

SENATE BILL 50

INFORMATIONAL PRESENTATION
SAN FRANCISCO PLANNING COMMISSION
MARCH 14, 2019



OVERVIEW OF SB 50

- Introduced by Senator Scott Wiener on December 3, 2018
- Amended in the Senate on March 12
- Schedule for moving forward TBD



OVERVIEW OF SB 50

- Increase housing development near high quality transit and in ‘jobs rich areas’ statewide
 - Near high-quality bus and in ‘jobs rich’ areas:
Removes density limits and alters parking requirements
 - Near rail and ferry stations
Removes density limits and alters parking requirements
Sets minimum enforceable height and FAR limits
- Minimum inclusionary requirement
- Can be paired with other state laws (Density Bonus, SB35, etc)
- Does not otherwise change local approval process
e.g. Conditional Use, demolition controls, inclusionary requirements



OVERVIEW OF SB 50

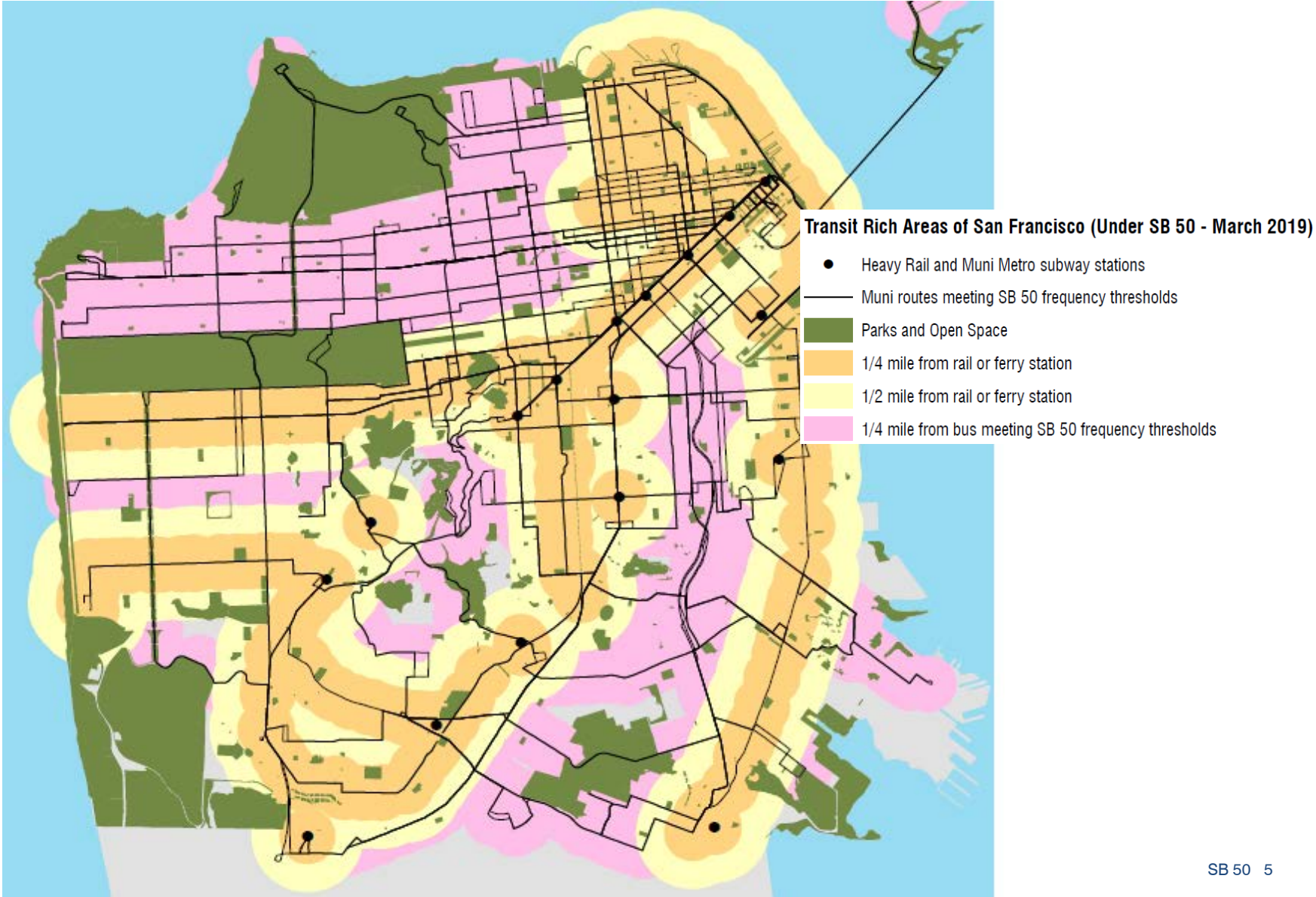
SB 50 Applicable Geographies and Proposed Zoning Standards

| Qualifying Area | Min. Height Limit | Min. FAR Limit | Min. Parking requirements | Density Limits | On-site Inclusionary Units Required |
|--|-------------------|----------------|-----------------------------|----------------|--|
| ¼ mile around Rail or Ferry Stop | 55 ft | 3.25 | Waived | Waived | Yes, for projects larger than a certain size |
| ½ mile around Rail or Ferry Stop | 45 ft | 2.5 | Waived | Waived | Yes, for projects larger than a certain size |
| ¼ mile around 'High Quality Bus' stop + In 'jobs-rich' areas | No change | No change | Waived up to 0.5 space/unit | Waived | Yes, for projects larger than a certain size |

Qualifying projects would also receive three 'incentives or concessions'

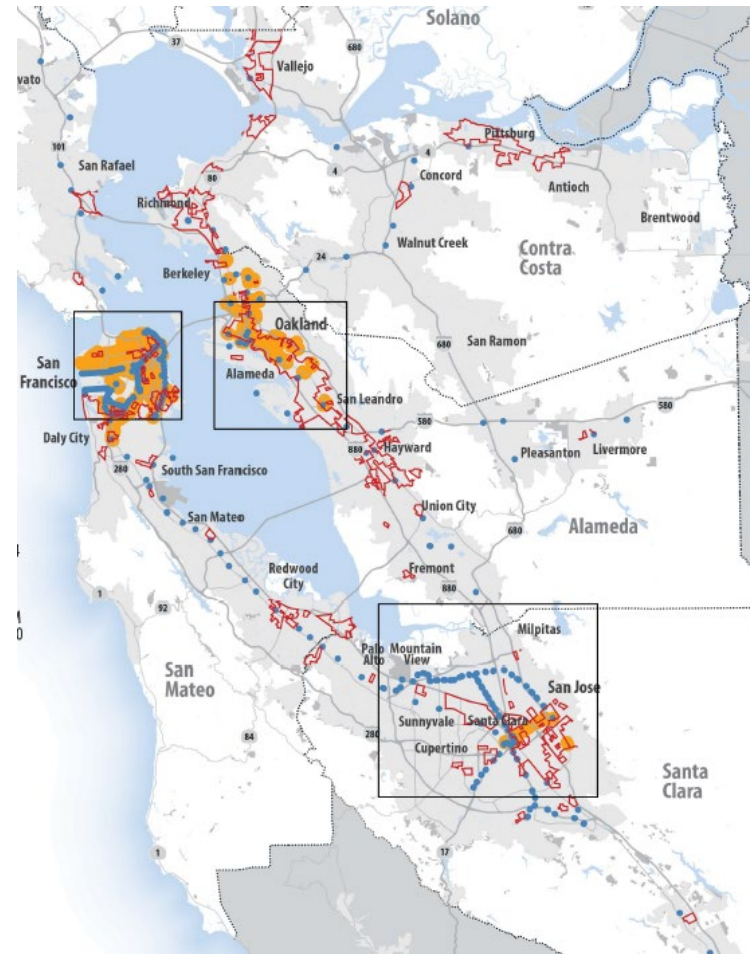


SB 50 IN SAN FRANCISCO – TRANSIT-RICH AREAS



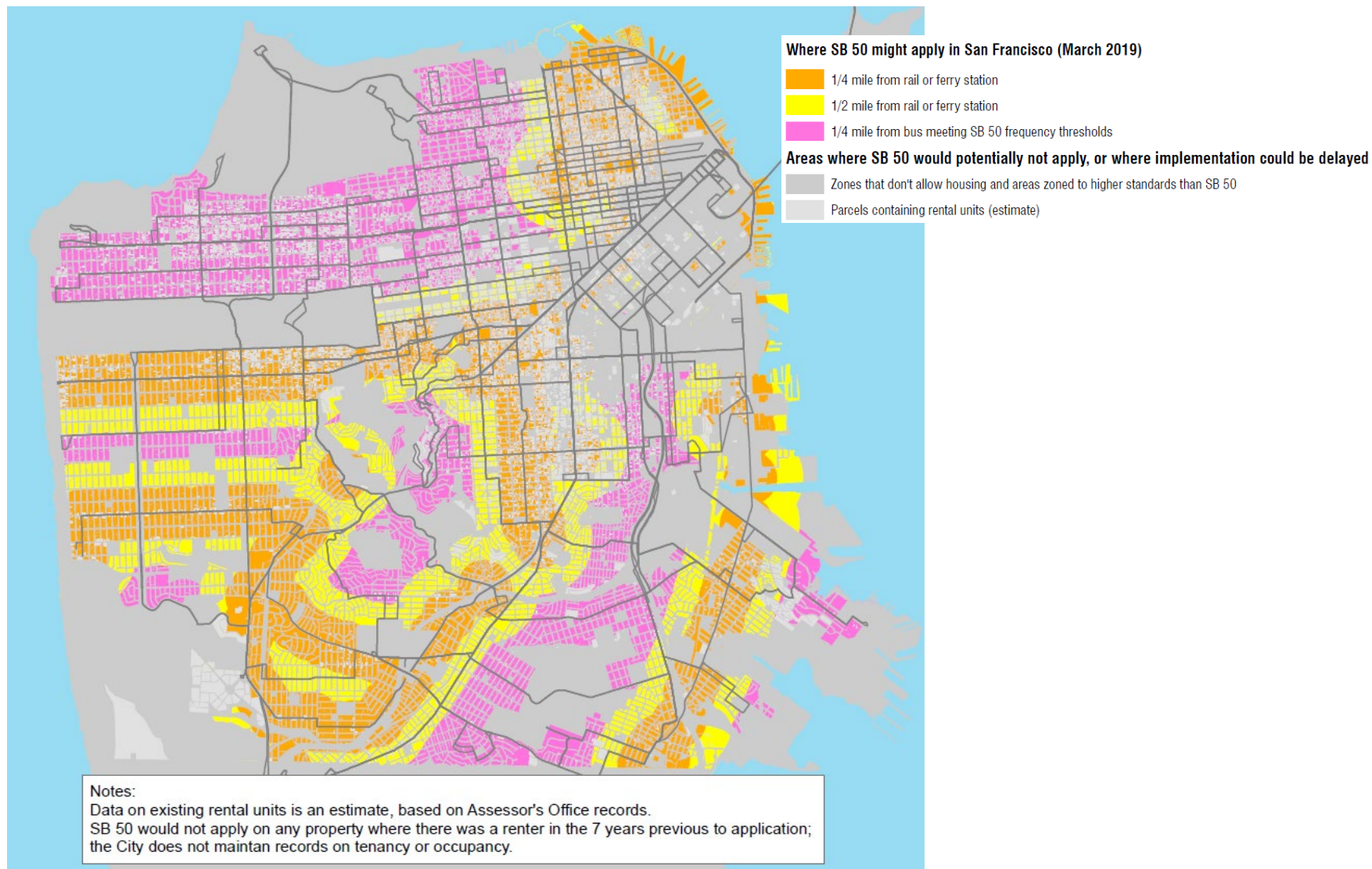
SB 50 IN SAN FRANCISCO – KEY EXEMPTIONS

- SB 50 would not apply in the following:
 - Zones that don't allow housing
 - Any property occupied by a tenant in the previous 7 years
 - Any property removed from rental market under Ellis Act in the previous 15 years
- It includes temporary exemption for Sensitive Communities
 - Areas with high poverty and racial segregation
 - In the Bay Area, would be CASA Sensitive Communities



