

BOARD of SUPERVISORS



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May 8, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On May 1, 2018, Supervisor Tang introduced the following legislation:

File No. 180456

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received through December 31, 2019, with existing requirements and bonuses revived starting January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

- c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
Scott Sanchez, Zoning Administrator
Lisa Gibson, Environmental Review Officer
AnMarie Rodgers, Director of Citywide Planning
Laura Lynch, Environmental Planning
Joy Navarrete, Environmental Planning

1 [Planning Code - Housing Opportunities Mean Equity-San Francisco (HOME-SF) and 100%
2 Affordable Housing Bonus Programs]

3 **Ordinance amending the Planning Code to amend the Housing Opportunities Mean**
4 **Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary**
5 **housing required and the types of development bonuses received through**
6 **December 31, 2019, with existing requirements and bonuses revived starting January 1,**
7 **2020, and to require project authorization under Planning Code section 328; revising**
8 **the 100% Affordable Housing Bonus Program to eliminate a Planning Commission**
9 **review hearing for 100% affordable housing projects upon delegation by the Planning**
10 **Commission; affirming the Planning Department's determination under the California**
11 **Environmental Quality Act; making findings of consistency with the General Plan, and**
12 **the eight priority policies of Planning Code, Section 101.1; and making findings of**
13 **public necessity, convenience, and welfare under Planning Code, Section 302.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
15 **Additions to Codes** are in *single-underline italics Times New Roman font*.
16 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
17 **Board amendment additions** are in Arial font.
18 **Board amendment deletions** are in ~~Arial font~~.
19 **Asterisks (* * * *)** indicate the omission of unchanged Code
20 subsections or parts of tables.

21 Be it ordained by the People of the City and County of San Francisco:

22 Section 1. Findings.

23 (a) The Planning Department has determined that the actions contemplated in this
24 ordinance comply with the California Environmental Quality Act (California Public Resources
25 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of

1 Supervisors in File No. ____ and is incorporated herein by reference. The Board affirms this
2 determination.

3 (b) On _____, the Planning Commission, in Resolution No. _____,
4 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
5 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
6 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
7 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

8 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
9 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth
10 in Planning Commission Resolution No. _____, and the Board incorporates such reasons
11 herein by reference. A copy of Planning Commission Resolution No. _____ is on file with
12 the Board of Supervisors in File No. _____.

13
14 Section 2. The Planning Code is hereby amended by revising Section 206.3 and 206.4
15 to read as follows:

16 **SEC. 206.3. HOUSING OPPORTUNITIES MEAN EQUITY - SAN FRANCISCO PROGRAM.**

17 (a) **Purpose.** This Section 206.3 sets forth the HOME-SF Program. The HOME-SF
18 Program or "HOME-SF" provides benefits to project sponsors of housing projects that set
19 aside a total of 30% of residential units onsite at below market rate rent or sales price. The
20 purpose of HOME-SF is to expand the number of below market rate units produced in San
21 Francisco and provide housing opportunities to a wider range of incomes than traditional
22 affordable housing programs, such as the City's Inclusionary Affordable Housing Program,
23 Planning Code Section 415 et seq., which typically provide housing only for very low, low or
24 moderate income households. The purpose of HOME-SF also is to provide an alternative
25 method of complying with the on-site inclusionary option set forth in Section 415.6. HOME-SF

1 allows market-rate projects to match the City's shared Proposition K (November 2014) housing
2 goals that 50% of new housing constructed or rehabilitated in the City by 2020 be within the
3 reach of working middle class San Franciscans, and at least 33% affordable for low and
4 moderate income households.

5 (b) **Applicability.** A HOME-SF Project under this Section 206.3 shall be a project that:

6 (1) contains three or more residential units, as defined in Section 102, not
7 including any Group Housing as defined in Section 102, efficiency dwelling units with reduced
8 square footage defined in Section 318, and Density Bonus Units permitted through this
9 Section 206.3, or any other density bonus;

10 (2) is located in any zoning district that: (A) is not designated as an RH-1 or RH-
11 2 Zoning District; and (B) establishes a maximum dwelling unit density through a ratio of
12 number of units to lot area, including RH-3, RM, RC, C-2, Neighborhood Commercial, Named
13 Neighborhood Commercial, and SoMa Mixed Use Districts; but only if the SoMa Mixed Use
14 District has a density measured by a maximum number of dwelling units per square foot of lot
15 area; (C) is not in the North of Market Residential Special Use District, Planning Code Section
16 249.5, until the Affordable Housing Incentive Study is completed at which time the Board will
17 review whether the North of Market Residential Special Use District should continue to be
18 excluded from this Program. The Study will explore opportunities to support and encourage
19 the provision of housing at the low, moderate, and middle income range in neighborhoods
20 where density controls have been eliminated. The goal of this analysis is to incentivize
21 increased affordable housing production levels at deeper and wider ranges of AMI and larger
22 unit sizes in these areas through 100% affordable housing development as well as below
23 market rate units within market rate developments; (D) is not located within the boundaries of
24 the Northeastern Waterfront Area Plan south of the centerline of Broadway; and (E) is not
25 located on property under the jurisdiction of the Port of San Francisco;

1 (3) is not seeking and receiving a density or development bonus under the
2 provisions of California Government Code Section 65915 et seq., Planning Code Section
3 207, Section 124(f), Section 202.2(f), 304, or any other State or local program that provides
4 development bonuses;

5 (4) includes at least 135% of the Base Density as calculated under Planning
6 Code Section 206.5;

7 (5) in Neighborhood Commercial Districts is not a project that involves merging
8 lots that result in more than 125 feet in lot frontage for projects located;

9 (6) consists of new construction, and excluding any project that includes an
10 addition to an existing structure;

11 (7) complies with the on-site Inclusionary Affordable Housing option set forth in
12 Planning Code Section 415.6; provided however, that the percentage of affordable units and
13 the required affordable sales price or affordable rents set forth in Section 415.6(a) shall be as
14 provided in this Section 206.3;

15 (8) if any retail use is demolished or removed, does not include a Formula
16 Retail use, as defined in Section 303.1, unless the retail use demolished or removed was also
17 a Formula Retail Use, or was one of the following uses: Gas Stations, Private or Public
18 Parking Lots, Financial Services, Fringe Financial Services, Self Storage, Motel, Automobile
19 Sales or Rental, Automotive Wash, Mortuaries, Adult Business, Massage Establishment,
20 Medical Cannabis Dispensary, and Tobacco Paraphernalia Establishment, as those uses are
21 defined in Planning Code Section 102;

22 (9) if located north of the centerline of Post Street and east of the centerline of
23 Van Ness Avenue, all otherwise eligible HOME-SF Projects shall only be permitted on:

24 (A) lots containing no existing buildings; or

25 ///

1 (B) lots equal to or greater than 12,500 square feet where existing
2 buildings are developed to less than 20% of the lot's principally permitted buildable gross floor
3 area as determined by height limits, rear yard requirements, and required setbacks; and

4 (10) if the City enacts an ordinance directing the Planning Department to study
5 the creation of a possible area plan wholly or partially located in Supervisorial District 9,
6 HOME-SF Projects shall not be permitted in any area in Supervisorial District 9 listed in the
7 ordinance until such time as the City enacts the area plan.

