may choose to provide on- or off-site affordable housing units instead of paying the fee. The most common on-site requirement is 12% affordable units, although it is higher in some Area Plan zoning districts.<sup>10</sup>

### PROPOSED REVISIONS TO 2014 HOUSING ELEMENT

#### Affordable Housing Bonus Program

On September 29, 2015, Mayor Lee and Supervisor Tang introduced legislation (Board File No. 150969) to the San Francisco Board of Supervisors to amend the Planning Code to create the Affordable Housing Bonus Program. The proposed AHBP implements the density bonus program envisioned in the 2014 Housing Element.

In conjunction with the AHBP, the Planning Department has proposed minor amendments to the General Plan, including the Housing Element, so that the General Plan better and more specifically reflects the goals of the AHBP. The proposed amendments would add language to one Housing Element policy and descriptive text below two other Housing Element policies to recognize the City’s need to allow development incentives for projects that include affordable housing units on-site. The proposed amendments, discussed in greater detail below, also include references to higher densities on Map 6 of the Housing Element and associated updates to the Land Use Index.

Overall, as reflected in the findings of the proposed AHBP ordinance, the goals of the proposed AHBP are to establish a program consistent with State Law; encourage the construction of a greater numbers of on-site affordable units; improve the feasibility of developing affordable units on underutilized sites; establish a program to provide housing for “middle income” households; and facilitate entitlement of 100 Percent affordable housing units. The AHBP would amend the San Francisco Planning Code by adding a new Section 206 to establish four avenues for project sponsors to receive a density bonus and other development bonuses, which would allow for a greater number of units to be built than would otherwise be permitted under existing zoning. The four programs are: 1) the Local Affordable Housing Bonus Program; 2) the 100 Percent Affordable Housing Bonus Program; 3) the Analyzed State Density Bonus Program; and 4) the Individually Requested State Density Bonus Program. **Table 1** summarizes the key features of the four programs, which are described in further detail below. The AHBP also establishes an approval process for AHBP projects, as well as specific AHBP Design Guidelines.

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<sup>10</sup> See, for example, the Additional Affordable Housing Requirements for UMU districts in Planning Code Section 419 et seq.

**Table 1**  
**Comparison of Proposed Affordable Housing Bonus Program Characteristics**

Characteristic	Local Affordable Housing Bonus Program	100 Percent Affordable Housing Bonus Program	Analyzed State Density Bonus Program	Individually Requested State Density Bonus Program
<b>Pre-Program Density Requirement</b>	3 or more units	3 or more units	5 or more units	5 or more units
<b>Affordable Housing Requirement</b>	30% total inclusionary and middle income affordable units onsite (all middle income if no inclusionary requirement)	100% affordable to 80% AMI and below	Various affordability levels, ranging from 5% to 30% at various AMIs	Various affordability levels, ranging from 5% to 40% at various AMIs (100% for senior citizen housing)
<b>Location Requirement</b>	Zoning districts that regulate residential density by lot area, plus the Fillmore and Divisadero NCTDs; excludes RH-1 and RH-2 districts	Zoning districts that allow residential uses, excluding RH-1 and RH-2 districts	Zoning districts that regulate residential density by lot area, plus the Fillmore and Divisadero NCTDs; excludes RH-1 and RH-2 districts	Zoning districts that allow residential uses and can accommodate 5 or more units under existing zoning controls
<b>Unit Mix Requirement</b>	40% two or more bedrooms or 50% more than one bedroom	-	-	-
<b>Environmental Requirement</b>	No significant historic, shadow, or wind impact	No significant historic, shadow, or wind impact	-	-
<b>Density Bonus</b>	Form-based density controls	Form-based density controls	Up to 35% density bonus	Up to 35% density bonus
<b>Height Bonus</b>	Up to 25 feet/two stories with min. 9-foot floor-to-ceiling height for residential floors	Up to 35 feet/three stories with min. 9-foot floor-to-ceiling height for residential floors	Up to 25 feet/two stories with min. 9-foot floor-to-ceiling height for residential floors	Height increases allowed as necessary in order to develop at allowed increased density and with concessions requested
<b>Zoning Modifications/Concessions and Incentives</b>	Up to three: <ul style="list-style-type: none"> <li>• rear yard: min. 20%/15 feet</li> <li>• unit exposure: min. 25 feet</li> <li>• off street loading: none required</li> <li>• parking: up to 75% reduction</li> <li>• open space: up to 5% reduction in common open space</li> <li>• additional open space: up to another 5% reduction in common open space</li> </ul>	Any or all: <ul style="list-style-type: none"> <li>• rear yard min. 20%/15 feet</li> <li>• unit exposure: min. 15 feet</li> <li>• off street loading: none required</li> <li>• parking: up to 100% reduction</li> <li>• open space: up to 10% reduction in common open space (min. 36 sf/unit)</li> </ul>	Up to three depending on AMI: <ul style="list-style-type: none"> <li>• rear yard: min. 20%/15 feet</li> <li>• unit exposure: min. 25 feet</li> <li>• off street loading: none required</li> <li>• parking: up to 50% reduction</li> <li>• open space: up to 5% reduction in common open space</li> <li>• additional open space: up to another 5% reduction in common open space</li> </ul>	Up to three, to be negotiated on project-by-project basis

Source: San Francisco Planning Department, January 2016.

### *Local Affordable Housing Bonus Program*

**Eligibility Requirements.** The Local Affordable Housing Bonus Program (“Local Program”) would encourage construction of affordable housing by providing zoning modifications for projects that satisfy specified requirements. Local Program projects would be required to be all new construction (vertical additions to existing buildings would not qualify) with a pre-Program density (not including bonus units) of three or more residential units and to provide a total of 30% income restricted units on site. Local Program projects subject to the City’s Inclusionary Affordable Housing Ordinance would need to provide the required inclusionary units on-site, plus provide an additional 18% of the units as middle income units (units which are affordable to households earning 140% of area mean income (“AMI”) for ownership projects and 120% AMI for rental projects). For Local Program projects not subject to the Inclusionary Affordable Housing Ordinance, a total of 30% of the units would be required to be middle income units. The Local Program would be available in all zoning districts that regulate residential density by lot area, with the exception of RH-1 (House, One-Family) and RH-2 (House, Two-Family) districts, and also would be allowed in the Fillmore Neighborhood Commercial Transit District (“NCTD”) and the Divisadero NCTD. Local Program projects would be required to meet certain unit mix requirements (40% two or more bedrooms or 50% two-bedroom or larger units). The Program requires nine-foot floor to ceiling heights on all residential floors.

Projects would only be eligible for the Local Program if the Planning Department determines that they would not cause a substantial adverse change in the significance of a historic resource, create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas, or alter wind in a manner that substantially affects public areas. This determination would be made by the Planning Department as part of the broader environmental review process to which AHBP projects would be subject. Environmental review for AHBP projects would include an evaluation of the projects’ potential for significant environmental impacts in all applicable resource areas, pursuant to CEQA and Chapter 31 of the San Francisco Administrative Code.<sup>11</sup>

Finally, Local Program projects would be required to comply with proposed AHBP Design Guidelines, described below.

**Development Bonuses.** Projects meeting the above requirements would be eligible to receive a height bonus (increase) of up to 20 feet above the existing height limit, or two stories with the required 9-foot floor-to-ceiling height.<sup>12</sup> In addition, Local Program projects with active ground floors would be granted up to an additional 5 feet in height at the ground floor, for a total maximum height bonus of 25 feet. Local Program projects also would be eligible to receive a density bonus through the application of form-based density controls rather than by lot area (i.e., by building volume rather than by units/square feet of lot

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<sup>11</sup> In other words, historic resources, shadow, and wind would be only a few of the environmental topics reviewed; existing environmental review requirements would remain in place. The environmental review simply would inform the determination of whether projects would be eligible for the Local Program.

<sup>12</sup> All city parcels are subject to height and bulk limits, which set the maximum parameters for building height and bulk. For example, many residential (RH-1, RH-2, RH-3, etc.) districts are within the 40-X height and bulk limits, which mandate the maximum height of 40 feet, although most residential projects are also subject to the Planning Department’s Residential Design Guidelines, design review, and other requirements that may further limit the possible height of development.

area). Density of Local Program projects therefore would be limited by applicable requirements and limitations, including height (with the bonus), bulk, setbacks, open space requirements, exposure, and unit mix.

**Zoning Modifications.** Up to three other modifications to rear yard, dwelling unit exposure, off-street loading, parking, and open space requirements, in the amounts listed in Table 1, would be available to developers who pursue the Local Program.

#### *100 Percent Affordable Housing Bonus Program*

**Eligibility Requirements.** The 100 Percent Affordable Housing Bonus Program (“100 Percent Affordable Program”) would apply to new construction projects only (vertical additions to existing buildings would not qualify) with a base density of three or more units in which 100% of the total units are income restricted to 80% AMI or below. The 100 Percent Affordable Program would be available throughout the City on any parcel zoned to allow residential uses, with the exception of RH-1 and RH-2 districts. Projects would be eligible for the 100 Percent Affordable Program only if the Planning Department determines that they would not result in significant historical resource, shadow, or wind impacts. In addition, 100 Percent Affordable Program projects would be required to comply with the proposed AHBP Design Guidelines.

**Development Bonuses.** 100 Percent Affordable Program projects would be entitled to a height bonus of up to 30 feet or 3 stories above existing height limits, plus an extra 5 feet for active ground floor uses. These projects would be eligible to receive a density bonus through application of form-based density controls.

**Zoning Modifications.** Modifications in the amounts listed in Table 1 to rear yard, dwelling unit exposure, off-street loading, parking, and open space requirements would be available to developers who pursue the 100 Percent Affordable Program. Projects in this program would be eligible to receive any or all of the offered zoning modifications.

#### *Analyzed State Density Bonus Program*

**Eligibility Requirements.** The Analyzed State Density Bonus Program (“Analyzed State Program”) would apply to projects of five or more units that include various affordability levels, ranging from 5% to 30% at various AMIs. (These affordability requirements mirror the requirements of the State Density Bonus Law.) The Analyzed State Program would apply in the same locations as the Local Program, i.e., all zoning districts that regulate residential density by lot area, with the exception of RH-1 and RH-2 districts, plus the Fillmore and Divisadero NCTDs. The Program requires 9-foot floor to ceiling heights on all residential floors and Analyzed State Program projects would be required to comply with proposed AHBP Design Guidelines.

**Development Bonuses.** Analyzed State Program projects would be eligible to receive a waiver of height restrictions up to 25 feet above existing height limits (a maximum of two stories given the required minimum 9-foot floor to ceiling height), subject to the requirements of a specified formula, and a density bonus of up to 35% above that allowed under existing zoning.

**Zoning Modifications.** Developers who pursue the Analyzed State Program would be eligible to select up to three concessions and incentives (modifications to zoning controls), in the amounts listed in Table 1, to rear yard, dwelling unit exposure, off-street loading, parking, and open space requirements.

### *Individually Requested State Density Bonus Program*

The Individually Requested State Density Bonus Program (“Individually Requested Program”) would be available to projects that are consistent with the State Density Bonus Law, but that request a set of incentives, concessions, or waivers that are not offered through the Analyzed State Program. The Individually Requested Program is also for those seeking a bonus for land donations, condominium conversions, or mobile home parks (as specifically allowed by State Law),<sup>13</sup> and for projects in zoning districts not eligible for Analyzed State projects.

**Eligibility Requirements.** The Individually Requested Program would apply to projects of five or more units that include various affordability levels, ranging from 5% to 40% at various AMIs, as provided in State Law. The Individually Requested Program would apply in all districts that allow residential units and can accommodate five or more units under existing zoning controls. Projects under this program would be required to comply with the AHBP Design Guidelines

**Development Bonuses.** Individually Requested Program projects would be entitled to a density bonus of up to 35% above that allowed under existing zoning, depending on the amount and type of restricted affordable units proposed.

**Zoning Modifications.** Developers who pursue the Individually Requested Program would be eligible to receive up to three concessions and incentives as necessary to make the density bonus physically and financially feasible. Project sponsors could also request a waiver of a development standard that physically precludes the development at the density and with the concessions requested.

### *AHBP Project Authorization*

The proposed legislation would also amend the Planning Code to add Section 328, which would establish a review and approval process for Local Program and 100 Percent Affordable Program projects. In addition to zoning modifications offered under the Local Program and 100 Percent Affordable Program, the proposed Section 328 would allow the Planning Commission to make minor project modifications to ensure a project’s consistency with the AHBP Design Guidelines.

All AHBP projects would be evaluated for consistency with the AHBP Design Guidelines. In recognition that some projects utilizing the AHBP would be taller or of differing mass than the surrounding context, the AHBP Design Guidelines would clarify how projects should both maintain their size and be designed to be compatible with their neighborhood context. Specific design guidelines would address ground-floor design, tops of buildings, sidewalk articulation, and architectural character. Also, the AHBP Design Guidelines would articulate existing design principles from neighborhood- or district-specific design

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<sup>13</sup> Density bonuses for “land donations” are regulated in Government Code Section 65915(g), “condominium conversions” are defined in Government Code Section 65915.5, and “mobile home parks” are defined under Government Code Section 65915(b)(1)(C).

guidelines that would be applied to all AHBP projects. These fundamental design principles would address such things as building massing and articulation, ground floors, and streets. Finally, the AHBP Design Guidelines would include historic preservation guidelines to ensure that AHBP projects preserve materials, features, and forms of historic districts, as applicable, and are compatible and differentiated. The draft AHBP Guidelines will be presented to the Planning Commission for adoption and forwarded to the BOS for approval.

All projects eligible to take advantage of the AHBP, under any of the four programs, would require review under CEQA.

### *AHBP General Plan Amendments*

In conjunction with the proposed AHBP ordinance, the Planning Department has proposed minor amendments to the General Plan. These amendments would add language to the Housing Element, Urban Design Element, Chinatown Area Plan, Downtown Area Plan, and Northeast Waterfront Area Plan and associated updates to the Land Use Index to specifically reflect the goals and intent of the AHBP, which allow greater height and bulk for projects that provide affordable units on site.

Generally, the proposed amendments would include the following language in the relevant sections of the General Plan:

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

The proposed amendments would add language to one Housing Element Policy and descriptive text to two other Housing Element policies to specifically reference and allow development incentives, such as additional height, density, and bulk, in exchange for higher levels of affordability. . The proposed amendments also include references to higher densities on Map 6 of the Housing Element and associated updates to the Land Use Index.

### *AHBP Approvals*

As amendments to the Planning Code and General Plan, the proposed AHBP and General Plan amendments would require review and recommendation by the Planning Commission to the Board of Supervisors, and approval of an ordinance by the Board of Supervisors.

## SETTING

San Francisco is a consolidated city and county located on the tip of the San Francisco Peninsula with the Golden Gate Strait to the north, San Francisco Bay to the east, San Mateo County to the south, and the Pacific Ocean to the west. The City is one of nine counties adjacent to San Francisco and San Pablo Bays. Daly City and the City of Brisbane abut San Francisco to the south. San Francisco is approximately 49 square miles in size. The City is made up of numerous planning districts and several plan areas (areas which have undergone, or are in the process of, a comprehensive community planning effort). Although San Francisco is densely developed, there remain developable vacant parcels, as well as underused parcels, which are currently zoned to allow housing in various locations throughout the City.

## ANALYSIS OF POTENTIAL ENVIRONMENTAL EFFECTS

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

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

The proposed AHBP, which would implement the density bonus provisions referenced in the Housing Element, would not result in any new significant environmental impacts, substantially increase the severity of previously identified effects, or necessitate implementation of additional or considerably different mitigation measures than those identified in the FEIR. The effects associated with the proposed program would be substantially the same as those reported for the FEIR, and thus no supplemental or subsequent EIR is required. The following discussion provides the basis for this conclusion.

### 2004 and 2009 Housing Element FEIR Conclusions

The 2009 Housing Element adopted policies that, generally, encouraged housing and higher density housing along transit lines and other infrastructure, and in proximity to neighborhood services, such as open space and childcare. The 2009 Housing Element policies also encouraged higher density through a community planning process and, for affordable housing projects, promoted the construction of multifamily housing. The 2004 and 2009 Housing Element FEIR identified less-than significant environmental impacts in the following environmental topic areas:

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

The FEIR found that significant effects related to encouraging new residential development along streets with noise levels above 75 dBA  $L_{dn}$  can be avoided or reduced to a less-than-significant level with mitigation, and a mitigation measure addressing the issue was incorporated into the adopted Housing Element as an implementation measure.<sup>14</sup> The FEIR found also that adoption of the 2009 Housing Element

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<sup>14</sup> *A-Weighted Sound Level (dBA)*: The sound pressure level in decibels as measured on a sound level meter using the internationally standardized A-weighting filter or as computed from sound spectral data to which A-weighting adjustments have been made. A-weighting de-emphasizes the low and very high frequency components of the sound in a manner similar to the response of the average human ear. A-weighted sound levels correlate well with

would potentially result in significant environmental effects on the transit network that could not be mitigated to a less-than-significant level with implementation of feasible mitigation measures. The policies in the 2014 Housing Element were substantially the same as those in the 2009 Housing Element, and the adoption of the 2014 Housing Element did not change the conclusions in the FEIR.

#### 2004 and 2009 Housing Element EIR Alternative C

The 2004 and 2009 Housing Element EIR, in the Revised Alternatives Analysis, discussed and analyzed Alternative C (“2009 Housing Element Intensified”), which included potential policies (described herein as “concepts”) that more actively encourage housing development through zoning accommodations than the policies in the 2009 Housing Element. These concepts were generated based on ideas and alternative concepts raised over the course of outreach for the 2009 Housing Element preparation process, but which were ultimately not included as policies in the 2009 Housing Element.

Alternative C included concepts intended to encourage housing by:

- 1) Allowing for limited expansion of allowable building envelope for developments meeting the City’s affordable housing requirement on site with units of two or more bedrooms;
- 2) Requiring development to the full allowable building envelope in locations that are directly on Transportation Effectiveness Project (“TEP”) rapid transit network lines;
- 3) Giving height and/or density bonuses for developments that exceed affordable housing requirements in locations that are directly on TEP rapid transit network lines;
- 4) Allowing height and/or density bonuses for 100 percent affordable housing in all areas of the City except in RH-1 and RH-2 zones; and
- 5) Granting of administrative (i.e., over the counter) variances for reduced parking spaces if the development is:
  - a) in an RH-2 zoning district that allows for greater residential density (e.g., adding a second unit without required parking);
  - b) in an area where additional curb cuts would restrict parking in areas with parking shortages; or
  - c) on a Transit Preferential Street.<sup>15</sup>

The 2004 and 2009 Housing Element EIR analyzed the environmental impacts of implementing a more intensified housing development program than what was proposed under the 2009 Housing Element. The FEIR concluded that Alternative C would not result in any greater significant environmental impacts than those identified for the 2009 Housing Element. Specifically, the FEIR noted that Alternative C could result in a significant and unavoidable impact to the City’s transit network – the same as the proposed 2009 Housing Element – and that, with respect to noise, Alternative C could result in a significant impact that could be mitigated to a less-than-significant level with implementation of Mitigation Measure M-NO-1 –

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subjective reactions of people to noise and are universally used for community noise evaluations.

*Day-Night Sound Level (Ldn)*: The Leq of the A-weighted noise level over a 24-hour period with a 10 dB penalty applied to noise levels between 10 p.m. and 7 a.m.

<sup>15</sup> The Transportation Element of the San Francisco General Plan contains Policy 20.1, which calls for “giving priority to transit vehicles based on a rational classification system of transit preferential streets (TPS).” The policy discussion elaborates that the TPS classification system should consider the multi-modal functions of the street, the existing and potential levels of transit service and ridership, and the existing transit infrastructure. A map of Transit Preferential Streets is provided in Map 9 of the Transportation Element.

also, the same as for the proposed Housing Element. In sum, the significance of the environmental impacts associated with Alternative C were determined to be similar to the significance of the impacts for the 2009 Housing Element. The growth projected in San Francisco over the Housing Element EIR review period was driven by assumptions based on regional demand, and therefore the EIR concluded that the policies contained within the Housing Element could incrementally affect the type of housing developed and, to some extent, the size of individual projects, but would not affect the overall number of units expected. Therefore, while some environmental impacts associated with Alternative C were determined to be either incrementally more or incrementally less severe than the impacts that were identified for the 2009 Housing Element, the difference in the severity of effects of Alternative C as compared to the 2009 Housing Element was not substantial.

### Changed Circumstances since Certification of FEIR

Since certification of the FEIR, a number of revisions have been made to the Planning Code, General Plan, and other city policies and regulations (including the Inclusionary Housing Program, Standards for Bird-Safe Buildings, and others) related to housing and development in San Francisco. Most changes to the Planning Code and other documents can be found on the Planning Department's website: <http://www.sf-planning.org/index.aspx?page=2977>. Those changes were independent from the adoption of the Housing Element and have undergone independent review under CEQA. The revisions primarily pertain to neighborhood-specific issues, and none of them would result in changes that substantially deviate from the overarching goals and objectives that were articulated in the 2009 or 2014 Housing Element (such as directing growth to certain areas of the City, promoting preservation of residential buildings, etc.) in a way that could render the conclusions reached in the FEIR as invalid or inaccurate. These revisions to the regulatory environment also would not be expected to affect the severity of impacts discussed in the FEIR. Further, no new information has emerged that would materially change the analyses or conclusions set forth in the FEIR. Any additional draft amendments proposed for adoption, but not yet adopted, would be reviewed for environmental impacts prior to adoption.

### Changes to Housing Projections

The FEIR contains population and housing projections that have since been updated. As reported in the 2014 Housing Element,<sup>16</sup> the 2012 American Community Survey estimated San Francisco's population to be about 807,755. ABAG projects continued population growth to 981,800 by 2030 or an overall increase of about 174,045 people who will need to be housed over the next 18 years.<sup>17</sup> In comparison, the 2009 Housing Element projected San Francisco's population at 934,000 by 2030. Household growth, an approximation of the demand for housing, currently indicates a need for some 72,530 new units in the 18 years to 2030. As with the 2009 and 2014 Housing Elements, the proposed AHBP would not change the population and housing projections, as those projections are due to, and influenced by, births, deaths, migration rates, and employment growth, and under current zoning the City can meet that demand. Rather, the AHBP would influence the location and type of residential development that would be constructed to meet demand.

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<sup>16</sup> 2014 Housing Element, Part I, p. I.4.

<sup>17</sup> Association of Bay Area Governments, Projections 2013, p. 75.

## Approach to Analysis of AHBP Environmental Effects

As discussed above, the Analyzed State Program and the Individually Requested Program (hereafter “the State Programs”) implement the State Law. Adoption of the State Programs would codify procedures that articulate the City’s preferences and priorities for implementing the State Law in San Francisco. Project sponsors of qualifying projects in San Francisco already are entitled to receive the density bonuses and concessions and incentives that would be offered by the State Programs. The State Programs would make it easier for project sponsors to take advantage of the State Law, since State Program projects would not be required to receive exceptions or other allowances from applicable Planning Code requirements, such as through a conditional use, variance or Planning Code amendment. The two AHBP State Law avenues, however, would not be expected to substantially increase the number of projects that are developed consistent with State Law, because the underlying financial feasibility of developing a particular parcel would not substantially change with adoption of the State Programs. Furthermore, Alternative C in the FEIR identified potential policies, including increased heights and expanded building envelopes, that would allow more intense housing development in certain areas of San Francisco. Alternative C thereby reflected the potential for construction of relatively larger buildings with higher affordability levels in particular locations, such as along rapid transit corridors. Thus, because the State Law was already assumed as part of the baseline regulatory environment for both the Housing Element and Alternative C, impacts from implementation of the State Law through the State Programs were included in the analysis of the Housing Element in the FEIR. It is worth noting, however, that future proposed projects seeking to take advantage of the State Programs, or any AHBP program, would be subject to additional project-specific environmental review.

The Local Program and 100 Percent Affordable Program (hereafter “the Local Programs”) contain additional eligibility requirements that are more restrictive than the requirements for the State Law. These include the affordability, location, unit mix, and environmental requirements. At the same time, the Local Programs have a lower threshold of eligibility regarding the pre-program density requirement (a minimum of three units versus five) and the density bonus offered under the Local Programs is not capped at a certain percentage, as is the State Law. In contrast to the State Programs, the Local Programs were not specifically included or assumed as part of the existing regulatory environment in the FEIR. The Department reasonably assumes, however, that projects constructed under the Local Programs would be generally similar to those that qualify for State Law development bonuses and, as with the State programs, would not substantially deviate from the development that the FEIR concluded could proceed under the concepts described in Alternative C.

Pursuant to CEQA, this document focuses specifically on the physical environmental effects that could result from implementing the proposed AHBP. The proposed program does not directly propose new housing development projects and thus, would not directly result in the construction of residential units. However, by allowing for and articulating the City’s preferences and priorities for density bonuses and establishing a defined menu of zoning modifications from which a developer could choose, the AHBP could encourage the production of a greater number of market-rate and affordable housing units at any given eligible site than would occur under existing land use controls. In other words, the program would allow for a greater number of residential units to be included in a given development project. This construction would occur because the program would make it more financially feasible for project sponsors to develop or redevelop underutilized sites and include affordable housing. Nonetheless, as noted above, the AHBP would not increase projected demand for housing, nor would it change the total

amount of residential growth (in terms of numbers of units) anticipated in the City. Rather, the program would influence the location, density, building envelope, and affordability of residential development that would be constructed to meet demand.

The program characteristics that have the greatest potential to result in physical environmental effects are the height and density bonuses and the zoning modifications, as they would influence the size of the building envelope and may necessitate deeper foundations and larger lot coverage.

### **Anticipated Development of AHBP Projects**

It is uncertain how many additional new units (affordable or market rate) would be built by project sponsors choosing to take advantage of the proposed AHBP. It is also uncertain precisely which parcels in the City would be developed or redeveloped with AHBP projects as opposed to traditional residential projects. Nonetheless, the Planning Department has estimated a theoretical maximum number of new units that would be built under the Program, based on the assumptions described below, and analyzed the distribution of sites throughout the City where such development would be most likely to occur.

#### *Selection of AHBP Option by Developer*

The Planning Department crafted the four proposed AHBP options to provide for a range of program types suiting different project site conditions, project types, and project sponsor needs. The Department anticipates that the Local Program would be the most popular choice by developers because it would provide the greatest benefits, in the form of the bonuses and zoning modifications offered, relative to the costs to qualify (i.e., provision of affordable housing). The Analyzed State Program is anticipated to be the second most popular choice, for similar reasons, and it would be available to projects that do not meet the eligibility requirements for the Local Program. In addition, Local Program and Analyzed State Program projects would benefit from a more streamlined entitlement process, without the need to justify the financial or site constraints that merit specific zoning modifications, relative to Individually Requested Program projects. Although sponsors of projects meeting the affordability and other requirements of the 100 Percent Affordable Program would benefit from an additional 10-foot/one-story height bonus as compared to the Local Program and Analyzed State Program, the 100 Percent Affordable Program would be expected to attract a very small number of applicants on an annual basis due to the financing constraints for such projects. Most 100% affordable projects rely on some form of public funding, sources of which are very limited, and the AHBP would not increase public funding sources. The Individually Requested Program would be expected to attract a small number of projects due to the requirement to justify the financial and/or site constraints that merit the specifically requested zoning modifications, which are not required by the other three programs. Nonetheless, the Planning Department's estimate of theoretical maximum number of new AHBP units takes into account 100 Percent Affordable and Individually Requested Program units.

#### *Development and Other Constraints*

In order to determine the likely number of new units that would be constructed under the AHBP, the Planning Department began by identifying the constraints to development of projects eligible to take advantage of the proposed AHBP. As noted above, it is anticipated that most developers would choose either the Local Program or the Analyzed State Program (hereafter "Local or Analyzed Programs"). Therefore these programs would be expected to incentivize the greatest number of residential units and the following discussion of development constraints focuses on these programs.