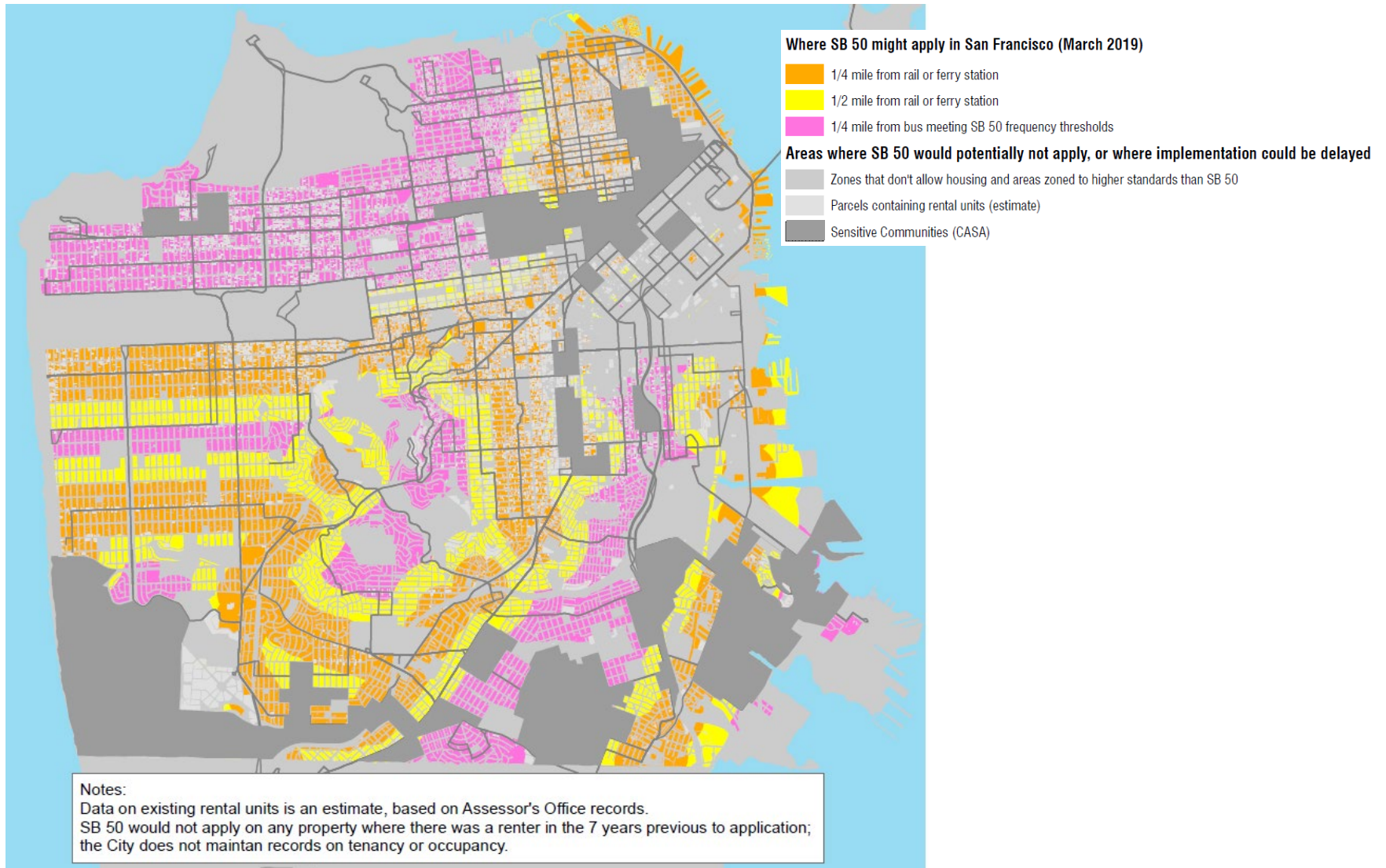


SB 50 IN SAN FRANCISCO — WHERE IT MIGHT APPLY





SB 50 IN SAN FRANCISCO — WHERE IT MIGHT APPLY





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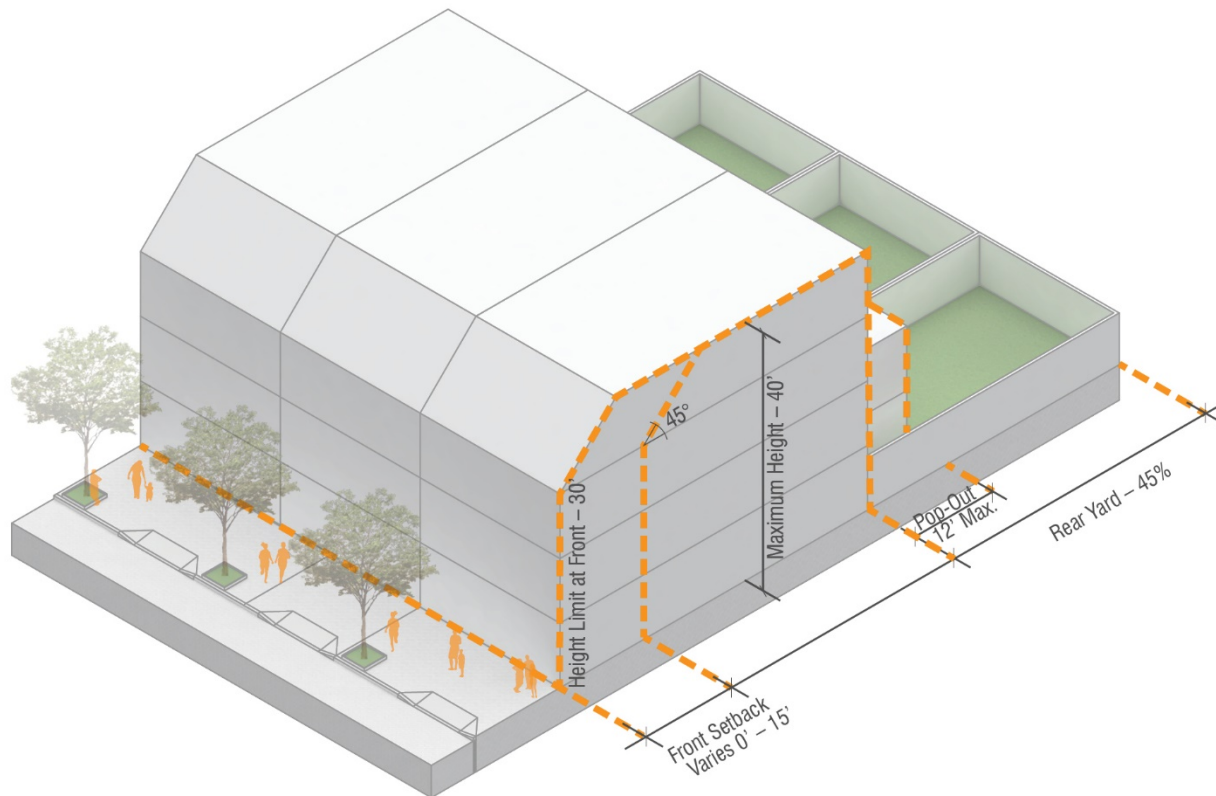
- SB 50 not likely to result in changes on:
 - Multi-unit owner-occupied housing

- SB 50 would likely result in changes on:
 - Vacant and non-residential properties
 - Owner-occupied single family homes (possibly smaller multi-unit buildings)

SB 50 IN SAN FRANCISCO — HOW IT COULD APPLY

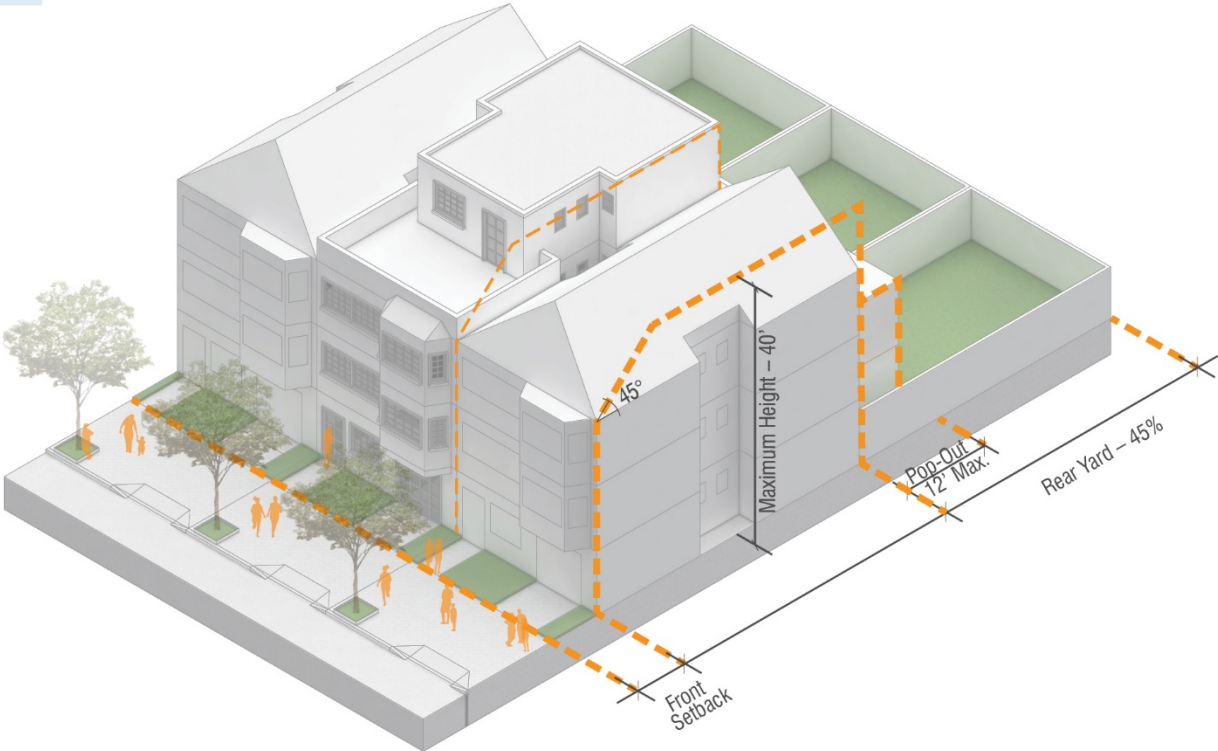
Typical Lot (25'x100')

- RH-2
- 2,500 S.F.
- 40-X Height



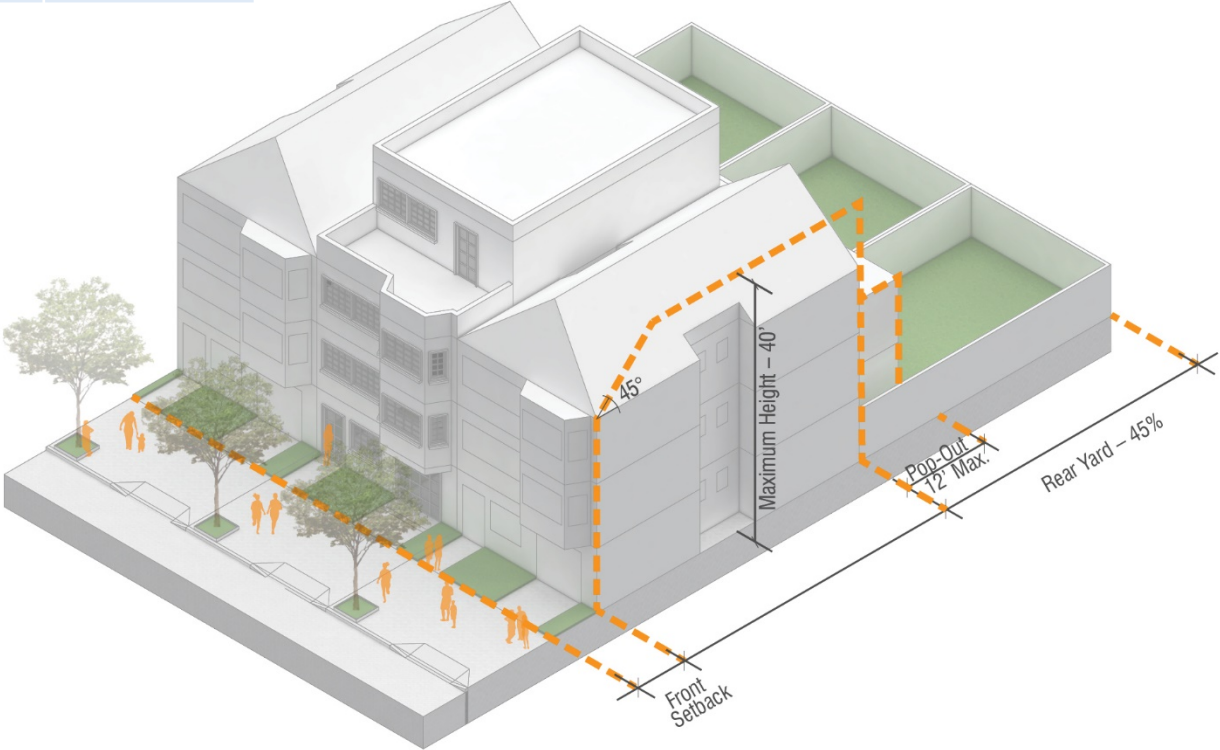
SB 50 IN SAN FRANCISCO – HOW IT COULD APPLY

| RH-2 | Current |
|---------|-------------|
| Density | 2 (3 w/ADU) |
| Height | 40 ft |
| FAR | Varies |



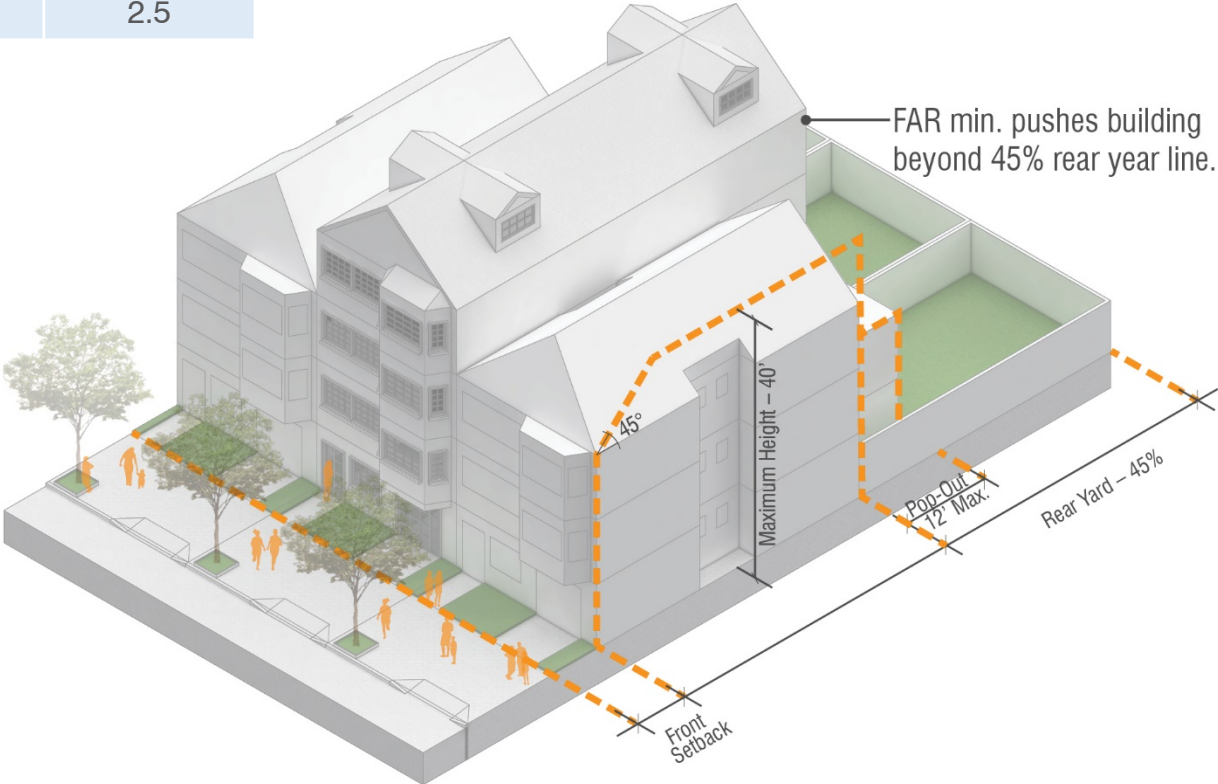
SB 50 IN SAN FRANCISCO – HOW IT COULD APPLY

| RH-2 | Current | SB 50 |
|---------|-------------|-----------|
| Density | 2 (3 w/ADU) | ~8 +/- |
| Height | 40 ft | no change |
| FAR | Varies | no change |