8 (c) **HOME-SF Project Eligibility Requirements.** To receive the development bonuses
9 granted under this Section 206.3, a HOME-SF Project must meet all of the following
10 requirements:

11 (1) Except as limited in application by subsection (f): Provide 30% of units in the
12 HOME-SF Project as HOME-SF Units, as defined herein. The HOME-SF Units shall be
13 restricted for the Life of the Project and shall comply with all of the requirements of the
14 Procedures Manual authorized in Section 415 except as otherwise provided herein. Twelve
15 percent of HOME-SF Units that are Owned Units shall have an average affordable purchase
16 price set at 80% of Area Median Income; 9% shall have an average affordable purchase price
17 set at 105% of Area Median Income; and 9% shall have an average affordable purchase price
18 set at 130% of Area Median Income. Twelve percent of HOME-SF Units that are rental units
19 shall have an average affordable rent set at 55% of Area Median Income; 9% shall have an
20 average affordable rent set at 80% of Area Median Income; and 9% shall have an average
21 affordable rent set at 110% of Area Median Income. All HOME-SF Units must be marketed at
22 a price that is at least 20% less than the current market rate for that unit size and
23 neighborhood, and MOHCD shall reduce the Area Median Income levels set forth herein in
24 order to maintain such pricing. As provided for in subsection (e), the Planning Department and
25 MOHCD shall amend the Procedures Manual to provide policies and procedures for the

1 implementation, including monitoring and enforcement, of the HOME-SF Units;

2 (2) Demonstrate to the satisfaction of the Environmental Review Officer that the
3 HOME-SF Project does not:

4 (A) cause a substantial adverse change in the significance of an historic
5 resource as defined by California Code of Regulations, Title 14, Section 15064.5;

6 (B) create new shadow in a manner that substantially affects outdoor
7 recreation facilities or other public areas; and

8 (C) alter wind in a manner that substantially affects public areas;

9 (3) All HOME-SF units shall be no smaller than the minimum unit sizes set forth
10 by the California Tax Credit Allocation Committee as of May 16, 2017. In addition,
11 notwithstanding any other provision of this Code, HOME-SF projects shall provide a minimum
12 dwelling unit mix of (A) at least 40% two and three bedroom units, including at least 10% three
13 bedroom units, or (B) any unit mix which includes some three bedroom or larger units such
14 that 50% of all bedrooms within the HOME-SF Project are provided in units with more than
15 one bedroom. Larger units should be distributed on all floors, and prioritized in spaces
16 adjacent to open spaces or play yards. Units with two or three bedrooms are encouraged to
17 incorporate family friendly amenities. Family friendly amenities shall include, but are not
18 limited to, bathtubs, dedicated cargo bicycle parking, dedicated stroller storage, open space
19 and yards designed for use by children. HOME-SF Projects are not eligible to modify this
20 requirement under Planning Code Section ~~303(t)~~ 328 or any other provision of this Code;

21 (4) Does not demolish, remove, or convert any residential units; and

22 (5) Includes at the ground floor level active uses, as defined in Section 145.1, at
23 the same square footages as any neighborhood commercial uses demolished or removed,
24 unless the Planning Commission has granted an exception under Section 328 ~~303(t)(2)(G)~~.

25 ///

1 (d) **Development Bonuses.** Any HOME-SF Project shall, at the project sponsor's
2 request, receive any or all of the following:

3 (1) **Form based density.** *Except as limited in application by subsection (f):*

4 Notwithstanding any zoning designation to the contrary, density of a HOME-SF Project shall
5 not be limited by lot area but rather by the applicable requirements and limitations set forth
6 elsewhere in this Code. Such requirements and limitations include, but are not limited to,
7 height, including any additional height allowed by subsection (d)(2), Bulk, Setbacks, Required
8 Open Space, Exposure and unit mix as well as applicable design guidelines, elements, and
9 area plans of the General Plan and design review, including consistency with the Affordable
10 Housing Bonus Program Design Guidelines, referenced in Section 328, as determined by the
11 Planning Department.

12 (2) **Height.** *Except as limited in application by subsection (f):* Up to 20 additional

13 feet above the height authorized for the HOME-SF Project under the Height Map of the
14 Zoning Map. This additional height may only be used to provide up to two additional 10-foot
15 stories to the project, or one additional story of no more than 10 feet in height. Building
16 features exempted from height controls under Planning Code Section 260(b) shall be
17 measured from the roof level of the highest story provided under this subsection (d)(2).

18 (3) **Ground Floor Ceiling Height.** *Except as limited in application by subsection (f):*

19 In addition to the permitted height allowed under subsection (d)(2), HOME-SF Projects with
20 active uses on the ground floor as defined in Section 145.1(b)(2) shall receive up to a
21 maximum of five additional feet in height above the height limit, in addition to the additional 20
22 feet granted in subsection (d)(2) above. However, the additional five feet may only be applied
23 at the ground floor to provide a 14-foot (floor to ceiling) ceiling height for nonresidential uses,
24 and to allow walk-up dwelling units to be consistent with the Ground Floor Residential Design
25 Guidelines. This additional five feet shall not be granted to projects that already receive such

1 a height increase under Planning Code Section 263.20.

2 (4) **Zoning Modifications.** HOME-SF Projects may select up to three of the
3 following zoning modifications:

4 (A) **Rear yard:** The required rear yard per Section 134 or any applicable
5 special use district may be reduced to no less than 20% of the lot depth, or 15 feet, whichever
6 is greater. Corner properties may provide 20% of the lot area at the interior corner of the
7 property to meet the minimum rear yard requirement, provided that each horizontal dimension
8 of the open area is a minimum of 15 feet; and that the open area is wholly or partially
9 contiguous to the existing midblock open space, if any, formed by the rear yards of adjacent
10 properties.

11 (B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements
12 of Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open
13 area that is no less than 25 feet in every horizontal dimension, and such open area is not
14 required to expand in every horizontal dimension at each subsequent floor.

15 (C) **Off-Street Loading:** Off-street loading spaces per Section 152 shall
16 not be required.

17 (D) **Automobile Parking:** Up to a 75% reduction in the residential and
18 commercial parking requirements in Section 151 or any applicable special use district.

19 (E) **Open Space:** Up to a 5% reduction in common open space if
20 provided under Section 135 or any applicable special use district.

21 (F) **Additional Open Space:** Up to an additional 5% reduction in
22 common open space if provided under Section 135 or any applicable special use district,
23 beyond the 5% provided in subsection ~~(d)(4)(E)~~ *above*.

24 (G) **Inner Courts as Open Space:** ~~In order for~~ For an inner court to
25 qualify as useable common open space, Section 135(g)(2) requires it to be at least 20 feet in

1 every horizontal dimension, and for the height of the walls and projections above the court on
2 at least three sides (or 75% of the perimeter, whichever is greater) to be no higher than one
3 foot for each foot that such point is horizontally distant from the opposite side of the clear
4 space in the court. HOME-SF Projects may instead provide an inner court that is at least 25
5 feet in every horizontal dimension, with no restriction on the heights of adjacent walls. All area
6 within such an inner court shall qualify as common open space under Section 135.