**Location.** Developers would be able to take advantage of the Local Program only in locations subject to quantified density limits and that allow three or more units per parcel. These locations, which total 30,850 parcels (“the study area”), constitute approximately 20 percent of all parcels in the City zoned for residential uses (see **Figure 1**). The Analyzed State Program would be available only in locations subject to quantified density limits and that allow five or more units per parcel; these parcels are encompassed within the study area.

Numerous areas of the City that benefit from more recent community plans are not subject to residential density limits, such as areas within the Market Octavia Area Plan, the Eastern Neighborhoods Area Plans, the Balboa Park Plan Area and the Glen Park Plan Area. In these areas, proposed developments are subject to form-based regulation, and are ineligible for the Local or Analyzed Programs. Some individual parcels in areas with form-based zoning where residential use is permitted are expected to take advantage of the 100 Percent Affordable Program, but for the reasons described above this would not constitute a substantial number of sites.

In addition, projects seeking density bonuses under the Local, 100 Percent Affordable, and Analyzed State Programs would not be permitted in RH-1 and RH-2 districts, which allow only one or two units per lot, respectively. RH-1 and RH-2 districts make up approximately 72% of all existing land parcels and 50% of the City’s developable acreage (meaning non-open space or land that is not federally owned).

As illustrated in **Figure 1**, the study area includes neighborhood commercial districts along Geary Boulevard, Van Ness Avenue, and Balboa, Fillmore, Divisadero, and Taraval streets. In addition, the study area includes some parcels along Van Ness Avenue and Mission, Third, Irving, and Judah streets.

The study area includes zoning districts in which mixed-use development is already encouraged or permitted (e.g., C (Commercial) districts, NC (Neighborhood Commercial), NCT (Neighborhood Commercial Transit) districts, and RC (Residential-Commercial Combined) districts, among others). Thus, AHBP projects would likely occur in zoning districts that have neighborhood-, city-, or regional-serving commercial uses in areas close to major transit lines (i.e., the Muni rapid network) and on major automobile arterials. **Figure 2** shows the location of the Muni rapid network in relation to the study area.

**Existing and Proposed Site Development.** The majority of parcels throughout San Francisco are already developed with existing buildings that are not anticipated to be redeveloped. A total of 13,800 parcels in the study area are currently developed to more than 30% of the permitted site capacity.<sup>18</sup> Even with the density and height bonuses offered to projects qualifying for the Local and Analyzed Programs, it is unlikely that the financial incentives of the programs would be sufficient to incentivize redevelopment of those parcels. This standard assumption applies because the value of the existing uses on those parcels most likely exceeds the relative value of the new development potential, less the cost of redeveloping the parcel. These costs include the monetary cost of project design, environmental review, entitlement processing, demolition, and construction. Furthermore, because redevelopment entails an inherent uncertainty about whether the project would successfully receive entitlements, parcels already developed 30% above the permitted site capacity are unlikely to undergo the redevelopment process.

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<sup>18</sup> The Planning Department divides the square footage of a building or buildings on a given parcel by the total square footage theoretically allowed on that same parcel under existing zoning controls (i.e., height limit, rear yard requirement, bulk controls, etc.) to calculate to what percent of zoned capacity the parcel is currently developed.

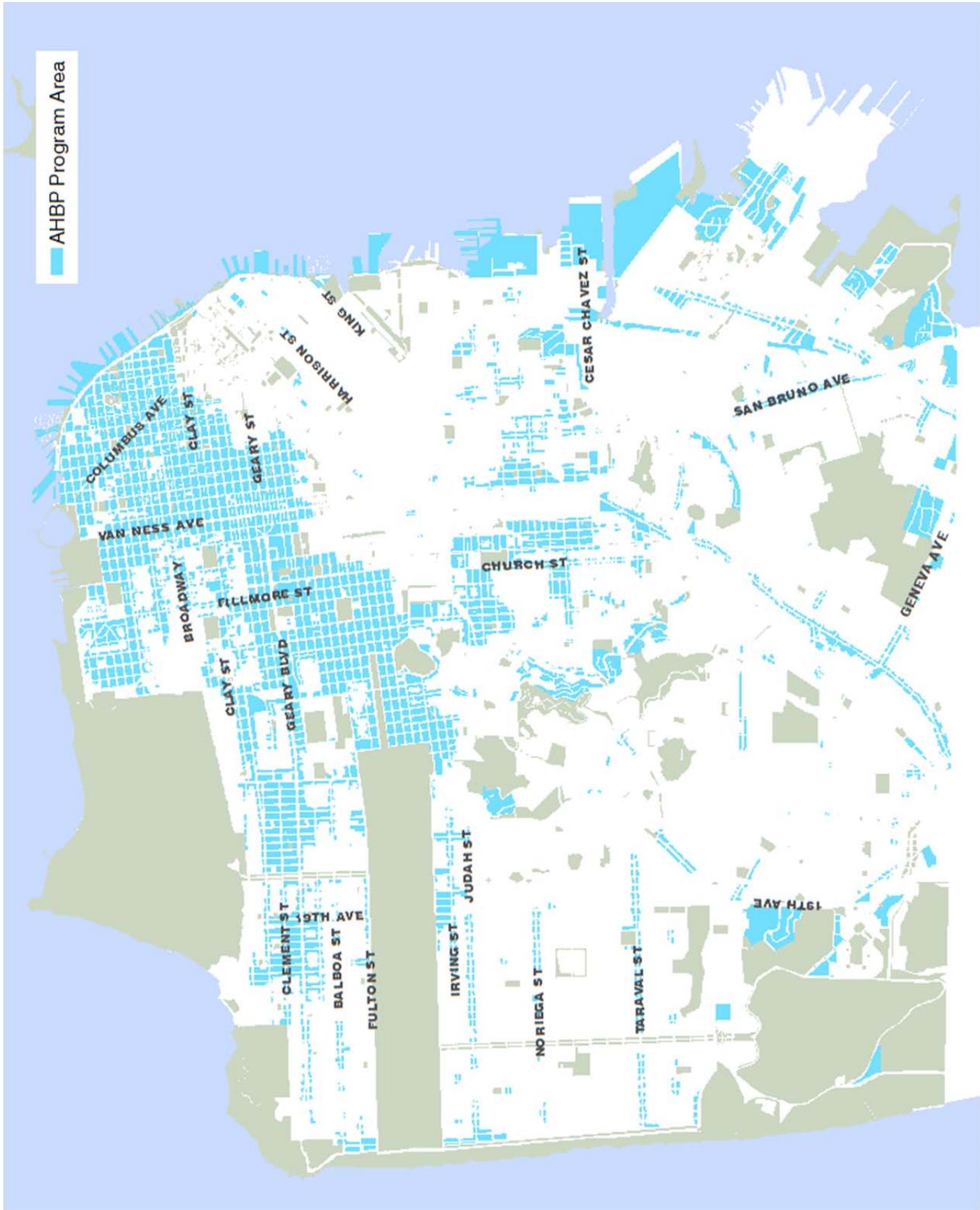


FIGURE 1: AHB STUDY AREA

SOURCE: San Francisco Planning Department, 2016



In addition to the above, the type and age of existing development is a factor in assessing the likelihood of a given parcel being redeveloped. Certain existing uses make redevelopment prohibitively costly or unlikely, either due to the nature of the existing uses or due to existing Planning Code regulations or policies that discourage demolition and reconstruction. Within the study area, these uses include: hospitals, San Francisco Housing Authority properties, single resident occupancy (SRO) hotels, schools, parcels containing rent-controlled residential units, parcels containing historic properties (those with Planning Department Historic Resource Status Code of A, signifying “Historic Resource Present”), churches, and parcels with existing residential units. These uses are strongly regulated and/or their redevelopment is discouraged, making them difficult to redevelop. As noted above, projects that would result in a significant impact to a historic resource would not be eligible for the Local Programs. Parcels with buildings constructed after 1990 are also less likely to be redeveloped due to the age and relative health of the existing building.

In addition, parcels that are currently vacant but where buildings are either under construction or have received their entitlements are unlikely to be modified and reapproved under the AHBP. Furthermore, projects that are moving through the entitlement process (so-called “pipeline projects”) are very unlikely to be modified to be an entirely different project. This is because the sponsor’s recent substantial investments in non-construction costs, including site acquisition, architectural design, engineering, legal fees, application fees, pursuit of entitlements, and carrying costs are strong incentives to stay the course and not risk the additional time and expense associated with project revisions to conform with the AHBP. Even if some project sponsors of pipeline projects opt to modify their project to take advantage of the AHBP, the increased development capacity on those sites would be negligible in the context of this EIR addendum analysis. Currently, there are only 26 pipeline projects in the project area. Individual AHBP projects will be subject to individual environmental review.

Exclusion of parcels with the aforementioned site development characteristics from the study area leaves a remainder of 3,475 parcels.

**Other Considerations.** To be eligible for the Local or Analyzed Programs, project sponsors would be required to provide affordable housing units on site, including inclusionary units under Planning Code Section 415. Some developers, however, would not find it desirable, for financial or business reasons, to provide onsite affordable housing and would rather elect to pay the in-lieu fee under Planning Code Section 415. Historically, approximately 21% of residential projects subject to Section 415 elect to pay the in-lieu fee.<sup>19</sup>

Lastly, on any given parcel, factors such as the shape of the parcel, topography, and other considerations, such as neighborhood opposition, would affect the likelihood of a given site being redeveloped.

### *Theoretical Maximum Number of Bonus Units*

As noted, of the 30,850 parcels in the City in locations that would permit Local Program projects (and, to a lesser degree, Analyzed State Program projects), 3,475 parcels are free of the above-described development constraints that would make their redevelopment unlikely.

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<sup>19</sup> According to the San Francisco Mayor’s Office of Housing, between 1992 and 2014, the inclusionary housing ordinance resulted in 1,787 onsite units, or 81 onsite units per year, on average. See <http://sf-moh.org/modules/showdocument.aspx?documentid=8736>, accessed January 7, 2016.

Planning Department staff then identified a subset of these 3,475 parcels that were either vacant or built to 5% or less of their zoned capacity. The number of parcels in the study area that contain existing buildings or are built to greater than 5% of their zoned capacity equals 3,235 parcels. Because the remaining 240 parcels, or “soft sites,” are either vacant or developed to less than 5% of zoned capacity, and are therefore deemed to have the characteristics that make them the most likely to be of sufficient appeal to developers seeking to take advantage of the Local Program.

Under existing density, height, and bulk controls, the 240 soft sites have the capacity to accommodate approximately 7,400 housing units, including 890 affordable units.<sup>20</sup> If all 240 sites were developed consistent with the Local Program, they could accommodate approximately 16,000 housing units, including 5,000 affordable units. If the 240 soft sites were developed consistent with the Analyzed State Program, they would have the capacity for up to 10,000 housing units, including approximately 1,500 affordable units. Thus, it is assumed that the AHBP could incentivize the development of between 10,000 and 16,000 housing units. For the purpose of this analysis, this addendum reasonably assumes that this development would occur over a 20-year period.<sup>21</sup>

It should be noted that the theoretical maximum development of up to 16,000 bonus units does not take into account the “Other Considerations” described above. In addition, this analysis assumes that developers of all 240 soft sites elect to participate in the Local Program and maximize the number of units built on those lots. In reality, for some sites, the Local Program would not provide sufficient additional development potential compared to current zoning or the Analyzed State Program. On such sites, development under existing zoning or the Analyzed State Program would yield fewer units.

As noted previously, implementation of the AHBP, in and of itself, would not result in new development; instead, the program would create a procedure for complying with the State Density Bonus Law, as well as establish additional incentives for including affordable housing above that required by the City’s Inclusionary Housing Program. Future impacts to the environment, however, could occur as a result of specific development projects on individual sites. Individual projects would be subject to site-specific environmental review.

Consistent with the 2004 and 2009 Housing Element FEIR, this addendum does not attribute any difference in environmental impacts to affordable housing as compared to market-rate housing; thus, the addendum analyzes the buildout of all residential units on the soft sites, regardless of their affordability level.

The above-described theoretical maximum development of AHBP units is a reasonable basis for assessing the physical environmental impacts of the program for CEQA purposes. In addition, it provides a basis for understanding the effectiveness of the program at meeting its goal of incentivizing affordable housing production pursuant to Implementing Program 39b of the 2014 Housing Element.

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<sup>20</sup> This assumes that all required inclusionary affordable units would be provided onsite.

<sup>21</sup> Twenty years, or approximately so, is commonly used as a forecast horizon for growth projections in planning and CEQA documents. For example, the 2009 Housing Element projected population growth over a 21-year period.

## *Land Use and Land Use Planning*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts related to land use and land use planning. The 2009 Housing Element would not conflict with applicable land use plans, policies, or regulations, including, but not limited to, the *San Francisco General Plan (General Plan)*, the *San Francisco Countywide Transportation Plan*, and the *San Francisco Bicycle Plan*. Individual development projects would be reviewed for consistency and compliance with applicable land use plans, policies, or regulations. The 2009 Housing Element would not physically divide established communities by promoting the construction of physical barriers to neighborhood access, such as new freeways, or by removing existing means of access, such as bridges or roadways. The 2009 Housing Element would not have a substantial impact upon the existing character of San Francisco. Individual development projects would undergo design review to ensure that new construction is compatible with the neighborhoods in which the projects are located. In addition, individual development projects would be reviewed for compliance with San Francisco Planning Code (Planning Code) regulations to ensure that the proposed land uses are permitted in the zoning districts in which the projects are located.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller and denser buildings could result in incrementally greater impacts related to land use and land use planning, but these impacts would be less than significant.

### **Modified Project (AHBP)**

The AHBP would promote housing along or near transit corridors and on sites in established neighborhoods throughout San Francisco. The AHBP includes Planning Code amendments that would allow qualifying projects to exceed existing height limits, resulting in buildings that could be taller and denser than what is currently permitted under existing regulations.

Plans, policies, and regulations adopted for the purpose of avoiding or mitigating an environmental effect are those that directly address environmental issues and/or contain targets or standards that must be met in order to maintain or improve characteristics of the City's physical environment. Examples of such plans, policies, or regulations include the Bay Area Air Quality Management District's *2010 Clean Air Plan* and the San Francisco Regional Water Quality Control Board's *San Francisco Basin Plan*. The AHBP would not directly conflict with any plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. Individual development projects proposed under the AHBP would be evaluated by City decision-makers for their consistency with such plans, policies, or regulations, and conflicts would need to be addressed prior to the approval of any entitlements.

The AHBP would not physically divide established communities by calling for the construction of physical barriers to neighborhood access, such as freeways, or the removal of existing means of access, such as bridges and roadways. AHBP projects would generally be constructed on vacant or underutilized sites along or near transit corridors and in established residential neighborhoods. New freeways would not need to be constructed to provide access to and from these projects, and existing bridges and roadways would not need to be removed to accommodate the development of these projects.

The AHBP would not have a substantial impact on the existing land use character of San Francisco. The AHBP would promote housing in zoning districts that currently allow residential and neighborhood-serving commercial uses. AHBP projects would introduce new residential and neighborhood-serving commercial uses to established neighborhoods in which such land uses already exist. Therefore, AHBP projects would be largely compatible with the existing land use character of the neighborhoods in which they would be located. AHBP projects could be taller and denser than both non-AHBP projects and existing development. However, the increased height and density would not affect the land use character of a neighborhood in which an AHBP project is located, because new residential uses would be compatible with existing residential uses whether they are housed in a three-story building with fewer units or a five-story building with more units. The physical environmental impacts associated with taller buildings are discussed under the topics of Aesthetics and Wind and Shadow, and the physical environmental impacts associated with denser buildings are discussed under the topics of Population and Housing, Recreation, Utilities and Service Systems, and Public Services.

For these reasons, the AHBP would result in less-than-significant impacts related to land use and land use planning. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts related to land use and land use planning.

### *Aesthetics*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on aesthetics. The 2009 Housing Element would not have a substantial adverse effect on a scenic vista, would not damage scenic resources that contribute to a scenic public setting, and would not degrade the existing visual character of San Francisco. As discussed in the FEIR, future development would be required to comply with existing regulations adopted for the purpose of avoiding such impacts. The FEIR also found that the 2009 Housing Element would not create new sources of substantial light and glare that would adversely affect day or nighttime views or would substantially affect other people or properties. New exterior lighting associated with future development would be focused on specific areas rather than illuminating large areas that are currently not illuminated. Furthermore, all future development would be required to comply with Planning Commission Resolution No. 9212, which prohibits the use of highly reflective or mirrored glass in new construction.

As discussed in the FEIR, Alternative C would promote taller buildings than would the 2009 Housing Element. The FEIR concluded that these taller buildings could result in incrementally greater impacts related to aesthetics, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

The AHBP would allow qualifying projects to exceed existing height limits in certain locations throughout San Francisco, resulting in buildings that could be taller than what is currently permitted under existing regulations. For this reason, adoption of the AHBP could indirectly affect the visual character of the areas in which AHBP projects are located.

CEQA was amended in 2013 to add Public Resources Code (“PRC”) Section 21099 regarding the analysis of aesthetics and parking impacts for certain urban infill projects in transit priority areas.<sup>22</sup> PRC Section 21099(d) provides that, “aesthetics and parking impacts of a residential, mixed-use residential, or employment center project on an infill site located within a transit priority area shall not be considered significant impacts on the environment.” Accordingly, aesthetics and parking are no longer to be considered in determining if a project has the potential to result in significant environmental effects for projects that meet all of the following three criteria:

- 1) The project is in a transit priority area;
- 2) The project is on an infill site; and
- 3) The project is residential, mixed-use residential, or an employment center.

Since the AHBP would promote housing on infill sites along or near transit corridors throughout San Francisco, most, if not all, AHBP projects would meet all three of the criteria listed above. Pursuant to PRC Section 21099, AHBP projects that meet the three criteria listed above would not result in significant impacts related to aesthetics. In addition, implementation of the AHBP Design Guidelines and Planning Commission Resolution No. 9212 would ensure that AHBP projects would be architecturally and visually compatible with the neighborhoods in which they are located. Since AHBP projects would likely be scattered throughout the City and not concentrated in any one neighborhood or particular block, adoption of the AHBP would not have significant impacts related to aesthetics. Buildings that are somewhat taller or denser than their surrounding context are common and expected in urban environments.

For these reasons, adoption of the AHBP would result in less-than-significant impacts related to aesthetics. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR’s conclusions regarding impacts related to aesthetics.

## *Population and Housing*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts related to population and housing. As noted above, population growth in San Francisco and the region is primarily a result of births, deaths, migration, and employment growth. The growth projections in the FEIR were not driven by assumptions regarding proposed development. The purpose of the 2009 Housing Element is to provide ways for housing supply to meet housing demand and need; if housing supply were the basis for the growth projections, there would be no need for a housing element. For this reason, the 2009 Housing Element would not induce a substantial amount of population growth above the level anticipated in regional growth projections generated by the Association of Bay Area Governments.

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<sup>22</sup> A “transit priority area” is defined in as an area within one-half mile of an existing or planned major transit stop. A “major transit stop” is defined in Section 21064.3 of the California Public Resources Code as a rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. A map of transit priority areas in San Francisco can be found at <http://sfmea.sfplanning.org/CEQA%20Update-SB%20743%20Summary.pdf>.

Implementation of the 2009 Housing Element would not displace substantial numbers of existing housing units or people. Individual development projects would be subject to regulations that limit the demolition and merger of existing housing units, which would reduce the need to construct replacement housing.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. These taller and denser buildings could result in incrementally greater impacts related to population and housing, but these impacts would be less than significant.

### **Modified Project (AHBP)**

The AHBP would not directly induce population growth above that anticipated by regional growth projections due to births, deaths, migration and employment growth; rather, it would be a new mechanism for providing housing supply – particularly affordable housing – to meet demand. The AHBP would promote housing in certain areas of San Francisco and could influence the design or types of buildings in which projected population growth is housed. In addition, the AHBP would not indirectly induce substantial population growth by calling for the extension of roads, utilities, or other infrastructure. The AHBP would promote housing along or near transit corridors and in established neighborhoods that are already served by roads, utilities, and other infrastructure. Individual projects proposed under the AHBP would be evaluated for their impacts on demand for roads, utilities, and other infrastructure.

The AHBP would not displace substantial numbers of existing housing units or residents by calling for the demolition of existing housing stock. Individual AHBP projects that involve the conversion or demolition of existing housing units would be subject to local policies and regulations that protect existing housing stock. These policies and regulations include, but are not limited to, the Housing Element of the General Plan; Planning Code Section 317: Loss of Dwelling Units through Demolition, Merger, and Conversion; San Francisco Administrative Code (Administrative Code) Chapter 41: Residential Hotel Unit Conversion and Demolition Ordinance; Administrative Code Chapter 41A: Residential Unit Conversion Ordinance; and Administrative Code Chapter 41C: Time-Share Conversion Ordinance. Required compliance with these policies and regulations would ensure that AHBP projects would not displace substantial numbers of existing housing units or residents, thus minimizing the demand for replacement housing and the environmental impacts associated with the construction of replacement housing.

The AHBP would not directly displace businesses, but AHBP projects that involve demolition of existing buildings could displace businesses. The physical effects of business displacement would be considered on an individual basis as part of the environmental review process for each project, because such impacts are project-specific and location-specific. Without individual development proposals to evaluate, it would be speculative to conclude that the AHBP would result in significant overall impacts related to business displacement.

Although businesses are not afforded the same type of protection as residents where displacement is concerned, the City operates several programs to assist displaced businesses. The Office of Economic and Workforce Development runs the Invest in Neighborhoods program, which helps displaced businesses find relocation sites and, under certain circumstances, can provide funding for specific construction improvements, such as façade upgrades. The Small Business Development Center offers pro bono legal advice and technical assistance, and the Office of Small Business provides one-to-one case management assistance with licenses, permits, and financing. In addition to these existing programs, the AHBP includes additional protection for businesses that could be displaced. Sponsors of AHBP projects that

involve demolition of existing buildings and displacement of businesses would be required to notify the affected businesses prior to the start of environmental review, which would provide the affected businesses with more time (anywhere from one to two years) to develop and implement relocation plans. The addition of this notification requirement, in conjunction with the existing programs, would reduce impacts on businesses that could be displaced as a result of the development of AHBP projects.

For these reasons, the AHBP would result in less-than-significant impacts related to population and housing. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts related to population and housing.

### *Cultural and Paleontological Resources*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element could result in a substantial adverse change to a historic resource if it promoted inappropriate alterations to or demolition of an existing building that is a historic resource, inappropriate new construction in a historic district, or demolition by neglect.<sup>23</sup> The FEIR also found that assessing such impacts on historic resources would be most appropriate during the review of individual development projects proposed under the 2009 Housing Element. Such impacts would be offset through required compliance with existing federal, state, and local regulations that protect historic resources.

The FEIR also found that the 2009 Housing Element would not result in a substantial adverse change to an archeological resource, would not destroy a paleontological resource or site or unique geologic feature, and would not disturb human remains. Individual development projects that could have potential impacts on archeological resources, paleontological resources, or human remains would be subject to existing regulations that protect such resources. These regulations include, but are not limited to, the National Historic Preservation Act and the California Public Resources Code. In addition, the Planning Department has established procedures to assess impacts on archeological resources as well as mitigation measures to reduce potentially significant impacts to less-than-significant levels.

As discussed in the FEIR, Alternative C would promote a larger number of development projects as well as taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that this increased amount of development, combined with potentially taller buildings, in or adjacent to existing historic districts could result in incrementally greater impacts on cultural and paleontological resources, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

The AHBP would not directly alter or encourage the alteration of existing historic resources. However, individual development projects proposed under the AHBP could result in direct effects on historic

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<sup>23</sup> CEQA defines "substantial adverse change" as "demolition, destruction, relocation or alteration," activities that would impair the significance of a historical resource either directly or indirectly. Demolition by neglect is the gradual deterioration of a building when routine or major maintenance is not performed and/or when a building is allowed by the owner to remain vacant and open to vandals.

resources through demolition or alteration of existing buildings or through new construction in existing historic districts. AHBP projects would be evaluated for their potential impacts on historic resources during the environmental review process. In order to be eligible for the Local and 100 Percent Affordable programs, project sponsors must demonstrate that their projects would not result in a substantial adverse change in a historic resource. If the Planning Department determines that a project would result in a substantial adverse change in a historic resource, then the project would not be eligible for the Local and 100 Percent Affordable programs. The project would need to be modified in order to avoid causing such a change, or the project could not be approved under these programs. Given this constraint, projects proposed under the Local and 100 Percent Affordable programs would result in less-than-significant impacts on historic resources.

As discussed in the project description, there is an existing State Density Bonus Law that allows developers to seek density bonuses in exchange for providing affordable housing; this existing law does not require projects to avoid causing substantial adverse changes in historic resources. The AHBP would not change the existing law, but it would provide developers with two avenues (the Analyzed State Program and the Individually Requested Program) for seeking density bonuses in exchange for providing affordable housing; these two State Programs would be consistent with the existing law (i.e., they would not require projects to avoid causing substantial adverse changes in historic resources). Projects proposed under either of the State programs could result in potentially significant impacts on historic resources. These impacts would be evaluated on a project-by-project basis, because impacts on historic resources are project-specific and location-specific. Without individual development proposals to evaluate, it would be speculative to conclude that either of the State Programs would result in significant overall impacts on historic resources. The AHBP would not result in impacts that would be more severe than those that could result from development proposed under the existing State Density Bonus Law.

The AHBP would not directly place or encourage housing in areas of San Francisco that could be underlain by soils containing archeological resources, paleontological resources (i.e., fossils), or human remains. However, individual development projects proposed under the AHBP could be located in such areas. Required compliance with existing federal, state, and local regulations and procedures would ensure that AHBP projects would not result in a substantial adverse change to an archeological resource, would not destroy a paleontological resource or site or unique geologic feature, and would not disturb human remains.

For these reasons, the AHBP would result in less-than-significant impacts on cultural and paleontological resources. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on cultural and paleontological resources.

## *Transportation and Circulation*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on traffic, pedestrians, bicycles, loading, emergency access, and construction-related traffic. However, the FEIR concluded that the 2009 Housing Element would result in a significant and unavoidable transit impact, because policies in the 2009 Housing Element that encourage transit-oriented residential development could result in a mode shift toward transit. Such a shift could result in an exceedance of the San Francisco Municipal Railway's capacity utilization standard of 85 percent. The FEIR identified two mitigation measures to address this impact. The first mitigation measure called for the City to implement various transportation plans and programs that would reduce congestion and decrease transit travel times.<sup>24</sup> Since the certification of the FEIR, the Transit Effectiveness Project and the Van Ness Avenue Bus Rapid Transit Project have been approved and are being implemented. The second mitigation measure called for the San Francisco Municipal Transportation Agency to increase capacity by providing more buses. At the time that the FEIR was certified, the feasibility of these mitigation measures could not be established. For this reason, the FEIR concluded that the 2009 Housing Element's impact on transit would be significant and unavoidable.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. In addition, Alternative C would encourage reduced parking requirements for future development and increased density along existing transit lines, resulting in fewer vehicle trips but more transit trips. The FEIR concluded that effects on the roadway network from future development under Alternative C would not be expected to exceed 2025 cumulative conditions. As with the 2009 Housing Element, Alternative C would result in a potentially significant impact on transit but would have no impact on pedestrians, bicycles, loading, emergency vehicle access, or construction-related traffic.