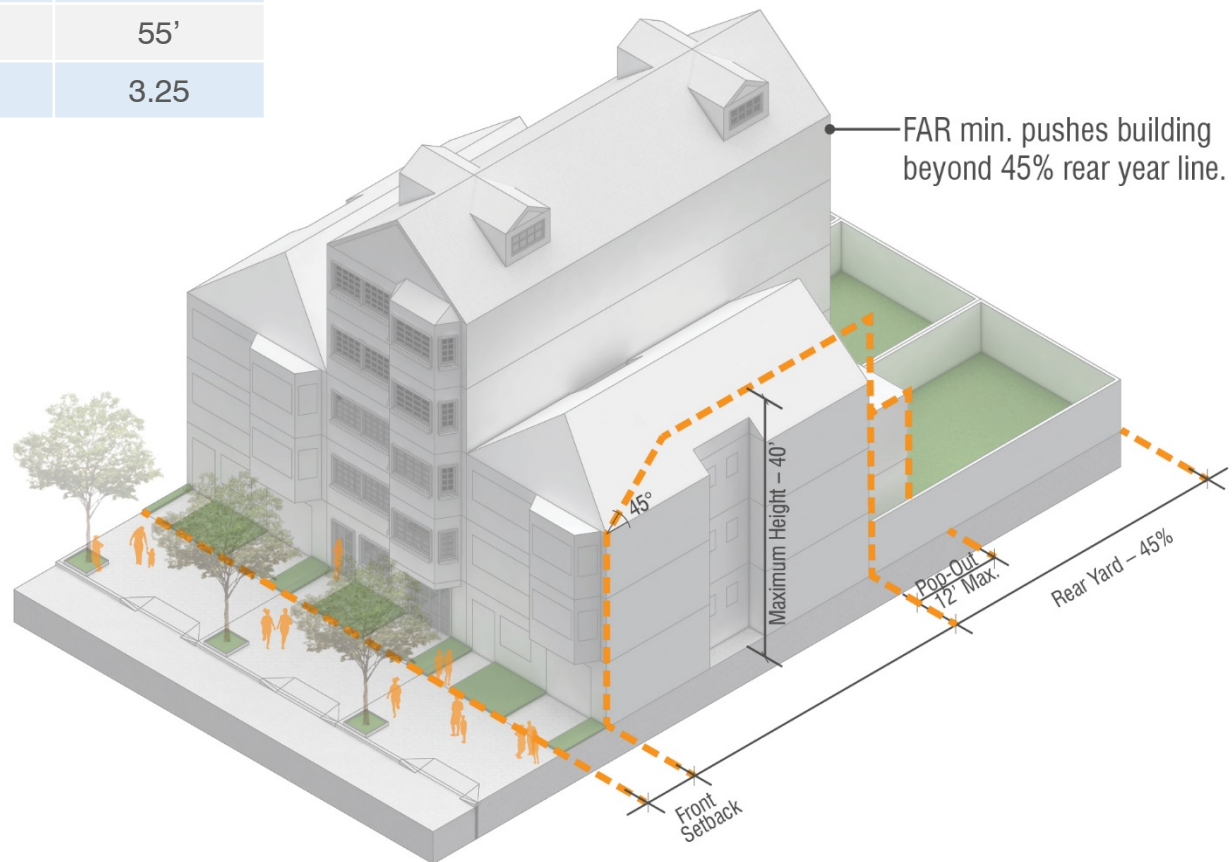
SB 50 IN SAN FRANCISCO – HOW IT COULD APPLY

| RH-2 | Current | SB 50 |
|---------|-------------|-----------|
| Density | 2 (3 w/ADU) | ~8-10 +/- |
| Height | 40 ft | 45' |
| FAR | Varies | 2.5 |



SB 50 IN SAN FRANCISCO — HOW IT COULD APPLY

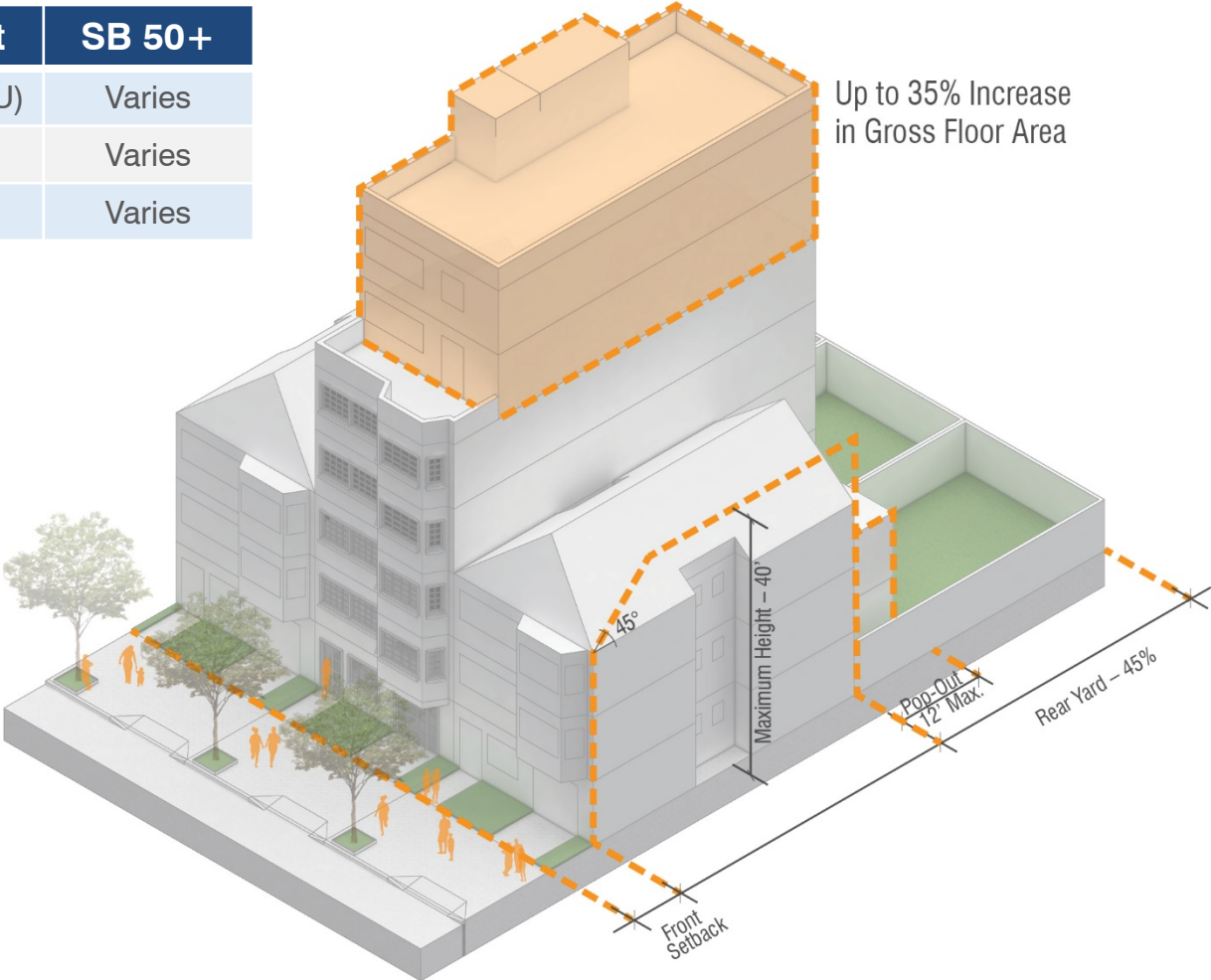
| RH-2 | Current | SB 50 |
|---------|-------------|---------|
| Density | 2 (3 w/ADU) | ~10 +/- |
| Height | 40 ft | 55' |
| FAR | Varies | 3.25 |



SB 50 IN SAN FRANCISCO – HOW IT COULD APPLY

Potential if SB-50 is combined with State Density Bonus

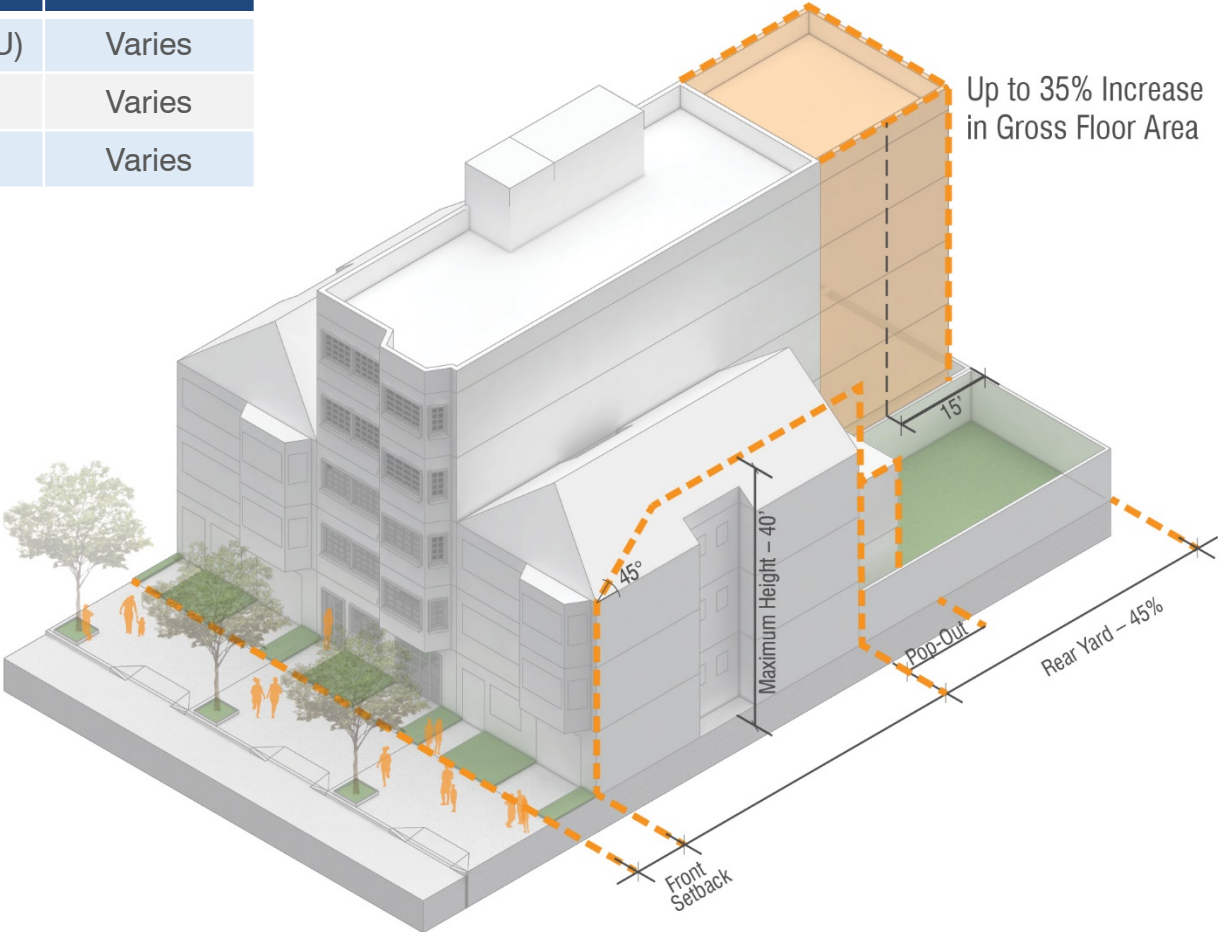
| RH-2 | Current | SB 50+ |
|---------|-------------|--------|
| Density | 2 (3 w/ADU) | Varies |
| Height | 40 ft | Varies |
| FAR | Varies | Varies |



SB 50 IN SAN FRANCISCO – HOW IT COULD APPLY

Potential if SB-50 is combined with State Density Bonus

| RH-2 | Current | SB 50+ |
|---------|-------------|--------|
| Density | 2 (3 w/ADU) | Varies |
| Height | 40 ft | Varies |
| FAR | Varies | Varies |





SB 50 IN SAN FRANCISCO – QUESTIONS

- Housing Accountability Act
- State Density Bonus
- Reduced interest in local affordability programs (e.g. HOME-SF)



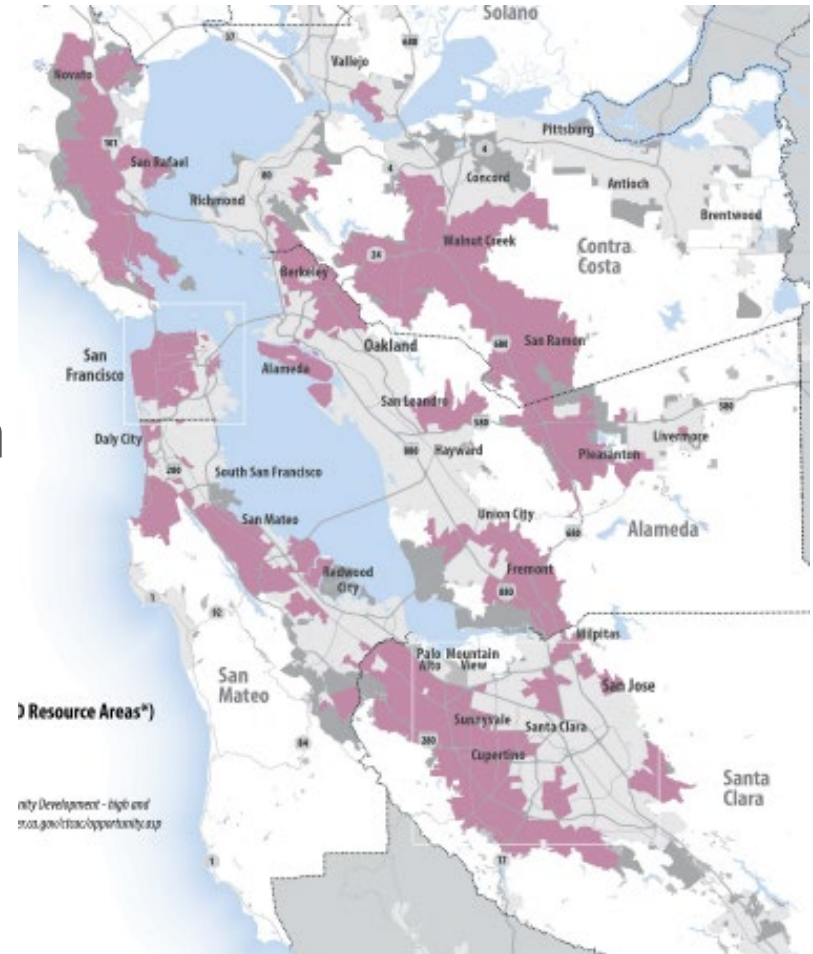
SB 50 — IN SUMMARY — SAN FRANCISCO

- Releases density limits around transit
- Biggest change from existing conditions in lower density districts
- Likely to result in new development on/additions to:
 - Vacant Lots
 - Non-residential properties
 - Owner-occupied single family homes



SB 50 – IN SUMMARY – BAY AREA + CALIFORNIA

- Intended to address statewide housing shortage
 - Governor proposal: 3.5 million new units by 2025
 - UC Berkeley study: SB 827 would increase feasible housing capacity in Bay Area sixfold; inclusionary capacity sevenfold
- Broad statewide upzoning around transit and high-opportunity
 - ‘Jobs rich’ area



THANK YOU

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San Francisco
Planning



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

INFORMATIONAL HEARING DATE: MARCH 14, 2019

RE: **Senate Bill 50 (2019)**
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BACKGROUND

This memo is in response to the Commission's request for an analysis and informational hearing on the proposed State Senate Bill 50 ("SB 50") and its potential effects on San Francisco. SB 50 was introduced in the California State Senate on December 3, 2018. This memo's analysis is based on the version of the bill proposed as of March 7, 2019. The current version of the bill includes several key provisions that have yet to be defined, and amendments, which will likely include clarifications to portions of the bill left undefined, are expected this month. A vote in the Senate Transportation and Housing Committee could occur as early as the end of March.