7 (5) Priority Processing and Planning Commission approval. HOME-SF Projects shall
8 be reviewed in coordination with relevant priority processing and shall be approved, denied, or
9 approved subject to conditions by the Planning Commission under Section 328, within 120 days of the
10 date that the HOME-SF application is deemed complete.

11 (e) **Implementation.**

12 (1) **Application.** An application to participate in the HOME-SF Program shall be
13 submitted with the first application for approval of a Housing Project and processed
14 concurrently with all other applications required for the Housing Project. The application shall
15 be submitted on a form prescribed by the City and shall include at least the following
16 information:

17 (A) A full plan set, including a site plan, elevations, sections, and floor
18 plans, showing total number of units, number of and location of HOME-SF Units; and a draft
19 Regulatory Agreement;

20 (B) The requested development bonuses and/or zoning modifications
21 from those listed in subsection (d).

22 (C) A list of all on-site family friendly amenities. Family friendly amenities
23 shall include, but are not limited to, dedicated cargo bicycle parking, dedicated stroller
24 storage, open space and yards designed for use by children.

25 ///

1 (D) Documentation that the applicant has provided written notification to
2 all existing commercial or residential tenants that the applicant intends to develop the property
3 pursuant to this section 206.3 and has provided any existing commercial tenants with a copy
4 of the ~~Mayor's~~ Office of Economic and Workforce Development's Guide to Small Business
5 Retention and Relocation Support. Any affected commercial tenants shall be given priority
6 processing similar to the Department's Community Business Priority Processing Program, as
7 adopted by the Planning Commission on February 12, 2015, under Resolution Number
8 19323, to support relocation of such business in concert with access to relevant local
9 business support programs.

10 (2) **Procedures Manual.** The Planning Department and MOHCD shall amend
11 the Procedures Manual, authorized in Section 415, to include policies and procedures for the
12 implementation, including monitoring and enforcement, of HOME-SF Units. As an amendment
13 to the Procedures Manual, such policies and procedures are subject to review and approval
14 by the Planning Commission under Section 415. Amendments to the Procedures Manual shall
15 include a requirement that project sponsors in specified areas complete a market survey of
16 the area before marketing HOME-SF Units.

17 (3) **Notice and Hearing.** HOME-SF Projects shall comply with Section 306 for
18 review and approval.

19 (4) **Controls.** HOME-SF Projects shall be governed by the *conditional use*
20 procedures of Section ~~303~~ 328.

21 (5) **Regulatory Agreements.** Recipients of development bonuses under this
22 Section 206.3 shall enter into a Regulatory Agreement with the City, as follows.

23 (A) The terms of the agreement shall be acceptable in form and content
24 to the Planning Director, the Director of MOHCD, and the City Attorney. The Planning Director
25 shall have the authority to execute such agreements.

1 (B) Following execution of the agreement by all parties, the completed
2 Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed
3 and recorded on the Housing Project.

4 (C) The approval and recordation of the Regulatory Agreement shall take
5 place prior to the issuance of the First Construction Document. The Regulatory Agreement
6 shall be binding to all future owners and successors in interest.

7 (D) The Regulatory Agreement shall be consistent with the guidelines of
8 the City's Inclusionary Housing Program and shall include at a minimum the following:

9 (i) The total number of dwelling units approved for the
10 Housing Project, including the number of HOME-SF Units or other restricted units;

11 (ii) A description of the household income group to be
12 accommodated by the HOME-SF Units, and the standards for determining the corresponding
13 Affordable Rent or Affordable Sales Price. If required by the Procedures Manual, the project
14 sponsor must commit to completing a market survey of the area before marketing HOME-SF
15 Units;

16 (iii) The location, dwelling unit sizes (in square feet), and
17 number of bedrooms of the HOME-SF Units;

18 (iv) Term of use restrictions for the life of the project;

19 (v) A schedule for completion and occupancy of HOME-SF
20 Units;

21 (vi) A description of any Concession, Incentive, waiver, or
22 modification, if any, being provided by the City;

23 (vii) A description of remedies for breach of the agreement
24 (the City may identify tenants or qualified purchasers as third party beneficiaries under the
25 agreement); and

1 (viii) Other provisions to ensure implementation and
2 compliance with this Section.

3 (f) Temporary provisions operative through December 31, 2019. To facilitate the
4 construction of HOME-SF projects, and based on information from the inclusionary housing study
5 prepared for the Divisadero and Fillmore Neighborhood Commercial Transit District, in Board of
6 Supervisors File No. 151258, and the Office of the Controller's Inclusionary Housing Working Group
7 final report (February 2016), the HOME-SF program shall include development incentives as specified
8 in this subsection (f) based on the level of affordability provided through December 31, 2019. For any
9 development project that has submitted a complete Environmental Evaluation Application prior to
10 January 1, 2020, (c)(1) and (d)(1), (d)(2), and (d)(3) shall not apply, and the provisions in this
11 subsection (f) shall apply. On January 1, 2020, this subsection (f) shall expire by operation of law, at
12 which time subsections (c)(1), (d)(1), (d)(2), and (d)(3) shall again apply.

13 (1) HOME-SF Project Eligibility Requirements. To receive the development bonuses
14 granted under this Section 206.3, a HOME-SF Project must provide a percentage of units, in the
15 amounts set forth in section 206.3(f)(2)(A), (B), or (C), as HOME-SF Units, as defined in Section 206.2.
16 The HOME-SF Units shall be restricted for the Life of the Project and shall comply with all of the
17 requirements of the Procedures Manual authorized in Section 415 except as otherwise provided in this
18 Section 206.3. All HOME-SF Units must be marketed at a price that is at least 20% less than the
19 current market rate for that unit size and neighborhood, and MOHCD shall reduce the Area Median
20 Income levels set forth in this Section 206.3 in order to maintain such pricing. As provided for in
21 subsection (e), the Planning Department and MOHCD shall amend the Procedures Manual to provide
22 policies and procedures for the implementation, including monitoring and enforcement, of the HOME-
23 SF Units;

24 (2) Development Bonuses. Any HOME-SF Project shall at the project sponsor's
25 request receive the following:

1 (A) **Tier One:** A Tier One HOME-SF Project shall provide 20% of units in
2 the HOME-SF Project as HOME-SF Units. Ten percent of Tier One HOME-SF Units that are Owned
3 Units shall have an average affordable purchase price set at 80% of Area Median Income; 5% shall
4 have an average affordable purchase price set at 105% of Area Median Income; and 5% shall have an
5 average affordable purchase price set at 130% of Area Median Income. Ten percent of Tier One
6 HOME-SF Units that are rental units shall have an average affordable rent set at 55% of Area Median
7 Income; 5% shall have an average affordable rent set at 80% of Area Median Income; and 5% shall
8 have an average affordable rent set at 110% of Area Median Income.

9 (i) Form based density. Notwithstanding any zoning designation to the
10 contrary, density of a Tier One HOME-SF Project shall not be limited by lot area but rather by the
11 applicable requirements and limitations set forth elsewhere in this Code. Such requirements and
12 limitations include, but are not limited to, height, Bulk, Setbacks, Required Open Space, Exposure, and
13 unit mix as well as applicable design guidelines, elements and area plans of the General Plan and
14 design review, including consistency with the Affordable Housing Bonus Program Design Guidelines,
15 referenced in Section 328, as determined by the Planning Department.