### **Modified Project (AHBP)**

The AHBP would promote housing along or near transit corridors and on sites in established neighborhoods throughout San Francisco, which is consistent with many local plans, policies, and regulations, including the General Plan, the *San Francisco Countywide Transportation Plan*, and the City's Transit First Policy. This type of transit-oriented development would help encourage residents to move away from the use of private automobiles and toward alternative modes of transportation, such as transit, bicycling, and walking. This mode shift would help reduce impacts on traffic, pedestrians, bicycles, loading, emergency access, and construction-related traffic. Although this mode shift is consistent with the 2009 Housing Element policies, it has the potential to increase the demand for transit service to the degree that the San Francisco Municipal Railway's capacity utilization of 85 percent would be exceeded.<sup>25</sup>

On November 17, 2015, the San Francisco Board of Supervisors adopted the Transportation Sustainability Fee ("TSF") (Ordinance No. 200-15, effective December 25, 2015) to replace the Transit Impact

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<sup>24</sup> The FEIR noted that various transportation plans were adopted, but not implemented, or proposed. Adopted plans/programs included SF Park, SF Go, the *San Francisco Bicycle Plan*, the Transbay Terminal, Caltrain Electrification, and High Speed Rail project, and the Central Subway. Proposed plans included congestion pricing, SFMTA's Transit Effectiveness Project, the Van Ness Avenue and Geary Boulevard Bus Rapid Transit projects, and the *San Francisco Better Streets Plan*.

<sup>25</sup> Capacity utilization is the number of passengers on board a transit vehicle relative to the total capacity.

Development Fee.<sup>26</sup> The TSF applies to new commercial projects, market-rate residential projects with more than 20 units, and certain institutional projects. Developers of such projects would pay a fee that would fund various transit improvements, including additional buses and trains, the reengineering of streets and transit stops, and upgrades to bicycle, and pedestrian facilities. The AHBP could reasonably result in a higher number of market-rate residential projects with more than 20 units than under existing zoning regulations. Therefore, more projects would be subject to the TSF, and more revenue would be generated to mitigate transit impacts.

For these reasons, the AHBP would result in less-than-significant impacts on traffic, pedestrians, bicycles, loading, emergency access, and construction-related traffic, but it would result in a significant and unavoidable impact on transit. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on transportation and circulation.

## *Noise*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in a less-than-significant impact related to a substantial temporary or periodic increase in ambient noise levels due to policies that discourage demolition and encourage maintenance of the City's existing housing stock. In addition, all construction activities are required to comply with the regulations set forth in the San Francisco Noise Ordinance (Noise Ordinance).

The FEIR concluded that the 2009 Housing Element would not result in the exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels, because potential impacts resulting from groundborne vibration or groundborne noise due to construction activities would be reduced to less-than-significant levels through compliance with federal, state, and local regulations. The FEIR also found that the 2009 Housing Element would not result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing at the time of that the Notice of Preparation of an EIR was published.

Lastly, the FEIR concluded that the 2009 Housing Element would result in a significant but mitigable impact related to the exposure of persons to, or generation of, noise levels in excess of established standards. The FEIR concluded that by encouraging future growth along transit corridors within the City, such growth could be located in areas with existing ambient noise levels exceeding 60 dBA L<sub>dn</sub>, which is the maximum satisfactory exterior noise level for residential areas.<sup>27, 28</sup> Interior noise levels for residential uses are addressed through compliance with the noise standards set forth in Title 24 of the California Code of Regulations, as implemented during the design and review phase for individual development projects.

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<sup>26</sup> San Francisco Board of Supervisors, Ordinance No. 200-15, adopted November 17, 2015. Available at <http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/ordinances15/o0200-15.pdf>, accessed January 13, 2016.

<sup>27</sup> The standard method used to quantify environmental noise involves evaluating the sound with an adjustment to reflect the fact that human hearing is less sensitive to low-frequency sound than to mid- and high-frequency sound. This measurement adjustment is called "A" weighting, and the data are reported in A-weighted decibels (dBA).

<sup>28</sup> L<sub>dn</sub> is the average equivalent sound level during a 24-hour day, obtained after the addition of 10 dB to sound levels during nighttime hours (from 10:00 p.m. until 7:00 a.m.).

However, some areas of the City may be especially noisy. FEIR Mitigation Measure M-NO-1: Interior and Exterior Noise, requires the preparation of a noise analysis for new residential development projects located on streets with noise levels above 75 dBA L<sub>dn</sub>. The noise analysis shall include, at a minimum, (1) a site survey to identify potential noise-generating uses within two blocks of the project site and (2) at least one 24-hour noise measurement with maximum noise level readings taken at least every 15 minutes prior to completion of the environmental review. The analysis shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met. FEIR Mitigation Measure M-NO-1 also requires that open space for new residential uses be protected, to the maximum extent feasible, from existing ambient noise levels that could prove annoying or disruptive to users of the open space. Implementation of this measure could involve designing the project in a way that uses the building itself to shield on-site open space from noise sources, constructing noise barriers between on-site open space and noise sources, and appropriately using both common and private open space in multi-unit residential buildings. Since the certification of the FEIR, this mitigation measure has been implemented as part of every proposed residential project that (1) is located on a street with ambient noise levels above 75 dBA L<sub>dn</sub> and/or (2) includes open space.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller and denser buildings could result in incrementally greater noise and vibration impacts during both the construction and operational phases, but these impacts would be less than significant with implementation of FEIR Mitigation Measure M-NO-1.

#### **Modified Project (AHBP)**

The AHBP would promote housing in areas of San Francisco that could have existing ambient noise levels exceeding 60 dBA L<sub>dn</sub>. Individual development projects proposed under the AHBP would be required to comply with the noise standards set forth in Title 24 as well as the provisions of the Noise Ordinance. As discussed above, AHBP projects that are located on streets with ambient noise levels above 75 dBA L<sub>dn</sub> or that include open space would be required to implement FEIR Mitigation Measure M-NO-1. Required compliance with existing noise regulations and implementation of FEIR Mitigation Measure M-NO-1 would ensure that new noise-sensitive receptors occupying AHBP projects would not be substantially affected by existing noise levels. No additional mitigation measures to address noise impacts on noise-sensitive receptors are necessary.

Construction of AHBP projects would result in temporary site-specific increases in noise and vibration levels. Once construction has been completed, noise and vibration produced by construction equipment and construction vehicles would cease. In addition, all construction activities in San Francisco are required to comply with the Noise Ordinance, which prohibits construction between the hours of 8:00 p.m. and 7:00 a.m. Construction of AHBP projects would generate vibration that could damage adjacent or nearby buildings. The DBI is responsible for reviewing building permit applications to ensure that proposed construction activities, including pile driving, shoring, and underpinning, comply with all applicable procedures and requirements and would not materially impair adjacent or nearby buildings.

Vehicle traffic is a primary source of noise and vibration throughout San Francisco. Like the 2009 Housing Element, the AHBP would promote housing in some areas along or near major transportation corridors that have higher ambient noise and vibration levels than other areas of San Francisco. Although AHBP

projects could be taller and denser than development anticipated under the 2009 Housing Element, AHBP projects would not include substantially more units such that there would be a noticeable increase in traffic noise and vibration. Vehicle traffic generated by AHBP projects would result in localized increases in noise and vibration levels, but these increases would not be substantial given the elevated noise and vibration levels that already exist along major transportation corridors.

AHBP projects would include mechanical equipment, such as heating and ventilation systems, that could produce operational noise and potentially disturb adjacent and nearby noise-sensitive receptors. The operation of this mechanical equipment is subject to the provisions of the Noise Ordinance. Compliance with the Noise Ordinance would minimize noise from building operations.

For these reasons, the AHBP would result in less-than-significant noise and vibration impacts. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding noise and vibration impacts.

### *Air Quality*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on air quality. As discussed in the FEIR, the 2009 Housing Element would not increase the overall citywide population from 2009 to 2025 above the level assumed in the *Bay Area 2005 Ozone Strategy*, which was the applicable air quality plan at the time the FEIR was prepared. During this 16-year period, the number of vehicle-miles-traveled would increase at a lower rate than the rate of population growth, meaning that air pollution from vehicles would not outpace the population growth anticipated in the *Bay Area 2005 Ozone Strategy*. For these reasons, the 2009 Housing Element would not conflict with or obstruct implementation of the applicable air quality plan and would not violate an air quality standard or contribute substantially to an existing or projected air quality violation. In addition, all construction activities associated with individual development projects would be subject to the provisions of the Construction Dust Control Ordinance.

The FEIR concluded that the 2009 Housing Element would not expose sensitive receptors to substantial air pollutant concentrations. Increased housing development along or near transit corridors could increase concentrations of certain air pollutants, including PM<sub>2.5</sub>, NO<sub>2</sub>, and toxic air contaminants, on some roadways within San Francisco. At the same time, increased density and associated shifts from private automobiles to alternative modes of transportation, such as transit, bicycling, and walking, could reduce the overall expected growth of vehicle trips and vehicle-miles traveled. In addition, Article 38 of the San Francisco Health Code contains requirements for air quality assessment and mitigation when new residential exposures exceed action levels for acceptable air pollutant concentrations.

The FEIR also concluded that the 2009 Housing Element would result in less-than-significant impacts related to carbon monoxide (CO) concentrations. To support this conclusion, CO concentrations were calculated based on simplified CALINE4 screening procedures developed by the Bay Area Air Quality Management District (BAAQMD). Based on the modeling, under future 2025 cumulative traffic conditions, none of the 10 worst-performing intersections included in the model would exceed

CO standards. Thus, it was assumed that if CO levels at the 10 worst-performing intersections do not exceed the CO thresholds, then the remaining 50 intersections analyzed in the traffic study would not exceed the CO thresholds.

Lastly, the FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts related to objectionable odors, because residential uses generally do not create objectionable odors.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. In addition, Alternative C would encourage increased density along existing transit lines, resulting in fewer vehicle miles traveled but more transit trips. The FEIR concluded that overall air quality impacts associated with taller and denser transit-oriented development under Alternative C would be incrementally reduced when compared to the impacts under the 2009 Housing Element. The air quality impacts under Alternative C would be less than significant.

### **Modified Project (AHBP)**

The AHBP would not directly contribute to air pollutant emissions, but individual development projects proposed under the AHBP would contribute to air pollutant emissions during their construction and operational phases. AHBP projects would be subject to state, regional, and local plans, policies, and regulations related to the protection of air quality. These plans, policies, and regulations include, but are not limited to, the BAAQMD's *2010 Clean Air Plan*, the San Francisco Construction Dust Control Ordinance, and Article 38 of the San Francisco Health Code. The Construction Dust Control Ordinance requires that all site preparation work, demolition, or other construction activities that have the potential to create dust or to expose or disturb more than 10 cubic yards or 500 square feet of soil comply with specified dust control measures. Such measures include watering all active construction areas sufficiently to prevent dust from becoming airborne, wet sweeping or vacuuming the streets, sidewalks, paths, and intersections where work is in progress at the end of the workday, and covering inactive stockpiles of excavated material, backfill material, gravel, sand, road base, and soil. Pursuant to Article 38, any project, AHBP or otherwise, located in an Air Pollutant Exposure Zone (APEZ) would be required to provide an enhanced ventilation system to protect its residents from exposure to toxic air contaminants. In addition, any project, AHBP or otherwise, located in an APEZ may be subject to mitigation measures that are necessary to reduce construction-related air quality impacts to less-than-significant levels. Required compliance with these plans, policies, and regulations would ensure that AHBP projects would not violate an air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial air pollutant concentrations.

Residential uses generally do not create objectionable odors. Land uses that commonly create objectionable odors include wastewater treatment plants, oil refineries, landfills, and composting facilities. Since AHBP projects would not include these types of land uses, AHBP projects would not create objectionable odors.

For these reasons, the AHBP would result in less-than-significant impacts on air quality. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on air quality.

## *Greenhouse Gas Emissions*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would not generate greenhouse gas (GHG) emissions, either directly or indirectly, that may have a significant impact on the environment and would not conflict with any applicable plan, policy, or regulation adopted for the purpose of reducing GHG emissions. Moreover, implementation of the 2009 Housing Element would not conflict with Assembly Bill (AB) 32 or San Francisco's *Strategies to Address Greenhouse Gas Emissions*.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. In addition, Alternative C would encourage increased density along existing transit lines and more energy-efficient buildings. The FEIR concluded that overall GHG impacts associated with taller, denser, and more energy-efficient transit-oriented development under Alternative C would be incrementally reduced when compared to the impacts under the 2009 Housing Element. The GHG impacts under Alternative C would be less than significant.

### **Modified Project (AHBP)**

Adoption of the AHBP would not directly generate GHG emissions, but individual development projects proposed under the AHBP would generate GHG emissions during their construction and operational phases. The AHBP would promote housing along or near transit corridors and in established neighborhoods where jobs and other services are easily accessible by public transit or are within walking distance. This type of transit-oriented development would encourage the use of alternative modes of transportation (transit, bicycling, walking) and help reduce GHG emissions from the use of private automobiles, which is one of the primary sources of GHG emissions. In addition, AHBP projects would be subject to state, regional, and local plans, policies, and regulations related to the reduction of GHG emissions. These plans, policies, and regulations include Executive Order S-3-05, Assembly Bill (AB) 32, the Bay Area Air Quality Management District's *2010 Clean Air Plan*, San Francisco's *Strategies to Address Greenhouse Gas Emissions*, and the San Francisco Green Building Ordinance. Required compliance with these plans, policies, and regulations would ensure that AHBP projects would not result in cumulatively considerable contributions to GHG emissions. To the degree that AHBP projects are concentrated closer to public transit and in taller and denser buildings (i.e., fewer buildings in fewer locations), GHG emissions would be reduced when compared to development patterns anticipated under the 2009 Housing Element.

For these reasons, the AHBP would result in less-than-significant impacts related to GHG emissions. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts related to GHG emissions.

## *Wind and Shadow*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant wind and shadow impacts, because the 2009 Housing Element would not directly result in the construction of projects that would alter wind or create new shadow. In addition, wind and shadow impacts are project-specific;

individual development projects would be subject to the Planning Department's procedures requiring modification of any new building or addition that would exceed the Planning Code's wind hazard criterion and would be evaluated for their shadow impacts under CEQA and for compliance with Planning Code Sections 146, 147, and 295.

As discussed in the FEIR, Alternative C would promote taller buildings than would the 2009 Housing Element. The FEIR concluded that these taller buildings could result in incrementally greater wind and shadow impacts, but required compliance with Planning Code wind and shadow regulations would reduce these impacts to less-than-significant levels.

### **Modified Project (AHBP)**

The AHBP would not directly result in the construction of any new development and thus would not alter wind or create new shadow. However, individual development projects proposed under the AHBP could alter wind or create new shadow in their respective vicinities. The AHBP would allow qualifying projects to exceed existing height limits in certain locations throughout San Francisco, resulting in buildings that could be taller than the existing scale of development or taller than what is currently permitted under existing regulations. AHBP projects would be evaluated for their wind and shadow impacts during the environmental review process and for compliance with Planning Code wind and shadow regulations during the entitlement process. In order to be eligible for the Local and 100 Percent Affordable programs, project sponsors must demonstrate that their projects would not alter wind in a manner that substantially affects public areas or create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas. If it is determined that a project would result in a significant wind or shadow impact, then the project would need to be modified in order to avoid causing such an impact. If modifications are not feasible, then the project would not be eligible for the Local and 100 Percent Affordable programs. Given these constraints, projects proposed under the Local and 100 Percent Affordable programs would result in less-than-significant wind and shadow impacts.

As discussed in the project description, there is an existing State Density Bonus Law that allows developers to seek density bonuses in exchange for providing affordable housing; this existing law does not require projects to avoid altering wind in a manner that substantially affects public areas or creating new shadow in a manner that substantially affects outdoor recreation facilities or other public areas. The AHBP would not change the existing law, but it would provide developers with two avenues (the State Analyzed Density Bonus Program and the Individually Requested State Density Bonus Program) for seeking density bonuses in exchange for providing affordable housing; these two State programs would be consistent with the existing law (i.e., they would not require projects to avoid creating new shadow in a manner that substantially affects outdoor recreation facilities or other public areas). Projects proposed under either of the State programs could result in potentially significant wind and shadow impacts. These impacts would be evaluated on a project-by-project basis, because wind and shadow impacts are project-specific and location-specific. Without individual development proposals to evaluate, it would be speculative to conclude that either of the State programs would result in significant overall wind and shadow impacts. The AHBP would not result in impacts that would be more severe than those that could result from development proposed under the existing State Density Bonus Law.

For these reasons, the AHBP would result in less-than-significant wind and shadow impacts. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result

in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding wind and shadow impacts.

### *Recreation*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts related to the increased use of existing parks or recreational facilities, the need to construct new or expand existing recreational facilities, and the physical degradation of existing recreational resources. While the FEIR concluded that the 2009 Housing Element contains policies that could result in an increase in demand for existing recreational facilities in certain areas, the 2009 Housing Element also contains policies that could reduce the need for construction or expansion of recreational facilities by encouraging quality-of-life elements in residential developments such as on-site usable open space. The 2009 Housing Element includes measures to ensure community plan areas are adequately served by recreation facilities, thereby indirectly promoting the construction or expansion of recreational facilities. The need for new or expanded recreational facilities and their associated impacts would be determined during the evaluation of specific community plan proposals.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element, potentially resulting in an increase in demand for and the use of recreational facilities in certain areas of San Francisco. The FEIR concluded that these taller and denser buildings could result in incrementally greater impacts related to recreation, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

As noted above, the AHBP would promote housing in certain areas of San Francisco but would not increase the overall citywide population above the level of future growth projected in the 2009 Housing Element. For this reason, AHBP projects would not increase the overall demand for recreational facilities above the level analyzed in the FEIR, but there could be localized fluctuations in demand for certain recreational facilities depending on where AHBP projects are constructed. In November 2000, San Francisco voters approved Proposition C, which extended the life of the Open Space Fund through Fiscal Year 2030-2031. The Open Space Fund is used to finance property acquisitions and capital improvement projects for the San Francisco Recreation and Park Department. A percentage of property tax revenues is set aside for the Open Space Fund, and such revenue would increase with the development of AHBP projects.

In addition, AHBP projects would be subject to Planning Code requirements for usable open space. Although AHBP projects would be eligible for certain modifications or waivers from these requirements, they would not be entirely exempt from complying with these requirements. The granting of open space modifications or waivers available to AHBP projects would not significantly increase demand for recreational facilities such that new open space or recreational facilities would be required. Most of the City's recreational facilities are located on properties zoned for public use (P Districts); the AHBP does not apply to sites in P Districts and would not reclassify any P Districts. Lastly, the AHBP would not convert existing recreational facilities to other uses or otherwise physically degrade recreational resources.

For these reasons, the AHBP would result in less-than-significant impacts related to recreation. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts related to recreation.

### *Utilities and Service Systems*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on utilities and service systems. The 2009 Housing Element would not exceed wastewater treatment requirements, would not exceed the capacity of the wastewater treatment provider, and would not require the construction of new or expansion of existing wastewater treatment or stormwater drainage facilities. Such impacts would be offset through required compliance with existing regulations that address wastewater and stormwater discharges. In addition, the 2009 Housing Element would not increase water demand above the level assumed for planning purposes in the San Francisco Public Utilities Commission's (SFPUC's) Water Supply Availability Study that was prepared for the FEIR. Lastly, the 2009 Housing Element would not exceed the permitted capacity of the City's designated landfill. Any incremental increases in waste at landfills would be offset through required compliance with existing regulations that address the generation and disposal of solid waste.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller and denser buildings could result in similar but incrementally greater impacts on utilities and service systems, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

The AHBP would not directly generate stormwater or wastewater, but individual development projects proposed under the AHBP would generate stormwater and wastewater during their construction and operational phases. All stormwater and wastewater generated by AHBP projects would flow to the City's combined stormwater/sewer system and would be treated to standards contained in the City's National Pollutant Discharge Elimination System (NPDES) Permits for the Southeast Treatment Plant and the Oceanside Treatment Plant prior to discharge into San Francisco Bay and the Pacific Ocean, respectively. The NPDES standards are set and regulated by the San Francisco Bay Area Regional Water Quality Control Board (RWQCB). Therefore, AHBP projects would not conflict with RWQCB requirements and would not exceed wastewater treatment requirements. In addition, AHBP projects would be subject to local regulations that include, but are not limited to, the Green Building Ordinance and the Stormwater Management Ordinance. Required compliance with these regulations would reduce stormwater and wastewater flows from AHBP projects, thereby ensuring that AHBP projects would not exceed the capacity of the wastewater treatment provider and would not require the construction of new or expansion of existing wastewater treatment and stormwater drainage facilities.

The AHBP would not directly consume water, but individual development projects proposed under the AHBP would consume water during their construction and operational phases. As noted above, the AHBP would promote housing in certain areas of San Francisco but would not increase the overall population beyond the future growth projected in the 2009 Housing Element. For this reason, AHBP

projects would not increase the overall demand for water above the level assumed for planning purposes in the SFPUC's Water Supply Availability Study prepared for the FEIR. In addition, AHBP projects would be subject to local regulations that include, but are not limited to, the Green Building Ordinance, the Green Landscaping Ordinance, and the Residential Water Conservation Ordinance. Required compliance with these regulations would reduce water consumption by AHBP projects, thereby ensuring that AHBP projects would not exceed the available water supply and would not require new or expanded water supply resources or entitlements.

The AHBP would not directly generate solid waste, but individual development projects proposed under the AHBP would generate solid waste during their construction and operational phases. The AHBP would promote housing in certain areas of San Francisco but would not increase the overall citywide population above the level of future growth projected in the 2009 Housing Element. For this reason, AHBP projects would not increase the overall amount of solid waste generated above the level analyzed in the FEIR. In addition, AHBP projects would be subject to local regulations that include, but are not limited to, the Mandatory Recycling and Composting Ordinance, the Construction and Demolition Debris Recovery Ordinance, and the Green Building Ordinance. Required compliance with these regulations would promote the composting and recycling of solid waste and reduce the amount of solid waste sent to the City's designated landfill, thereby ensuring that AHBP projects would not exceed the permitted capacity of the City's designated landfill.

For these reasons, the AHBP would result in less-than-significant impacts on utilities and service systems. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on utilities and service systems.

### *Public Services*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on fire protection, police protection, schools, or other public services, such as libraries or public health facilities. The San Francisco Fire Department and the San Francisco Police Department regularly redeploy their resources based on need to ensure that response times and service ratios do not fall below acceptable levels. New development projects are required to pay development impact fees to fund school and library facilities and operations, which would help offset potential impacts on school and library services. The 2009 Housing Element would not increase the overall citywide population above regional growth projections for which public health facilities have accounted, which would reduce the need to construct new or expand existing facilities.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller and denser buildings could result in similar but incrementally greater impacts on public services, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

As noted above, the AHBP would promote housing in certain areas of San Francisco but would not increase the overall citywide population above the level of future growth projected in the 2009 Housing

Element. For this reason, AHBP projects would not increase the overall demand for fire protection or police protection above the level analyzed in the FEIR. There could be localized fluctuations in demand for fire protection and police protection depending on where AHBP projects are constructed, but as discussed above, both the Fire Department and the Police Department regularly redeploy their resources based on need to ensure that response times and service ratios do not fall below acceptable levels. The AHBP would promote housing on sites in established neighborhoods that already receive fire protection and police protection, potentially allowing the Fire Department and the Police Department to maintain response times and service ratios at or close to their current levels and reducing the need to construct new or expand existing facilities.

As discussed in the FEIR, the San Francisco Unified School District (SFUSD) assigns students to schools based on a lottery system. This lottery system ensures that student enrollment is distributed to facilities that have sufficient capacity to adequately serve the educational needs of students. Directing growth to certain areas of San Francisco generally would not affect the school system, because students are not assigned to schools based on location. AHBP projects could affect school services if they create additional demand for school services that cannot be accommodated by the SFUSD's existing capacity, thereby requiring the need to construct new or expand existing facilities. At the time of the preparation of the FEIR, SFUSD facilities had a capacity of about 63,835 students, and about 56,446 students were enrolled in these facilities. More recently, approximately 58,400 students were enrolled in SFUSD facilities during the 2014-2015 school year. Pursuant to California Education Code Section 17620(a)(1), the governing board at any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district for the purpose of funding the construction or reconstruction of school facilities. AHBP projects would be subject to a development impact fee, and the payment of this fee would help fund school facilities and operations and offset potential impacts on school services.

The AHBP would promote housing in certain areas of San Francisco but would not increase the overall citywide population above the level of future growth projected in the 2009 Housing Element. For this reason, AHBP projects would not increase the overall demand for libraries or public health facilities, but there could be localized fluctuations in demand for libraries and public health facilities depending on where AHBP projects are constructed. In November 2000, San Francisco voters approved a bond measure to fund the Branch Library Improvement Program (BLIP). Among other objectives, the BLIP calls for the renovation of 16 existing branch libraries, the demolition and replacement of three branch libraries with newly constructed facilities, and the construction of a new branch library in the emerging Mission Bay neighborhood. In addition to the BLIP, AHBP projects would be subject to a development impact fee to fund library facilities and operations. The payment of this fee, as well as property tax revenue from AHBP projects, would help fund library facilities and operations and offset potential impacts on library services. The AHBP would promote housing on sites in established neighborhoods that are already served by public health facilities, potentially allowing such facilities to maintain response times and service ratios at or close to their current levels and reducing the need to construct new or expand existing facilities.

For these reasons, the AHBP would result in less-than-significant impacts on public services. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on public services.

## *Biological Resources*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on biological resources. The 2009 Housing Element would not have a substantial adverse effect on any candidate, sensitive, or special-status species, riparian habitat, other sensitive natural communities, or federally protected wetlands, and would not interfere with the movement of species. Some 2009 Housing Element policies would promote housing in certain areas of the City, consequently increasing the amount of new housing being constructed in those areas and resulting in impacts on biological resources (e.g., tree removal, construction on or near riparian habitat or sensitive natural communities, interference with migration, etc.). However, increasing density could accommodate more of the City's fair share of the Regional Housing Needs Allocation in fewer buildings, resulting in fewer construction sites and decreasing the potential for disturbance of or interference with biological resources. The FEIR also found that the 2009 Housing Element would not conflict with any local policies or ordinances protecting biological resources or conflict with the provisions of an adopted habitat conservation plan, because the 2009 Housing Element does not contain any policies that would directly or indirectly conflict with any policies protecting biological resources or any adopted habitat conservation plans.

As discussed in the FEIR, concluded that Alternative C would promote a larger number of development projects as well as taller buildings than would the 2009 Housing Element. The FEIR concluded that increased amount of development, combined with potentially taller buildings could result in greater impacts on biological resources, but required compliance with federal, state, and local regulations that protect biological resources would reduce these impacts to less-than-significant levels.

### **Modified Project (AHBP)**

The AHBP would not directly place housing in areas of San Francisco that are in or near riparian habitat or sensitive natural communities. However, individual development projects proposed under the AHBP could be in or near such areas. In addition, the AHBP would allow qualifying projects to exceed existing height limits in certain locations throughout San Francisco, resulting in buildings that could be taller than what is currently permitted under existing regulations. Multi-story buildings are potential obstacles that can injure or kill birds in the event of a collision. AHBP projects would be evaluated for their impacts on biological resources and would be required to comply with applicable federal, state, and local regulations that protect biological resources. These regulations include, but are not limited to, the federal Migratory Bird Treaty Act, Sections 3503 and 3503.5 of the California Fish and Game Code, the San Francisco Urban Forestry Ordinance, and San Francisco Planning Code Section 139: Standards for Bird-Safe Buildings. The AHBP would not conflict with the provisions of an adopted habitat conservation plan, because the AHBP does not contain any policies that would directly or indirectly conflict with any policies protecting biological resources or any adopted habitat conservation plans.

For these reasons, the AHBP would result in less-than-significant impacts on biological resources. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on biological resources.