Previous analysis on SB 827, SB 50's predecessor, was provided to the Commission on [February 5th](#) and [March 15th](#) of 2018. The Commission did not take any official action on that bill. The Board of Supervisors passed [resolution number 84-18](#) on April 3, 2018 opposing SB 827. On April 17, 2018, SB 827 failed to pass out of the Senate Transportation and Housing Committee.

SB 50 is in many respects an update to last year's SB 827. Both bills are intended to take on the underproduction of housing throughout the state of California by increasing zoned capacity for housing and focusing that capacity near transit service. The Urban Displacement Project released a study in October 2018 estimating the impact SB 827 could have had on the Bay Area. That analysis found SB 827 would have increased the financially feasible development potential in the Bay Area sixfold (from 380,000 to 2.3 million units), while increasing the potential for affordable inclusionary units sevenfold.¹ SB 50's inclusion of 'jobs rich' areas would likely increase that estimate of how many new housing units could be produced. The study also found that 60% of the units SB 827 would have unlocked were located in low-income and gentrifying areas. SB 50's addition of a 'jobs rich' geography greatly expands the area where the bill would apply, and should include many high-resourced areas that may not be immediately proximate to transit.

There is widespread agreement at the state level that all of California has underbuilt housing for decades, with disastrous effects for low-, moderate- and middle-income households. In the Bay Area, recent analyses have suggested that the region would have needed to produce 700,000 more units since 2000 than it actually did in order for housing to have remained affordable to median income households.² The scale and breadth

¹ https://www.urbandisplacement.org/sites/default/files/images/udp_mapcraft_sb_827_policy_brief.pdf

² <https://www.spur.org/news/2019-02-21/how-much-housing-should-bay-area-have-built-avoid-current-housing-crisis>

of the state's affordability crisis since the Great Recession has led to increased interest and involvement from the Governor, legislature, and various State agencies. A recent article counted over 200 housing-related state bills introduced this session, and the Governor has set an ambitious goal of 3.5 million new housing units statewide by 2025.³ SB 50, as well as many of the other bills currently proposed in the state legislature, are intended to tackle our housing shortage and provide enough homes for our state's growing and diverse population. Mayor London Breed has voiced support for the intent of SB 50, telling a local news station that "San Francisco, along with the entire Bay Area, needs to create more housing if we are going to address the out of control housing costs that are causing displacement and hurting the diversity of our communities." The Mayor has stated she will work with Senator Wiener to create "more housing opportunities near transit, while maintaining strong renter protections and demolition restrictions so we are focusing development on empty lots and underutilized commercial spaces."⁴

SUMMARY OF LEGISLATION

SB 50 proposes to increase housing development capacity statewide by allowing certain qualifying residential projects, which meet a minimum inclusionary housing requirement, to receive a development bonus. In SB 50, this bonus is called an "equitable communities incentive" and takes the form of relief from certain local development controls for qualifying projects. Residential projects which meet minimum performance standards specified in the bill and located within a quarter to half-mile of high quality transit or in "jobs rich" areas of the state would be potentially eligible for the "equitable communities incentive".

Where and how SB 50 would apply

For projects that qualify for an "equitable communities incentive", SB 50 would remove residential density limits and alter minimum parking requirements within a quarter to half mile of certain transit stops and lines, as well as in areas described as "jobs rich". Additionally, in areas around rail and ferry stops statewide, the bill would prohibit municipalities from enforcing height limits and floor area ratio controls below a specified minimum on qualifying projects. In order to qualify for an "equitable communities incentive", a project would be required to meet an on-site inclusionary requirement, either a local municipality's existing on-site inclusionary ordinance or a minimum level specified in SB 50 (exact level not yet defined). SB 50 does not appear to include a minimum project size or density.

One key difference between SB 827 and SB 50 is the addition of the "jobs-rich" geography category. Though still undefined in the current version of the bill, a "jobs-rich" area is described as generally an area near jobs, with a high area median income relative to the relevant region, and with high-quality public schools. The state's Department of Housing and Community Development (HCD) and Office of Planning and Research (OPR) would be responsible for designating areas as "jobs-rich". It is estimated that "jobs rich" areas will be similar to HCD Resource Areas (see attached *Exhibit E*). Within "jobs-rich" areas, qualifying residential projects would be able to receive an "equitable communities incentive" identical to areas within ¼ mile of a stop on a high quality bus corridor, whether the "jobs-rich" area has high quality transit service or not. This inclusion of the job-rich geography, while still undefined, is likely to dramatically expand the geography of applicable areas statewide, compared to the areas that would have been affected by SB 827 (which was limited in applicability to only the most transit-rich corridors and station areas).

³ <https://www.sfchronicle.com/politics/article/California-lawmakers-target-cities-ability-to-13662697.php>

⁴ <https://sanfrancisco.cbslocal.com/2018/12/04/sb50-housing-transit-more-homes-act-state-sen-scott-wiener/>

SB 50 Applicable Geographies and Proposed Zoning Standards (see map on following page)

| Qualifying Area | Min. Height Limit | Min. FAR * Limit | Min. Parking requirements | Density Limits | On-site Inclusionary Units Required** |
|---|--------------------------|-----------------------------------|----------------------------------|-----------------------|--|
| ¼ mile around Rail or Ferry Stop | 55 ft | 3.25 | Waived | Waived | Yes |
| ½ mile around Rail or Ferry Stop | 45 ft | 2.5 | Waived | Waived | Yes |
| ¼ mile around ‘High Quality Bus’ stop In areas identified as “jobs-rich” | No change | No change | Waived up to 0.5 space/unit | Waived | Yes, for projects larger than a certain size |

*FAR = Floor Area Ratio, a common development control; in San Francisco’s Planning Code, FAR is defined as:” The ratio of the Gross Floor Area of all the buildings on a lot to the area of the lot”. Most of San Francisco’s zoning district do not regulate residential FAR.

** The minimum percentage of affordable units required on-site is not yet defined in the bill.



Incentives and Concessions for qualifying projects

Projects in qualifying areas which meet all of the eligibility criteria below would also be able to request three incentives or concessions, identical to those offered under the State Density Bonus Law. As defined in that law, incentives and concessions must a) result in identifiable and actual cost reductions to the project, b) not have a specific adverse impact on public health and safety, or on any property listed in the California Register of Historical Resources. The broad definition of ‘incentives and concessions’ means they could take many forms, but of the dozens of State Density Bonus projects the Department has received, the most common requests have been for reductions and exceptions to rear yard, exposure, open space, and off-street parking requirements. To date, no project sponsor has requested to fully waive a rear yard requirement (i.e. ask for full lot coverage) as an incentive or concession under the State Density Bonus Law.

As discussed later in the ‘Provisions of SB 50 that are unclear’ section, it appears an SB 50 project would be allowed to request up to three additional incentives and concessions allowed under the State Density Bonus Law, for a total of up to six, if it were to request a State Density Bonus on top of an ‘equitable communities incentive’.

Eligibility criteria for projects seeking an ‘Equitable Communities Incentive’

In order to qualify for an “equitable communities incentive”, a project would need to meet all of the following criteria:

- Be located within one of the geographies noted in the above table
- Be located on a site zoned to allow residential uses
- At least 2/3rds of the project’s square footage would need to be designated for residential use
- Must comply with on of two on-site inclusionary requirements (see following section ‘SB 50 on-site requirement’ for more detail)
- Must comply with all generally applicable approval requirements, including local conditional use or other discretionary approvals, CEQA, or a streamlined approval process that includes labor protections
- Must comply with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements

SB 50 on-site requirement

SB 50 lays out two options for projects to meet a minimum on-site inclusionary requirement to qualify for an ‘equitable communities incentive’.

- 1) In cities with inclusionary ordinances that require on-site provision of affordable units, a project would have to comply with that ordinance
- 2) In cities without such an ordinance, a project would have to provide a minimum percentage of units on-site affordable to very low, low or moderate-income households, if the project is larger than a certain size. The percentage of affordable units required and the project size threshold for requiring on-site has not yet been specified in the bill, though there is reference to the affordability requirements in the State Density Bonus Law. Should the bill adopt requirements mirroring the percentage of units required to qualify for a full 35% bonus under the State Density Bonus Law, the following minimum on-site requirements might apply on projects above a certain size:
 - a. 11% of units affordable to Very Low Income Households (30 to 50% AMI) OR;
 - b. 20% of units affordable to Low Income Households (50 to 80% AMI)

This option indicates that projects smaller than a certain size - as yet undefined - will not need to provide on-site units to qualify for an 'equitable communities incentive'.

The bill appears to indicate that projects under a certain size in 'job rich' areas and within ¼ mile of a high-quality bus line, but further than ½ mile from a rail or ferry stop, may not need to provide affordable units on-site to qualify for an 'equitable communities incentive'. However, projects within ¼ and ½ mile of rail and ferry stops, would appear to be required to include a minimum percentage of affordable units on-site, regardless of project size, to qualify for the greater 'equitable communities incentive' offered in those areas.

'Sensitive Communities' Exemption

SB 50 includes a temporary 5-year exemption for so-called "sensitive communities", defined as areas vulnerable to displacement pressures. HCD would be responsible for identifying "sensitive communities" throughout the state, in consultation with local community-based organizations, using indicators such as percentage of tenant households living at, or under, the poverty line relative to the region. For the Bay Area, it is expected "Sensitive Communities" would be based on the Sensitive Communities identified as part of CASA (see map attached as *Exhibit D*). Local governments with "sensitive communities" would be allowed to optionally delay implementation of SB 50 in those areas, and instead pursue a community-led planning process at the neighborhood level to develop zoning and other policies that encourage multi-family housing development at a range of incomes, prevent displacement, and address other locally identified priorities. Plans adopted under this option would be required to meet the same minimum overall residential capacity and affordability standards laid out in SB 50. Municipalities would have until January 1, 2025 to exercise this option, or the standard provisions of SB 50 would come into effect.

Renter Protections

SB 50 would not apply on any property where there has been a rental tenant in the previous seven years, or where a unit has been taken off the rental market via the Ellis Act for the previous fifteen years. The exemption on properties that have had tenants in the previous seven years would apply even if the previously tenant-occupied units are vacant or have been demolished at the time of application.

Interaction with local approval processes

As currently drafted, SB 50 does not change or affect a municipality's established process for reviewing and entitling housing projects. Locally adopted mandatory inclusionary housing requirements which are higher than the minimum percentage in SB 50 would continue to apply, and any established local processes for evaluating demolition permits (including any legislated limits to or prohibitions on demolitions) would remain in effect. Locally adopted design standards (such as open space, setback and yard requirements, and bulk limits) would remain enforceable, so long as the cumulative effect of such standards does not reduce a proposed 'equitable communities incentive' project below specified minimum FARs. That said, the higher zoned capacity SB50 would enable could increase the invocation of the Housing Accountability Act (HAA) in lower-density parts of the city. (See later discussion in this memo of the HAA.)

Possible Regional and Statewide Effects

One of this department's key concerns with SB 827 was that the relatively high standard for qualifying transit service largely excluded parts of the state outside the core regions of large metropolitan areas. Here in the Bay Area, for example, vast areas of the job- and amenity-rich Peninsula and South Bay were excluded, outside of the ½ mile radius around Caltrain stations. While the Department agreed with the bill's intent that all municipalities needed to share in the responsibility to add badly needed housing, in practice that bill appeared to target the cores of large cities with well-established transit systems like San Francisco, Oakland, San Jose, Los Angeles and San Diego while not addressing communities with large job pools that have not built adequate housing.

SB 50's addition of the "jobs rich" category could address that concern, and greatly expand the bill's applicability to communities across the state where future residents would have access to job opportunities and other resources (see attached *Exhibit E*). Many of these communities have used exclusionary, low-density zoning as a tool to block lower income households and communities of color from accessing those resources. Though the "jobs rich" category is yet to be defined, cities like Sunnyvale and Cupertino in the Bay Area and Santa Monica and Beverly Hills in the Los Angeles area would likely qualify as "jobs rich" under SB 50. It is possible that cities like Mill Valley and Piedmont could also qualify, even though they do not contain large areas of employment, by virtue of their proximity and access to employment centers outside of their municipal boundaries as well as their high-performing public school districts. As noted in this memo, local approval processes and demolition controls would still apply, but municipalities would not be able to enforce strict exclusionary low-density zoning as a rationale for denying projects meeting SB 50 qualifications.

POSSIBLE EFFECTS IN SAN FRANCISCO

Analysis of SB 50's potential effects on San Francisco are organized below by topic area and geography.

Almost all of San Francisco meets SB 50's standards for "transit-rich"

Almost the entire city is within a quarter mile of what the bill defines as a "high-quality bus corridor", or within a quarter or half mile of a rail or ferry stop (see *Exhibit B*).

Rental unit exemption

Roughly 63% of San Francisco's occupied housing units are occupied by renters, according to the 2017 American Community Survey. SB 50 would not apply on parcels containing these properties, removing a significant number of the city's properties from eligibility. Renters occupy buildings of all sizes throughout the city, from single family homes (in which roughly 14% of San Francisco's renters live⁵) to large rent controlled buildings. San Francisco does not currently have an established process for determining whether a property is or has previously been tenant-occupied. Should SB 50 pass, the Department would need to work with the Rent Board and other relevant agencies to determine a process for ensuring no tenant has occupied a property in the previous seven years for projects requesting an 'equitable communities incentive'. This process would be particularly necessary in buildings not subject to rent control (e.g. most single family homes), where records may be less readily available.

Sensitive Communities exemption

Pending the bill's more detailed definition of "Sensitive Community", it is possible that several neighborhoods or parts of neighborhoods would be eligible for temporary delay to enable community planning processes (see map on page 9). In those cases, the City would have the option to undertake those new community planning processes or the provisions of SB50 would apply. In San Francisco, given that past community planning efforts involving rezoning (including CEQA review and approval processes) have taken several years to complete, the City and affected neighborhoods would have to decide the appropriate path to take, given time and resource constraints.

⁵ [San Francisco Housing Needs and Trends Report](#), page 6.