16 (ii) Ground Floor Ceiling Height. Tier One HOME-SF Projects with
17 active uses on the ground floor as defined in Section 145.1(b)(2) shall receive up to a maximum of five
18 additional feet in height above the height limit. However, the additional five feet may only be applied
19 at the ground floor to provide a 14-foot (floor to ceiling) ceiling height for nonresidential uses, and to
20 allow walk-up dwelling units to be consistent with the Ground Floor Residential Design Guidelines.
21 This additional five feet shall not be granted to projects that already receive such a height increase
22 under Planning Code Section 263.20.

23 (B) **Tier Two:** A Tier Two HOME-SF Project shall provide 25% of units in the HOME-
24 SF Project as HOME-SF Units. Ten percent of Tier Two HOME-SF Units that are Owned Units shall
25 have an average affordable purchase price set at 80% of Area Median Income; 8% shall have an

1 average affordable purchase price set at 105% of Area Median Income; and 7% shall have an average
2 affordable purchase price set at 130% of Area Median Income. Ten percent of HOME-SF Units that
3 are rental units shall have an average affordable rent set at 55% of Area Median Income; 8% shall
4 have an average affordable rent set at 80% of Area Median Income; and 7% shall have an average
5 affordable rent set at 110% of Area Median Income.

6 (i) Form based density. Notwithstanding any zoning designation to the contrary,
7 density of a Tier Two HOME-SF Project shall not be limited by lot area but rather by the applicable
8 requirements and limitations set forth elsewhere in this Code. Such requirements and limitations
9 include, but are not limited to, height, including any additional height allowed by subsections
10 (f)(2)(B)(ii) and (iii), Bulk, Setbacks, Required Open Space, Exposure, and unit mix as well as
11 applicable design guidelines, elements, and area plans of the General Plan and design review,
12 including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in
13 Section 328, as determined by the Planning Department.

14 (ii) Height. Up to 10 additional feet above the height authorized for the Tier
15 Two HOME-SF Project under the Height Map of the Zoning Map. This additional height may only be
16 used to provide up to one additional story of no more than 10 feet in height. Building features
17 exempted from height controls under Planning Code Section 260(b) shall be measured from the roof
18 level of the highest story provided under this subsection (f)(2)(B)(ii).

19 (iii) Ground Floor Ceiling Height. In addition to the permitted height allowed
20 under subsection (f)(2)(B)(ii), Tier Two HOME-SF Projects with active uses on the ground floor as
21 defined in Section 145.1(b)(2) shall receive up to a maximum of five additional feet in height above the
22 height limit. However, the additional five feet may only be applied at the ground floor to provide a 14-
23 foot (floor to ceiling) ceiling height for nonresidential uses, and to allow walk-up dwelling units to be
24 consistent with the Ground Floor Residential Design Guidelines. This additional five feet shall not be
25 granted to projects that already receive such a height increase under Planning Code Section 263.20.

1 (C) Tier Three: A Tier Three HOME-SF Project shall provide 30% of units in the
2 HOME-SF Project as HOME-SF Units. Ten percent of Tier Three HOME-SF Units that are Owned
3 Units shall have an average affordable purchase price set at 80% of Area Median Income; 10% shall
4 have an average affordable purchase price set at 105% of Area Median Income; and 10% shall have
5 an average affordable purchase price set at 130% of Area Median Income. Ten percent of Tier Three
6 HOME-SF Units that are rental units shall have an average affordable rent set at 55% of Area Median
7 Income; 10% shall have an average affordable rent set at 80% of Area Median Income; and 10% shall
8 have an average affordable rent set at 110% of Area Median Income.

9 (i) Form based density. Notwithstanding any zoning designation to the contrary,
10 density of a Tier Three HOME-SF Project shall not be limited by lot area but rather by the applicable
11 requirements and limitations set forth elsewhere in this Code. Such requirements and limitations
12 include, but are not limited to, height, including any additional height allowed by subsections
13 (f)(2)(C)(ii) and (iii), Bulk, Setbacks, Required Open Space, Exposure, and unit mix as well as
14 applicable design guidelines, elements, and area plans of the General Plan and design review,
15 including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in
16 Section 328, as determined by the Planning Department.

17 (ii) Height. Up to 20 additional feet above the height authorized for the Tier
18 Three HOME-SF Project under the Height Map of the Zoning Map. This additional height may only be
19 used to provide up to two additional 10-foot stories to the project, or one additional story of no more
20 than 10 feet in height. Building features exempted from height controls under Planning Code Section
21 260(b) shall be measured from the roof level of the highest story provided under this section.

22 (iii) Ground Floor Ceiling Height. In addition to the permitted height allowed
23 under subsection (f)(2)(C)(ii), Tier Three HOME-SF Projects with active uses on the ground floor as
24 defined in Section 145.1(b)(2) shall receive up to a maximum of five additional feet in height above the
25 height limit. However, the additional five feet may only be applied at the ground floor to provide a 14-

1 foot (floor to ceiling) ceiling height for nonresidential uses, and to allow walk-up dwelling units to be
2 consistent with the Ground Floor Residential Design Guidelines. This additional five feet shall not be
3 granted to projects that already receive such a height increase under Planning Code Section 263.20.

4
5 **SEC. 206.4. THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM.**

6 * * * *

7 (c) **Development Bonuses.** A 100 Percent Affordable Housing Bonus Project shall, at
8 the project sponsor's request, receive any or all of the following:

9 (1) **Priority Processing.** 100 Percent Affordable Housing Bonus Projects shall
10 receive Priority Processing.

11 (2) **Form Based Density.** Notwithstanding any zoning designation to the
12 contrary, density of the 100 Percent Affordable Housing Bonus Project shall not be limited by
13 lot area but rather by the applicable requirements and limitations set forth elsewhere in this
14 Code. Such requirements and limitations include, but are not limited to, height, including any
15 additional height allowed by subsection (c) herein, Bulk, Setbacks, Open Space, Exposure
16 and unit mix as well as applicable design guidelines, elements and area plans of the General
17 Plan and design review, including consistency with the Affordable Housing Bonus Program
18 Design Guidelines, referenced in Section ~~328~~ 315.1, as determined by the Planning
19 Department.

20 (3) **Height.** 100 Percent Affordable Housing Bonus Projects shall be allowed up
21 to 30 additional feet, not including allowed exceptions per Section 260(b), above the
22 property's height district limit in order to provide three additional stories of residential use. This
23 additional height may only be used to provide up to three additional 10-foot stories to the
24 project, or one additional story of not more than 10 feet in height.

25 ///

1 (4) **Ground Floor Ceiling Height.** In addition to the permitted height allowed
2 under subsection (c)(3), 100 Percent Affordable Housing Bonus Projects with active ground
3 floors as defined in Section 145.1(b)(2) shall receive one additional foot of height, up to a
4 maximum of an additional five feet at the ground floor, exclusively to provide a minimum 14-
5 foot (floor to ceiling) ground floor ceiling height.