## *Geology and Soils*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on geology and soils. Individual development projects would be developed in a seismically sound manner because they would be required to comply with building regulations for seismic safety that are enforced through the City's interdepartmental review process. Compliance with these regulations would ensure that people or structures would not be exposed to substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, strong seismic ground shaking, seismic-related ground failure, landslides, unstable soil, or expansive soils. The FEIR also found that the 2009 Housing Element would result in less-than-significant impacts related to soil erosion or the loss of topsoil, because these impacts are site-specific. Individual development projects would be evaluated for their impacts related to soil erosion or the loss of topsoil and would be required to comply with applicable regulations related to the prevention of erosion and the discharge of sediment into construction site runoff. Lastly, the FEIR concluded that the 2009 Housing Element would not substantially change the topography or any unique geologic or physical features of development sites, because all permit applications for excavation and grading would be reviewed by City agencies for consistency with policies related to land alteration.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller and denser buildings could result in greater impacts on geology and soils, but required compliance with federal, state, and local regulations that address geologic hazards would reduce these impacts to less-than-significant levels.

### **Modified Project (AHBP)**

The AHBP would allow qualifying projects to exceed existing height limits in certain locations throughout San Francisco, resulting in buildings that could be taller than what is currently permitted under existing regulations. Taller buildings may require deeper and more substantial foundations to support the additional building loads. Moreover, individual development projects proposed under the AHBP could be located in or near areas that are susceptible to geologic hazards (e.g., earthquake faults, landslide or liquefaction zones, unstable or expansive soils). AHBP projects would be required to comply with the seismic safety standards set forth in the San Francisco Building Code. The Department of Building Inspection is the City agency responsible for reviewing building permit applications, structural drawings and calculations, and geotechnical reports and ensuring that projects comply with the seismic safety standards and other applicable requirements of the Building Code. Project compliance with the Building Code would ensure that people or structures would not be exposed to substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, strong seismic ground shaking, seismic-related ground failure, landslides, unstable soil, or expansive soils. AHBP projects would be evaluated for their impacts related to soil erosion or the loss of topsoil and would be required to comply with applicable regulations related to the prevention of erosion and the discharge of sediment into construction site runoff. All permit applications for excavation and grading activities would be reviewed by City agencies for consistency with policies related to land alteration.

For these reasons, the AHBP would result in less-than-significant impacts related to geology and soils. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C,

would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on geology and soils.

### *Hydrology and Water Quality*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in less-than-significant impacts on hydrology and water quality. The 2009 Housing Element would not violate any water quality standards or waste discharge requirements, would not alter existing drainage patterns or substantially increase the rate or amount of surface runoff in a manner that would result in substantial erosion, siltation, or flooding, and would not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Individual development projects would be required to comply with applicable regulations related to erosion prevention and stormwater management, treatment, and discharge.

The FEIR also concluded that the 2009 Housing Element would not substantially deplete groundwater supplies or substantially interfere with groundwater recharge, would not result in significant impacts related to placing housing in areas at risk of flooding, and would not expose people or structures to a significant risk of injury, loss, or death involving inundation by seiche, tsunami, mudflow, or the failure of a dam or levee.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller and denser buildings could result in greater impacts on hydrology and water quality, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

The AHBP would not directly result in the construction of housing in areas of San Francisco that are prone to flooding or are at risk of inundation by seiche, tsunami, mudflow, or the failure of a dam or levee. However, individual development projects proposed under the AHBP could be located in such areas. These projects would be required to comply with applicable regulations related to minimizing the risk of loss, injury, or death from hydrologic hazards. These regulations include, but are not limited to, the San Francisco Floodplain Management Ordinance and the San Francisco Building Code. Groundwater could be encountered during construction of AHBP projects. Dewatering of excavated areas during construction would lower groundwater levels, but these effects would be temporary. Once dewatering has been completed, groundwater levels would return to normal. Wastewater and stormwater generated by AHBP projects would flow to the City's combined stormwater/sewer system and would be treated to standards contained in the City's National Pollutant Discharge Elimination System Permit for the Oceanside Treatment Plant and the Southeast Treatment Plant prior to discharge into the Pacific Ocean and San Francisco Bay, respectively. Required compliance with the San Francisco Stormwater Management Ordinance would ensure that AHBP projects would not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff.

For these reasons, the AHBP would result in less-than-significant impacts on hydrology and water quality. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C,

would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on hydrology and water quality.

### *Hazards and Hazardous Materials*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in a less-than-significant impact related to hazards and hazardous materials. The 2009 Housing Element would not transport, use, or dispose of hazardous materials and would not release hazardous materials into the environment. However, the construction of individual development projects would result in the emission of exhaust from construction equipment and vehicles as well as the demolition of older buildings that may contain asbestos, lead-based paint, or other hazardous building materials. In addition, the operation of individual development projects would involve the use of relatively small quantities of hazardous materials such as batteries, household cleaning products, and paint for routine purposes. Most of these materials are consumed through use, resulting in relatively little waste. Existing federal, state, and local regulations and programs address emissions from construction equipment and vehicles, the abatement of hazardous building materials during demolition and construction activities, and the transportation and disposal of hazardous materials. Individual development projects, including those that would be on sites on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 or would handle hazardous materials within one-quarter mile of an existing or proposed school, would be required to comply with these existing regulations and programs.

The FEIR also concluded that the 2009 Housing Element would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan or expose people or structures to a significant risk of loss, injury, or death involving fires. In San Francisco, fire safety is ensured through compliance with the provisions of the Building Code and the Fire Code. The building permit applications for individual development projects would be reviewed by the Department of Building Inspection and the Fire Department for compliance with all regulations related to fire safety.

As discussed in the FEIR, Alternative C would promote residential development in commercial areas, near transit lines, or in other areas where hazardous materials are used. The FEIR concluded that residential development in such areas could result in greater impacts related to hazards and hazardous materials when compared to the impacts under the 2009, but required compliance with federal, state, and local regulations that address hazards and hazardous materials would reduce these impacts to less-than-significant levels.

#### **Modified Project (AHBP)**

The AHBP would not directly result in the construction of housing on sites that are included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5. However, individual development projects proposed under the AHBP could be located on such sites. All AHBP projects, including those located on hazardous materials sites or those that would handle hazardous materials within one-quarter mile of an existing or proposed school, would be required to comply with applicable federal, state, and local regulations and programs related to the abatement of hazardous materials, the emission of exhaust from construction equipment and vehicles, and the transportation and disposal of hazardous materials. Required compliance with such regulations and programs would ensure that AHBP

projects would not emit hazardous materials into the environment and would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials. Required compliance with fire safety regulations would ensure that AHBP projects would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan or expose people or structures to a significant risk of loss, injury, or death involving fires.

For these reasons, the AHBP would result in less-than-significant impacts related to hazards and hazardous materials. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions on impacts regarding hazards and hazardous materials.

### *Mineral and Energy Resources*

#### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in a less-than-significant impact on mineral and energy resources. The 2009 Housing Element would not result in the loss of availability of a known mineral resource, the loss of availability of a locally important mineral resource recovery site, or the use of large amounts of fuel, water, or energy.

As discussed in the FEIR, Alternative C would promote taller and denser buildings than would the 2009 Housing Element. The FEIR concluded that these taller buildings could result in incrementally greater impacts on mineral and energy resources, but these impacts would be less than significant.

#### **Modified Project (AHBP)**

All land in San Francisco is designated Mineral Resource Zone 4 (MRZ-4) by the California Division of Mines and Geology (CDMG) under the Surface Mining and Reclamation Act of 1975.<sup>29</sup> This designation indicates that there is inadequate information available for assignment to any other MRZ. Thus, the AHBP-eligible development sites are not designated areas of significant mineral deposits or locally important mineral resource recovery sites and the AHBP would not result in the loss of availability of such resources. Furthermore, the AHBP would not encourage activities that result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner, because individual development projects proposed under the AHBP would be required to comply with state and local ordinances that regulate such activities. In California, energy consumption for the heating, cooling, ventilation, and lighting of buildings is regulated by Title 24 of the California Code of Regulations. As part of the building permit application process, project sponsors are required to submit documentation demonstrating project compliance with Title 24 standards. In addition, projects in San Francisco are subject to the requirements of the San Francisco Green Building Ordinance.

For these reasons, the AHBP would result in less-than-significant impacts on mineral and energy resources. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on mineral and energy resources.

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<sup>29</sup> California Division of Mines and Geology, Open File Report 96-03, 1996, and Special Report 146 Parts I and II, 1986.

## *Agriculture and Forest Resources*

### **2009 Housing Element**

The FEIR concluded that the 2009 Housing Element would result in a less-than-significant impact related to conflicts with existing zoning for agricultural use. Implementation of the 2009 Housing Element would not include any changes to the City's zoning districts and would not conflict with existing zoning for urban agricultural uses.

As discussed in the FEIR, Alternative C would not conflict with existing zoning for agricultural use but would promote taller and denser buildings than would the 2009 Housing Element. These taller buildings could block sunlight for longer periods of time and result in incrementally greater impacts on agriculture resources (community gardens), but these impacts would be less than significant.

### **Modified Project (AHBP)**

San Francisco is not zoned for agricultural use and is not subject to a Williamson Act contract.<sup>30</sup> The AHBP would not convert farmland to non-agricultural use and would not conflict with existing zoning related to agricultural use. The AHBP would not directly block sunlight to community gardens, but after they have been constructed, individual development projects proposed under the AHBP could block sunlight to community gardens. These projects would be evaluated for their specific shadow impacts on community gardens as part of their individual environmental review and entitlement processes.

At the time of the preparation of the FEIR, the topic of forest resources was not part of the Environmental Checklist Form (CEQA Guidelines, Appendix G). For this reason, the FEIR did not analyze impacts on forest resources. In 2010, the topic of forest resources was added to the Environmental Checklist Form. San Francisco does not contain forest land or timberland as defined in Public Resources Code Section 12220(g) and Public Resources Code Section 4526, respectively. The AHBP would not convert forest land or timberland to non-forest use and would not conflict with existing zoning related to forest use.

For these reasons, the AHBP would result in less-than-significant impacts on agriculture and forest resources. The AHBP would not result in more severe impacts than the 2009 Housing Element or Alternative C, would not result in new significant impacts beyond those identified in the FEIR, and would not require new mitigation measures. Furthermore, there is no new information that would alter the FEIR's conclusions regarding impacts on agriculture and forest resources.

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<sup>30</sup> California Department of Conservation, *San Francisco Bay Area Important Farmland 2010*. Available online at [ftp://ftp.consrv.ca.gov/pub/dlrp/FMMP/pdf/regional/2010/bay\\_area\\_fmmp2010.pdf](ftp://ftp.consrv.ca.gov/pub/dlrp/FMMP/pdf/regional/2010/bay_area_fmmp2010.pdf), accessed January 6, 2016.

## MITIGATION MEASURES

The 2004 and 2009 Housing Element FEIR identified the following mitigation measure to mitigate the potentially significant impact related to interior and exterior noise to a less-than-significant level. This measure was adopted as Implementation Measures 17 and 18 in the 2009 Housing Element, which are continued as Implementation Measures 17 and 18 in the 2014 Housing Element.

### **Mitigation Measure M-NO-1: Interior and Exterior Noise**

For new residential development located along streets with noise levels above 75 dBA  $L_{dn}$ , as shown in Figure V.G-3 of the 2004 and 2009 Housing Element FEIR, the Planning Department shall require the following:

1. The Planning Department shall require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-generating uses within two blocks of the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to completion of the environmental review. The analysis shall demonstrate with reasonable certainty that Title 24 standards, where applicable, can be met, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels in the vicinity. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action, in order to demonstrate that acceptable interior noise levels consistent with those in the Title 24 standards can be attained; and
2. To minimize effects on development in noisy areas, for new residential uses, the Planning Department shall, through its building permit review process, in conjunction with noise analysis required above, require that open space required under the Planning Code for such uses be protected, to the maximum feasible extent, from existing ambient noise levels that could prove annoying or disruptive to users of the open space. Implementation of this measure could involve, among other things, site design that uses the building itself to shield on-site open space from the greatest noise sources, construction of noise barriers between noise sources and open space, and appropriate use of both common and private open space in multi-family dwellings, and implementation would also be undertaken consistent with other principles of urban design.

## CONCLUSION

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

DATE January 14, 2016

  
Sarah B. Jones, Environmental Review Officer  
for John Rahaim, Director of Planning

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
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October 19, 2015

Mr. John Rahaim, Director  
Planning Department  
City and County of San Francisco  
1650 Mission, Suite 400  
San Francisco, CA 94103

Dear Mr. Rahaim:

**RE: Review of Draft Amendment to San Francisco's Housing Element**

Thank you for submitting a draft amendment to the City of San Francisco's adopted housing element, received for review on October 19, 2015. As you know, pursuant to Government Code Section 65585(b), the Department is required to review draft elements and report the findings to the jurisdiction.

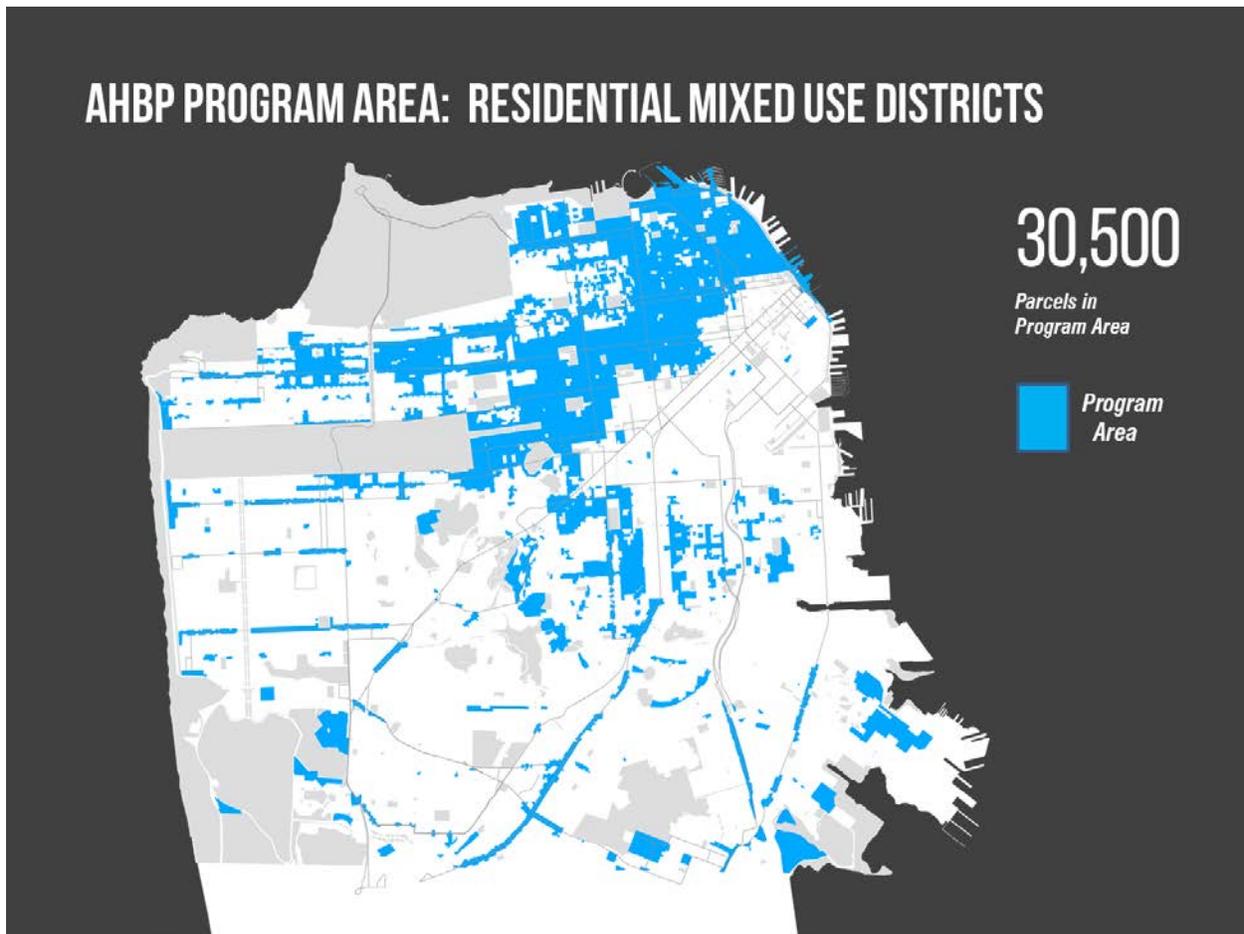
San Francisco's housing element was found in compliance on May 29, 2015. The proposed housing element amendment incorporates policies and programs to better encourage affordability and will not negatively impact the current compliance status of San Francisco's housing element. Therefore, the element will remain in compliance with State housing element law (Article 10.6 of the Government Code) when the draft amendment is adopted. San Francisco should submit the adopted amendment to the Department pursuant to Government Code Section 65585(g).

The Department commends San Francisco's leadership and diligent efforts to expand and preserve housing opportunities. We look forward to receiving San Francisco's adopted housing element. If you have any questions or if the Department can be of further assistance, please contact Paul McDougall, of our staff, at (916) 263-7420.

Sincerely,

Glen A. Campora  
Assistant Deputy Director

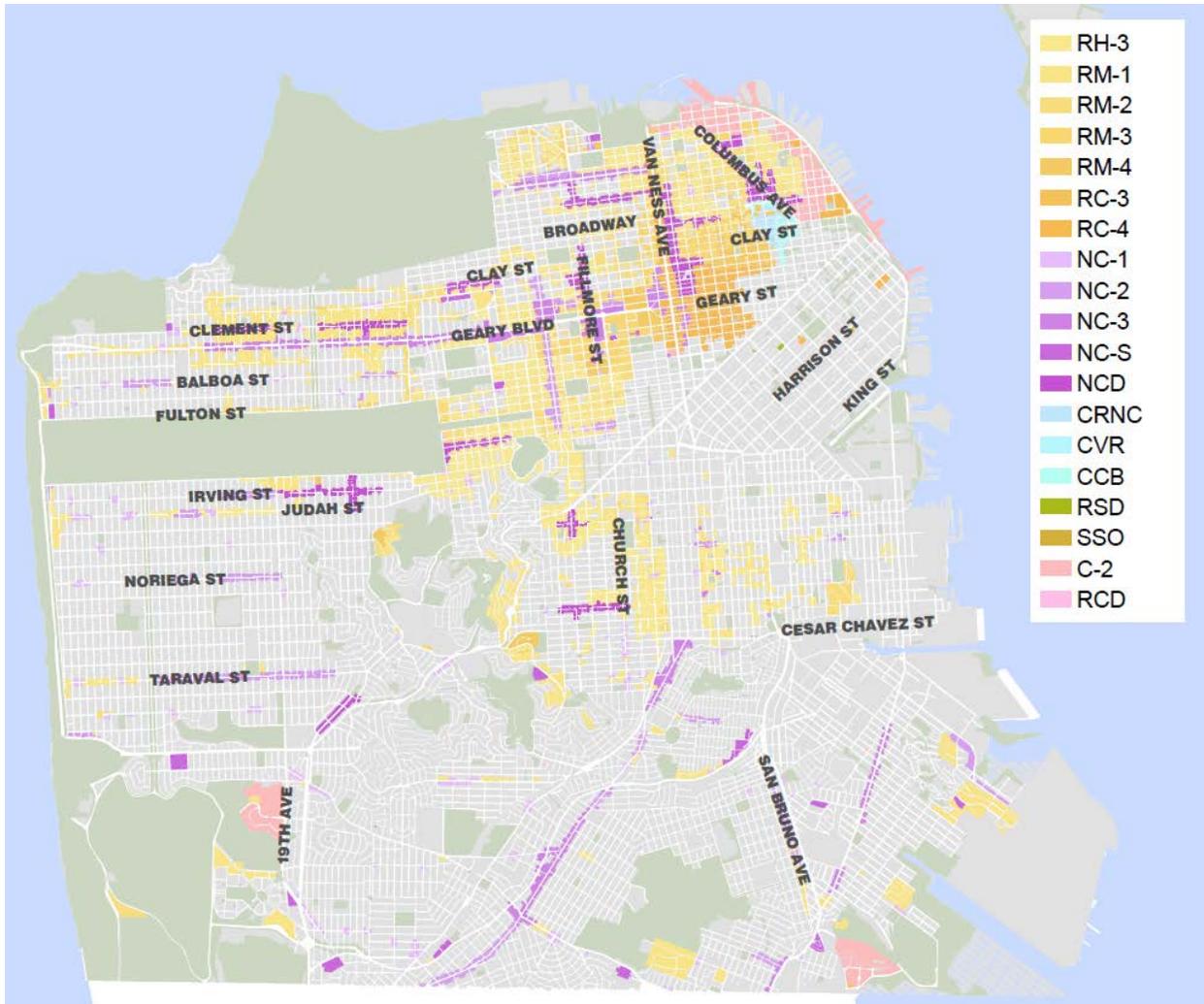
Exhibit I: Affordable Housing Bonus Program Area



The Affordable Housing Bonus Program would apply generally in zoning districts that: a) allow residential uses, and b) regulate density by a ratio of units to lot area. These districts contain roughly 30,500 of the City's 150,000+ parcels, and include the following:

- Commercial Districts
  - C-2 – Community Business
- Community Business in Chinatown's Mixed Use Districts
  - CCB – Community Business
  - CRNC - Residential/Neighborhood Commercial
  - CVR – Visitor Retail
- Neighborhood Commercial Districts
  - NC-1 – Cluster (1 Commercial Study)
  - NC-2 – Small-Scale (2 Commercial Stories)
  - NC-3 – Moderate-Scale (3+ Commercial
- Residential-Commercial Combined Districts
  - RC-3 – Medium Density (1 Unit per 400 sf)
  - RC-4 – High Density (1 Unit per 200 sf)
- Residential, Mixed (Houses and Apartments) Districts
  - RM-1 – Low Density (1 unit per 800 sf)
  - RM-2 – Moderate Density (1 Unit per 800 sf)
  - RM-3 – Medium Density (1 Unit per 400 sf)

- Stories)
  - NC-S – Shopping Center (2 Commercial Stories)
  - NCD – Individual (Named, Controls Vary)
- RM-4 – High Density (1 Unit per 200 sf)
- South of Market Mixed Use Districts
  - RSD – Residential/Service
  - SSO – Service/Secondary Office
- Residential, House Character Districts
  - RH-3 – Three Units Per Lot



RH-1 and RH-2 districts, which comprise almost 70% of the city's parcels, are not eligible to participate in the AHBP. These districts do not allow the minimum threshold of 5 units required by the State law. The Local AHBP is available to sites that currently allow at least 3 units, including parcels zoned RH-3. RH-3 districts are generally adjacent to, and contain buildings with characters more typical of Neighborhood Commercial (NC) and Residential Mixed (RM) districts.

**Exhibit H**  
**Hearing Date: January 28, 2016**

**CASE NO. 2014-001503PCA**  
**Affordable Housing Bonus Program**

Districts that do not regulate residential density by lot area (e.g. RTO, UMU) are not eligible to participate in the AHBP. The City, as part of the Mission 2020 Planning Process, will be studying additional ways to increase affordability in these areas.

Districts that do not allow residential uses (e.g. PDR) will not be allowed to participate in the AHBP.

SAN FRANCISCO

**AFFORDABLE HOUSING BONUS PROGRAM DESIGN GUIDELINES**

DRAFT





### *Mayor*

Edwin M. Lee

### *Board of Supervisors*

London Breed, President  
John Avalos  
David Campos  
Julie Christensen  
Malia Cohen  
Mark Farrell  
Jane Kim  
Eric Mar  
Katy Tang  
Scott Wiener  
Norman Yee

### *Planning Commission*

Rodney Fong, President  
Cindy Wu, Vice President  
Michael Antonini  
Rich Hillis  
Christine Johnson  
Kathrin Moore  
Dennis Richards

### *San Francisco Planning Department*

John Rahaim, Director of Planning  
Jeff Joslin, Director of Current Planning  
Kearstin Dischinger, Project Manager  
Tim Frye  
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Maia Small  
Rich Sucre  
Josh Switzky  
Tina Tam

### *Architects/Consultants*

David Baker & Associates  
Daniel Simon  
Amanda Loper

# Introduction

Inviting and active ground floors, sidewalks and streets and high-quality design and construction enrich and enliven dense neighborhoods. Above the first twenty feet, thoughtful small-scale adjustments can help larger-scale volumes that add significant housing complement existing neighborhood architectural character. In recognition that the projects utilizing the **Affordable Housing Bonus Program (AHBP)** will sometimes be taller or of differing mass than the surrounding context the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context.

In order to ensure consistency with the intent of the Planning Code and, the General Plan, and construct high quality buildings, as well as provide project sponsors with guidance and predictability in forming their building proposals, the Planning Commission and City Agencies will use the following guidelines as an evaluating tool for specific project implementation.

- Four categories of **AHBP Specific Design Guidelines** clarify how projects shall both maintain their size and adapt to their neighborhood context. These categories consist of Tops of Buildings, Building Mass and Articulation, Ground Floors, and Historic Preservation.
- Because several portions of the AHBP program area, such as the neighborhood commercial districts, do not have design guidelines, design principles around massing, articulation, ground floor treatment and streets apply as well as these specifically noted to address additional height.
- Guidelines applicable to AHBP projects in historic districts ensure that projects will preserve material features of the District and be complementary and differentiated.

# Interface with Existing Design Guidelines

Generally, **AHBP** projects will be reviewed under existing guidelines, however in some cases, due to the specific goals of the bonus program, guidelines adopted in this program will supplement or supersede portions of them. These existing guidelines include the Residential Design Guidelines, the Draft Ground Floor Residential Design Guidelines and the forthcoming Urban Design Guidelines. The general principles and the related policies of these documents shall apply to **AHBP** projects. In cases where there is a discrepancy between the unique architectural attributes accessible through the **AHBP** and existing guidelines the **AHBP Specific Design Guidelines** shall apply.

# T Tops of Buildings

*As this program would result in projects that would have two- to three-story height increases above existing zoning, the following program-specific design principles shall apply.*

- T1. Sculpt tops of buildings to contribute to neighborhood quality.
- T2. Enliven Sidewalls
- T3. Express Exceptional and Complementary Architectural Character

## T

**TOPS OF BUILDINGS****1. Sculpt tops of buildings to contribute to neighborhood quality.**

New buildings taking advantage of additional height offered by the AHBP should shall articulate building mass to most appropriately complement the surrounding neighborhood context. Significant reductions in building volume at the tops of buildings, however, are detrimental to achieving the housing

goals that are the basis of the AHBP and should be avoided. Instead, small to medium scale features, such as notches or bays, can contribute to the shaping of upper stories with minimal impact to floor area.

Building design elements should be selected and composed in a manner that assures – to the extent possible – that such projects are contextually compatible despite greater bulk than otherwise allowed.

**2. Enliven Sidewalls**

As some AHBP buildings will extend above existing height limits and thus be more vertically prominent than adjacent structures, their likely exposed sidewalls alongside property lines should be given special attention. Lightwells, decks, or balconies can help modify or sculpt the building volumetrically. Exposed surfaces can be given greater articulation by including planting or green walls, premium materials, fenestration, and/or art.



### 3. Express Exceptional and Complementary Architectural Character

While overall building mass may be larger for AHBP projects than adjacent ones, thoughtful design and fine-grain detailing with high-quality materials can provide patterns of visual interest to enhance the pedestrian experience. AHBP projects should elevate this aspect to enhance compatibility and design quality.



This can be achieved in a variety of ways, such as:

- » Window detailing or sun shading devices
- » Fenestration proportions or patterns
- » Variation in materiality or depth of materiality on visible facades
- » Fine-grain façade detailing
- » High-quality, durable materials, particularly at the building base and street level.
- » Contemporary reflections or interpretations of neighborhood design elements such as building termination, important datums, or base components.





# B Building Mass and Articulation

*Embodying important design principles that guide building mass and articulation, this section details guidelines to be applied to all AHBP projects.*

- B1. Most new buildings should be built to all property lines facing public rights-of-way.
- B2. Building façades should include three-dimensional detailing
- B3. The façades of new buildings should extend patterns.
- B4. Buildings on sloping sites should follow the slope to reinforce and accentuate the city's natural topography and maintain a strong relationship to the street.
- B5. High-quality building materials should be used on all visible façades and should include stone, masonry, ceramic tile, wood (as opposed to composite, fiber-cement based synthetic wood materials), precast concrete, and high-grade traditional "hard coat" stucco (as opposed to "synthetic stucco" that uses foam).