Many San Francisco Zoning Districts, particularly in recent Area Plans, already de-control density and have higher height limits than SB 50

In some ways SB 50 is similar to San Francisco's recent rezoning activities in Area Plans, in that it proposes to cluster density around high quality transit and regulate density through building form rather than a strict numerical density limit. The Downtown, Eastern Neighborhoods, Market-Octavia and Central SoMa Area Plans all increased housing capacity and raised height and density limits near high-capacity transit hubs. The majority of areas San Francisco has rezoned in the last 15 years have had density controls removed and now regulate residential density through height and bulk limits rather than as a ratio of units to lot area. These areas also generally have height limits of 55 feet or higher, meaning the majority of parcels in most Area Plans are zoned to higher capacity than SB 50 would allow; SB 50 is therefore not expected to have a large effect on areas that have been rezoned in recent years (see map on page 9).

The impact within Area Plans would primarily limited to parcels with the lowest height limits (40/45 ft) that are also within ¼ mile of a rail station. These parcels might be allowed one additional story of height. Also within Area Plans, there are parcels that retain RH-1 and RH-2 designations, such as on Potrero Hill and in pockets of the Mission, that would be affected by SB 50.

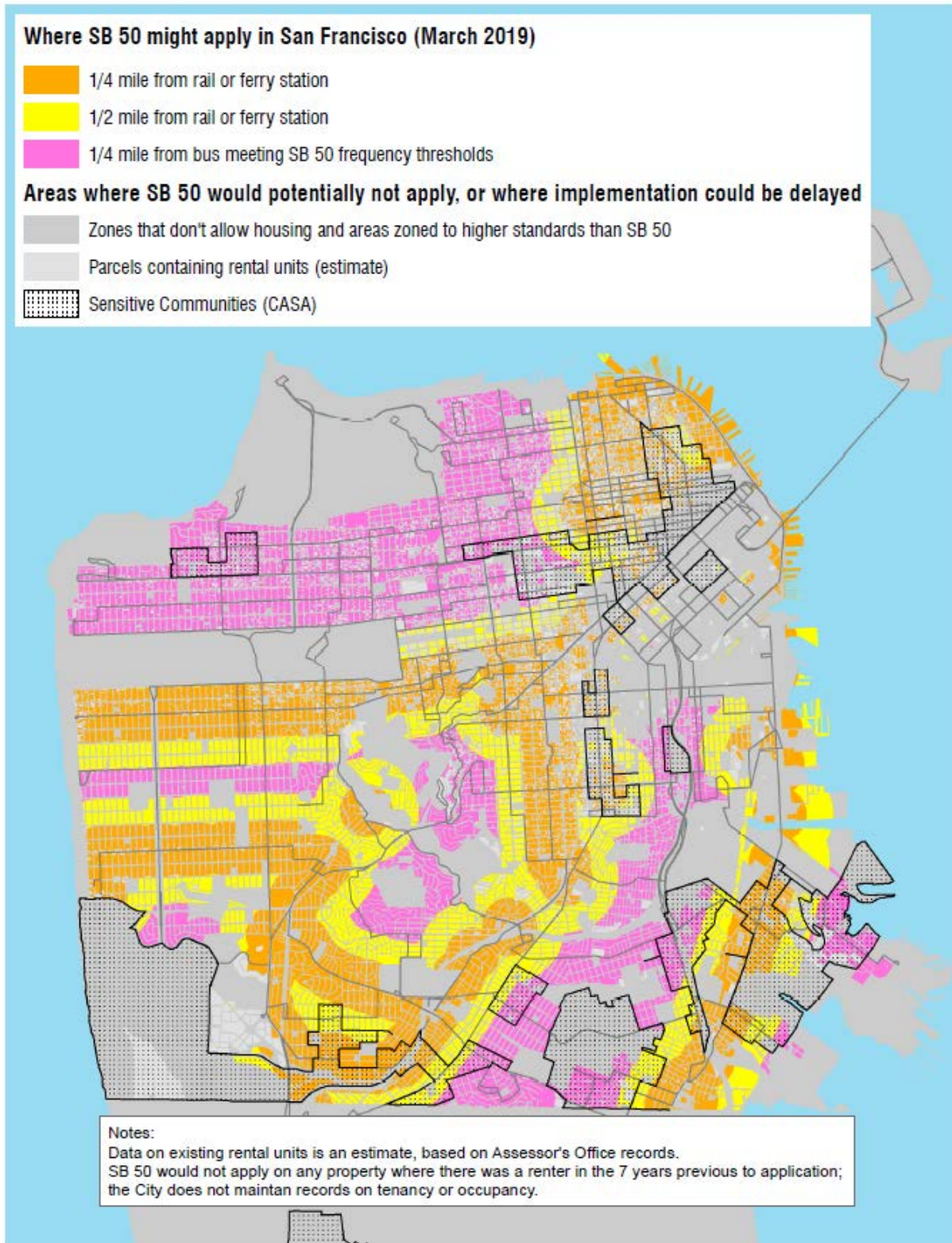
Likely to apply on vacant lots, commercial properties and smaller owner-occupied residential buildings

SB 50 would not apply on properties that have been occupied by a renter at any time in the previous 7 years, or that have been removed from the rental market under the Ellis Act in the previous 15 years. Redevelopment of multi-family owner-occupied buildings, such as condos or TICs, though technically possible, is very uncommon. SB50 would therefore be most likely to lead to development on vacant or nonresidential properties zoned to allow residential development, and could be utilized on owner-occupied single-family homes (and possibly smaller owner-occupied residential buildings if all owners were to coordinate sale of the property) to either add units, subdivide the building or replace the structure.

In neighborhood commercial and medium density mixed-use districts outside of Area Plan areas, SB 50 would remove existing density limits for qualifying projects, but would likely result in new buildings that are generally in the same character as surrounding buildings (maximum 4 or 5 stories, not including any density bonus). Generally speaking, HOME-SF already allows this level of development in these areas. It appears the intent of SB 50 is to not undermine a local density bonus program, but there are some concerns as to whether the City would be able to continue to require projects requesting additional density or height to use HOME-SF rather than SB 50, including complying with HOME-SF's inclusionary rates (see later discussion in this memo titled "Provisions of SB 50 that are unclear").

See map on following page (also provided as a higher-resolution attachment, *Exhibit C*) for a preliminary estimate of parcels on which SB 50 would likely lead to a change in zoned capacity, should it pass. The map below starts with areas of the city likely covered by SB 50 (based on proximity to transit service), and removes parcels zoned to higher capacity (mostly in Area Plan areas) as well as parcels which do not allow residential uses (PDR and P zones). Parcels thought to contain rental units are also removed, although a lack of available data makes this layer incomplete. Sensitive Community Areas, as defined by CASA⁶, are also highlighted as a proxy for areas of San Francisco that might meet SB 50's Sensitive Communities exemption.

⁶ https://mtc.ca.gov/sites/default/files/Racial_Equity_Analysis_for_the_CASA_Compact.pdf



Greatest change expected in single-family and two-unit (RH-1 and RH-2) districts

The greatest changes possible under SB 50 would be in the city’s lowest density single-family and duplex districts. As mentioned above, Area Plans and HOME-SF generally already allow equal or higher zoning capacity than SB 50 would require, and the only residential districts not covered by either of those programs are RH-1 and RH-2. Single-family and duplex buildings are more likely to be owner occupied and are thus less likely to be exempted under SB 50’s exclusion for properties that have had tenants in the previous seven years. The vast majority of these districts have 40-ft height limits (though RH-1 is limited to 35 ft in height), so SB 50 would not typically raise height limits. The exception would be for RH-1 and RH-2 parcels within ¼-mile of rail stations, where SB 50 could potentially enable 1 or 2 additional stories above the existing height limit (i.e. raising the limit from 35 or 40 ft to 55 ft). The biggest change, however, would be in the density allowed on qualifying RH-1 and RH-2 parcels. An RH-1 parcel within ¼-mile of a light rail stop that currently allows one unit in a 35-foot-tall building could potentially, under SB 50, be developed into a multi-unit 55-foot tall building (before any bonus offered by the state density bonus law).

There is little precedent in recent history of this level of upzoning on RH-1 and RH-2 parcels, so it is difficult to predict how many qualifying parcels would be proposed for full redevelopment (i.e. demo/replacement) or proposed to add units to existing structures through additions or subdivisions of existing buildings. In 2016, San Francisco passed legislation allowing ADUs in residential buildings citywide, and as of November 2018, the Department has received applications for just over 1,500 units under the program. In 2017 and 2018, ADUs were added in 201 buildings, meaning the legislation led to changes in less than one tenth of a percent of potentially eligible properties each year. SB 50 would generally allow greater densities than the ADU program would, and with fewer restrictions, and is likely to spur a greater number of additions to existing buildings as well as demo/replacements.

The following is an analysis of the zoning capacity SB 50 might enable on a typical lower density lot. Note that all analysis below is preliminary, and does not take into account any bonus an SB 50 project might request under the State Density Bonus Law (which would allow up to 35% more density).

Current Zoning:

| Zoning District | Typical Lot Size | Typical Rear Yard Requirement | Typical Height Limit | Maximum Allowable Building Envelope | Maximum Allowable FAR | Maximum Allowable Density |
|-----------------|------------------|-------------------------------|----------------------|-------------------------------------|-----------------------|---------------------------|
| RH-1 | 2,500 | 25% | 35 ft (3 stories) | 5,625 sq ft | 2.25 | 2 units |
| RH-2 / RH-3 | 2,500 | 45% | 40 ft (4 stories) | 5,500 sq ft | 2.2 | 3 or 4 units |

On a typical 2,500 square foot lot, existing rear yard and height requirements theoretically enable buildings of up to 5,625 sq ft (in RH-1 districts) and 5,500 sq ft (in RH-2 or RH-3 districts). In reality, existing buildings are much smaller in scale, and Residential Design Guidelines emphasize compatibility with surrounding context, limiting the size of new buildings or additions. It is important to note also that many existing RH-1 and RH-2 lots are already developed to higher densities than their zoning would allow today. Staff estimates almost a third of San Francisco’s existing residential units are located on properties that are existing non-conforming (i.e. above the allowable density on the parcel).

Under SB 50 - Within ¼ mile of high-quality bus or in a jobs rich area (pink areas on attached map):

| Zoning District | Typical Lot Size | Typical Rear Yard Requirement | Typical Height Limit | Maximum Allowable Building Envelope | Maximum Allowable FAR | Estimated Allowable Base Density* |
|-----------------|------------------|-------------------------------|----------------------|-------------------------------------|-----------------------|-----------------------------------|
| RH-1 | 2,500 | 25% | 35 ft (3 stories) | 5,625 sq ft | 2.25 | 6 units |
| RH-2 / RH-3 | 2,500 | 45% | 40 ft (4 stories) | 5,500 sq ft | 2.2 | 6 units |

Under SB 50, within a quarter mile of a high-quality bus line or in a jobs rich area, density controls would be released, but existing height and setback requirements would remain enforceable. Simply releasing the density controls would potentially enable 6 unit buildings (assuming 900-1,000 gross square foot units) on a typical 2,500 sq ft RH-1, RH-2 or RH-3 parcel.

Under SB 50 – Within ½ mile of rail or ferry station (yellow areas on attached map):

| Zoning District | Typical Lot Size | Typical Rear Yard Requirement | SB 50 Height Limit | Maximum Allowable Building Envelope | Allowable FAR (with SB 50 requirements) | Estimated Allowable Base Density |
|-----------------|------------------|-------------------------------|----------------------|-------------------------------------|---|----------------------------------|
| RH-1 | 2,500 | 25% | 45 ft (4 stories) | 7,500 sq ft | 3 | 8 units |
| RH-2 / RH-3 | 2,500 | 45% | 45 ft (4 stories) | 6,250 sq ft | 2.5 | 6 units |

Within ½ mile of a rail or ferry station, SB 50 would release density limits AND set height and FAR minimums. In RH-1 districts (currently mostly limited to 35 feet in height), the height limit would be raised one story, potentially allowing up to an 8 unit building on a typical lot. In RH-2 and RH-3 districts with 40 ft existing height limits, the height limit would be raised by 5 feet, but generally would stay the same at four stories. However, the RH-2/RH-3 districts' high 45% rear-yard requirement would likely become unenforceable, as it would reduce the maximum allowable FAR below 2.5. In order to meet SB 50's minimum requirements, the City would only be able to enforce a lesser rear yard requirement, or allow the project to expand in other ways to meet the minimum 2.5 FAR. In reality, many RH-2 and RH-3 parcels are built with rear yards smaller than 45% of the depth of the lot, and in practice new buildings and building expansions in those districts are allowed a rear yard based on the average of the two neighboring buildings.

Under SB 50 – Within ¼ mile of rail or ferry station (orange areas on attached map):

| Zoning District | Typical Lot Size | Typical Rear Yard Requirement | SB 50 Height Limit | Maximum Allowable Building Envelope | Allowable FAR (with SB 50 requirements) | Estimated Allowable Base Density |
|-----------------|------------------|-------------------------------|----------------------|-------------------------------------|---|----------------------------------|
| RH-1 | 2,500 | 25% | 55 ft (5 stories) | 9,375 sq ft | 3.75 | 9 units |
| RH-2 / RH-3 | 2,500 | 45% | 55 ft (5 stories) | 8,125 sq ft | 3.25 | 8 units |

Within ¼ mile of a rail or ferry station, SB 50 would release density limits AND set height and FAR minimums. In RH-1 districts (currently mostly limited to 35 feet in height), the height limit would be raised two stories, potentially allowing up to a 9 unit building on a typical lot. In RH-2 and RH-3 districts with 40 ft existing height limits, the height limit would be raised by one story. Again the RH-2/RH-3 districts' 45% rear-yard requirement would likely become unenforceable, as it would reduce the maximum allowable FAR below 3.25. In order to meet SB 50's minimum requirements, the City would only be able to enforce a lesser rear yard requirement or allow the project to expand in other ways to meet the minimum 3.25 FAR. In reality, many RH-2 and RH-3 parcels are built with rear yards smaller than 45% of the depth of the lot, and in practice new buildings and building expansions in those districts are allowed a rear yard based on the average of the two neighboring buildings.

SB 50 likely to increase housing production, including on-site affordable units

San Francisco's inclusionary housing ordinance is only triggered on projects containing 10 or more units. On-site affordable units are rarely produced in the city's lower density zoning districts - such as RH-1, RH-2, and RH-3 - because existing density controls do not allow projects meeting the size threshold to trigger inclusionary requirements. Should it pass, SB 50 would likely have the effect of creating more affordable housing in these districts by allowing for denser development, increasing the number of potential sites that could accommodate projects with more than 9 units.