6 (5) **Zoning Modifications.** 100 Percent Affordable Housing Bonus Projects
7 may select any or all of the following zoning modifications:

8 (A) **Rear Yard:** The required rear yard per Section 134 or any applicable
9 special use district may be reduced to no less than 20% of the lot depth or 15 feet, whichever
10 is greater. Corner properties may provide 20% of the lot area at the interior corner of the
11 property to meet the minimum rear yard requirement, provided that each horizontal dimension
12 of the open area is a minimum of 15 feet; and that the open area is wholly or partially
13 contiguous to the existing midblock open space, if any, formed by the rear yards of adjacent
14 properties.

15 (B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements
16 of Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open
17 area that is no less than 15 feet in every horizontal dimension, and such open area is not
18 required to expand in every horizontal dimension at each subsequent floor.

19 (C) **Off Street Loading:** No off-street loading spaces under Section 152.

20 (D) **Automobile Parking:** Up to a 100% reduction in the minimum off-
21 street residential and commercial automobile parking requirement under Article 1.5 of this
22 Code.

23 (E) **Open Space:** Up to a 10% reduction in common open space
24 requirements if required by Section 135, but no less than 36 square feet of open space per
25 unit.

1 (F) **Inner Courts as Open Space:** In order for an inner court to qualify
2 as useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every
3 horizontal dimension, and for the height of the walls and projections above the court on at
4 least three sides (or 75% of the perimeter, whichever is greater) to be no higher than one foot
5 for each foot that such point is horizontally distant from the opposite side of the clear space in
6 the court. 100 Percent Affordable Housing Bonus Projects may instead provide an inner court
7 that is at least 25 feet in every horizontal dimension, with no restriction on the heights of
8 adjacent walls. All area within such an inner court shall qualify as common open space under
9 Section 135.

10 (d) **Implementation.**

11 (1) **Application.** The following procedures shall govern the processing of a
12 request for a project to qualify under the 100 Percent Affordable Housing Bonus Program.

13 (A) An application to participate in the 100 Percent Affordable Housing
14 Bonus Program shall be submitted with the first application for approval of a Housing Project
15 and processed concurrently with all other applications required for the Housing Project. The
16 application shall be submitted on a form prescribed by the City and shall include at least the
17 following information:

18 (i) A full plan set including a site plan, elevations, sections and
19 floor plans, showing the total number of units, unit sizes and planned affordability levels and
20 any applicable funding sources;

21 (ii) The requested development bonuses from those listed in
22 subsection (c);

23 (iii) Unit size and distribution of multi-bedroom units:

24 (iv) Documentation that the applicant has provided written
25 notification to all existing commercial tenants that the applicant intends to develop the

1 property pursuant to this section 206.4. Any affected commercial tenants shall be given
2 priority processing similar to the Department's Community Business Priority Processing
3 Program, as adopted by the Planning Commission on February 12, 2015 under Resolution
4 Number 19323 to support relocation of such business in concert with access to relevant local
5 business support programs. In no case may an applicant receive a site permit or any
6 demolition permit prior to 18 months from the date of written notification required by this
7 subsection 206.4(d)(1)(B); and

8 (v) Documentation that the applicant shall comply with any
9 applicable provisions of the State Relocation Law or Federal Uniform Relocation Act when a
10 parcel includes existing commercial tenants.

11 (2) **Conditions.** Entitlements of 100 Percent Affordable Housing Bonus Projects
12 approved under this Section shall be valid for 10 years from the date of *Planning Commission or*
13 *Planning Department* approval.

14 ~~(3) **Notice and Hearing.** 100 Percent Affordable Housing Bonus Projects shall comply~~
15 ~~with Section 328 for review and approval.~~

16 (34) **Controls.** Notwithstanding any other provision of this Code, no conditional
17 use authorization shall be required for a 100 Percent Affordable Housing Bonus Project,
18 unless such conditional use requirement was adopted by the voters.

19
20 Section 3. The Planning Code is hereby amended by revising Section 315 to read as
21 follows:

22 **SEC. 315 AFFORDABLE HOUSING PROJECT AUTHORIZATION**

23 * * * *

24 ///

25 ///

1 **SEC. 315.1 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT AUTHORIZATION.**

2 (a) Purpose. The purpose of this Section 315.1 is to ensure that all 100 Percent Affordable
3 Housing Bonus projects pursuant to Planning Code Section 206.4 are reviewed in coordination with
4 Priority Processing available for certain projects with 100% affordable housing. While most projects
5 in the 100 Percent Affordable Housing Bonus Program will likely be somewhat larger than their
6 surroundings in order to facilitate higher levels of affordable housing, the Planning Director and
7 Department shall review each project for consistency with the Affordable Housing Bonus Design
8 Guidelines and any other applicable design guidelines, as adopted and periodically amended by the
9 Planning Commission, so that projects respond to their surrounding context, while still meeting the
10 City's affordable housing goals.

11 (b) Applicability. This Section 315.1 applies to all 100 Percent Affordable Housing Bonus
12 Projects that meet the requirements described in Section 206.4.

13 (c) Design Review. The Planning Department shall review and evaluate all physical aspects of
14 a 100 Percent Affordable Housing Bonus Project as follows.

15 (1) The Planning Director may, consistent with the Affordable Housing Bonus Program
16 Design Guidelines and any other applicable design guidelines, make minor modifications to a project
17 to reduce the impacts of a 100 Percent Affordable Housing Bonus Project on surrounding buildings.
18 The Planning Director may also apply the standards of Section 261.1 to bonus floors for all projects on
19 narrow streets and alleys in order to ensure that these streets do not become overshadowed, including
20 potential upper story setbacks, and special consideration for the southern side of East-West streets, and
21 Mid-block passages, as long as such setbacks do not result in a smaller number of residential units.

22 (2) As set forth in subsection (d) below, the Planning Director may also grant minor
23 exceptions to the provisions of this Code. However, such exceptions should only be granted to allow
24 building mass to appropriately shift to respond to surrounding context, and only when such
25 modifications do not substantially reduce or increase the overall building envelope permitted by the

1 Program under Section 206.4. All modifications and exceptions should be consistent with the
2 Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In
3 case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program
4 Design Guidelines shall prevail.

5 (3) The Planning Director may require these or other modifications or conditions in
6 order to achieve the objectives and policies of the Affordable Housing Bonus Program or the purposes
7 of this Code. This review shall be limited to design issues including the following:

8 (A) whether the bulk and massing of the building is consistent with the
9 Affordable Housing Bonus Design Guidelines.

10 (B) whether building design elements including, but not limited to, architectural
11 treatments, facade design, and building materials, are consistent with the Affordable Housing Bonus
12 Program Design Guidelines and any other applicable design guidelines.

13 (C) whether the design of lower floors, including building setback areas,
14 commercial space, townhouses, entries, utilities, and parking and loading access is consistent with the
15 Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.

16 (D) whether the required streetscape and other public improvements such as
17 tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other
18 applicable design guidelines.

19 (d) Exceptions. As a component of the review process under this Section 315.1, the Planning
20 Director may grant minor exceptions to the provisions of this Code as provided below, in addition to
21 the development bonuses granted to the project in Section 206.4(c). Such exceptions, however, should
22 only be granted to allow building mass to appropriately shift to respond to surrounding context, and
23 only when the Planning Director finds that such modifications do not substantially reduce or increase
24 the overall building envelope permitted by the Program under Section 206.4, and the project, with the
25 modifications and exceptions, is consistent with the Affordable Housing Bonus Design Guidelines.