## B

**BUILDING MASSING AND ARTICULATION**

1. Most new buildings should be built to all property lines facing public rights-of-way.



2. Building façades should include three-dimensional detailing

Facades may include bay windows, cornices, belt courses, window moldings, and reveals to create shadows and add interest. Fenestration systems should include significant depth, beyond three inches, and sliding windows or applied mullions should not be incorporated on windows facing the street or the public realm (streets, alleys and other publicly-accessible spaces). Windows and building termination features are especially important elements contributing to the creation of a comfortable “urban room” and pedestrian environment. Other façade elements that contribute to visual interest may include awnings, canopies, projections, trellises, and detailed parapets.

3. The façades of new buildings should extend patterns.

New building frontages should reflect the proportions and widths of neighborhood structures. This is ideally achieved through individual buildings on narrow frontages. On wider lots, vertical elements or massing breaks should break down the visual scale of larger buildings and create a rhythm that visually minimizes overall massing, consistent with historic development patterns.



**4. Buildings on sloping sites should follow the slope to reinforce and accentuate the city's natural topography and maintain a strong relationship to the street.**

One of the qualities most revered in San Francisco is streets and buildings that rise and fall with topography. New buildings or additions should follow the slope of the street to accent and celebrate the natural topography and provide a vertical rhythm to the street. Where buildings fail to step up slopes, they adversely “flatten” the city's natural topography.



**5. High-quality building materials should be used on all visible façades and should include stone, masonry, ceramic tile, wood (as opposed to composite, fiber-cement based synthetic wood materials), precast concrete, and high-grade traditional “hard coat” stucco (as opposed to “synthetic stucco” that uses foam).**



Rich architectural detailing on individual buildings significantly contributes to the public realm. Detailing is encouraged to provide interest and create variation in wall planes; materials and level of detail should be drawn from the best examples in the area. Base and cornice materials should be balanced in material and color.





# G Ground Floors

*To support a high-quality pedestrian environment, this section details guidelines to improve the activation and design quality of ground floor uses to be applied to all AHBP projects.*

- G1. Create a gracious, well-defined ground floor.
- G2. Surface parking should not be permitted between the street facing property line and the fronts of buildings in most instances.
- G3. No more than 30 percent of the width of the ground floor may be devoted to garage entries or blank walls.
- G4. Where present, retail frontages should occupy no less than 75 percent of a building frontage at the ground floor.
- G5. Building entries and shop fronts should add to the character of the street by being clearly identifiable and inviting.
- G6. Building projections and recesses, along with variations in materials and color and other architectural design features, should be used to emphasize pedestrian entries and de-emphasize garage doors and parking.
- G7. Residential units on the first (to third) floor(s) should generally be directly and independently accessible from the sidewalk, rather than from common lobbies.
- G8. For buildings on slopes, the ground floor and building entries should step-up in proportion to the slope between façade segments. Ground floor retail use should be directly accessible from the street at the grade of the sidewalk onto which it fronts.

## G

## GROUND FLOORS

### 1. Create a gracious, well-defined ground floor.

Generous ground floor heights are crucial to ensuring flexibility, diversity, and activity at the level of the public realm. New construction projects shall strongly consider adding additional ground floor



height to make a gracious commercial ground floor, including heights from 10 to 15 feet.

Residential uses on the ground floor facing a public right-of-way or other publicly-accessible pathway should be elevated a minimum of 3' above the adjacent exterior sidewalk and connect directly to that right-of-way or pathway.

Projects must comply with the Draft Ground Floor Residential Design Guidelines which includes direction on stoops and landscape buffers.



### 2. Surface parking should not be permitted between the street facing property line and the fronts of buildings in most instances.

The use of setbacks for parking detracts greatly from the sidewalk character and pedestrian comfort. Parking should not be permitted at the front of buildings, except on parcels with 25 feet or less of frontage, where it is in a garage that is integrated into the structure of the building.



**3. No more than 30 percent of the width of the ground floor may be devoted to garage entries or blank walls.**

The building area immediately facing the street should support residential or commercial uses, have a human scale, and contribute active uses to the street. Large garage entries are extremely detrimental to a street's design character and pedestrian safety. Vehicular traffic crossing the sidewalk should be limited to the absolute minimum necessary to facilitate access to parcels. No façade may feature garage entries that together total more than 20 feet in width.

At least 70 percent of the width of the ground floor facing streets must be devoted to windows, entrances to dwelling units, store windows and entrances, landscaping or planters, and other architectural features that provide visual relief and interest.

**4. Where present, retail frontages should occupy no less than 75 percent of a building frontage at the ground floor.**

The interior of the retail space should be visible at pedestrian eye level to help activate the street. Retail spaces in the neighborhood typically provide ample transparency to the street. Businesses often use retail frontages to display goods and provide views to the interior. Dark or mirrored glass is not permitted. Solar consideration should be treated architecturally, through the use of recesses, eyebrows, or awnings.



**5. Building entries and shop fronts should add to the character of the street by being clearly identifiable and inviting.**

Blank walls (absent windows, entries, or ornamentation) should be avoided. Display windows with unobstructed views into interior spaces and building entrances should line major streets. Service functions such as trash, utility, or fire rooms, should not be placed at the street front where possible.



6. Building projections and recesses, along with variations in materials and color and other architectural design features, should be used to emphasize pedestrian entries and de-emphasize garage doors and parking.

7. Residential units on the first (to third) floor(s) should generally be directly and independently accessible from the sidewalk, rather than from common lobbies.

Individual entries to residential units help to provide rhythm to a building façade, contribute activity, interest, and “eyes” on the street, and enhance the sense of connectedness between residential units and the public life of the street.



8. For buildings on slopes, the ground floor and building entries should step-up in proportion to the slope between façade segments. Ground floor retail use should be directly accessible from the street at the grade of the sidewalk onto which it fronts.

Storefronts located above or below grade often feel removed from the life of the street and are notoriously difficult to make successful. Steps up or down should be avoided. On sloping sites, taller retail spaces at the low end of the site are preferable to sinking a portion of the retail floor below sidewalk grade.



# Historic District

*This section details guidelines applicable for AHBP projects located in historic districts.*

- H1. Design a site plan that is harmonious with the characteristics found with the district. Avoid unnecessary contrast with historic fabric in form or building articulation, to maintain the integrity and character of the site and its context.
- H2. Strengthen the primary characteristics of the district through infill construction by referencing and relating to the historic design, landscape, use, and cultural expressions found within the district.
- H3. Utilize character-defining features of the historic district to inspire the design.
- H4. Respect the historic and architectural features without duplicating historic styles or features that will create a false sense of history.
- H5. Design to be visually distinguishable to the historic district.
- H6. Design to be identifiable as contemporary and harmonious with the historic district in terms of general site characteristics, materials, and features.
- H7. Reference the size, proportion, rhythm and alignment of doors and windows found in the district to reinforce compatibility in the design.
- H8. Design roofs to fit within the historic context and integrated into the building's overall composition.
- H9. Select materials that are harmonious and referential to the general character, color, and textures of the historic district. Avoid contrast

**H****HISTORIC DISTRICT****APPLICABILITY**

The Guidelines below apply to AHBP projects located within districts determined to be Historic Resources eligible for local, state or National registers. Infill construction shall preserve historic features, character, and spatial relationships. Recognizing that AHBP projects may be taller than existing buildings, the design of infill construction should be differentiated yet compatible within the overall district. Design differences between new and historic may be subtle but also must be legible.

In districts with uniform character, the design may require particularly subtle differentiation from the dominating character-defining features. In districts with mixed character, the design may define the character of the district by referencing significant features.

1. Design a site plan that is harmonious with the characteristics found with the district. Avoid unnecessary contrast with historic fabric in form or building articulation, to maintain the integrity and character of the site and its context.
2. Strengthen the primary characteristics of the district through infill construction by referencing and relating to the historic design, landscape, use, and cultural expressions found within the district.
3. Utilize character-defining features of the historic district to inspire the design.
4. Respect the historic and architectural features without duplicating historic styles or features that will create a false sense of history.
5. Design to be visually distinguishable to the historic district.
6. Design to be identifiable as contemporary and harmonious with the historic district in terms of general site characteristics, materials, and features.



- 
7. Reference the size, proportion, rhythm and alignment of doors and windows found in the district to reinforce compatibility in the design.
  8. Design roofs to fit within the historic context and integrated into the building's overall composition.
  9. Select materials that are harmonious and referential to the general character, color, and textures of the historic district. Avoid contrast that detracts or visually competes with the historic district.

DRAFT



**San Francisco**  
**Planning**

**FOR MORE INFORMATION:**  
Call or visit the San Francisco Planning Department

**Central Reception**  
1650 Mission Street, Suite 400  
San Francisco CA 94103-2479

TEL: **415.558.6378**  
FAX: **415.558.6409**  
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TEL: **415.558.6377**  
*Planning staff are available by phone and at the PIC counter.  
No appointment is necessary.*

1 [General Plan Amendment – Affordable Housing Bonus Programs]

2  
3 **Ordinance amending the General Plan to make conforming changes in association with**  
4 **legislation creating the Affordable Housing Bonus Program by amending the Housing**  
5 **Element, Urban Design Element, Van Ness Avenue Area Plan, Chinatown Area Plan,**  
6 **Downtown Area Plan, and Northeastern Waterfront Area Plan; making findings,**  
7 **including findings of consistency with the General Plan and the eight priority policies**  
8 **of Planning Code Section 101.1 and affirming the Planning Department’s determination**  
9 **under the California Environmental Quality Act.**

10 **NOTE: Unchanged Code text and uncodified text** are in plain Arial font.  
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
12 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.  
13 **Board amendment additions** are in double-underlined Arial font.  
14 **Board amendment deletions** are in ~~Arial font~~.  
15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
16 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Findings.

19 (a) Charter Section 4.105 and Planning Code Section 340 provide that the  
20 Planning Commission shall periodically recommend to the Board of Supervisors, for approval  
21 or rejection, proposed amendments to the San Francisco General Plan.

22 (b) Planning Code Section 340 provides that an amendment to the General Plan  
23 may be initiated by a resolution of intention by the Planning Commission, which refers to, and  
24 incorporates by reference, the proposed General Plan amendment. Section 340 further  
25 provides that the Planning Commission shall adopt the proposed General Plan amendment  
after a public hearing if it finds from the facts presented that the public necessity, convenience

1 and general welfare require the proposed amendment or any part thereof. If adopted by the  
2 Commission in whole or in part, the proposed amendment shall be presented to the Board of  
3 Supervisors, which may approve or reject the amendment by a majority vote.

4 (c) The Affordable Housing Bonus Program implements Housing Element Program  
5 39b. The Affordable Housing Bonus Program provides incentives for developers to include  
6 more affordable housing for very low, low, moderate, and middle-income households.  
7 Development bonuses, such as increased density, would be offered on a graduated scale  
8 based on the percentage of affordable units provided. This proposed Program is one of the  
9 tools put forward by the City to address its affordable housing goals. The proposed Affordable  
10 Housing Bonus Program goals are to: (1) increase the numbers of on-site affordable units; (2)  
11 improve feasibility of underutilized sites; (3) increase availability of middle-income housing;  
12 and (4) expedite entitlement of 100 percent affordable housing units.

13 (d) Pursuant to Planning Code Section 340, the Planning Commission initiated this  
14 amendment on \_\_\_\_\_, 2015, in Motion No. \_\_\_\_\_. Pursuant to Planning Code Section  
15 340 and Charter Section 4.105, the Planning Commission adopted this amendment to the  
16 various elements of the General Plan on \_\_\_\_\_, 2015 in Resolution No. \_\_\_\_\_, finding that  
17 this amendment serves the public necessity, convenience and general welfare, and is in  
18 conformity with the General Plan and the eight Priority Policies in Planning Code Section  
19 101.1.

20 (e) The Planning Department has determined that the actions contemplated in this  
21 ordinance comply with the California Environmental Quality Act (California Public Resources  
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
23 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference. The Board affirms  
24 this determination.  
25

1 (f) The \_\_\_\_\_, 2015 letter from the Planning Department transmitting the proposed  
2 General Plan amendment to various elements of the General Plan associated with the  
3 Affordable Housing Bonus Program, and the resolutions adopted by the Planning  
4 Commission with respect to the approval of this amendment General Plan, are on file with the  
5 Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

6 (g) The Board of Supervisors finds, pursuant to Planning Code Section 340, that  
7 this General Plan amendment, set forth in the documents on file with the Clerk of the Board in  
8 File No. \_\_\_\_\_, will serve the public necessity, convenience and general welfare for the  
9 reasons set forth in Planning Commission Resolution No. \_\_\_\_\_ and incorporates those  
10 reasons herein by reference.

11 (h) The Board of Supervisors finds that this General Plan amendment, as set forth  
12 in the documents on file with the Clerk of the Board in Board File No. \_\_\_\_\_, is in  
13 conformity with the General Plan and the eight priority policies of Planning Code Section  
14 101.1 for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_. The Board  
15 hereby adopts the findings set forth in Planning Commission Resolution No. \_\_\_\_\_ and  
16 incorporates those findings herein by reference.

17  
18 Section 2. The San Francisco General Plan is hereby amended by revising the text,  
19 tables, and maps in the specified sections of the Housing Element, Urban Design Element,  
20 Van Ness Avenue Area Plan, Chinatown Area Plan, Downtown Area Plan, and Northeastern  
21 Waterfront Area Plan, as follows:

22 **Housing Element**

23 Map 6 – Generalized Permitted Housing Densities by Zoning Districts

24 Add this language under the legend:  
25

1            *\*To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
2 *policies to permit general densities that are higher than shown here.*

3  
4            Table I-58 - Generalized Permitted Housing Densities by Zoning Districts

5            Add this language to the bottom of table:

6            *\* To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
7 *policies to permit general densities that are higher than shown here.*

8  
9            POLICY 7.7 Support housing for middle income households, especially through  
10 programs that do not require a direct public subsidy *such as providing development incentives for*  
11 *higher levels of affordability, including for middle income households.*

12  
13            POLICY 11.3 Ensure growth is accommodated without substantially and adversely  
14 impacting existing residential neighborhood character.

15            Accommodation of growth should be achieved without damaging existing residential  
16 neighborhood character. In community plan areas, this means development projects should  
17 adhere to adopted policies, design guidelines and community review procedures. In existing  
18 residential neighborhoods, this means development projects should defer to the prevailing  
19 height and bulk of the area, *while recognizing that the City may maintain neighborhood character*  
20 *while permitting larger overall building mass for projects including more affordable units on-site.*

21            To ensure character is not impacted, the City should continue to use community  
22 planning processes to direct growth and change according to a community-based vision. The  
23 Planning Department should utilize residential design guidelines, neighborhood specific  
24 design guidelines, and other documents describing a specific neighborhoods character as  
25

1 guideposts to determine compatibility of proposed projects with existing neighborhood  
2 character.

3 The Department should support the adoption of neighborhood-specific design  
4 standards in order to enhance or conserve neighborhood character, provided those guidelines  
5 are consistent with overall good-planning principles and help foster a more predictable, more  
6 timely, and less costly pre-development process. To this end, the Department should develop  
7 official procedures for submittal of neighborhood-initiated design guidelines, for review by  
8 Department staff, and for adoption or endorsement.

9  
10 POLICY 11.5 Ensure densities in established residential areas promote compatibility  
11 with prevailing neighborhood character.

12 Residential density controls should reflect prevailing building types in established  
13 residential neighborhoods. Particularly in RH-1 and RH-2 areas, prevailing height and  
14 bulk patterns should be maintained to protect neighborhood character. Other strategies to  
15 maintain and protect neighborhood character should also be explored, including  
16 "neighborhood livability initiatives" that could examine guidelines and principles to preserve  
17 what is beloved about the area. Such an initiative could result in strategies to  
18 improve the appearance and accessibility of neighborhood commercial districts, or  
19 neighborhood specific design guidelines for specific RH-1 and RH-2 neighborhoods. Outside of  
20 RH-1 and RH-2 neighborhoods, the City may maintain neighborhood character while permitting larger  
21 overall building mass for projects including more affordable units on-site.

### 22 23 **Urban Design Element**

24 Objective 3: Moderation of Major New Development To Complement The City Pattern,  
25 The Resources To Be Conserved, And The Neighborhood Environment.

1 As San Francisco grows and changes, new development can and must be fitted in with  
2 established city and neighborhood patterns in a complementary fashion. Harmony with  
3 existing development requires careful consideration of the character of the surroundings at  
4 each construction site. The scale of each new building must be related to the prevailing height  
5 and bulk in the area, and to the wider effects upon the skyline, views and topographic form.  
6 Designs for buildings on large sites have the most widespread effects and require the greatest  
7 attention.\*

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

11  
12 **Map 4 - Urban Design Guidelines for Height and Bulk Districts**

13 Add additional bullet point in box at bottom of page:

14 *→To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
15 *policies to permit heights that are several stories taller than described here.*

16 *Refer to the Affordable Housing Bonus Program Design Guidelines.*

17  
18 **Map 5 - Urban Design Guidelines for Bulk of Buildings**

19 Add additional bullet point in box at bottom of page:

20 *→To encourage greater levels of affordability on-site, the City may adopt affordable housing*  
21 *policies to permit heights and bulk restrictions that are several stories taller than described here.*

22 *Refer to the Affordable Housing Bonus Program Design Guidelines.*

23  
24 **Van Ness Avenue Area Plan**

1 Objective 1: Continue existing Commercial Use of the avenue and add a significant  
2 increment of new housing. Redwood to Broadway

3 Although there are 18 buildings containing 980 dwelling units in this subarea most of  
4 the buildings are in non-residential use.

5 This section of Van Ness Avenue is one of the few areas in the city where new housing  
6 can be accommodated with minimal impacts on existing residential neighborhoods and public  
7 services.

8 Some of the features that make the area attractive for medium density mixed use  
9 development with high density housing are as follows:

10 This 16 block strip along Van Ness Avenue maintains a "central place" location and  
11 identity. The area is close to the city's major employment center, is well-served by transit, has  
12 well developed infrastructure (roadway, water, sewer and other public services), wide  
13 roadway (93+ feet) and sidewalks (16+ feet), has continuous commercial frontage and  
14 numerous attractive, architecturally outstanding buildings.

15 There are a number of large parcels which are substantially under-developed.

16 A height limitation of between 80 and 130 ft.\* would allow sufficient development to  
17 make feasible over time the construction of housing on under used parcels.

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

20  
21 POLICY 5.1 Establish height controls to emphasize topography and adequately frame  
22 the great width of the Avenue.

23 Existing height limits on the Avenue range from 40 feet at the northern end to 130 feet  
24 in the central portion. This height differentiation responds to topographic conditions as well as  
25 land use patterns, maintaining distinctions between areas of different character. For example,

1 height districts are gradually tapered from 130 feet around the hilltop at Washington Street to  
2 80 feet at Pacific Avenue and further to 65 and 40 feet towards the Bay shoreline. Although  
3 the majority of existing height controls are adequate to define both the overall topography as  
4 well as the great width of the Avenue, the height limit between California and Pacific Streets  
5 should be lowered from the existing 130/105-ft. level to 80 ft. in order to facilitate the transition  
6 between the greater building heights along the southern part of the Avenue and the mostly  
7 low-rise residential development north of Broadway. Development to maximum height should  
8 be closely monitored to avoid blocking views between the high slopes on both sides of the  
9 Avenue. Good proportion between the size of a street and that of its buildings is important for  
10 streets to be interesting and pleasant places. The proposed height limits, combined with the  
11 Van Ness Plan's proposed bulk controls, encourage definition of the 93-foot wide Avenue.\*

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

14  
15 Policy 5.3 Continue the street wall heights as defined by existing significant buildings  
16 and promote an adequate enclosure of the Avenue.

17 New construction on Van Ness Avenue can occur in two basic situations. In some  
18 cases, the development will take place between or adjacent to architecturally significant  
19 buildings. In this instance, continuity of design and scale between the old and the new is of  
20 major importance. In other cases, new development will take place in a more isolated design  
21 context; for example, between two existing two-story, non-descript commercial structures. In  
22 this instance, the overall continuity of scale along the Avenue is of greater importance than  
23 the design character of adjacent buildings. Setbacks of up to 20 feet in depth should be  
24 considered for all new development above 40 feet in height and should be required whenever  
25 necessary to continue existing significant street wall heights and to define an adequate

1 enclosure of the Avenue\*. Setbacks can also serve to buffer the upper-level residential units  
2 from street-level noise.

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

6  
7 Map 1 - Van Ness Avenue Area Plan and Generalized Land Use and Density Plan

8 Add following asterisk to bottom of page:

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

12  
13 Map 2 - Van Ness Avenues Area Plan Height and Bulk Districts Map

14 Add following asterisk to bottom of page:

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

18  
19 **Chinatown Area Plan**

20 POLICY 1.1 Maintain the low-rise scale of Chinatown's buildings.

21 Although adjacent to Downtown, Chinatown is not the appropriate setting for tall  
22 buildings. Seventy five percent of the structures in Chinatown are three stories or less in  
23 height. Height districts in the Planning Code should be based on the generalized height plan  
24 below.\* Requiring setbacks for new buildings above three stories will help achieve a  
25 complementary scale.

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

4  
5            Map 1 - Chinatown Area Plan Generalized Height Plan

6            Add following asterisk to bottom of map:

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

10  
11           Map 3 - Chinatown Area Plan Land Use and Density Plan

12           **Add following asterisk to bottom of map:**

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

16  
17           **Downtown Area Plan**

18           Map 1 – Downtown Land Use and Density Plan

19           Add additional bullet in 'Map to be edited' box:

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

23  
24           Map 5 - Downtown Area Plan Downtown Height and Bulk Districts

25           Add additional bullet in 'Map to be edited' box:

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

4  
5 **Northeastern Waterfront Area Plan**

6 Objective 10: To develop the full potential of the northeastern waterfront in accord with  
7 the unusual opportunities presented by its relation to the bay, to the operating port, fishing  
8 industry, and downtown; and to enhance its unique aesthetic qualities offered by water,  
9 topography, views of the city and bay, and its historic maritime character

10 Policy 10.26: Restrict development south of Broadway to the Height and Bulk Districts  
11 shown on Map 2.\*

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

14  
15 **Map 2 Northeast Waterfront Area Plan Height and Bulk Plan (Map 2)**

16 Add following asterisk under legend:

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

19  
20 Policy 26.27 Change the Height and Bulk District on Block 3743 from 84-E to 40-X.  
21 Change the Height and Bulk District on the rest of the Rincon Park Site to open space.\*

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

1 Policy 30.18: Develop housing in small clusters of 100 to 200 units. Provide a range of  
2 building heights with no more than 40 feet in height along the Embarcadero and stepping up  
3 in height on the more inland portions to the maximum of 160 feet. In buildings fronting on  
4 Brannan Street in the 160 foot height area, create a strong base which maintains the street  
5 wall created by the residential complex to the east and the warehouse buildings to the west.  
6 Orient the mix of unit types to one and two bedrooms and include some three and four  
7 bedroom units. Pursue as the income and tenure goals, a mix of 20 percent low, 30 percent  
8 moderate and 50 percent middle and upper income, and a mix of rental, cooperative, and  
9 condominium units.\*

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

12  
13 Policy 30.22: Do not permit buildings to exceed 65 percent coverage of land or parking  
14 podium. To the maximum extent feasible, provide open space at ground level and provide  
15 planting in the ground. Ensure that any open space on top of a podium provides easy  
16 pedestrian and visual transition from the sidewalk.\*

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

19  
20 Section 3. The Board of Supervisors hereby approves the following amendments to  
21 the General Plan Land Use Index:

22 The Land Use Index shall be updated as necessary to reflect the amendments set forth  
23 in Section 2, above.

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

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

12  
13 APPROVED AS TO FORM:  
14 DENNIS J. HERRERA, City Attorney

15 By:



16 SUSAN CLEVELAND-KNOWLES  
17 Deputy City Attorney

18 n:\leganalas2015\1600094\01052627.docx

1 [Planning Code – Affordable Housing Bonus Programs]

2

3 **Ordinance amending the Planning Code to create the Affordable Housing Bonus**  
4 **Programs, consisting of the Local Affordable Housing Bonus Program, the 100 Percent**  
5 **Affordable Housing Bonus Program, the Analyzed State Density Bonus Program and**  
6 **the Individually Requested State Density Bonus Program, to provide for development**  
7 **bonuses and zoning modifications for affordable housing, in compliance with, and**  
8 **above those required by the State Density Bonus Law, Government Code Section**  
9 **65915 et seq.; to establish the procedures in which the Local Affordable Housing**  
10 **Bonus Program and the 100 Percent Affordable Housing Bonus Program shall be**  
11 **reviewed and approved; adding a fee for applications under the Program; and**  
12 **amending the Planning Code to exempt projects from the height limits specified in the**  
13 **Planning Code and the Zoning Maps; and affirming the Planning Department’s**  
14 **determination under the California Environmental Quality Act; and making findings of**  
15 **consistency with the General Plan and the eight priority policies of Planning Code**  
16 **Section 101.1.**

17 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.  
18 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
19 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
20 **Board amendment additions** are in double-underlined Arial font.  
21 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
subsections or parts of tables.

21

22 Be it ordained by the People of the City and County of San Francisco:

23

24 Section 1.

25

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

6 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
7 adopted findings that the actions contemplated in this ordinance are consistent, on balance,  
8 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The  
9 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of  
10 the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

11 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code  
12 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth  
13 in Planning Commission Resolution No. \_\_\_\_\_, and the Board incorporates such  
14 reasons herein by reference.

15  
16 Section 2. The Planning Code is hereby amended by adding Section 206 through  
17 206.8 to read as follows:

18 **SEC. 206. THE AFFORDABLE HOUSING BONUS PROGRAMS.**

19 *This section shall be known as the Affordable Housing Bonus Programs, which includes the*  
20 *Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing Bonus Program, the*  
21 *Analyzed State Density Bonus Program and the Individually Requested State Density Bonus Program.*

22 **SEC. 206.1. PURPOSE AND FINDINGS.**

23 *(a) The purpose of the Affordable Housing Bonus Programs is to facilitate the development and*  
24 *construction of affordable housing in San Francisco. Affordable housing is of paramount statewide*  
25 *concern, and the California State legislature has declared that local and state governments have a*

1 responsibility to use the powers vested in them to facilitate the improvement and development of  
2 housing to make adequate provision for the housing needs of all economic segments of the community.  
3 The State Legislature has found that local governments must encourage the development of a variety of  
4 types of housing for all income levels, including multifamily rental housing and assist in the  
5 development of adequate housing to meet the needs of low- and moderate-income households.

6 (b) Affordable housing is an especially paramount concern in San Francisco. San Francisco  
7 has one of the highest housing costs in the nation, but San Francisco's economy and culture rely on a  
8 diverse workforce at all income levels. It is the policy of the Board of Supervisors to provide housing  
9 to these workers and ensure that they pay a proportionate share of their incomes to live in adequate  
10 housing and to not commute ever-increasing distances to their jobs. The Association of Bay Area  
11 Governments determined that San Francisco's share of the Regional Housing Need for January 2015  
12 to June 2022 was provision of 28,870 new housing units, with 6,234 (or 21.6%) as very low, 4,639 (or  
13 16.1%) as low, and 5,460 (or 18.9%) as moderate income units.