Even in higher density districts which are still density-controlled (e.g. NC, RM, RC districts), SB 50 would generally offer greater development capacity than current zoning, as well as three incentives and concessions. By setting a new, higher base density in qualifying areas (and allowing a State Density Bonus on top of the 'equitable communities incentive'), SB 50 is likely to result in significantly greater housing production across all density controlled districts, and thus would also produce more affordable housing through the on-site inclusionary requirement.

Interaction with the Housing Accountability Act (HAA)

The Housing Accountability Act (HAA) is a state law that has been in effect since 1982. The general purpose of the law is to require cities to approve code complying housing projects, and generally prevent them from rejecting such projects for arbitrary reasons. Recent concerns have been raised that the HAA would prohibit localities from rejecting a code-compliant project that would involve demolition of an existing residential unit. A recent court case (SFBARF vs. City of Berkeley 2017) involved a situation where a developer proposed demolishing an existing single family home and constructing three code-complying units on the parcel. Berkeley's Zoning Adjustments Board initially approved the project, but on appeal the Berkeley City Council reversed that decision. SFBARF sued the city, arguing the denial was a violation of the HAA, and a court agreed and required the City Council to reconsider the project. The City Council then voted to approve the project, but deny the demolition permit on the existing single family home, arguing that the HAA did not require them to approve the demolition. SFBARF sued the city again, arguing the HAA did require the city to approve any discretionary permits necessary to enable the code complying project to move forward. Additionally, the appellants argued that Berkeley did not apply objective standards when disapproving the demolition permit, and instead made the decision based on subjective criteria. A court agreed again, and the Berkeley City Council eventually approved the demolition and new construction permits on the code complying project in September 2017.⁷

⁷ <https://www.berkeleyside.com/2017/09/08/long-legal-dispute-berkeley-approves-application-build-3-homes-haskell-street>

After this case, the HAA itself was amended to clarify that “disapprove a housing development project” includes any instance in which a local agency votes on an application and the application is disapproved, including any required land use approvals or entitlements necessary for the issuance of a building permit. Additionally, one of the deciding factors in the court case appears to have been that Berkeley did not have clear, objective standards for approving or denying a demolition permit, and acted in a subjective manner when denying the demolition permit.

SB 50 would not, on its own, broaden the HAA, but it could increase the number of cases where HAA may become applicable to a proposed development project. Presently, demolitions or alterations on lower density properties in lower density zoning districts do not typically propose new buildings at higher densities, because of strict density limits imposed by current zoning. Denying demolitions or alterations in cases like these do not conflict with the HAA because they are not denying a development project that would increase density to code-complying levels. By increasing zoning capacity on parcels that previously only allowed 1 or 2 units, SB 50 is likely to result in a rise in applications to make additions to existing owner occupied properties to add units, or to demolish the existing building entirely and redevelop the property at higher density. In cases like this, the HAA could limit the Commission’s ability to reject the alteration or demolition of the existing building, unless it did so by applying clear, objective standards.

Interaction with proposed Board File 181216 (Peskin)

As noted above, SB 50 makes no changes to local approval processes, and in fact requires qualifying projects to comply with local approval processes, including any controls on demolition of buildings. Supervisor Peskin has proposed an ordinance (Board File 181216) which would introduce additional controls on demolition, merger or conversion of existing residential units by adding findings to the required Sec. 317 Conditional Use Authorization criteria as follows (with expected interaction with SB 50 in right-hand column):

| BF 181216 Proposed CU Criteria | SB 50 Application |
|---|--|
| Whether any units in the building have been occupied by a tenant in the previous <u>five</u> years | SB 50 does not apply on any property containing a unit that has been occupied by a tenant in the previous <u>seven</u> years |
| Whether the replacement structure “conforms to the architectural character of the neighborhood in height, scale, form, materials and details.” | SB 50 would likely enable replacement structures that are larger in height and scale than surrounding buildings. Within ½ mile of rail transit, SB 50 would likely prohibit the City from enforcing these criteria if they would result in a project that is below the minimum FAR standards laid out in the bill. |
| Whether the replacement structure exceeds the average FAR of other buildings within 300 feet of the building site within the same zoning district | |
| Whether the replacement structure maximizes allowable density on the lot | In lower density districts, SB 50 would set a new, higher maximum density on many parcels, in many cases higher than surrounding existing buildings. In such cases, this criterion would seem to encourage a replacement project to maximize density, at the same time that other proposed |

| | |
|--|---|
| | criteria prioritize restricting a replacement project's size and density. |
|--|---|

Though the proposed Conditional Use Authorization criteria in BF 181216 would add greater scrutiny to demolitions of existing residential units, they do not appear to qualify as objective standards. Planning Code Section 303, which lays out procedures and criteria for Conditional Use Authorizations, is inherently subjective in that it requires Planning Commission to use its discretion to determine whether a project is “necessary or desirable and compatible with” the neighborhood... If both Board File 181216 and SB 50 were to pass in their current forms, it is unlikely that BF 181216’s proposed CU criteria - defined in Section 317 - would strengthen the Planning Commission’s ability to use their discretion to deny demolition permits to code complying SB 50 projects which involve demolition of an existing residential unit(s).

PROVISIONS OF SB 50 THAT ARE UNCLEAR

Interaction with San Francisco’s Inclusionary Housing Ordinance

As mentioned earlier in this case report, it appears the intent of SB 50 is for projects above a certain size threshold to include on-site affordable units in order to qualify. SB 50 would require projects to meet one of two on-site inclusionary requirements in order to qualify for an ‘equitable communities incentive’.

- 1) In cities with inclusionary ordinances that require on-site provision of affordable units, a project would have to comply with that ordinance
- 2) In cities without such an ordinance, a project would have to provide a minimum percentage of units on-site affordable to very low, low or moderate-income households, if the project is larger than a certain size. The percentage of affordable units required and the project size threshold for requiring on-site has not yet been specified in the bill, though there is reference to the affordability requirements in the State Density Bonus Law. Should the bill adopt requirements mirroring the percentage of units required to qualify for a full 35% bonus under the State Density Bonus Law, the following minimum on-site requirements might apply on projects above a certain size:
 - a. 11% of units affordable to Very Low Income Households (30 to 50% AMI) OR;
 - b. 20% of units affordable to Low Income Households (50 to 80% AMI)

San Francisco’s inclusionary ordinance does not require on-site provision of units, instead requiring payment of a fee, and giving project sponsors the option to satisfy this requirement by providing affordable units on-site. It is unclear whether San Francisco’s ordinance would qualify under option #1 above. Regardless of which SB 50 inclusionary requirement San Francisco ends up falling under, SB 50 projects of 9 units or more in the city would still be subject to our inclusionary ordinance, and would be required to meet our local affordability requirements as well as any affordability requirements of SB 50.

Interaction with State Density Bonus Law

SB 50 specifies that project sponsors would be allowed to request the State Density Bonus Law on top of any 'equitable communities incentive' offered under SB 50. This would mean any density and height above existing local zoning offered by SB 50 would be considered the new "base" project, on which a project sponsor would be able to request up to 35% additional density. On its own, SB 50 would offer qualifying projects three incentives and/or concessions. It appears that projects requesting both an 'equitable communities incentive' and a State Density Bonus would be able to request incentives and/or concessions under both programs (for a total of up to six incentives or concessions). The State Density Bonus Law also offers qualifying projects an unlimited number of waivers from development standards, in order to allow a project to accommodate the increased density awarded under the law. Incentives, concessions and waivers are very loosely defined in the State Density Bonus Law, and could take many different forms. Allowing a project sponsor to request a State Density Bonus on top of an 'equitable communities incentive' introduces a great deal of uncertainty as to the scale and form of buildings which might be proposed under the two laws.

Interaction with HOME-SF

As mentioned above, most Area Plans allow higher heights and density than SB 50 allows, so the bill would mostly represent no change from the current situation in Area Plan areas. Outside of Area Plans, in neighborhood commercial (NC), residential mixed (RM) and other zoning districts with density controls, HOME-SF – adopted by the Board of Supervisors in 2017 - offers a local density bonus option for developers who include 20-30% of units on-site as affordable units. The bonus offered by HOME-SF is very similar to SB 50. Like SB 50, HOME-SF offers relief from density controls as well as extra height. Though the minimum percentage of on-site inclusionary SB 50 would require is not yet defined, it is likely HOME-SF would require a higher percentage of affordable units on-site than SB 50. Further, HOME-SF includes stricter eligibility criteria and is less flexible than SB 50.

Staff's previous case report on SB 827 raised the concern that that bill might undermine HOME-SF or other local density bonus programs by offering the same or similar incentives at a lower inclusionary percentage. The following paragraph of SB 50 could potentially be interpreted as guarding against that: *"the equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing".* However, as currently drafted the section is not clear enough to definitively determine whether San Francisco would still be able to enforce HOME-SF's inclusionary requirements on parcels where both HOME-SF and SB 50 apply.

Whether SB 50 is determined to supersede HOME-SF or not, however, HOME-SF does not allow demolition of any existing units regardless of tenancy and requires projects to consist entirely of new construction (no additions to existing buildings), while SB 50 does not prohibit demolition of owner-occupied units or additions to existing buildings. On these properties, SB 50 could potentially be the only bonus available, and would thus apply.

Interaction between changes in transit service, zoning standards, and CEQA review

SB 50 would tie zoning standards to transit service and infrastructure, so changes to transit would necessarily lead in many cases to significant upzoning. As currently drafted, the bill seems to suggest that changes to transit service that bring a line or station up to SB 50's frequency standards would immediately trigger eligibility for the 'equitable communities incentive' within the qualifying radius of the line. This could mean that zoning could fluctuate substantially over time as service levels increase or decrease due to transit budgets, ridership, travel patterns, or agency service strategy. It could also create an additional

reason for jurisdictions or neighborhoods to suspend already planned transit service enhancements or avoid planning for increased transit service altogether, if they oppose the increased density that would come with the transit service.

SB 50 does not contain any CEQA exemptions, so it is possible that transit projects, or even modest changes in transit service, could be forced to conduct CEQA analysis of the land use effects triggered by the service change or infrastructure investment. This could therefore possibly require environmental analyses for transit projects that otherwise involve no direct land use or zoning proposals (and therefore would not otherwise be typically required to study land use effects).

REQUIRED COMMISSION ACTION

No official Commission action is required, as this is an informational item. Staff will continue to monitor SB 50 and other relevant state bills as they move through the legislative process, and will provide analysis and recommendations as necessary.

Attachments:

Exhibit A: Senate Bill 50

Exhibit B: Map of Transit Rich Areas in San Francisco (Under SB 50 - March 2019)

Exhibit C: Map of How SB 50 might apply in San Francisco (March 2019)

Exhibit D: Map of Regional Transit Access Areas (including Sensitive Community Areas)

Exhibit E: Map of Regional Resource Areas

Exhibit F: Public Comment Received

Exhibit A: Senate Bill 50



SB-50 Planning and zoning: housing development: equitable communities incentive. (2019-2020)

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CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

SENATE BILL

No. 50

Introduced by Senator Wiener
(Coauthors: Senators Caballero, Hueso, Moorlach, and Skinner)
(Coauthors: Assembly Members Burke, Kalra, Kiley, Low, Robert Rivas, Ting, and Wicks)

December 03, 2018

An act to add Chapter 4.35 (commencing with Section 65918.50) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as introduced, Wiener. Planning and zoning: housing development: equitable communities incentive.

Existing law, known as the Density Bonus Law, requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under existing law. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a 1/2-mile or 1/4-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or

expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions.

The bill would include findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The bill would also declare the intent of the Legislature to delay implementation of this bill in sensitive communities, as defined, until July 1, 2020, as provided.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 4.35 (commencing with Section 65918.50) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.35. Equitable Communities Incentives

65918.50. For purposes of this chapter:

(a) "Affordable" means available at affordable rent or affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate incomes, as specified in context, and subject to a recorded affordability restriction for at least 55 years.

(b) "Development proponent" means an applicant who submits an application for an equitable communities incentive pursuant to this chapter.

(c) "Eligible applicant" means a development proponent who receives an equitable communities incentive.

(d) "FAR" means floor area ratio.

(e) "High-quality bus corridor" means a corridor with fixed route bus service that meets all of the following criteria:

(1) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.

(2) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through Friday.

(3) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

(f) "Job-rich housing project" means a residential development within an area identified by the Department of Housing and Community Development and the Office of Planning and Research, based on indicators such as proximity to jobs, high area median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs. A residential development shall be deemed to be within an area designated as job-rich if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of the job-rich area.

(2) No more than 10 percent of residential units or 100 units, whichever is less, of the development are outside of the job-rich area.

(g) "Local government" means a city, including a charter city, a county, or a city and county.

(h) "Major transit stop" means a site containing an existing rail transit station or a ferry terminal served by either bus or rail transit service.

(i) "Residential development" means a project with at least two-thirds of the square footage of the development designated for residential use.

(j) "Sensitive community" means an area identified by the Department of Housing and Community Development, in consultation with local community-based organizations in each region, as an area vulnerable to displacement pressures, based on indicators such as percentage of tenant households living at, or under, the poverty line relative to the region.

(k) "Tenant" means a person residing in any of the following:

(1) Residential real property rented by the person under a long-term lease.

(2) A single-room occupancy unit.

(3) An accessory dwelling unit that is not subject to, or does not have a valid permit in accordance with, an ordinance adopted by a local agency pursuant to Section 65852.22.

(4) A residential motel.

(5) Any other type of residential property that is not owned by the person or a member of the person's household, for which the person or a member of the person's household provides payments on a regular schedule in exchange for the right to occupy the residential property.

(l) "Transit-rich housing project" means a residential development the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor. A project shall be deemed to be within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

(2) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

65918.51. (a) A local government shall, upon request of a development proponent, grant an equitable communities incentive, as specified in Section 65918.53, when the development proponent seeks and agrees to construct a residential development that satisfies the requirements specified in Section 65918.52.

(b) It is the intent of the Legislature that, absent exceptional circumstances, actions taken by a local legislative body that increase residential density not undermine the equitable communities incentive program established by this chapter.

65918.52. In order to be eligible for an equitable communities incentive pursuant to this chapter, a residential development shall meet all of the following criteria:

(a) The residential development is either a job-rich housing project or transit-rich housing project.

(b) The residential development is located on a site that, at the time of application, is zoned to allow housing as an underlying use in the zone, including, but not limited to, a residential, mixed-use, or commercial zone, as defined and allowed by the local government.

(c) (1) If the local government has adopted an inclusionary housing ordinance requiring that the development include a certain number of units affordable to households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code, and that ordinance requires that a new development include levels of affordable housing in excess of the requirements specified in paragraph (2), the residential development complies with that ordinance.