1 These exceptions may include:

2 (1) Exception from residential usable open space requirements per Section 135, or any
3 applicable special use district.

4 (2) Exception from satisfaction of loading requirements per Section 152.1, or any
5 applicable special use district.

6 (3) Exception for rear yards, pursuant to the requirements of Section 134, or any
7 applicable special use district.

8 (4) Exception from dwelling unit exposure requirements of Section 140, or any
9 applicable special use district.

10 (5) Exception from satisfaction of accessory parking requirements per Section 152.1, or
11 any applicable special use district.

12 (6) Where not specified elsewhere in this subsection (d), modification of other Code
13 requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section
14 304), irrespective of the zoning district in which the property is located, and without requiring
15 conditional use authorization.

16 (e) **Required Findings.** In reviewing any project pursuant to this Section 315.1, the Planning
17 Director shall make the following findings:

18 (1) the use complies with the applicable provisions of this Code and is consistent with
19 the General Plan;

20 (2) the use provides development that is in conformity with the stated purpose of the
21 applicable Use District; and,

22 (3) the use contributes to the City's affordable housing goals as stated in the General
23 Plan.

24 (4) If a 100 Percent Affordable Housing Bonus Project otherwise would require a
25 conditional use authorization due only to (1) a specific land use or (2) a use size limit, the Planning

1 Director shall make all findings and consider all criteria required by this Code for such use or use size
2 as part of this 100 Percent Affordable Housing Bonus Project Authorization and no conditional use
3 authorization shall be required.

4 (f) **Decision and Imposition of Conditions.** The Planning Director may authorize, disapprove
5 or approve subject to conditions, the project and any associated requests for exceptions and shall make
6 appropriate findings. The Director may impose additional conditions, requirements, modifications, and
7 limitations on a proposed project in order to achieve the objectives, policies, and intent of the General
8 Plan or of this Code. This administrative review shall be identical in purpose and intent to any
9 Planning Commission review that would otherwise be required by Section 206.4 of the Planning Code.

10 (g) **Discretionary Review.** As long as the Planning Commission has delegated its authority to
11 the Planning Department to review applications for an Affordable Housing Project, the Planning
12 Commission shall not hold a public hearing for discretionary review of a 100 Percent Affordable
13 Housing Bonus project that is subject to this Section.

14 (h) **Appeals.** The Planning Director's administrative determination regarding a 100 Percent
15 Affordable Housing Bonus Project pursuant to this Section 315.1 shall be considered part of a related
16 building permit. Any appeal of such determination shall be made through the associated building
17 permit.

18
19 Section 4. The Planning Code is hereby amended by revising Sections 303 and 328 to
20 read as follows:

21 **SECTION 303. CONDITIONAL USES**

22 * * * *

23 (v) **Affordable Housing Bonus Projects.** The purpose of this Section 303(v) is to
24 ensure that ~~all HOME-SF Projects under Section 206.3 and~~ all Analyzed State Density Bonus
25 Program Projects under Section 206.5 are reviewed in coordination with priority processing

1 available for certain projects with greater levels of affordable housing. While most projects in
2 the Program will likely be somewhat larger than their surroundings in order to facilitate higher
3 levels of affordable housing, the Planning Commission and Department shall ensure that each
4 project is consistent with the Affordable Housing Bonus Design Guidelines and any other
5 applicable design guidelines, as adopted and periodically amended by the Planning
6 Commission, so that projects respond to their surrounding context, while still meeting the
7 City's affordable housing goals.

8 (1) **Planning Commission Design Review:** The Planning Commission shall
9 review and evaluate all physical aspects of a ~~HOME-SF or~~ State Analyzed Project at a public
10 hearing. The Planning Commission recognizes that most qualifying projects will need to be
11 larger in height and mass than surrounding buildings ~~in order~~ to achieve the Affordable
12 Housing Bonus Program's affordable housing goals. However, the Planning Commission may,
13 consistent with the Affordable Housing Bonus Program Design Guidelines, and any other
14 applicable design guidelines, and upon recommendation from the Planning Director, make
15 minor modifications to a project to reduce the impacts of such differences in scale.

16 ~~Additionally, as set forth in subsection (2) below, for HOME-SF Projects the Planning Commission~~
17 ~~may grant minor exceptions to the provisions of this Code. However, such exceptions should only be~~
18 ~~granted to allow building mass to appropriately shift to respond to surrounding context, and only when~~
19 ~~such modifications do not substantially reduce or increase the overall building envelope permitted by~~
20 ~~the Program under Section 206.3. All modifications and exceptions should be consistent with the~~
21 ~~Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In~~
22 ~~case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program~~
23 ~~Design Guidelines shall prevail. The Planning Commission may require these or other modifications or~~
24 ~~conditions, or disapprove a project, in order to achieve the objectives and policies of the Affordable~~
25 ~~Housing Bonus Program or the purposes of this Code. This review shall be limited to design issues~~

1 including the following:

2 ~~(A) whether the bulk and massing of the building is consistent with the~~
3 ~~Affordable Housing Program Bonus Design Guidelines.~~

4 ~~(B) whether building design elements including, but not limited to architectural~~
5 ~~treatments, façade design, and building materials, are consistent with the Affordable Housing Bonus~~
6 ~~Program Design Guidelines and any other applicable design guidelines.~~

7 ~~(C) whether the design of lower floors, including building setback areas,~~
8 ~~commercial space, townhouses, entries, utilities, and parking and loading access is consistent with the~~
9 ~~Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.~~

10 ~~(D) whether the required streetscape and other public improvements such as~~
11 ~~tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other~~
12 ~~applicable design guidelines.~~

13 ~~(2) Exceptions. This subsection (v)(2) shall not apply to State Analyzed projects. As a~~
14 ~~component of the review process under this Section 303(v), the Planning Commission may grant minor~~
15 ~~exceptions to the provisions of this Code as provided for below, in addition to the development bonuses~~
16 ~~granted to the project in Section 206.3(d). Such exceptions, however, should only be granted to allow~~
17 ~~building mass to appropriately shift to respond to surrounding context, and only when the Planning~~
18 ~~Commission finds that such modifications: (1) do not substantially reduce or increase the overall~~
19 ~~building envelope permitted by the Program under Section 206.3; and (2) are consistent with the~~
20 ~~Affordable Housing Bonus Design Guidelines. These exceptions may include:~~

21 ~~(A) Exception from residential usable open space requirements per Section 135,~~
22 ~~or any applicable special use district.~~

23 ~~(B) Exception from satisfaction of loading requirements per Section 152.1, or~~
24 ~~any applicable special use district.~~

25 ///

1 ~~(C) Exception for rear yards, pursuant to the requirements of Section 134, or~~
2 ~~any applicable special use district.~~

3 ~~(D) Exception from dwelling unit exposure requirements of Section 140, or any~~
4 ~~applicable special use district.~~

5 ~~(E) Exception from satisfaction of accessory parking requirements per Section~~
6 ~~152.1, or any applicable special use district.~~

7 ~~(F) Where not specified elsewhere in this subsection (v)(2), modification of other~~
8 ~~Code requirements that could otherwise be modified as a Planned Unit Development (as set forth in~~
9 ~~Section 304), irrespective of the zoning district in which the property is located.~~

10 ~~(G) Exception from active ground floor use requirements under 145.1(e)(3).~~

11 ~~(3)(2)~~ **Additional Criteria.** In addition to the criteria set forth in subsection
12 (c)(2), the Planning Commission shall consider the extent to which the following criteria are
13 met:

14 (A) whether the project would require the demolition of an existing
15 building;

16 (B) whether the project would remove existing commercial or retail uses;

17 (C) If the project would remove existing commercial or retail uses, how
18 recently the commercial or retail uses were occupied by a tenant or tenants;

19 (D) whether the project includes commercial or retail uses;

20 (E) whether there is an adverse impact on the public health, safety, and
21 general welfare due to the loss of commercial or retail uses in the district where the project is
22 located; and

23 (F) whether any existing commercial or retail use has been designated,
24 or is eligible to be designated, as a Legacy Business under Administrative Code Section
25 2A.242; or is a formula retail business.