14 (c) This Board of Supervisors, and the voters in San Francisco, have long recognized the need  
15 for the production of affordable housing. The voters, or this Board have adopted measures such as the  
16 establishment of the mandatory Inclusionary Affordable Housing Ordinance in Planning Code section  
17 415; the San Francisco Housing Trust Fund, adopted in 2012, which established a fund to create,  
18 support and rehabilitate affordable housing, and set aside \$20 million in its first year, with increasing  
19 allocations to reach \$50 million a year for affordable housing; the adoption of Proposition K in 2014  
20 which established as City policy that the City, by 2020, will help construct or rehabilitate at least  
21 30,000 homes, with more than 50% of the housing affordable for middle-income households, and at  
22 least 33% as affordable for low-and moderate income households; and the multiple programs that rely  
23 on Federal, State and local funding sources as identified in the Mayor's Office of Housing and  
24 Community Development Comprehensive Plan.

1           (d) Historically, in the United States and San Francisco, affordable housing requires high  
2 levels of public subsidy, including public investment and reliance on public dollars. Costs to subsidize  
3 an affordable housing unit vary greatly depending on a number of factors, such as household income of  
4 the residents, the type of housing, and the cost to acquire land acquisition. Currently, MOHCD  
5 estimates that the level of subsidy for an affordable housing units is approximately \$250,000 per unit.  
6 Given this high cost per unit, San Francisco can only meet its affordable housing goals through a  
7 combination of increased public dollars dedicated to affordable housing and other tools that do not  
8 rely on public money.

9           (e) Development bonuses are a long standing zoning tool that enable cities to encourage  
10 private development projects to provide public benefits including affordable housing. By offering  
11 increased development potential, a project sponsor can offset the expenses necessary to provide  
12 additional public benefits. In 1979, the State of California adopted the Density Bonus Law,  
13 Government Code section 65915 et seq, which requires that density bonuses and other concessions and  
14 incentives be offered to projects that provide a minimum amount of on-site affordable housing.

15           (f) In recognition of the City's affordable housing goals, including the need to produce more  
16 affordable housing without need for public subsidies, the Planning Department contracted with David  
17 Baker Architects and Seifel Consulting to determine a menu of zoning modifications and development  
18 bonuses that could offset a private developer's costs of providing various levels of additional on-site  
19 affordable housing. David Baker Architects and Seifel Consulting analyzed various parcels in San  
20 Francisco, to determine the conditions in which a zoning accommodation would be necessary to  
21 achieve additional density. The analysis modeled various zoning districts and lot size configurations,  
22 consistent with current market conditions and the City's stated policy goals, including to achieve a mix  
23 of unit types, including larger units that can accommodate larger households. These reports are on file  
24 in Board of Supervisors File No. \_\_\_\_\_.

1           (g) Based on the results of the studies, the Department developed four programs set forth in  
2 this Section 206, the Affordable Housing Bonus Programs, which provide options by which developers  
3 can include affordable units on-site in exchange for increased density and other zoning or design  
4 modifications. These programs are the Local Affordable Housing Bonus Program, the 100 Percent  
5 Affordable Housing Bonus Program, the Analyzed State Density Bonus Program and the Individually  
6 Requested Bonus Program.

7           (h) The goal of the Local Affordable Housing Program is to increase affordable housing  
8 production, especially housing affordable to Middle Income households. Housing for Middle Income  
9 Households in San Francisco is necessary to stabilize San Francisco's households and families, ensure  
10 income and household diversity in the long term population of San Francisco, and reduce  
11 transportation impacts of middle income households working in San Francisco. Middle Income  
12 households do not traditionally benefit from public subsidies.

13           (i) The 100 Percent Affordable Housing Bonus Program provides additional incentives for  
14 developers of 100% affordable housing projects, thereby reducing the overall cost of such  
15 developments on a per unit basis.

16           (j) The Affordable Housing Bonus Program also establishes a clear local process for all  
17 projects seeking the density bonuses guaranteed through the State Density Bonus Law. The State  
18 Analyzed Program provides an expedited process for projects that comply with a pre-determined menu  
19 of incentives, concessions and waivers of development standards that the Department, in consultation  
20 with David Baker Architects and Seifel Consulting can appropriately respond to neighborhood context  
21 without causing adverse impacts on public health and safety, and provide affordable units through the  
22 City's already-established Inclusionary Housing Program. Projects requesting density or concessions,  
23 incentives and waivers outside of the City's preferred menu may seek a density bonus consistent with  
24 State law in the Individually Requested Density Bonus Program.

25           **SEC. 206.2 DEFINITIONS.**

1           This Section applies to Sections 206 through 206.8. The definitions of Section 102 and the  
2 definitions in Section 401 for “Area Median Income” or “AMI,” “First Construction Document,”  
3 “Housing Project,” “Life of the Project,” “MOHCD,” “On-site Unit,” “Off-site Unit,” “Principal  
4 Project,” and “Procedures Manual,” shall generally apply. For purposes of this Section 206 et seq.,  
5 the following definitions shall apply, and shall prevail if there is a conflict with other sections of the  
6 Planning Code.

7           “100 Percent Affordable Housing Project” shall be a project where all of the dwelling units  
8 with the exception of the manager’s unit are “Affordable Units” as that term is defined in section  
9 406(b).

10           “Affordable to a Household of Lower, Very Low, or Moderate Income shall mean, at a  
11 minimum (1) a maximum purchase price that is affordable to a Household of Lower, Very Low, or  
12 Moderate Income, adjusted for the household size, assuming an annual payment for all housing costs of  
13 33 percent of the combined household annual gross income, a down payment recommended by the  
14 Mayor’s Office of Housing and Community Development and set forth in the Procedures Manual, and  
15 available financing; and (2) an affordable rent as defined in Section 50053 of the Health and Safety  
16 Code sufficient to ensure continued affordability of all very low and low-income rental units that  
17 qualified the applicant for the award of the density bonus for 55 years or a longer period of time if  
18 required by the construction or mortgage financing assistance program, mortgage insurance program,  
19 or rental subsidy program.

20           “Affordable to a Household of Middle Income” shall mean, at a minimum, (1) a maximum  
21 purchase price that is affordable to a Household of Middle Income at 140% of Area Median Income,  
22 adjusted for the household size, assuming an annual payment for all housing costs of 33 percent of the  
23 combined household annual gross income, a down payment recommended by the Mayor’s Office of  
24 Housing and Community Development and set forth in the Procedures Manual, and available  
25 financing; and (2) the maximum annual rent for an affordable housing unit shall be no more than 30%

1 of the annual gross income for a Household of Middle Income at an Area Median Income of 120%, as  
2 adjusted for the household size, as of the first date of the tenancy.

3 “Base Density” is lot area divided by the maximum lot area per unit permitted under existing  
4 density regulations (e.g 1 unit per 200, 400, 600, 800, or 1000 square feet of lot area). Calculations  
5 that result in a decimal point of 0.5 and above are rounded to the next whole number. In the Fillmore  
6 Neighborhood Commercial Transit District and the Divisadero Neighborhood Commercial Transit  
7 District, “Base Density” shall mean 1 unit per 600 square feet of lot area.

8 “Density Bonus” means a density increase over the Maximum Allowable Residential Density  
9 granted pursuant to Government Code Section 65915 and Section 206 et seq.

10 “Density Bonus Units” means those market rate dwelling units granted pursuant to the  
11 provisions of this Section 206.3, 206.5 and 206.6 that exceed the otherwise Maximum Allowable  
12 Residential Density for the development site.

13 “Development standard” shall mean a site or construction condition, including, but not limited  
14 to, a height limitation, a setback requirement, a floor area ratio, an onsite open space requirement, or  
15 an accessory parking ratio that applies to a residential development pursuant to any ordinance,  
16 general plan element, specific plan, charter, or other local condition, law, policy, resolution or  
17 regulation.

18 “Household of Middle Income” shall mean a household whose combined annual gross income  
19 for all members does not exceed 140% of AMI to qualify for ownership housing and 120% of AMI to  
20 qualify for rental housing.

21 “Inclusionary Units” shall mean on-site income-restricted residential units provided within a  
22 development that meet the requirements of the Inclusionary Affordable Housing Program, Planning  
23 Code Section 415 et seq.

24 “Lower, Very Low, or Moderate Income” means annual income of a household that does not  
25 exceed the maximum income limits for the income category, as adjusted for household size, applicable

1 to San Francisco, as published and periodically updated by the State Department of Housing and  
2 Community Development pursuant to Sections 50079.5, 50105, or 50093 of the California Health and  
3 Safety Code. Very low income is currently defined in California Health and Safety Code section  
4 50105 as 50% of area median income. Lower Income is currently defined in California Health and  
5 Safety Code section 50079.5 as 80% of area median income. Moderate Income is currently defined in  
6 California Health and Safety Code section 50093 as 120% of area median income.

7 "Maximum Allowable Residential Density" means the maximum number of dwelling units per  
8 square foot of lot area in zoning districts that have such a measurement, or, in zoning districts without  
9 such a density measurement, the maximum number of dwelling units that could be developed on a  
10 property while also meeting all other applicable Planning Code requirements and design guidelines,  
11 and without obtaining an exception, modification, variance, or waiver from the Zoning Administrator  
12 or Planning Commission for any Planning Code requirement.

13 "Middle Income Unit" shall mean a residential unit affordable to a Household of Middle  
14 Income.

15 "Qualifying Resident" means senior citizens or other persons eligible to reside in a Senior  
16 Citizen Housing Development.

17 "Regulatory Agreement" means a recorded and legally binding agreement between an applicant  
18 and the City to ensure that the requirements of this Chapter are satisfied. The Regulatory Agreement,  
19 among other things, shall establish: the number of Restricted Affordable Units, their size, location,  
20 terms and conditions of affordability, and production schedule.

21 "Restricted Affordable Unit" means a dwelling unit within a Housing Project which will be  
22 Affordable to Very Low, Lower or Moderate Income Households, as defined in this Section 206.2 for a  
23 minimum of 55 years. Restricted Affordable Units shall meet all of the requirements of Government  
24 Code 65915, except that Restricted Affordable Units that are ownership units shall not be restricted  
25 using an equity sharing agreement."

1 “Senior Citizen Housing Development” has the meaning in California Civil Code section 51.3.

2 **SEC. 206.3. LOCAL AFFORDABLE HOUSING BONUS PROGRAM.**

3 (a) Purpose. This Section sets forth the Local Affordable Housing Bonus Program. The Local  
4 Affordable Housing Bonus Program or “Local Program” provides benefits to project sponsors of  
5 housing projects that set aside a total of 30% of residential units onsite at below market rate rent or  
6 sales price, including a percentage of units affordable to low and moderate income households  
7 consistent with Section 415, the Inclusionary Housing Program, and the remaining percentage  
8 affordable to a Household of Middle Income. The purpose of the Local Affordable Housing Bonus  
9 Program is to expand the number of Inclusionary Units produced in San Francisco and provide  
10 housing opportunities to a wider range of incomes than traditional affordable housing programs, which  
11 typically provide housing only for very low, low or moderate income households. The Local Program  
12 allows market-rate projects to match the City’s shared Proposition K housing goals that 50% of new  
13 housing constructed or rehabilitated in the City by 2020 be within the reach of working middle class  
14 San Franciscans, and at least 33% affordable for low and moderate income households.

15 (b) Applicability. A Local Affordable Housing Bonus Project or “Local Project” under this  
16 Section 206.3 shall be a project that:

17 (1) contains three or more residential units, as defined in Section 102, not including any  
18 Group Housing as defined in Section 102, efficiency dwelling units with reduced square footage  
19 defined in Section 318, and Density Bonus Units permitted through this Section 206.3, or any other  
20 density bonus;

21 (2) is located in any zoning district that: (A) is not designated as an RH-1 or RH-2  
22 Zoning Districts; and (B) establishes a maximum dwelling unit density through a ratio of number of  
23 units to lot area, including RH-3, RM, RC, C-2, Neighborhood Commercial, Named Neighborhood  
24 Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts; but only if the SoMa  
25 Mixed Use District has a density measured by a maximum number of dwelling units per square foot of

1 lot area; (C) is in the Fillmore Neighborhood Commercial Transit District and Divisadero  
2 Neighborhood Commercial Transit District; and (D) is not in the North of Market Residential Special  
3 Use District, Planning Code Section 249.5 until the Affordable Housing Incentive Study is completed at  
4 which time the Board will review whether the North of Market Residential Special Use District should  
5 continue to be excluded from this Program. The Study will explore opportunities to support and  
6 encourage the provision of housing at the low, moderate, and middle income range in neighborhoods  
7 where density controls have been eliminated. The goal of this analysis is to incentivize increased  
8 affordable housing production levels at deeper and wider ranges of AMI and larger unit sizes in these  
9 areas through 100% affordable housing development as well as below market rate units within market  
10 rate developments; and,

11 (3) is not seeking and receiving a density or development bonus under the provisions of  
12 California Government Code Section 65915 et seq, Planning Code Section 207, Section 124(f), Section  
13 202.2(f), 304, or any other State or local program that provides development bonuses;

14 (4) includes at least 135% of the Base Density as calculated under Planning Code  
15 Section 206.5;

16 (5) in Neighborhood Commercial Districts is not a project that involves merging lots  
17 that result in more than 125 feet in lot frontage for projects located; and

18 (6) consists only of new construction, and excluding any project that includes an  
19 addition to an existing structure.

20 **(c) Local Affordable Housing Bonus Project Eligibility Requirements.** To receive the  
21 development bonuses granted under this Section, a Local Project must meet all of the following  
22 requirements:

23 (1) Comply with the Inclusionary Affordable Housing Program, Section 415 of this  
24 Code, by providing the applicable number of units on-site under Section 415.6. For projects not subject  
25 to the Inclusionary Affordable Housing Program, the applicable number of on-site units under this

1 section shall be zero. If the Dial Alternative currently proposed in an ordinance in Board of  
2 Supervisors File No. 150911 is adopted and permits a project sponsor to provide more Inclusionary  
3 Units at higher AMIs than currently required (referred to as “dialing up”), a project sponsor may dial  
4 up and meet the requirements of this subsection (D). If the Dial Alternative of the Inclusionary  
5 Affordable Housing Program is ever amended to allow a project sponsor to provide fewer Inclusionary  
6 Units at lower AMIs than currently required (referred to as “dialing down”), then a Project cannot  
7 qualify for this Section 206.5 if it elects to dial down;

8 (2) Provide an additional percentage of affordable units in the Local Project as Middle  
9 Income Units, as defined herein, such that the total percentage of Inclusionary Units and Middle  
10 Income Units equals 30%. The Middle Income Units shall be restricted for the Life of the Project and  
11 shall comply with all of the requirements of the Procedures Manual authorized in Section 415. As  
12 provided for in subsection (e), the Planning Department and MOHCD shall amend the Procedures  
13 Manual to provide policies and procedures for the implementation, including monitoring and  
14 enforcement, of the Middle Income units;

15 (3) Demonstrate to the satisfaction of the Environmental Review Officer that the Local  
16 Project does not:

17 (A) cause a substantial adverse change in the significance of an historic  
18 resource as defined by California Code of Regulations, Title 14, Section 15064.5,

19 (B) create new shadow in a manner that substantially affects outdoor recreation  
20 facilities or other public areas; and

21 (C) alter wind in a manner that substantially affects public areas;

22 (4) Inclusive of Inclusionary Units and Middle Income Units, provides either (A) a  
23 minimum unit mix of at least 40% of all units as two bedroom units or larger; or (B) any unit mix such  
24 that 50% of all bedrooms within the Local Project are provided in units with more than one bedroom.

1 Local Projects are not eligible to modify this requirement under Planning Code Section 303, 328, or  
2 any other provision of this Code; and,

3 (5) Provides replacement units for any units demolished or removed that are subject to  
4 the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code  
5 Section 37, or are units qualifying for replacement as units being occupied by households of Low or  
6 Very Low Income, consistent with the requirements of Government Code section 65915(c)(3).

7 (d) **Development Bonuses.** Any Local Project shall, at the project sponsor's request, receive  
8 any or all of the following:

9 (1) **Form based density.** Notwithstanding any zoning designation to the contrary,  
10 density of a Local Project shall not be limited by lot area but rather by the applicable requirements and  
11 limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not  
12 limited to, height, including any additional height allowed by subsection (d)(2), Bulk, Setbacks,  
13 Required Open Space, Exposure and unit mix as well as applicable design guidelines, elements and  
14 area plans of the General Plan and design review, including consistency with the Affordable Housing  
15 Bonus Program Design Guidelines, referenced in Section 328, as determined by the Planning  
16 Department.

17 (2) **Height.** Up to 20 additional feet above the height authorized for the Local Project  
18 under the Height Map of the Zoning Map. This additional height may only be used to provide up to two  
19 additional 10-foot stories to the project, or one additional story of no more than 10 feet in height.  
20 Building features exempted from height controls under Planning Code Section 260(b) shall be  
21 measured from the roof level of the highest story provided under this section.

22 (3) **Ground Floor Ceiling Height.** In addition to the permitted height allowed under  
23 (d)(2), Local Projects with active uses on the ground floor as defined in Section 145.1(b)(2) shall  
24 receive up to a maximum of 5 additional feet in height above the height limit, in addition to the  
25 additional 20 feet granted in subsection (2) above. However, the additional 5 feet may only be applied

1 at the ground floor to provide a 14-foot (floor to ceiling) ceiling height for nonresidential uses, and to  
2 allow walk-up dwelling units to be consistent with the Ground Floor Residential Design Guidelines.  
3 This additional 5 feet shall not be granted to projects that already receive such a height increase under  
4 Planning Code Section 263.20.

5 (4) **Zoning Modifications.** Local Affordable Housing Bonus Projects may select up to  
6 three of the following zoning modifications:

7 (A) **Rear yard:** The required rear yard per Section 134 or any applicable  
8 special use district may be reduced to no less than 20 percent of the lot depth, or 15 feet, whichever is  
9 greater. Corner properties may provide 20 percent of the lot area at the interior corner of the property  
10 to meet the minimum rear yard requirement, provided that each horizontal dimension of the open area  
11 is a minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing  
12 midblock open space, if any, formed by the rear yards of adjacent properties.

13 (B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements of  
14 Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that  
15 is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in  
16 every horizontal dimension at each subsequent floor.

17 (C) **Off-Street Loading:** Off-street loading spaces per Section 152 shall not be  
18 required.

19 (D) **Automobile Parking:** Up to a 75% reduction in the residential and  
20 commercial parking requirements in Section 151 or any applicable special use district.

21 (E) **Open Space:** Up to a 5% reduction in common open space if provided  
22 under Section 135 or any applicable special use district.

23 (F) **Additional Open Space:** Up to an additional 5% reduction in common open  
24 space if provided under Section 135 or any applicable special use district, beyond the 5% provided in  
25 subsection (E) above.

1                                    (G) **Inner Courts as Open Space:** In order for an inner court to qualify as  
2 useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal  
3 dimension, and for the height of the walls and projections above the court on at least three sides (or 75  
4 percent of the perimeter, whichever is greater) to be no higher than one foot for each foot that such  
5 point is horizontally distant from the opposite side of the clear space in the court. Local Affordable  
6 Housing Bonus Projects may instead provide an inner court that is at least 25 feet in every horizontal  
7 dimension, with no restriction on the heights of adjacent walls. All area within such an inner court  
8 shall qualify as common open space under Section 135.

9                                    (e) **Implementation.**

10                                   (1) **Application.** The following procedures shall govern the processing of a request for  
11 a project to qualify under the Local Program.

12                                   (A) An application to participate in the Local Program shall be submitted with  
13 the first application for approval of a Housing Project and processed concurrently with all other  
14 applications required for the Housing Project. The application shall be submitted on a form prescribed  
15 by the City and shall include at least the following information:

16                                   (i) A full plan set, including a site plan, elevations, sections and floor  
17 plans, showing total number of units, number of and location of Inclusionary Units, and Middle Income  
18 Units; and a draft Regulatory Agreement;

19                                   (ii) The number of dwelling units which are on the property, or if the  
20 dwelling units have been vacated or demolished in the five year period preceding the application, have  
21 been and which were subject to a recorded covenant, ordinance, or law that restricts rents to levels  
22 affordable to persons and families of lower or very low income; subject to any other form of rent or  
23 price control through the City or other public entity's valid exercise of its police power; or occupied by  
24 lower or very low income households; and

1 (iii) If the property includes a parcel or parcels in which dwelling units  
2 under subsection (ii) are located or were located in the five year period preceding the application, the  
3 type and size of those units, and the incomes of the persons or families occupying those units.

4 (iv) The requested development bonuses and/or zoning modifications  
5 from those listed in subsection (d).

6 (B) Documentation that the applicant has provided written notification to all  
7 existing commercial or residential tenants that the applicant intends to develop the property pursuant  
8 to this section. Any affected commercial tenants shall be given priority processing similar to the  
9 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
10 Commission on February 12, 2015 under Resolution Number 19323, to support relocation of such  
11 business in concert with access to relevant local business support programs.

12 (2) **Procedures Manual.** The Planning Department and MOHCD shall amend the  
13 Procedures Manual, authorized in Section 415, to include policies and procedures for the  
14 implementation, including monitoring and enforcement, of the Middle Income units. As an amendment  
15 to the Procedures Manual, such policies and procedures are subject to review and approval by the  
16 Planning Commission under Section 415. Amendments to the Procedures Manual shall include a  
17 requirement that project sponsors complete a market survey of the area before marketing Middle  
18 Income Units. All affordable units that are affordable to households between 120 and 140% of AMI  
19 must be marketed at a price that is at least 20% less than the current market rate for that unit size and  
20 neighborhood, in addition to any other applicable Program requirements.

21 (3) **Notice and Hearing.** Local Projects shall comply with Section 328 for review and  
22 approval.

23 (4) **Controls.** Local Projects shall comply with Section 328. Notwithstanding any other  
24 provision of this Code, no conditional use authorization shall be required for a Local Project unless  
25 such conditional use requirement was adopted by the voters.

1                   (5) **Regulatory Agreements.** Recipients of a Density Bonus, Incentive, Concession,  
2 waiver, or modification shall enter into a Regulatory Agreement with the City, as follows.

3                   (A) The terms of the agreement shall be acceptable in form and content to the Planning  
4 Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the  
5 authority to execute such agreements.

6                   (B) Following execution of the agreement by all parties, the completed Density Bonus  
7 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and  
8 recorded on the Housing Project.

9                   (C) The approval and recordation of the Regulatory Agreement shall take place prior to  
10 the issuance of the First Construction Document. The Regulatory Agreement shall be binding to all  
11 future owners and successors in interest.

12                   (D) The Regulatory Agreement shall be consistent with the guidelines of the City's  
13 Inclusionary Housing Program and shall include at a minimum the following:

14                   (i) The total number of dwelling units approved for the Housing Project,  
15 including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units or  
16 other restricted units;

17                   (ii) A description of the household income group to be accommodated by the  
18 Restricted Affordable Units, and the standards for determining the corresponding Affordable Rent or  
19 Affordable Sales Price. The project sponsor must commit to completing a market survey of the area  
20 before marketing Middle Income Units. All affordable units that are affordable to households between  
21 120 and 140% of AMI must be marketed at a price that is at least 20% less than the current market  
22 rate for that unit size and neighborhood, in addition to any other applicable Program requirements;

23                   (iii) The location, dwelling unit sizes (in square feet), and number of bedrooms  
24 of the Restricted Affordable Units;

1 (iv) Term of use restrictions for Restricted Affordable Units of at least 55 years  
2 for Moderate Income units and at least 55 years for Low and Very Low units;

3 (v) A schedule for completion and occupancy of Restricted Affordable Units;

4 (vi) A description of any Concession, Incentive, waiver, or modification, if any,  
5 being provided by the City;

6 (vii) A description of remedies for breach of the agreement (the City may  
7 identify tenants or qualified purchasers as third party beneficiaries under the agreement); and

8 (viii) Other provisions to ensure implementation and compliance with this  
9 Section.

10 **SEC. 206.4. THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM.**

11 (a) Purpose and Findings. This Section 206.4 describes the 100 Percent Affordable Housing  
12 Bonus Program, or “100 Percent Affordable Housing Program”. In addition to the purposes  
13 described in section 206.1, the purpose of the 100 Percent Affordable Housing Program is to facilitate  
14 the construction and development of projects in which all of the residential units are affordable to Low  
15 and Very-Low Income Households. Projects pursuing a development bonus under this 100 Percent  
16 Affordable Program would exceed the City’s shared Proposition K housing goals that 50% of new  
17 housing constructed or rehabilitated in the City by 2020 be within the reach of working middle class  
18 San Franciscans, and at least 33% affordable for low and moderate income households.

19 (b) Applicability. A 100 Percent Affordable Housing Bonus Project under this Section 206.4  
20 shall be a Housing Project that:

21 (1) contains three or more Residential Units, as defined in Section 102, not including  
22 Density Bonus Units permitted through this Section 206 through a density bonus;

23 (2) is located in any zoning district that:

24 (A) is not designated as an RH-1 or RH-2 Zoning District; and

25 (B) allows Residential Uses;

1                   (3) is not seeking and receiving a density or development bonus under the provisions of  
2 California Government Code Section 65915 et seq., Planning Code Sections 207, 124(f), 304, 803.8 or  
3 any other state or local program that provides development bonuses; and

4                   (4) meets the definition of a “100 Percent Affordable Housing Project” in Section  
5 206.2.

6                   (5) demonstrates to the satisfaction of the Environmental Review Officer that the  
7 Project does not:

8                                 (A) cause a substantial adverse change in the significance of an historic  
9 resource as defined by California Code of Regulations, Title 14, Section 15064.5,

10                                (B) create new shadow in a manner that substantially affects outdoor recreation  
11 facilities or other public areas; and

12                                (C) alter wind in a manner that substantially affects public areas.

13                   (c) **Development Bonuses.** A 100 Percent Affordable Housing Bonus Project shall, at the  
14 project sponsor’s request, receive any or all of the following:

15                                (1) **Priority Processing.** 100 Percent Affordable Housing Bonus Projects shall receive  
16 Priority Processing.

17                                (2) **Form based density.** Notwithstanding any zoning designation to the contrary,  
18 density of the 100 Percent Affordable Housing Bonus Project shall not be limited by lot area but rather  
19 by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and  
20 limitations include, but are not limited to, height, including any additional height allowed by subsection  
21 (c)(2) herein, Bulk, Setbacks, Open Space, Exposure and unit mix as well as applicable design  
22 guidelines, elements and area plans of the General Plan and design review, including consistency with  
23 the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined  
24 by the Planning Department.

1                   (3) **Height.** 100 Percent Affordable Housing Bonus Projects shall be allowed up to 30  
2 additional feet, not including allowed exceptions per Section 260(b), above the property's height  
3 district limit in order to provide three additional stories of residential use. This additional height may  
4 only be used to provide up to three additional 10-foot stories to the project, or one additional story of  
5 not more than 10 feet in height

6                   (4) **Ground Floor Ceiling Height.** In addition to the permitted height allowed under  
7 subsection (c)(3), 100 Percent Affordable Housing Bonus Projects with active ground floors as defined  
8 in Section 145.1(b)(2) shall receive one additional foot of height, up to a maximum of an additional five  
9 feet at the ground floor, exclusively to provide a minimum 14-foot (floor to ceiling) ground floor ceiling  
10 height.

11                   (5) **Zoning Modifications.** 100 Percent Affordable Housing Bonus Projects may select  
12 any or all of the following zoning modifications:

13                   (A) **Rear Yard:** the required rear yard per Section 134 or any applicable  
14 special use district may be reduced to no less than 20% of the lot depth or 15 feet, whichever is greater.  
15 Corner properties may provide 20% of the lot area at the interior corner of the property to meet the  
16 minimum rear yard requirement, provided that each horizontal dimension of the open area is a  
17 minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock  
18 open space, if any, formed by the rear yards of adjacent properties.

19                   (B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements of  
20 Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that  
21 is no less than 15 feet in every horizontal dimension, and such open area is not required to expand in  
22 every horizontal dimension at each subsequent floor.

23                   (C) **Off Street Loading:** No off-street loading spaces under Section 152.

24                   (D) **Automobile Parking:** Up to a 100% reduction in the minimum off-street  
25 residential and commercial automobile parking requirement under Article 1.5 of this Code.