(2) If the local government has not adopted an inclusionary housing ordinance, as described in paragraph (1), and the residential development includes ____ or more residential units, the residential development includes onsite affordable housing for households with incomes that do not exceed the limits for extremely low income, very low income, and low income specified in Sections 50093, 50105, and 50106 of the Health and Safety Code. It is the intent of the Legislature to require that any development of ____ or more residential units receiving an equitable communities incentive pursuant to this chapter include housing affordable to low, very low or extremely low income households, which, for projects with low or very low income units, are no less than the number of onsite units affordable to low or very low income households that would be required pursuant to subdivision (f) of Section 65915 for a development receiving a density bonus of 35 percent.

(d) The site does not contain, or has not contained, either of the following:

(1) Housing occupied by tenants within the seven years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the application for a development permit.

(2) A parcel or parcels on which an owner of residential real property has exercised his or her rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application pursuant to this chapter.

(e) The residential development complies with all applicable labor, construction employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government's conditional use or other discretionary permit approval process, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or a streamlined approval process that includes labor protections.

(f) The residential development complies with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements.

(g) The equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing, local hire, or payment of prevailing wages.

65918.53. (a) A residential development that meets the criteria specified in Section 65918.52 shall receive, upon request, an equitable communities incentive as follows:

(1) Any eligible applicant shall receive the following:

(A) A waiver from maximum controls on density.

(B) A waiver from maximum automobile parking requirements greater than 0.5 automobile parking spots per unit.

(C) Up to three incentives and concessions pursuant to subdivision (d) of Section 65915.

(2) An eligible applicant proposing a residential development that is located within a one-half mile radius, but outside a one-quarter mile radius, of a major transit stop and includes no less than ____ percent affordable housing units shall receive, in addition to the incentives specified in paragraph (1), waivers from all of the following:

(A) Maximum height requirements less than 45 feet.

(B) Maximum FAR requirements less than 2.5.

(C) Notwithstanding subparagraph (B) of paragraph (1), any maximum automobile parking requirement.

(3) An eligible applicant proposing a residential development that is located within a one-quarter mile radius of a major transit and includes no less than ____ percent affordable housing units shall receive, in addition to the

incentives specified in paragraph (1), waivers from all of the following:

(A) Maximum height requirements less than 55 feet.

(B) Maximum FAR requirements less than 3.25.

(C) Notwithstanding subparagraph (B) of paragraph (1), any maximum automobile parking requirement.

(4) Notwithstanding any other law, for purposes of calculating any additional incentive or concession in accordance with Section 65915, the number of units in the residential development after applying the equitable communities incentive received pursuant to this chapter shall be used as the base density for calculating the incentive or concession under that section.

(5) An eligible applicant proposing a project that meets all of the requirements under Section 65913.4 may submit an application for streamlined, ministerial approval in accordance with that section.

(b) The local government may modify or expand the terms of an equitable communities incentive provided pursuant to this chapter, provided that the equitable communities incentive is consistent with, and meets the minimum standards specified in, this chapter.

65918.54. The Legislature finds and declares that this chapter addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities.

65918.55. (a) It is the intent of the Legislature that implementation of this chapter be delayed in sensitive communities until July 1, 2020.

(b) It is further the intent of the Legislature to enact legislation that does all of the following:

(1) Between January 1, 2020, and _____, allows a local government, in lieu of the requirements of this chapter, to opt for a community-led planning process aimed toward increasing residential density and multifamily housing choices near transit stops.

(2) Encourages sensitive communities to opt for a community-led planning process at the neighborhood level to develop zoning and other policies that encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.

(3) Sets minimum performance standards for community plans, such as minimum overall residential development capacity and the minimum affordability standards set forth in this chapter.

(4) Automatically applies the provisions of this chapter on January 1, 2025, to sensitive communities that do not have adopted community plans that meet the minimum standards described in paragraph (3), whether those plans were adopted prior to or after enactment of this chapter.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Exhibit B: Map of Transit Rich Areas in San Francisco
(Under SB 50 - March 2019)




Transit Rich Areas of San Francisco (Under SB 50 - March 2019)

- Heavy Rail and Muni Metro subway stations
- Muni routes meeting SB 50 frequency thresholds
- Parks and Open Space
- 1/4 mile from rail or ferry station
- 1/2 mile from rail or ferry station
- 1/4 mile from bus meeting SB 50 frequency thresholds






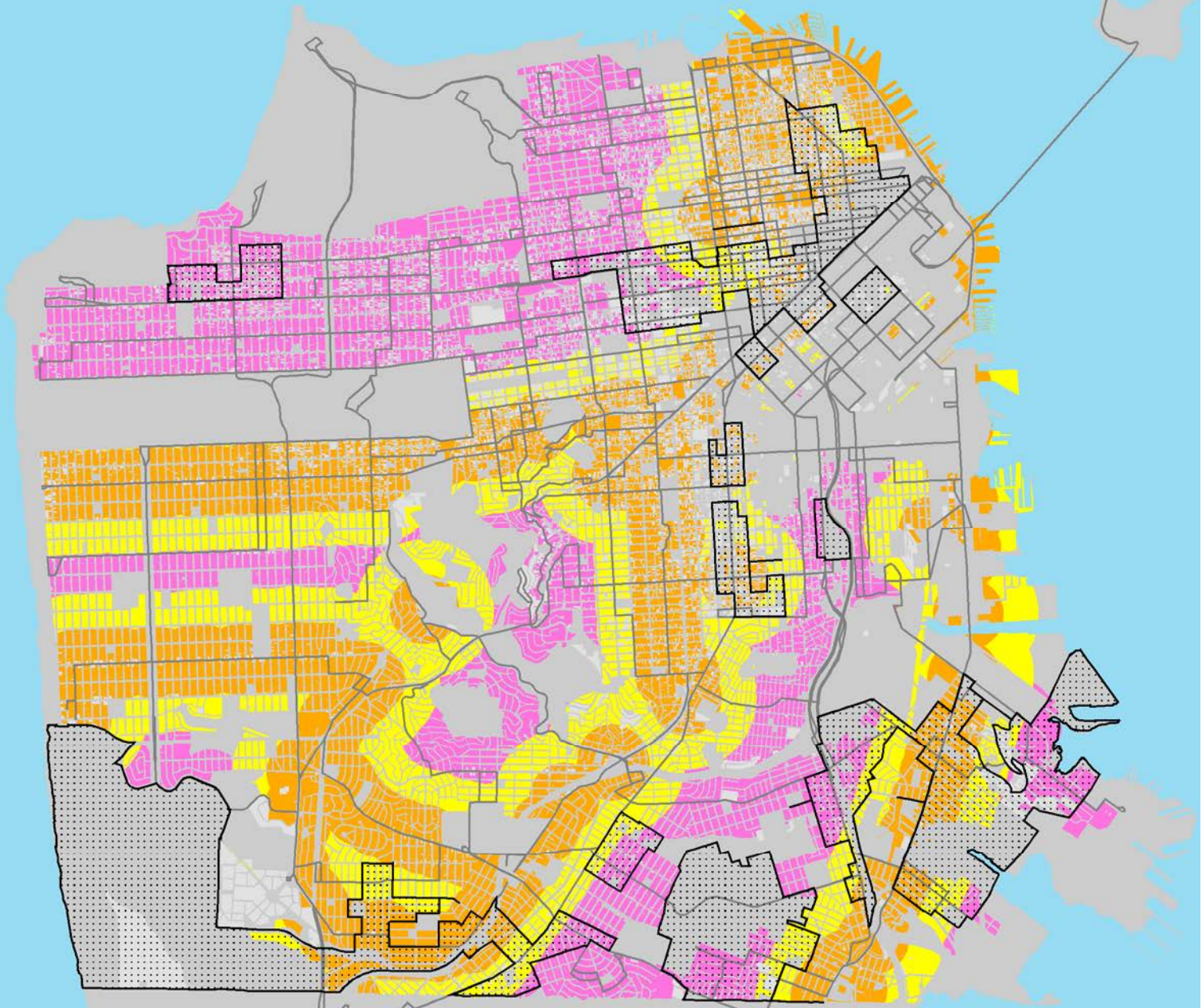
Exhibit C: Map of How SB 50 might apply in San Francisco (March 2019)

Where SB 50 might apply in San Francisco (March 2019)

-  1/4 mile from rail or ferry station
-  1/2 mile from rail or ferry station
-  1/4 mile from bus meeting SB 50 frequency thresholds

Areas where SB 50 would potentially not apply, or where implementation could be delayed

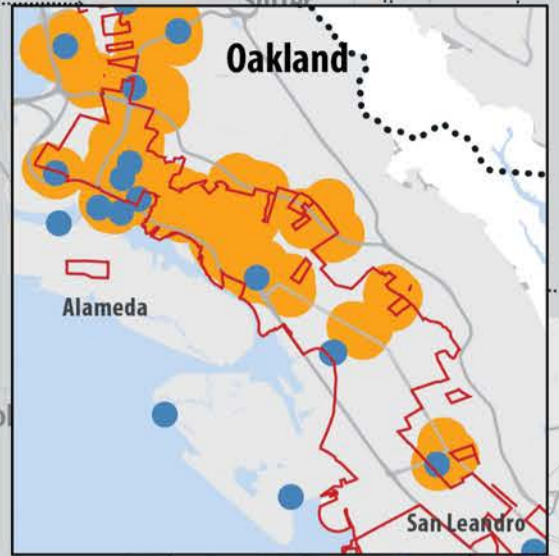
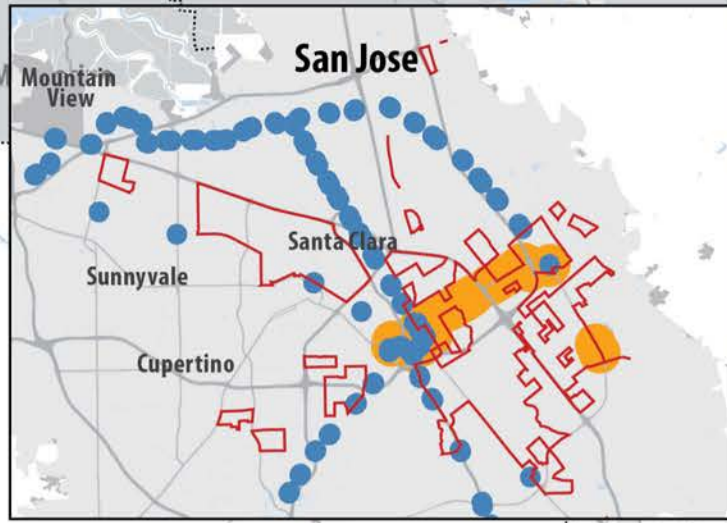
-  Zones that don't allow housing and areas zoned to higher standards than SB 50
-  Parcels containing rental units (estimate)
-  Sensitive Communities (CASA)



Notes:

Data on existing rental units is an estimate, based on Assessor's Office records.
SB 50 would not apply on any property where there was a renter in the 7 years previous to application; the City does not maintain records on tenancy or occupancy.

Exhibit D: Map of Regional Transit Access Areas
(including Sensitive Community Areas)



Transit Access Areas

Transit Access Areas are currently defined as areas within 1/4 mile of a rail station or ferry terminal served by transit and areas within a 1/2-mile radius of a bus stop served by a bus with headways of 15 minutes or less during both the morning and evening peak periods (6 AM to 10 AM and 3 PM to 7 PM) and average weekend headways of no more than 30 minutes from 8 AM to 10 PM, inclusive, on Saturday and Sunday.

- Major Transit Stops - Rail and Ferry
- High-Quality Bus Service Areas
- Urban - Built Up Area
- Sensitive Community Areas

| | Population |
|-----------|-------------------|
| Oakland | Over 350,000 |
| Sunnyvale | 50,000 to 350,000 |
| Albany | Below 50,000 |