1 ~~(4)(3)~~ In no case may a project receive a site permit or any demolition permit
2 prior to 18 months from the date of written notification required by ~~206.5(d)(7). 206.3(e)(1)(D).~~

3 * * * *

4
5 **SEC. 328. ~~100 PERCENT AFFORDABLE HOUSING BONUS~~ HOME-SF PROJECT**
6 **AUTHORIZATION.**

7 (a) Purpose. The purpose of this Section 328 is to ensure that all HOME-SF 100-Percent
8 Affordable Housing Bonus projects under Section ~~206.4~~ 206.3 are reviewed in a timely manner
9 coordination with priority processing available for certain projects with 100-Percent affordable
10 housing. While most projects in the 100-Percent Affordable Housing Bonus HOME-SF Program will
11 likely be somewhat larger than their surroundings in order to facilitate higher levels of
12 affordable housing, the Planning Commission and Department shall ensure that each project
13 is consistent with the Affordable Housing Bonus Design Guidelines and any other applicable
14 design guidelines, as adopted and periodically amended by the Planning Commission, so that
15 projects respond to their surrounding context, while still meeting the City's affordable housing
16 goals.

17 (b) Applicability. This Section 328 applies to all qualifying HOME-SF 100-Percent
18 Affordable Housing Bonus Projects that meet the requirements described in Section ~~206.4~~ 206.3.

19 (c) Planning Commission Design Review. The Planning Commission shall review and
20 evaluate all physical aspects of a 100-Percent Affordable Housing Bonus HOME-SF Project at a
21 public hearing. The Planning Commission recognizes that most qualifying projects will need to
22 be larger in height and mass than surrounding buildings in order to achieve ~~the 100%~~
23 Affordable Housing Bonus Program's HOME-SF's affordable housing goals. However, the
24 Planning Commission may, consistent with the Affordable Housing Bonus Program Design
25 Guidelines, and any other applicable design guidelines, and upon recommendation from the

1 Planning Director, make minor modifications to a project to reduce the impacts of such
2 differences in scale. The Planning Commission, upon recommendation of the Planning
3 Director, may also apply the standards of Section 261.1 to bonus floors for all projects on
4 narrow streets and alleys ~~in order~~ to ensure that these streets do not become overshadowed,
5 including potential upper story setbacks, and special consideration for the southern side of
6 East-West streets, and Mid-block passages, as long as such setbacks do not result in a
7 smaller number of residential units.

8 Additionally, as set forth in subsection (d) below, the Planning Commission may grant
9 minor exceptions to the provisions of this Code. However, such exceptions should only be
10 granted to allow building mass to appropriately shift to respond to surrounding context, and
11 only when such modifications do not substantially reduce or increase the overall building
12 envelope permitted by the Program under Section ~~206.3206.4~~. All modifications and exceptions
13 should be consistent with the Affordable Housing Bonus Program Design Guidelines and any
14 other applicable design guidelines. In case of a conflict with other applicable design
15 guidelines, the Affordable Housing Bonus Program Design Guidelines shall prevail.

16 The Planning Commission may require these or other modifications or conditions, or
17 disapprove a project, in order to achieve the objectives and policies of the Affordable Housing
18 Bonus Programs or the purposes of this Code. This review shall limited to design issues
19 including the following:

20 (1) whether the bulk and massing of the building is consistent with the
21 Affordable Housing Bonus Design Guidelines.

22 (2) whether building design elements including, but not limited to architectural
23 treatments, facade design, and building materials, are consistent with the Affordable Housing
24 Bonus Program Design Guidelines and any other applicable design guidelines.

25 ///

1 (3) whether the design of lower floors, including building setback areas,
2 commercial space, townhouses, entries, utilities, and parking and loading access is consistent
3 with the Affordable Housing Bonus Program Design Guidelines, and any other applicable
4 design guidelines.

5 (4) whether the required streetscape and other public improvements such as
6 tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any
7 other applicable design guidelines.

8 (d) Exceptions. As a component of the review process under this Section 328, the
9 Planning Commission may grant minor exceptions to the provisions of this Code as provided
10 for below, in addition to the development bonuses granted to the project in Section 206.3
11 ~~206.4(e)~~. Such exceptions, however, should only be granted to allow building mass to
12 appropriately shift to respond to surrounding context, and only when the Planning
13 Commission finds that such modifications do not substantially reduce or increase the overall
14 building envelope permitted by the HOME-SF Program under Section 206.3 ~~206.4~~, and also are
15 consistent with the Affordable Housing Bonus Design Guidelines. These exceptions may
16 include:

17 (1) Exception from residential usable open space requirements per Section 135,
18 or any applicable special use district.

19 (2) Exception from satisfaction of loading requirements per Section 152.1, or
20 any applicable special use district.

21 (3) Exception for rear yards, pursuant to the requirements of Section 134, or
22 any applicable special use district.

23 (4) Exception from dwelling unit exposure requirements of Section 140, or any
24 applicable special use district.

25 ///

1 (5) Exception from satisfaction of accessory parking requirements per Section
2 152.1, or any applicable special use district.

3 (6) Where not specified elsewhere in this subsection (d), modification of other
4 Code requirements that could otherwise be modified as a Planned Unit Development (as set
5 forth in Section 304), irrespective of the zoning district in which the property is located.

6 (e) Required Findings. In its review of any project pursuant to this Section 328, the
7 Planning Commission shall make the following findings:

8 (1) the use as proposed will comply with the applicable provisions of this Code
9 and is consistent with the General Plan; and

10 (2) the use as proposed will provide development that is in conformity with the
11 stated purpose of the applicable Use District; ~~and,~~

12 ~~(3) the use as proposed will contribute to the City's affordable housing goals as stated~~
13 ~~in the General Plan.~~

14 (f) Additional Criteria. The Planning Commission shall consider the extent to which the
15 following criteria are met:

16 (1) whether the project would require the demolition of an existing building;

17 (2) whether the project would remove existing commercial or retail uses;

18 (3) If the project would remove existing commercial or retail uses, how recently
19 the commercial or retail uses were occupied by a tenant or tenants;

20 (4) whether the project includes commercial or retail uses;

21 (5) whether there is an adverse impact on the public health, safety, and general
22 welfare due to the loss of commercial or retail uses in the district where the project is located; and

23 (6) whether any existing commercial or retail use has been designated, or is
24 eligible to be designated, as a Legacy Business under Administrative Code Section 2A.242; or is a
25 formula retail business.