1                    (E) Open Space: Up to a 10% reduction in common open space requirements if  
2 required by Section 135, but no less than 36 square feet of open space per unit.

3                    (F) Inner Courts as Open Space: In order for an inner court to qualify as  
4 useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal  
5 dimension, and for the height of the walls and projections above the court on at least three sides (or 75  
6 percent of the perimeter, whichever is greater) to be no higher than one foot for each foot that such  
7 point is horizontally distant from the opposite side of the clear space in the court. 100% Affordable  
8 Housing Bonus Projects may instead provide an inner court that is at least 25 feet in every horizontal  
9 dimension, with no restriction on the heights of adjacent walls. All area within such an inner court  
10 shall qualify as common open space under Section 135.

11                    (d) Implementation.

12                    (1) Application. The following procedures shall govern the processing of a request for  
13 a project to qualify as under the 100 Percent Affordable Housing Bonus Program.

14                    (A) An application to participate in the 100 Percent Affordable Housing Bonus  
15 Program shall be submitted with the first application for approval of a Housing Project and processed  
16 concurrently with all other applications required for the Housing Project. The application shall be  
17 submitted on a form prescribed by the City and shall include at least the following information:

18                    (i) A full plan set including a site plan, elevations, sections and floor  
19 plans, showing total number of units, unit sizes and planned affordability levels and any applicable  
20 funding sources;

21                    (ii) The requested development bonuses from those listed in subsection  
22 (c); and,

23                    (iii) Unit size and distribution of multi-bedroom units.

24                    (B) Documentation that the applicant has provided written notification to all  
25 existing commercial or residential tenants that the applicant intends to develop the property pursuant

1 to this section. Any affected commercial tenants shall be given priority processing similar to the  
2 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
3 Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such  
4 business in concert with access to relevant local business support programs.

5 (2) **Conditions.** Entitlements of 100 Percent Affordable Housing Bonus Projects  
6 approved under this Section shall be valid for 10 years from the date of Planning Commission or  
7 Planning Department approval.

8 (3) **Notice and Hearing.** 100 Percent Affordable Housing Bonus Projects shall comply  
9 with Section 328 for review and approval.

10 (4) **Controls.** Notwithstanding any other provision of this Code, no conditional use  
11 authorization shall be required for a 100 Percent Affordable Housing Bonus Project, unless such  
12 conditional use requirement was adopted by the voters.

13 **206.5. STATE RESIDENTIAL DENSITY BONUS PROGRAM: ANALYZED**

14 (a) **Purpose:** Sections 206.5, 206.6, and 206.7 shall be referred to as the San Francisco State  
15 Residential Density Bonus Program or the State Density Bonus Program. First, the Analyzed State  
16 Density Bonus Program in Section 206.5 offers an expedited process for projects that seek a density  
17 bonus that is consistent with the pre-vetted menu of incentives, concessions and waivers that the  
18 Planning Department and its consultants have already determined are feasible, result in actual cost  
19 reductions, and do not have specific adverse impacts upon public health and safety of the physical  
20 environment. Second the Individually Requested State Density Bonus Program in Section 206.6 details  
21 the review, analysis and approval process for any project seeking a density bonus that is consistent  
22 with State Law, but is not consistent with the requirements for the Analyzed State Density Bonus  
23 Program established in Section 206.5. Third, Sections 206.7, describes density bonuses available  
24 under the State code for the provision of childcare facilities.

1           This Section 206.5 implements the Analyzed State Density Bonus Program or “Analyzed State  
2 Program.” The Analyzed State Program offers an expedited process for projects that seek a density  
3 bonus that is consistent with, among other requirements set forth below, the pre-vetted menu of  
4 incentives, waiver and concessions.

5           **(b) Applicability:**

6           (1) A Housing Project that meets all of the requirements of this subsection (b)(1) or is a  
7 Senior Housing Project meeting the criteria of (b)(2) shall be an Analyzed State Density Bonus Project  
8 or an “Analyzed Project” for purposes of Section 206 et seq. A Housing Project that does not meet all  
9 of the requirements of this subsection (b), but seeks a density bonus under State law may apply for a  
10 density bonus under Section 206.6 as an Individually Requested State Density Bonus Project. To  
11 qualify for the Analyzed State Density Bonus Program a Housing Project must meet all of the  
12 following:

13           (A) contain five or more residential units, as defined in Section 102, not  
14 including any Group Housing as defined in Section 102, efficiency dwelling units with reduced square  
15 footage defined in Section 318, and Density Bonus Units permitted through this Section 206.5 or other  
16 density program;

17           (B) is not seeking and receiving a density or development bonus under Section  
18 207; the Local Affordable Housing Bonus Program, Section 206.3; the 100 Percent Affordable Housing  
19 Bonus Program, Section 206.4; or any other local or State density bonus program that provides  
20 development bonuses;

21           (C) for projects located in Neighborhood Commercial Districts is not seeking to  
22 merge lots that result in more than 125 in lot frontage on any one street;

23           (D) is located in any zoning district that: (i) is not designated as an RH-1 or  
24 RH-2 Zoning District; (ii) establishes a maximum dwelling unit density through a ratio of number of  
25 units to lot area, including but not limited to, RH-3, RM, RC, C-2, Neighborhood Commercial, Named

1 Neighborhood Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts, but only if  
2 the SoMa Mixed Use District has a density measured by a maximum number of dwelling units per  
3 square foot of lot area; (iii) is in the Fillmore Neighborhood Commercial Transit District and  
4 Divisadero Neighborhood Commercial Transit District; and (D) is not in the North of Market  
5 Residential Special Use District, Planning Code Section 249.5 until the Affordable Housing Incentive  
6 Study is completed at which time the Board will review whether the North of Market Residential  
7 Special Use District should continue to be excluded from this Program. The Study will explore  
8 opportunities to support and encourage the provision of housing at the low, moderate, and middle  
9 income range in neighborhoods where density controls have been eliminated. The goal of this analysis  
10 is to incentivize increased affordable housing production levels at deeper and wider ranges of AMI and  
11 larger unit sizes in these areas through 100% affordable housing development as well as below market  
12 rate units within market rate developments; and

13 (E) is providing all Inclusionary Units as On-site Units under Section 415.6. If  
14 the Dial Alternative currently proposed in an ordinance in Board of Supervisors File No. 150911 is  
15 adopted and permits a project sponsor to provide more Inclusionary Units at higher AMIs than  
16 currently required (referred to as “dialing up”), a project sponsor may dial up and meet the  
17 requirements of this subsection (D). If the Dial Alternative of the Inclusionary Affordable Housing  
18 Program is ever amended to allow a project sponsor to provide fewer Inclusionary Units at lower AMIs  
19 than currently required (referred to as “dialing down”), then a Project cannot qualify for this Section  
20 206.5 if it elects to dial down;

21 (F) includes a minimum of nine foot ceilings on all residential floors;

22 (G) is seeking only Concessions or Incentives set forth in subsection (c)(4);

23 (H) is seeking height increases only in the form of a waiver as described in  
24 subsection (c)(5); and,

1 (I) provides replacement units for any units demolished or removed that are  
 2 subject to the San Francisco Residential Rent Stabilization and Arbitration Ordinance, San Francisco  
 3 Administrative Code Section 37, or are units qualifying for replacement as units being occupied by  
 4 households of low or very low income, consistent with the requirements of Government Code section  
 5 65915(c)(3).

6 (2) A Senior Housing Project, as defined in Section 102, may qualify as an Analyzed  
 7 State Density Bonus Project if it follows all of the procedures and conditions set forth in Planning Code  
 8 Section 202.2(f).

9 (c) **Development Bonuses.** All Analyzed State Law Density Bonus Projects shall receive, at the  
 10 project sponsor’s written request, any or all of the following:

11 (1) **Priority Processing.** Analyzed Projects that provide 30% or more of Units as On-  
 12 site Inclusionary Housing Units or Restricted Affordable Units that meet all of the requirements of for  
 13 an Inclusionary Housing Unit shall receive Priority Processing.

14 (2) **Density Bonus.** Analyzed Projects that provide On-site Inclusionary Housing Units  
 15 or Restricted Affordable Units that meet all of the requirements of for an Inclusionary Housing Unit  
 16 shall receive a density bonus as described in Table 206.5 A as follows:

17 Table 206.5A

18 Density Bonus Summary – Analyzed

<u>A</u> <u>Restricted Affordable Units or</u> <u>Category</u>	<u>B</u> <u>Minimum</u> <u>Percentage</u> <u>of Restricted</u> <u>Affordable</u> <u>Units</u>	<u>C</u> <u>Percentage of</u> <u>Density Bonus</u> <u>Granted</u>	<u>D</u> <u>Additional</u> <u>Bonus for</u> <u>Each 1%</u> <u>Increase In</u> <u>Restricted</u> <u>Affordable</u> <u>Units</u>	<u>E</u> <u>Percentage of</u> <u>Restricted</u> <u>Units Required</u> <u>for Maximum</u> <u>35% Density</u> <u>Bonus</u>
<u>Very Low Income</u>	<u>5%</u>	<u>20%</u>	<u>2.50%</u>	<u>11%</u>
<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>1.50%</u>	<u>20%</u>
<u>Moderate Income</u>	<u>10%</u>	<u>5%</u>	<u>1%</u>	<u>40%</u>

1	<u>Senior Citizen Housing, as</u>	<u>100%</u>	<u>50%</u>	<u>----</u>	<u>----</u>
2	<u>defined in § 102, and meeting</u>				
3	<u>the requirements of</u>				
4	<u>§ 202.2(f).</u>				

5 Note: A density bonus may be selected from more than one category, up to a maximum of 35% of the  
6 Maximum Allowable Residential Density.

7 In calculating density bonuses under this subsection 206.5(c)(2) the following shall apply:

8 (A) When calculating the number of permitted Density Bonus Units or Restricted  
9 Affordable Units, any fractions of units shall be rounded to the next highest number. Analyzed Density  
10 Bonus Program projects must include the minimum percentage of Restricted Affordable Units  
11 identified in Column B of Table 206.5A for at least one income category, but may combine density  
12 bonuses from more than one income category, up to a maximum of 35% of the Maximum Allowable  
13 Residential Density.

14 (B) An applicant may elect to receive a Density Bonus that is less than the  
15 amount permitted by this Section; however, the City shall not be required to similarly reduce the  
16 number of Restricted Affordable Units required to be dedicated pursuant to this Section and  
17 Government Code Section 65915(b).

18 (C) In no case shall a Housing Project be entitled to a Density Bonus of more  
19 than 35%, unless it is a Senior Housing Project meeting the requirements of Section 202.2(f).

20 (D) The Density Bonus Units shall not be included when determining the  
21 number of Restricted Affordable Units required to qualify for a Density Bonus. Density bonuses shall  
22 be calculated as a percentage of the Maximum Allowable Residential Density.

23 (E) Any Restricted Affordable Unit provided pursuant to the on-site  
24 requirements of the Inclusionary Affordable Housing Program, Section 415 et seq., shall be included  
25 when determining the number of Restricted Affordable Units required to qualify for a Development

Bonus under this Section 206.5. The payment of the Affordable Housing Fee shall not qualify for a Development Bonus under this Section. The provision of Off-site Units shall not qualify the Principal Project for a Density Bonus under this Section; however an Off-site Unit may qualify as a Restricted Affordable Unit to obtain a density bonus for the Off-site Project.

(F) In accordance with state law, neither the granting of a Concession, Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of itself, to require a general plan amendment, zoning change, variance, or other discretionary approval.

(3) Concessions and Incentives. Analyzed Projects shall receive concessions or incentives, in the amounts specified in Table 206.5B :

Table 206.5B

Concessions and Incentives Summary – Analyzed Projects

<u>Target Group</u>	<u>Restricted Affordable Units</u>		
<u>Very Low Income</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>
<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Moderate Income (Common Interest Development)</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Maximum Incentive(s)/Concession(s)</u>	<u>1</u>	<u>2</u>	<u>3</u>

Notes: 1. Concessions or Incentives may be selected from only one category (very low, lower, or moderate) 2. Common Interest Development is defined in California Civil Code Section 4100.

(4) Menu of Concessions and Incentives: In submitting a request for Concessions or Incentives, an applicant for an Analyzed State Density Bonus Project may request the specific Concessions and Incentives set forth below. The Planning Department, based on Department research and a Residential Density Bonus Study prepared by David Baker Architects, Seifel Consulting, and the San Francisco Planning Department dated August 2015, on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, has determined that the following Concessions and Incentives are

1 generally consistent with Government Code Section 65915(d) because, in general, they: are required  
2 in order to provide for affordable housing costs; will not be deemed by the Department to have a  
3 specific adverse impact as defined in Government Code Section 65915(d); and are not contrary to State  
4 or Federal law.

5 (A) **Rear yard:** the required rear yard per Section 134 or any applicable special  
6 use district may be reduced to no less than 20% of the lot depth, or 15 feet, whichever is greater.  
7 Corner properties may provide 20% of the lot area at the interior corner of the property to meet the  
8 minimum rear yard requirement, provided that each horizontal dimension of the open area is a  
9 minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock  
10 open space, if any, formed by the rear yards of adjacent properties.

11 (B) **Dwelling Unit Exposure:** the dwelling unit exposure requirements of  
12 Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that  
13 is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in  
14 every horizontal dimension at each subsequent floor.

15 (C) **Off-Street Loading:** off-street loading spaces under Section 152 shall not  
16 be required.

17 (D) **Parking:** up to a 50% reduction in the residential and commercial parking  
18 requirement, per Section 151 or any applicable special use district.

19 (E) **Open Space:** up to a 5% reduction in required common open space per  
20 Section 135, or any applicable special use district.

21 (F) **Additional Open Space:** up to an additional 5% reduction in required  
22 common open space per Section 135 or any applicable special use district, beyond the 5% provided in  
23 subsection (E) above.

24 (5) **Waiver or Modification of Height Limits.** Analyzed Projects may request a waiver  
25 of the applicable height restrictions if the applicable height limitation will have the effect of physically

1 precluding the construction of a Housing Project at the densities or with the Concessions or Incentives  
2 permitted by this subsection (c)(4). Analyzed Projects may receive a height bonus as of right of up to  
3 twenty feet or two stories, excluding exceptions permitted per Section 260(b), if the applicant  
4 demonstrates that it qualifies for a height waiver through the following formula:

5 **Step one: Calculate Base Density and Bonus Density Limits**

6 Calculate Base Density (BD), as defined in Section 206.2.

7 Bonus Density Limit (BD): ED multiplied by 1.XX where XX is the density bonus  
8 requested per Section 206.5 of this Code (e.g. 7%, 23%, 35%), not to exceed 1.35, the maximum density  
9 bonus available by this Section.

10 **Step two: Calculate Permitted Envelope (PE). Buildable envelope available under**  
11 existing height and bulk controls.

12 PE equals lot area multiplied by permitted lot coverage, where lot coverage equals .75,  
13 or .8 if the developer elects to request a rear yard modification under Section 206.5(c)(4)(A), multiplied  
14 by existing height limit (measured in number of stories), minus one story for projects in districts where  
15 non-residential uses are required on the ground floor, and minus any square footage subject to bulk  
16 limitations (for parcels that do not have an X bulk designation).

17 **Step three: Calculate Bonus Envelope (BE) Residential envelope necessary to**  
18 accommodate additional density (“Bonus envelope” or “BE”)

19 BE equals Bonus Density multiplied by 1,000 gross square feet

20 **Step four: Calculate Additional Residential Floors. Determine the number of stories**  
21 required to accommodate bonus:

22 (A) If BE is less than or equal to PE, the project is not awarded height under  
23 this subsection (c)(5).

24 (B) If BE is greater than PE, the project is awarded height, as follows:

1 (i) If BE minus PE is less than the lot area multiplied by 0.75, project is  
2 allowed 1 extra story; total gross square footage of building not to exceed BE;

3 (ii) If BE minus PE is greater than the lot area multiplied by 0.75 (i.e. if  
4 the difference is greater than one story), project is allowed two extra stories; total gross square footage  
5 of building not to exceed BE.

6 (d) **Application.** An application for an Analyzed State Density Bonus Project under this  
7 Section 206.5 shall be submitted with the first application for approval of a Housing Project and shall  
8 be processed concurrently with all other applications required for the Housing Project. The  
9 application shall be on a form prescribed by the City and, in addition to any information required for  
10 other applications, shall include the following information:

11 (1) A description of the proposed Housing Project, including the total number of  
12 dwelling units, Restricted Affordable Units, and Density Bonus Units proposed;

13 (2) Any zoning district designation, Base Density, assessor's parcel number(s) of the  
14 project site, and a description of any Density Bonus, Concession or Incentive, or waiver requested;

15 (3) A list of the requested Concessions and Incentives from Section 206.5(c)(4);

16 (4) If a waiver or modification of height is requested under Section 206.5(c)(5), a  
17 calculation demonstrating how the project qualifies for such waiver under the formula;

18 (5) A full plan set including site plan, elevations, sections, and floor plans, number of  
19 market-rate units, Restricted Affordable Units, and Density Bonus units within the proposed Housing  
20 Project. The location of all units must be approved by the Planning Department before the issuance of  
21 the building permit;

22 (6) Level of affordability of the Restricted Affordable Units and a draft Regulatory  
23 Agreement;

24 (7) The number of rental dwelling units which are on the property, or if the dwelling  
25 units have been vacated or demolished in the five year period preceding the application, have been and

1 which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to  
2 persons and families of lower or very low income; subject to any other form of rent or price control  
3 through the City or other public entity's valid exercise of its police power; or occupied by lower or very  
4 low income households; and

5 (8) If the property includes a parcel or parcels in which dwelling units under subsection  
6 (7) are located or were located in the five year period preceding the application, the type and size of  
7 those units, and the incomes of the persons or families occupying those units.

8 (9) Documentation that the applicant has provided written notification to all existing  
9 commercial or residential tenants that the applicant intends to develop the property pursuant to this  
10 section. Any affected commercial tenants shall be given priority processing similar to the  
11 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
12 Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such  
13 business in concert with access to relevant local business support programs.

14 (e) **Review Procedures.** An application for an Analyzed State Density Bonus Project, shall be  
15 acted upon concurrently with the application for other permits related to the Housing Project.

16 (1) Before approving an application for an Analyzed Project, the Planning Department  
17 or Commission shall make written findings that the Housing Project is qualified as an Analyzed State  
18 Density Bonus Project.

19 (2) The review procedures for an Analyzed Project, including notice, hearings, and  
20 appeal, shall be the procedures applicable to the Housing Project regardless of whether it is applying  
21 for a State Density Bonus under this Section 206.5. However, any notice shall specify that the Housing  
22 Project is seeking a Development Bonus and shall provide a description of the Development Bonuses  
23 requested. Analyzed Projects shall also be reviewed for consistency with the Affordable Housing Bonus  
24 Program Design Guidelines.

1           (f) **Regulatory Agreements.** Recipients of a Density Bonus, Incentive, Concession, waiver, or  
2 modification shall enter into a Regulatory Agreement with the City, as follows.

3                   (1) The terms of the agreement shall be acceptable in form and content to the Planning  
4 Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the  
5 authority to execute such agreements.

6                   (2) Following execution of the agreement by all parties, the completed Density Bonus  
7 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and  
8 recorded on the Housing Project.

9                   (3) The approval and recordation of the Regulatory Agreement shall take place prior to  
10 the issuance of the First Construction Document. The Regulatory Agreement shall be binding to all  
11 future owners and successors in interest.

12                   (4) The Regulatory Agreement shall be consistent with the guidelines of the City's  
13 Inclusionary Housing Program and shall include at a minimum the following:

14                           (A) The total number of dwelling units approved for the Housing Project,  
15 including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units or  
16 other restricted units;

17                           (B) A description of the household income group to be accommodated by the  
18 Restricted Affordable Units, and the standards for determining the corresponding Affordable Rent or  
19 Affordable Sales Price;

20                           (C) The location, dwelling unit sizes (in square feet), and number of bedrooms  
21 of the Restricted Affordable Units;

22                           (D) Term of use restrictions for Restricted Affordable Units of at least 55 years  
23 for Moderate Income units and at least 55 years for Low and Very Low units;

24                           (E) A schedule for completion and occupancy of Restricted Affordable Units;

1 (F) A description of any Concession, Incentive, waiver, or modification, if any,  
2 being provided by the City;

3 (G) A description of remedies for breach of the agreement (the City may identify  
4 tenants or qualified purchasers as third party beneficiaries under the agreement); and

5 (H) Other provisions to ensure implementation and compliance with this  
6 Section.

7 **SEC. 206.6. STATE DENSITY BONUS PROGRAM: INDIVIDUALLY REQUESTED.**

8 (a) Purpose and Findings: This Section 206.6 details the review, analysis and approval  
9 process for any project seeking a density bonus that is consistent with State Law, Government Code  
10 section 65915 et seq., but is not consistent with the pre-vetted menu of concessions, incentives or  
11 waivers, or other requirements established in Section 206.5 as analyzed by the Planning Department in  
12 coordination with David Baker and Seifel Consulting, and shall be known as the Individually Requested  
13 State Density Bonus Program.

14 California State Density Bonus Law allows a housing developer to request parking ratios not to  
15 exceed the ratios set forth in Government Code section 65915(p)(1), which may further be reduced as  
16 an incentive or concession. Because in most cases San Francisco regulates parking by dwelling unit as  
17 described in Article 1.5 of this Code, the minimum parking ratios set forth in the Government Code are  
18 greater than those allowed in San Francisco. Given that San Francisco's parking ratios are already  
19 less than the State ratios, the City finds that the State's minimum parking ratio requirement does not  
20 apply.

21 (b) Applicability. A Housing Project that does not meet any one or more of the criteria of  
22 Section 206.5(b) under the Analyzed State Density Bonus Program, but meets the following  
23 requirements, may apply for a Development Bonus under this Section 206.6 as an "Individually  
24 Requested State Density Bonus Project" or "Individually Requested Project" if it meets all of the  
25 following criteria:

1 (1) contains five or more residential units, as defined in Section 102;

2 (2) is not seeking and receiving a density or development bonus under Section 207; the  
3 Local Affordable Housing Bonus Program, Section 206.3; the 100 Percent Affordable Housing Bonus  
4 Program, Section 206.4; Section 304, or any other local or state bonus program that provides  
5 development bonuses.

6 (3) provides Restricted Affordable Housing Units, including but not limited to  
7 Inclusionary Housing Units, at minimum levels as provided in Table 206.6A; and,

8 (4) provides replacement units for any units demolished or removed that are subject to  
9 the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco Administrative Code  
10 Section 37, or are units qualifying for replacement as units being occupied by households of low or  
11 very low income, consistent with the requirements of Government Code section 65915(c)(3).

12 (5) Is in any zoning district except for RH-1 or RH-2, unless the Code permits the  
13 development of a project of 5 units or more on a site or sites.

14 (c) **Development Bonuses.** Any Individually Requested Density Bonus Project shall, at the  
15 project sponsor's request, receive any or all of the following:

16 (1) **Density Bonus.** Individually Requested Projects that provide On-site Inclusionary  
17 Housing Units or Restricted Affordable Units shall receive a density bonus as described in Table  
18 206.6A as follows:

19 Table 206.6 A

20 Density Bonus Summary – Individually Requested Project

<u>Restricted Affordable Units or Category</u>	<u>Minimum Percentage of Restricted Affordable Units</u>	<u>Percentage of Density Bonus Granted</u>	<u>Additional Bonus for Each 1% Increase In Restricted Affordable Units</u>	<u>Percentage of Restricted Units Required for Maximum 35% Density Bonus</u>
<u>Very Low Income</u>	<u>5%</u>	<u>20%</u>	<u>2.50%</u>	<u>11%</u>

1	<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>1.50%</u>	<u>20%</u>
2	<u>Moderate Income</u>	<u>10%</u>	<u>5%</u>	<u>1%</u>	<u>40%</u>
3	<u>Senior Citizen Housing</u>	<u>100%</u>	<u>20%</u>	<u>-----</u>	<u>-----</u>

4 Note: A density bonus may be selected from only one category up to a maximum of 35% of the  
5 Maximum Allowable Residential Density.

6 In calculating density bonuses under this subsection 206.6(c)(1) the following shall  
7 apply:

8 (A) When calculating the number of permitted Density Bonus Units or Restricted  
9 Affordable Units, any fractions of units shall be rounded to the next highest number.

10 (B) An applicant may elect to receive a Density Bonus that is less than the  
11 amount permitted by this Section; however, the City shall not be required to similarly reduce the  
12 number of Restricted Affordable Units required to be dedicated pursuant to this Section and  
13 Government Code Section 65915(b).

14 (C) Each Housing Project is entitled to only one Density Bonus, which shall be  
15 selected by the applicant based on the percentage of Very Low Income Restricted Affordable Units,  
16 Lower Income Restricted Affordable Units, or Moderate Income Restricted Affordable Units, or the  
17 Housing Project's status as a Senior Citizen Housing Development. Density bonuses from more than  
18 one category may not be combined. In no case shall a Housing Project be entitled to a Density Bonus  
19 of more than thirty-five percent (35%), unless it is a Senior Housing Project meeting the requirements  
20 of Section 202.2(f).

21 (D) The Density Bonus Units shall not be included when determining the  
22 number of Restricted Affordable Units required to qualify for a Density Bonus. Density bonuses shall  
23 be calculated as a percentage of the Maximum Allowable Residential Density.

24 (E) Any Restricted Affordable Unit provided pursuant to the on-site  
25 requirements of the Inclusionary Affordable Housing Program, Section 415 et seq., shall be included  
when determining the number of Restricted Affordable Units required to qualify for a Development

1 Bonus under this Section 206.6. The payment of the Affordable Housing Fee shall not qualify for a  
2 Development Bonus under this Section. The provision of Off-site Units shall not qualify the Principal  
3 Project for a Density Bonus under this Section; however an Off-site Unit may qualify as a Restricted  
4 Affordable Unit to obtain a density bonus for the Off-site Project.

5 (F) In accordance with state law, neither the granting of a Concession,  
6 Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of  
7 itself, to require a general plan amendment, zoning change, variance, or other discretionary approval.

8 (G) No additional Density Bonus shall be authorized for a Senior Citizen  
9 Development beyond the Density Bonus authorized by subsection (1) of this Section.

10 (H) Certain other types of development activities are specifically eligible for a  
11 development bonuses pursuant to State law, including land donation under Government Code Section  
12 65915(g), condominium conversions under Government Code section 65915.5 and qualifying mobile  
13 home parks under Government Code section 65915(b)(1)(C). Such projects shall be considered  
14 Individually Requested State Density Bonus Projects.

15 (2) **Concessions and Incentives.** This Section includes provisions for providing  
16 Concessions or Incentives pursuant to Government Code Section 65915 et seq, as set forth in Table  
17 206.6B. For purposes of this Section 206.6, Concessions and Incentives as used interchangeably shall  
18 mean such regulatory concessions as specified in Government Code Section 65915(k) to include:

19 (A) A reduction of site Development Standards or architectural design  
20 requirements which exceed the minimum applicable building standards approved by the State  
21 Building Standards Commission pursuant to Part 2.5 (commencing with Section 18901) of Division 13  
22 of the Health and Safety Code, including, but not limited to, a reduction in setback, coverage, and/or  
23 parking requirements which result in identifiable, financially sufficient and actual cost reductions;

24 (B) Allowing mixed use development in conjunction with the proposed  
25 residential development, if nonresidential land uses will reduce the cost of the residential project and

1 the nonresidential land uses are compatible with the residential project and existing or planned  
2 development in the area where the Housing Project will be located; and

3 (C) Other regulatory incentives or concessions proposed by the developer or the  
4 City that result in identifiable, financially sufficient, and actual cost reductions.