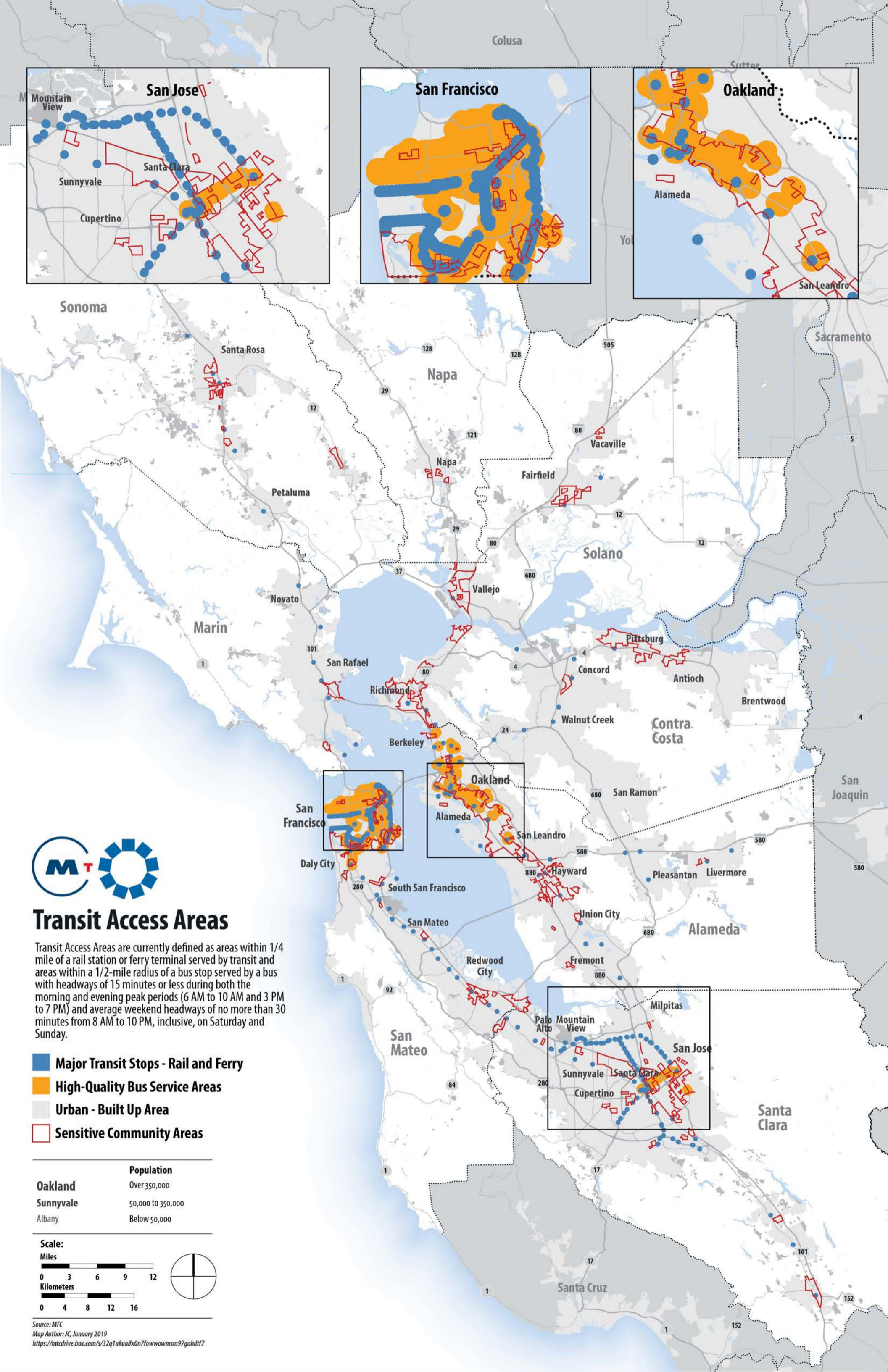
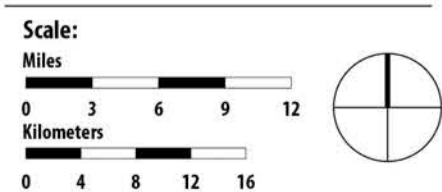
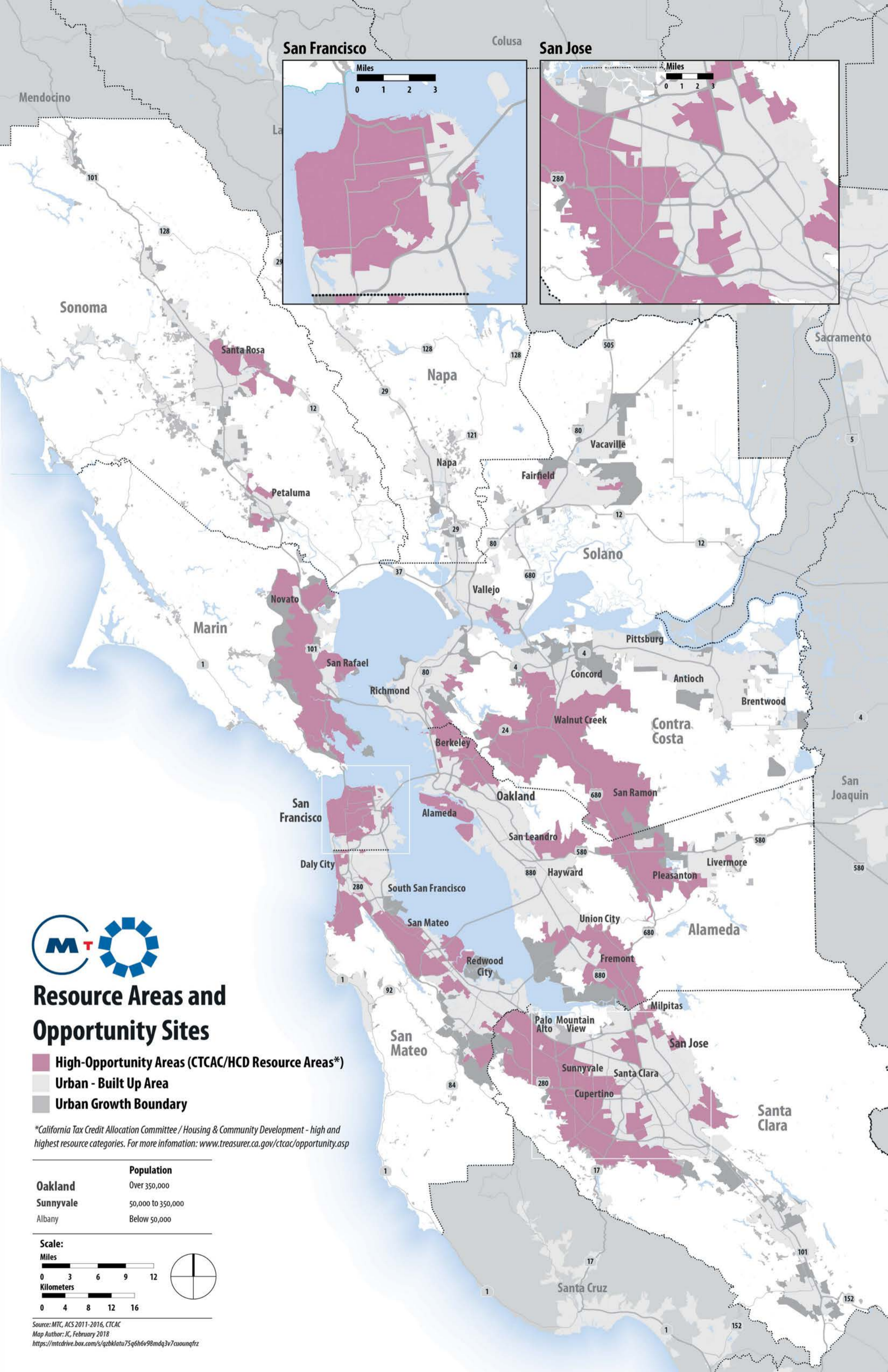


Exhibit E: Map of Regional Resource Areas



Resource Areas and Opportunity Sites

- High-Opportunity Areas (CTCAC/HCD Resource Areas*)
- Urban - Built Up Area
- Urban Growth Boundary

*California Tax Credit Allocation Committee / Housing & Community Development - high and highest resource categories. For more information: www.treasurer.ca.gov/ctcac/opportunity.asp

| | Population |
|-----------|-------------------|
| Oakland | Over 350,000 |
| Sunnyvale | 50,000 to 350,000 |
| Albany | Below 50,000 |

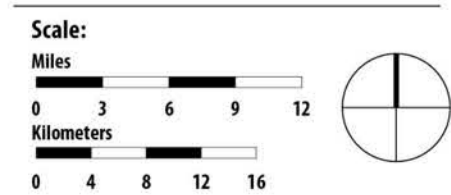


Exhibit F: Public Comment Received



February 28, 2019

President Melgar, Vice-President Koppel & Commissioners
San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

Subject: Senate Bill 50 ("SB-50") <Wiener>
"Planning & Zoning: Housing Development: Equitable Communities Incentive"

The Coalition for San Francisco Neighborhoods (CSFN) opposes Senate Bill 50 ("SB-50") <Wiener>.

Concerns include the following:

1. SB-50 up-zones all parcels in San Francisco
2. SB-50 will result in the loss of residential areas
3. SB-50 will result in developers making zoning decisions (deregulates local zoning)
4. SB-50 does *not* create affordability:
 - a. No "trickle-down" effect
(Less housing will be built due costs for labor, land, materials, e.g.)
 - b. No "fee-out" for affordable housing
(Process creates entitlements to raise property values without certainty of buildings getting built.)

CSFN's understanding is that a public hearing before the Planning Commission would occur on SB-50. Please advise when as SB-50 is on the fast track in Sacramento.

Thank you.

Sincerely,

/s

Rose Hillson

Chair, Land Use & Transportation Committee

As authorized by CSFN General Assembly

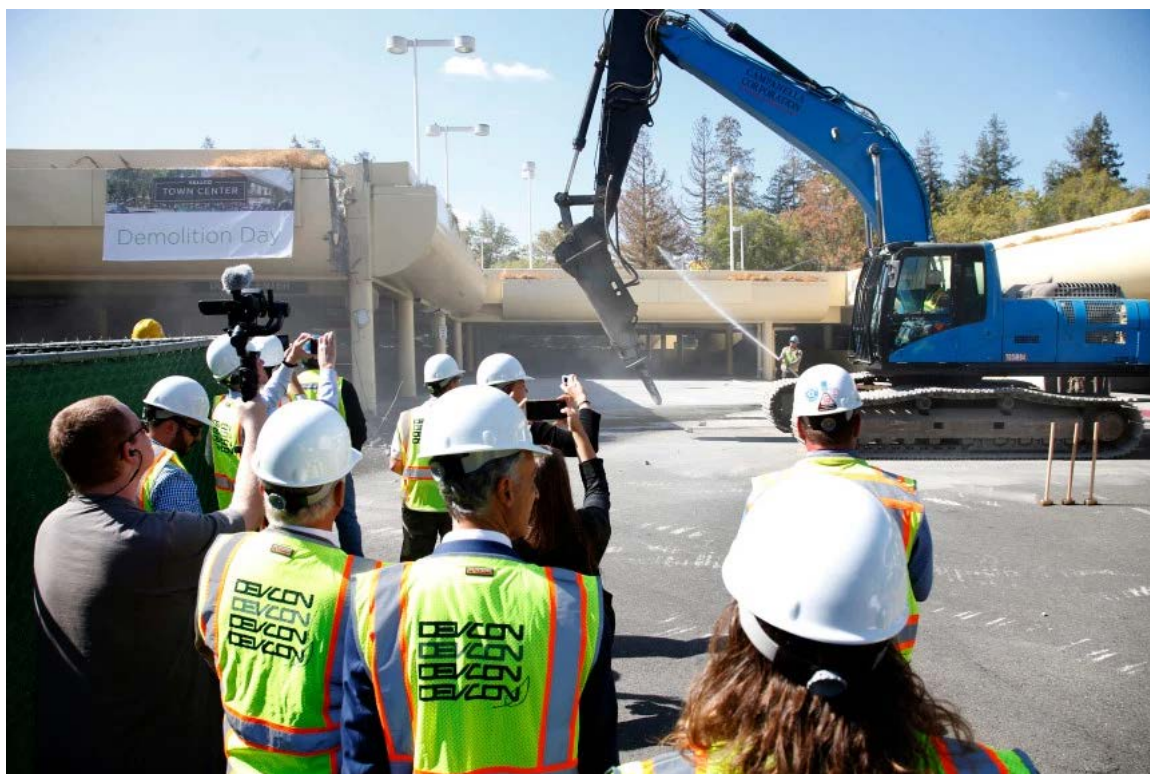
Cc: Corey Teague, Zoning Administrator; John Rahaim, Director of Planning; Jonas P. Ionin, Director of Commission Affairs; Commission Affairs; Board of Supervisors; Mayor Breed

BREAKING NEWS Attorney General Becerra: No charges in police killing of Stephon Clark

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Fight over CASA: Some cities push back against plan to overhaul Bay Area housing market

Massive housing fix riles some city officials



Demolition of a parking structure at the Vallco Shopping Mall began on Thursday, Oct.11, 2018, after an hour-long press conference celebrating the milestone in Cupertino, Calif. (Karl Mondon/Bay Area News Group)

From Cupertino to Pleasanton, small cities around the Bay Area are challenging a massive regional plan to fix the housing crisis, worried they will lose control over what gets built within their borders and be forced to pay for solutions they don't want.

Officials are gearing up for what promises to be a long and contentious battle over the [“CASA Compact”](#) — a set of 10 emergency housing policies that could [force Bay Area cities to impose rent control](#), allow taller buildings, welcome in-law units and pay into a regional pot to fund those changes. The plan was penned by a group of power brokers known as “The Committee to House the Bay Area,” which includes elected officials from the region's largest cities, transportation agencies, housing developers, local tech companies and others. The group was pulled together by the Association of Bay Area Governments and the Metropolitan Transportation Commission.

So far, Bay Area legislators have introduced 13 bills to implement the CASA policies. But officials in many smaller Bay Area cities say they weren't invited to the table, and their interests weren't taken into account.

“There are some in some areas that just want to say, ‘no, this is off the table. We're not doing this,’” said Campbell City Councilmember and former mayor Paul Resnikoff.

ADVERTISING

As the Bay Area grapples with a housing shortage that has driven the cost of buying and renting to astronomical heights, the looming CASA battle highlights an ongoing power struggle. Local officials are fighting to keep control of development within their borders, while legislators try to force them to do what many of the smaller cities have not: build more homes

“The status quo isn’t working,” said Leslye Corsiglia, a CASA co-chair and executive director of affordable housing advocacy organization SV@Home. “We’ve been managing our housing problem on a city-by-city basis, and we’ve got some cities that are doing everything that they can given the resources available, and we’ve got some cities that aren’t.”

The CASA compact proposes a 15-year rent cap throughout the Bay Area, which would prevent landlords from raising prices more than 5 percent a year, on top of increases for inflation. The compact also calls for a Bay Area-wide just cause eviction policy, which would prevent landlords from evicting tenants except for certain approved reasons. And it calls for new zoning policies that would allow for taller buildings near transit stops.

The MTC endorsed the plan in December, and ABAG gave it a thumbs-up in January. The mayors of San Jose, Oakland and San Francisco took part in the CASA discussions and signed off on the final document. But almost as soon as the plan was unveiled, many smaller cities started gearing up for a fight.

Corsiglia acknowledged the CASA committee should have done more to reach out to the smaller Bay Area cities. To bridge that gap, the MTC and ABAG are holding dozens of meetings with city leaders around the Bay Area, and the CASA team has tapped the Non-Profit Housing Association of Northern California to lead a ramped-up communication effort. The association plans to reach out to residents through the media, online and in community meetings.

“We want to have those conversations, and build that momentum and support and dispel the fears people have,” said Non-Profit Housing Association executive director Amie Fishman.

City leaders aren’t the only ones disappointed with the plan. It’s sparked criticism from tenant advocates, who say it doesn’t go far enough to protect renters, and landlords, who say it goes too far.

“The nature of a compromise is that people are going to like certain parts and not like others,” Corsiglia said.

Many of the cities speaking out against the CASA Compact have been criticized in the past for failing to build enough housing.

In Cupertino, which approved 19 new multi-family units last year, Mayor Steven Scharf recently bashed the proposal in his State of the City Speech, calling the group pushing the plan “the committee to destroy the Bay Area.” Its vision is “very scary,” he said. And he doesn’t intend to accept it.

“A lot of smaller cities are banding together regarding CASA,” Scharf said, “trying to at least mitigate the damage that it would do.”

Many Bay Area cities are balking at a CASA proposal that would require them to help fund the new housing initiatives by giving up 20 percent of their future property tax increases. The compact would cost an estimated \$2.5 billion a year, \$1.5 billion of which its authors hope to get from taxes and fees applied to property owners, developers, employers, local governments and taxpayers.

“That attack on our local revenue base would be problematic,” Resnikoff said. He’s working with the Cities Association of Santa Clara County on a formal response.

Pleasanton and its Tri-Valley neighbors — Livermore, Danville, Dublin and San Ramon — also are organizing a joint response.

Pleasanton director of community development Gerry Beaudin worries CASA legislation could wreak havoc on the character of his city’s quaint, historic downtown. The neighborhood’s proximity to an ACE train station could subject it to mandatory higher-density zoning rules, he said.

“There’s a recognized need to address housing,” Beaudin said. “I’m not sure that the way that this happened is the right way to get momentum on this issue. It just created a lot of questions and concerns from a lot of the areas that need to be part of the conversation.”

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Marisa Kendall Marisa Kendall covers housing for the Bay Area News Group,