5 Table 206.6B

6 Concessions and Incentives Summary – Individually Requested Project

<u>Target Group</u>	<u>Restricted Affordable Units</u>		
<u>Very Low Income</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>
<u>Lower Income</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Moderate Income (Common Interest Development)</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Maximum Incentive(s)/Concession(s)</u>	<u>1</u>	<u>2</u>	<u>3</u>

7  
8  
9  
10  
11  
12 Notes: 1. Concessions or Incentives may be selected from only one category (very low, lower, or moderate). 2. Common Interest Development is defined in California Civil Code Section 4100.

13 (3) Request for Concessions and Incentives. In submitting a request for Concessions  
14 or Incentives that are not specified in Section 206.5(c)(4), an applicant for an Individually Requested  
15 Density Bonus Project must provide documentation described in subsection (d) below in its application.  
16 The Planning Commission shall hold a hearing and shall approve the Concession or Incentive  
17 requested unless it makes written findings, based on substantial evidence that:

18 (A) The Concession or Incentive is not required in order to provide for  
19 affordable housing costs, as defined in Section 50052.5 of the California Health and Safety Code, or for  
20 rents for the Restricted Affordable Units to be as specified in this Section 206.6; or

21 (B) The Concession or Incentive would have a specific adverse impact, as  
22 defined in Government Code Section 65589.5(d)(2) upon public health and safety or the physical  
23 environment or any real property that is listed in the California Register of Historical Resources and  
24 for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact  
25 without rendering the Housing Project unaffordable to low- and moderate-income households.

1                                    (C) The Concession or Incentive would be contrary to state or federal law.

2                                    (4) **Waiver or Modification.** An applicant may apply for a waiver or modification of  
3 Development Standards that will have the effect of physically precluding the construction of a Housing  
4 Project at the densities or with the Concessions or Incentives permitted by this Section 206.6. The  
5 Planning Commission will not grant a waiver or modification under this Section unless it is necessary  
6 to achieve the additional density or the Concessions or Incentives permitted by this Section 206.6. The  
7 developer must submit sufficient information as determined by the Planning Department demonstrating  
8 that Development Standards that are requested to be waived or modified will have the effect of  
9 physically precluding the construction of a Housing Project meeting the criteria of this Section 206.6 at  
10 the densities or with the Concessions or Incentives permitted. The Planning Commission shall hold a  
11 hearing to determine if the project sponsor has demonstrated that the waiver is necessary. The  
12 Planning Commission may deny a waiver if it finds on the basis of substantial evidence that:

13                                    (A) It is not required to permit the construction of a Housing Project meeting the  
14 density permitted or with the Concessions and Incentives permitted under this Section 206.6;

15                                    (B) The Waiver is not required in order to provide for affordable housing costs,  
16 as defined in Section 50052.5 of the California Health and Safety Code, or for rents for the Restricted  
17 Affordable Units to be as specified in this Section 206.6;

18                                    (C) The Waiver would have a specific adverse impact, as defined in Government  
19 Code Section 65589.5(d)(2) upon public health and safety or the physical environment or any real  
20 property that is listed in the California Register of Historical Resources and for which there is no  
21 feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the  
22 Housing Project unaffordable to low- and moderate-income households; or,

23                                    (D) The Waiver would be contrary to state or federal law.

1                   (5) Nothing in this Section shall be construed to require the provision of direct financial  
2 incentives for the Project, including the provision of publicly owned land by the City or the waiver of  
3 fees or dedication requirements.

4                   (d) **Application.** An application for a Density Bonus, Incentive, Concession, or waiver under  
5 this Section 206.6 shall be submitted with the first application for approval of a Housing Project and  
6 shall be processed concurrently with all other applications required for the Housing Project. The  
7 application shall be on a form prescribed by the City and, in addition to any information required for  
8 other applications, shall include the following information:

9                   (1) A description of the proposed Project, and a full plan set, including a site plan,  
10 elevations, section and floor plans, with the total number and location of dwelling units, Restricted  
11 Affordable Units, and Density Bonus Units proposed;

12                   (2) A plan set sufficient for the Planning Department to determine the project site's  
13 Maximum Allowable Residential Density. The project sponsor shall submit plans for a base project  
14 that demonstrates a Code complying project on the Housing Project site without use of a modification,  
15 Conditional Use Authorization, Variance, Planned Unit Development, or other exception from the  
16 Planning Code. Such plans shall include similar detail to the proposed Housing Project. The project  
17 sponsor shall demonstrate that site constraints do not limit the Maximum Allowable Residential Density  
18 for the base project in practice. If the project sponsor cannot make such a showing, the Zoning  
19 Administrator shall determine whether the Maximum Allowable Residential Density shall be adjusted  
20 for purposes of this Section.

21                   (3) The zoning district designations, Maximum Allowable Residential Density,  
22 assessor's parcel number(s) of the project site, and a description of any Density Bonus, Concession or  
23 Incentive, or waiver requested;

24                   (4) If a Concession or Incentive is requested that is not included within the menu of  
25 Incentives/Concessions set forth in subsection 206.5(c), a submittal including financial information or

1 other information providing evidence that the requested Concessions and Incentives result in  
2 identifiable, financially sufficient, and actual cost reductions required in order to provide for  
3 affordable housing costs as defined in Health and Safety Code Section 50052.5, or for rents for the  
4 Restricted Affordable Units to be provided as required under this Program. The cost of reviewing any  
5 required financial information, including, but not limited to, the cost to the City of hiring a consultant  
6 to review the financial data, shall be borne by the applicant. The financial information shall include all  
7 of the following items:

8 (A) The actual cost reduction achieved through the Concession or Incentive;

9 (B) Evidence that the cost reduction allows the applicant to provide affordable  
10 rents or affordable sales prices; and

11 (C) Any other information requested by the Planning Director. The Planning  
12 Director may require any financial information including information regarding capital costs, equity  
13 investment, debt service, projected revenues, operating expenses, and such other information as is  
14 required to evaluate the financial information;

15 (5) If a waiver or modification is requested, a submittal containing the following  
16 information. The cost of reviewing any required information supporting the request for a waiver,  
17 including, but not limited to, the cost to the City of hiring a consultant to review the architectural  
18 information, shall be borne by the applicant.

19 (A) Why the Development Standard would physically preclude the construction  
20 of the Development with the Density Bonus, Incentives, and Concessions requested.

21 (B) Any other information requested by the Planning Director as is required to  
22 evaluate the request;

23 (6) Level of affordability of the Restricted Affordable Units and a draft Regulatory  
24 Agreement;

1                   (7) The number of residential units which are on the property, or if the residential units  
2 have been vacated or demolished in the five year period preceding the application, have been and  
3 which were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to  
4 persons and families of lower or very low income; subject to any other form of rent or price control  
5 through the City or other public entity's valid exercise of its police power; or occupied by lower or very  
6 low income households;

7                   (8) If the property includes a parcel or parcels in which dwelling units under (6) are  
8 located or were located in the five year period preceding the application, the type and size of those  
9 units, the incomes of the persons or families occupying those units.

10                  (9) Documentation that the applicant has provided written notification to all existing  
11 commercial or residential tenants that the applicant intends to develop the property pursuant to this  
12 section. Any affected commercial tenants shall be given priority processing similar to the  
13 Department's Community Business Priority Processing Program, as adopted by the San Francisco  
14 Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such  
15 business in concert with access to relevant local business support programs.

16                  (10) If a Density Bonus or Concession is requested for a land donation under  
17 Government Code Section 65915(g), the application shall show the location of the land to be dedicated,  
18 provide proof of site control, and provide evidence that all of the requirements and each of the findings  
19 included in Government Code Section 65915(g) can be made;

20                  (11) If a density bonus or Concession is requested for a Child Care Facility under  
21 Section 206.7, the application shall show the location and square footage of the child care facilities  
22 and provide evidence that all of the requirements and each of the findings included in Government  
23 Code Section 65915(h) can be made;

1                   (12) If a Density Bonus or Concession is requested for a condominium conversion, the  
2 applicant shall provide evidence that all of the requirements found in Government Code Section  
3 65915.5 can be met.

4                   (e) **Review Procedures.** An application for a Density Bonus, Incentive, Concession, or waiver  
5 shall be acted upon concurrently with the application other permits related to the Housing Project.

6                   (1) Before approving an application for a Density Bonus, Incentive, Concession, or  
7 waiver, for any Individually Requested Density Bonus Project, the Planning Commission shall make the  
8 following findings as applicable.

9                   (A) The Housing Project is eligible for the Affordable Housing Bonus Program.

10                   (B) The Housing Project has demonstrated that any Concessions or Incentives  
11 are required in order to provide for affordable housing costs, as defined in Section 50052.5 of the  
12 California Health and Safety Code, or for rents for the targeted units, based upon the financial analysis  
13 and documentation provided.

14                   (C) If a waiver or modification is requested, a finding that the Development  
15 Standards for which the waiver is requested would have the effect of physically precluding the  
16 construction of the Housing Project with the Density Bonus or Concessions and Incentives permitted.

17                   (D) If the Density Bonus is based all or in part on donation of land, a finding  
18 that all the requirements included in Government Code Section 65915(g) have been met.

19                   (E) If the Density Bonus, Concession or Incentive is based all or in part on the  
20 inclusion of a Child Care Facility, a finding that all the requirements included in Government Code  
21 Section 65915(h) have been met.

22                   (F) If the Concession or Incentive includes mixed-use development, a finding  
23 that all the requirements included in Government Code Section 65915(k)(2) have been met.

1                   (2) If the findings required by subsection (a) of this Section cannot be made, the  
2 Planning Commission may deny an application for a Concession, Incentive, waiver or modification  
3 only if it makes one of the following written findings, supported by substantial evidence:

4                   (A) The Concession, Incentive, waiver or modification is not required to provide  
5 for the affordability levels required for Restricted Affordable Units;

6                   (B) The Concession, Incentive, waiver or modification would have a specific,  
7 adverse impact upon public health or safety or the physical environment or on real property listed in  
8 the California Register of Historic Resources, and there is no feasible method to satisfactorily mitigate  
9 or avoid the specific adverse impact without rendering the Housing Project unaffordable to Low and  
10 Moderate Income households. For the purpose of this subsection, "specific adverse impact" means a  
11 significant, quantifiable, direct, and unavoidable impact, based on objective, identified, written public  
12 health or safety standards, policies, or conditions as they existed on the date that the application for the  
13 Housing Project was deemed complete; or

14                   (C) The Concession, Incentive, waiver or modification is contrary to state or  
15 federal law.

16                   (3) The review procedures for an Individually Requested Density Bonus Project,  
17 including notice, hearings, and appeal, shall be the procedures applicable to the Housing Project  
18 regardless of whether it is applying for a State Density Bonus under this Section 206.6. However, any  
19 notice shall specify that the Housing Project is seeking a Development Bonus and shall provide a  
20 description of the development bonuses requested. Individually Requested Projects shall also be  
21 reviewed for consistency with the Affordable Housing Bonus Program Design Guidelines.

22                   (4) In accordance with state law, neither the granting of a Concession, Incentive,  
23 waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of itself, to  
24 require a general plan amendment, zoning change, variance, or other discretionary approval.

1           (f) **Regulatory Agreements.** Recipients of a Density Bonus, Incentive, Concession, waiver, or  
2 modification shall enter into a Regulatory Agreement with the City, as follows.

3                   (1) The terms of the agreement shall be acceptable in form and content to the Planning  
4 Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the  
5 authority to execute such agreements.

6                   (2) Following execution of the agreement by all parties, the completed Density Bonus  
7 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and  
8 recorded on the Housing Project.

9                   (3) The approval and recordation of the Regulatory Agreement shall take place prior to  
10 the issuance of the First Construction Document. The Regulatory Agreement shall be binding to all  
11 future owners and successors in interest.

12                   (4) The Regulatory Agreement shall be consistent with the guidelines of the City's  
13 Inclusionary Housing Program and shall include at a minimum the following:

14                           (A) The total number of dwelling units approved for the Housing Project,  
15 including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units or  
16 other restricted units;

17                           (B) A description of the household income group to be accommodated by the  
18 Restricted Affordable Units, and the standards for determining the corresponding Affordable Rent or  
19 Affordable Sales Price;

20                           (C) The location, dwelling unit sizes (in square feet), and number of bedrooms  
21 of the Restricted Affordable Units;

22                           (D) Term of use restrictions for Restricted Affordable Units of at least 55 years  
23 for Moderate Income units and at least 55 years for Low and Very Low units;

24                           (E) A schedule for completion and occupancy of Restricted Affordable Units;  
25

1 (F) A description of any Concession, Incentive, waiver, or modification, if any,  
2 being provided by the City;

3 (G) A description of remedies for breach of the agreement (the City may identify  
4 tenants or qualified purchasers as third party beneficiaries under the agreement); and

5 (H) Other provisions to ensure implementation and compliance with this  
6 Section.

7 **SEC. 206.7. CHILD CARE FACILITIES.**

8 (a) For purposes of this Section 206.7, "Child Care Facility" means a child day care facility  
9 other than a family day care home, including, but not limited to, infant centers, preschools, extended  
10 day care facilities, and school age child care centers

11 (b) When an applicant proposes to construct a Housing Project that is eligible for a Density  
12 Bonus under Section 206.6 and includes a Child Care Facility that will be located on the premises of,  
13 as part of, or adjacent to, the Housing Project, all of the provisions of this Section 206.7 shall apply  
14 and all of the provisions of Section 206.6 shall apply, except as specifically provided in this Section  
15 206.7.

16 (c) When an applicant proposes to construct a Housing Project that is eligible for a Density  
17 Bonus under Section 206.6 and includes a Child Care Facility that will be located on the premises of,  
18 as part of, or adjacent to, the Housing Project, the City shall grant either:

19 (1) An additional density bonus that is an amount of square feet of residential space  
20 that is equal to or greater than the square footage of the Child Care Facility; or

21 (2) An additional Concession or Incentive that contributes significantly to the economic  
22 feasibility of the construction of the Child Care Facility.

23 (d) The City shall require, as a condition of approving the Housing Project, that the following  
24 occur:

1                   (1) The Child Care Facility shall remain in operation for a period of time that is as long  
2 as or longer than the period of time during which the Affordable Units are required to remain  
3 affordable. In the event the childcare operations cease to exist, the Zoning Administrator may approve  
4 in writing an alternative community service use for the child care facility.

5                   (2) Of the children who attend the Child Care Facility, the children of Very Low, Lower  
6 and Moderate Income households shall equal a percentage that is equal to or greater than the  
7 percentage of Restricted Affordable Units in the Housing Project that are required for Very Low,  
8 Lower and Moderate Income households pursuant to Section 206.6.

9                   (e) Notwithstanding subsections (a) and (b) above, the City shall not be required to provide a  
10 density bonus or a Concession or Incentive for a child care facility if it finds, based upon substantial  
11 evidence, that the community has adequate child care facilities.

12                   **SEC. 206.8. AFFORDABLE HOUSING BONUS PROGRAM EVALUATION.**

13                   (a) Within one year from the effective date of Section 206 and following, the Planning  
14 Department shall provide an informational presentation to the Planning Commission, and any other  
15 City agency at their request, presenting an overview of all projects that request or receive development  
16 bonuses under the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing  
17 Bonus Program and the Analyzed and Individually Requested State Density Bonus Program (“the  
18 Bonus Programs”).

19                   (b) Annual Reporting. The Planning Department shall include information on projects which  
20 request and receive development bonuses under the Bonus Programs in any relevant Department  
21 publications regarding the development of housing in San Francisco, including, but not limited to, the  
22 Quarterly Pipeline Report, the Housing Inventory and the Housing Balance Report.

23                   -       (c) Data Report. The Planning Department, in coordination with MOHCD, shall prepare a  
24 Data Report reviewing the Bonus Programs every five years, beginning five years from the Effective  
25 Date of Section 206 and following. This report shall include, but not be limited to, information on the:

- 1 - (1) number of projects utilizing the Bonus Programs;
- 2 - (2) number of units approved and constructed under the Bonus Programs and the AMI  
3 levels of such units;
- 4 - (3) number of additional affordable units in excess of that otherwise required by Section  
5 415;
- 6 - (4) geographic distribution of projects, including the total number of units in each  
7 project, utilizing the Bonus Programs;
- 8 - (5) number of larger unit types, including the number of 3 bedroom units;
- 9 - (6) square feet of units by bedroom count;
- 10 - (7) number of projects with 9 or fewer units that participate; and
- 11 - (8) Number of appeals of projects in the Program and stated reason for appeal.

12 (d) Program Evaluation and Update:

13 (1) Purpose and Contents. In coordination with the Data Report, the Department shall  
14 prepare a Program Evaluation and Update. The Program Evaluation and Update shall include an  
15 analysis of the Bonus Programs effectiveness as it relates to City policy goals including, but not limited  
16 to Proposition K (2014) and the Housing Element. The Program Evaluation and Update shall include  
17 a review of all of the following:

18 (A) Target income levels for the Local Affordable Housing Bonus Program in  
19 relation to market values and assessed affordable housing needs.

20 (B) Feasibility of the Local Affordable Housing Bonus Program, in relations to  
21 housing policy goals, program production, and current market conditions.

22 (C) Requested and granted concessions and incentives, including consideration  
23 of whether the menu of zoning modification or concessions and incentives set forth in Section  
24 206.3(d)(4), 206.4(c)(5) and 206.5(c)(4) respond to the needs of projects seeking approvals under the  
25 Bonus Programs; consideration of whether the elected zoning modifications or incentives and

1 concessions result in a residential project that responds to the surrounding neighborhood context; and  
2 review and recommendation for additions or modifications to the list of zoning modifications or  
3 concessions and incentives in 206.3(d)(4), 206.4(c)(5) and 206.5(c)(4).

4 (D) Geography and neighborhood specific considerations. Review and analysis  
5 of where Bonus Program projects are proposed and approved, including an analysis of land values,  
6 zoning, height controls and neighborhood support.

7 (E) Review of the process for considering projects under the Program, including  
8 a review of Section 328, the appeal process, and other relevant process considerations.

9 (2) Public Hearing: The Program Evaluation and Update shall be prepared no less  
10 than every five years, beginning five years from the Effective Date of this Ordinance, and may be  
11 completed as a series of reports and in coordination with ongoing monitoring of affordable housing  
12 policies, or feasibility analyses. The Planning Commission shall hold a hearing on the Program  
13 Evaluation and Update and any recommendations for modification to any of the Bonus Programs.

14  
15 Section 3. The Planning Code is hereby amended by adding Sections 328, to read as  
16 follows:

17 **SEC. 328. LOCAL AND 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT**  
18 **AUTHORIZATION**

19 (a) Purpose. The purpose of this Section is to ensure that all Local and 100 Percent Affordable  
20 Housing Bonus projects under Section 206.3 or 206.4 are reviewed in coordination with priority  
21 processing available for certain projects with greater levels of affordable housing. While most projects  
22 in the Program will likely be somewhat larger than their surroundings in order to facilitate higher  
23 levels of affordable housing, the Planning Commission and Department shall ensure that each project  
24 is consistent with the Affordable Housing Bonus Design Guidelines and any other applicable design  
25

1 guidelines, as adopted and periodically amended by the Planning Commission, so that projects respond  
2 to their surrounding context, while still meeting the City's affordable housing goals.

3 (b) **Applicability.** This section applies to all qualifying Local and 100 Percent Affordable  
4 Housing Bonus Projects that meet the requirements described in Planning Code Sections 206.3 or  
5 206.4.

6 (c) **Planning Commission Design Review:** The Planning Commission shall review and  
7 evaluate all physical aspects of a Local or 100 Percent Affordable Housing Bonus Project at a public  
8 hearing. The Planning Commission recognizes that most qualifying projects will need to be larger in  
9 height and mass than surrounding buildings in order to achieve the Affordable Housing Bonus  
10 Program's affordable housing goals. However, the Planning Commission may, consistent with the  
11 Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines,  
12 and upon recommendation from the Planning Director, make minor modifications to a project to  
13 reduce the impacts of such differences in scale.

14 Additionally, as set forth in subsection (d) below, the Planning Commission may grant minor  
15 exceptions to the provisions of this Code. However, such exceptions should only be granted to allow  
16 building mass to appropriately shift to respond to surrounding context, and only when such  
17 modifications do not substantially reduce or increase the overall building envelope permitted by the  
18 Program under Section 206.3 or 206.4. All modifications and exceptions should be consistent with the  
19 Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In  
20 case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program  
21 Design Guidelines shall prevail.

22 The Planning Commission may require these or other modifications or conditions, or  
23 disapprove a project, in order to achieve the objectives and policies of the Affordable Housing Bonus  
24 Program or the purposes of this Code. This review shall limited to design issues including the  
25 following:

1                   (1) whether the bulk and massing of the building is consistent with the Affordable  
2 Housing Bonus Design Guidelines.

3                   (2) whether building design elements including, but not limited to architectural  
4 treatments, façade design, and building materials, are consistent with the Affordable Housing Bonus  
5 Program Design Guidelines and any other applicable design guidelines.

6                   (3) whether the design of lower floors, including building setback areas, commercial  
7 space, townhouses, entries, utilities, and parking and loading access is consistent with the Affordable  
8 Housing Bonus Program Design Guidelines, and any other applicable design guidelines.

9                   (4) whether the required streetscape and other public improvements such as tree  
10 planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other  
11 applicable design guidelines.

12                   (d) **Exceptions.** As a component of the review process under this Section 328, the Planning  
13 Commission may grant minor exceptions to the provisions of this Code as provided for below, in  
14 addition to the development bonuses granted to the project in Section 206.3(d) or 206.4(c). Such  
15 exceptions, however, should only be granted to allow building mass to appropriately shift to respond to  
16 surrounding context, and only when the Planning Commission finds that such modifications: 1) do not  
17 substantially reduce or increase the overall building envelope permitted by the Program under Sections  
18 206.3 or 206.4; and 2) are consistent with the Affordable Housing Bonus Design Guidelines. These  
19 exceptions may include:

20                   (1) Exception from residential usable open space requirements per Section 135, or any  
21 applicable special use district.

22                   (2) Exception from satisfaction of loading requirements per Section 152.1, or any  
23 applicable special use district.

24                   (3) Exception for rear yards, pursuant to the requirements of Section 134, or any  
25 applicable special use district.

1                   (4) Exception from dwelling unit exposure requirements of Section 140, or any  
2 applicable special use district.

3                   (5) Exception from satisfaction of accessory parking requirements per Section 152.1, or  
4 any applicable special use district.

5                   (6) Where not specified elsewhere in this Subsection (d), modification of other Code  
6 requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section  
7 304), irrespective of the zoning district in which the property is located.

8                   (e) **Required Findings.** If a Local Affordable Housing Bonus Program Project or 100 Percent  
9 Affordable Housing Bonus Project otherwise requires a conditional use authorization due only to 1) a  
10 specific land use, 2) use size limit, or 3) requirement adopted by the voters, then the Planning  
11 Commission shall make all findings and consider all criteria required by this Code for such use or use  
12 size as part of this Local and 100 Percent Affordable Housing Bonus Project Authorization.

13                   (f) **Hearing and Decision.**

14                   (1) **Hearing.** The Planning Commission shall hold a public hearing for all projects that  
15 are subject to this Section.

16                   (2) **Notice of Hearing.** Notice of such hearing shall be provided pursuant to the same  
17 requirements for Conditional Use requests, as set forth in Section 306.3 and 306.8.

18                   (3) **Director's Recommendations on Modifications and Exceptions.** At the hearing,  
19 the Planning Director shall review for the Commission key issues related to the project based on the  
20 review of the project pursuant to Subsection (c) and recommend to the Commission modifications, if  
21 any, to the project and conditions for approval as necessary. The Director shall also make  
22 recommendations to the Commission on any proposed exceptions pursuant to Subsection (d).

23                   (4) **Decision and Imposition of Conditions.** The Commission, after public hearing and,  
24 after making appropriate findings, may approve, disapprove or approve subject to conditions, the  
25 project and any associated requests for exception. As part of its review and decision, the Planning

1 Commission may impose additional conditions, requirements, modifications, and limitations on a  
2 proposed project in order to achieve the objectives, policies, and intent of the General Plan or of this  
3 Code.

4 (5) **Appeal.** The decision of the Planning Commission may be appealed to the Board of  
5 Appeals by any person aggrieved within 15 days after the date of the decision by filing a written notice  
6 of appeal with that body, setting forth wherein it is alleged that there was an error in the interpretation  
7 of the provisions of this Code or abuse of discretion on the part of the Planning Commission.

8 (6) **Discretionary Review.** No requests for discretionary review shall be accepted by  
9 the Planning Department or heard by the Planning Commission for projects subject to this Section.

10 (7) **Change of Conditions.** Once a project is approved, authorization of a change in  
11 any condition previously imposed by the Planning Commission shall require approval by the Planning  
12 Commission subject to the procedures set forth in this Section.

13  
14 Section 4. The Planning Code is hereby amended by amending Sections 250, 260,  
15 and 352 to read as follows:

16 **SEC. 250. HEIGHT AND BULK DISTRICTS ESTABLISHED.**

17 (a) In order to carry out further the purposes of this Code, height and bulk districts are  
18 hereby established, subject to the provisions of this Article 2.5.

19 (b) No building or structure or part thereof shall be permitted to exceed, except as  
20 stated in Sections 172, ~~and~~ 188, and 206 of this Code, the height and bulk limits set forth in this  
21 Article for the district in which it is located, including the height limits for use districts set forth  
22 in Section 261.

23 \* \* \* \*

24  
25 **SEC. 260. HEIGHT LIMITS; MEASUREMENT.**

(a) **Method of Measurement.** The limits upon the height of buildings and structures shall be as specified on the Zoning Map, *except as permitted by Section 206*. In the measurement of height ~~for purposes of such limits~~, the following rules shall be applicable:

\* \* \* \*

**SEC. 352. COMMISSION AND ZONING ADMINISTRATOR HEARING APPLICATIONS.**

\* \* \* \*

*(o) **Affordable Housing Bonus Program (Section 206 and following).** The initial fee amount is not to exceed 50% of the construction cost. A \$120 surcharge shall be added to the fees for a conditional use or planned unit development to compensate the City for the costs of appeals to the Board of Supervisors.*

<u>Estimated Construction Cost</u>	<u>Initial Fee</u>
<u>No construction cost, excluding extension of hours</u>	<u>\$1,012.00</u>
<u>No construction cost, extension of hours</u>	<u>\$724.00</u>
<u>Wireless Telecommunications Services (WTS)</u>	<u>\$5,061.00</u>
<u>\$1.00 to \$9,999.00</u>	<u>\$724.00</u>
<u>\$10,000.00 to \$999,999.00</u>	<u>\$724.00 plus 0.328% of cost over \$10,000.00</u>
<u>\$1,000,000.00 to \$4,999,999.00</u>	<u>\$4,033.00 plus 0.391% of cost over \$1,000,000.00</u>
<u>\$5,000,000.00 to \$9,999,999.00</u>	<u>\$19,986.00 plus 0.328% of cost over \$5,000,000.00</u>
<u>\$10,000,000.00 to \$19,999,999.00</u>	<u>\$36,701.00 plus 0.171% of cost over \$10,000,000.00</u>
<u>\$20,000,000.00 or more</u>	<u>\$54,120.00</u>

Section 5. Effective Date and Operative Effect. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the ordinance. This ordinance applies to projects that the Planning Department or Planning Commission have not approved

1 as of the effective date. For projects that have not yet submitted applications to the Planning  
2 Department or other City entity, all of the provisions of the ordinance apply. The Planning  
3 Department shall develop a policy to apply the provisions of this ordinance to projects that  
4 have already submitted applications, but have not obtained approvals, to permit such projects  
5 to amend their applications.

6

7 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
8 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
9 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
10 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
11 additions, and Board amendment deletions in accordance with the “Note” that appears under  
12 the official title of the ordinance.

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14 APPROVED AS TO FORM:  
15 DENNIS J. HERRERA, City Attorney

16 By: \_\_\_\_\_  
17 Susan Cleveland-Knowles  
Deputy City Attorney

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