1 ~~(f)~~ (g) If a *100-Percent Affordable Housing Bonus HOME-SF* Project otherwise requires a
2 conditional use authorization due only to (1) a specific land use, (2) use size limit, or (3)
3 requirement adopted by the voters, then the Planning Commission shall make all findings and
4 consider all criteria required by this Code for such use or use size as part of this *100-Percent*
5 *Affordable Housing Bonus HOME-SF* Project Authorization.

6 ~~(g)~~ (h) Hearing and Decision.

7 (1) Hearing. The Planning Commission shall hold a public hearing for all
8 projects that are subject to this Section 328, within 120 days of the date that the HOME-SF
9 application is deemed complete.

10 (2) Notice of Hearing. Notice of such hearing shall be provided pursuant to the
11 same requirements for Conditional Use requests, as set forth in Section 306.3 and 306.8.

12 (3) Director's Recommendations on Modifications and Exceptions. At the
13 hearing, the Planning Director shall review for the Commission key issues related to the
14 project based on the review of the project pursuant to subsection (c) and recommend to the
15 Commission modifications, if any, to the project and conditions for approval as necessary. The
16 Director shall also make recommendations to the Commission on any proposed exceptions
17 pursuant to subsection (d).

18 (4) Decision and Imposition of Conditions. The Commission, after public hearing
19 and, after making appropriate findings, may approve, disapprove, or approve subject to
20 conditions, the project and any associated requests for exceptions. As part of its review and
21 decision, the Planning Commission may impose additional conditions, requirements,
22 modifications, and limitations on a proposed project in order to achieve the objectives,
23 policies, and intent of the General Plan or of this Code.

24 (5) Appeal. The decision of the Planning Commission may be appealed to the
25 Board of ~~Supervisors~~ Appeals by any person aggrieved within ~~30~~ 15 days after the date of the

1 decision by filing a written notice of appeal with the Board of ~~Supervisors Appeals~~, setting forth
2 wherein it is alleged that there was an error in the interpretation of the provisions of this
3 Section 328 or abuse of discretion on the part of the Planning Commission. The procedures
4 and requirements for ~~conditional use~~ appeals in Section ~~308.1(b) and (e)~~ 309(e)(3) and (4) shall
5 apply to appeals to the Board of ~~Supervisors Appeals~~ under this Section 328.

6 (6) Discretionary Review. No requests for discretionary review shall be
7 accepted by the Planning Department or heard by the Planning Commission for projects
8 subject to this Section 328.

9 (7) Change of Conditions. Once a project is approved, authorization of a
10 change in any condition previously imposed by the Planning Commission shall require
11 approval by the Planning Commission subject to the procedures set forth in this Section 328.

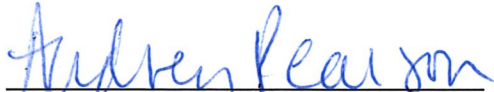
12 (8) In no case may a project approved or approved with conditions under this Section
13 328 receive a site permit or any demolition permit prior to 18 months from the date of written
14 notification required by 206.3(e)(1)(D).

15
16 Section 5. Effective Date. This ordinance shall become effective 30 days after
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
19 of Supervisors overrides the Mayor's veto of the ordinance.

20
21 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
22 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
23 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
24 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
25 additions, and Board amendment deletions in accordance with the "Note" that appears under

1 the official title of the ordinance.

2
3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA, City Attorney

5 By: 
6 AUDREY W. PEARSON
7 Deputy City Attorney
8 n:\leganalas2018\1800547\01272544.docx

LEGISLATIVE DIGEST

[Planning Code - Housing Opportunities Mean Equity-San Francisco (HOME-SF) and 100% Affordable Housing Bonus Programs]

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received through December 31, 2019, with existing requirements and bonuses revived starting January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

HOME-SF

Planning Code section 206.3 sets forth the HOME-SF program, which grants housing development projects that provide at least 30% of dwelling units as affordable to very low, low and moderate income households certain development bonuses, including form-based density, twenty additional feet in height, as well as five additional feet of ceiling height for certain specified uses. For ownership projects, twelve percent of units must have an average affordable purchase price set at 80% of Area Median Income (AMI); 9% must have an average affordable purchase price set at 105% of AMI; and 9% must have an average affordable purchase price set at 130% of AMI. In rental projects, 12% of units must have an average affordable rent set at 55% of AMI; 9% must have an average affordable rent set at 80% of AMI; and 9% must have an average affordable rent set at 110% of AMI.

HOME-SF projects are reviewed and approved by the Planning Commission, with an appeal to the Board of Supervisors, under the conditional use procedures in Planning Code section 303(v). There is no set date by which a project must be approved, denied or approved with conditions at the Planning Commission.

100% Affordable Housing Bonus Projects

The 100% Affordable Housing Bonus Program, in Planning Code section 206.4, requires project approval through an authorization, Planning Code Section 328, which provides for a Planning Commission hearing and an appeal to the Board of Supervisors. A 100% Affordable

Housing Bonus Project is not required to seek conditional use authorization, and the Planning Commission does not hear separate discretionary review requests.

Amendments to Current Law

HOME-SF

This ordinance amends certain requirements of the HOME-SF program for a limited period. Projects with development applications submitted before January 1, 2020 that provide at least 20% of units as affordable units can receive development bonuses based on the amount of affordable housing provided. Tier One projects must provide 20% of dwelling units as affordable units and can receive form-based density and an additional 5 feet of ground floor ceiling height for specified uses. Tier Two projects must provide 25% of dwelling units as affordable units and can receive form-based density, ten additional feet of height, and additional ground floor ceiling height. Tier Three projects must provide 30% of units as affordable units and can receive form based density, 20 additional feet in height, and an additional five feet of ground floor ceiling height. The percentage of units required at each income level in each tier is as follows:

Tier One - Ownership: 10% at 80% AMI; 5% at 105% AMI; 5% at 130% AMI
 Rental: 10% at 55% AMI, 5% at 80% AMI; 5% at 110 AMI%

Tier Two – Ownership: 10% at 80% AMI; 8% at 105% AMI; 7% at 130% AMI
 Rental 10% at 55% AMI; 8% at 80% AMI; 7% at 110% AMI

Tier Three – Ownership: 10% at 80% AMI; 10% at 105% AMI; 10% at 130% AMI
 Rental: 10% at 55% AMI; 10% at 80% AMI; 10% at 110% AMI

After January 1, 2020, the affordability requirements and development bonuses allowed for HOME-SF projects would revert to current law, as set forth under “Existing Law.”

The legislation would require HOME-SF project authorization through the Planning Code 328 process, and delete the requirement for a conditional use authorization. The legislation amends Section 328 to allow an appeal to the Board of Appeals, not the Board of Supervisors. The Planning Commission would have to approve, deny, or approve with conditions the HOME-SF project within 120 days of the date the HOME-SF application is deemed complete.

100% Affordable Housing Bonus Projects

The legislation would create a new process for authorization of 100% Affordable Housing Bonus Projects, under new section 315.1. These projects would no longer need approval through Section 328. Under section 315.1, the Planning Director, rather than the Planning Commission, would review 100% Affordable Housing Bonus projects and would make certain

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findings. No hearing before the Planning Commission would be required. No discretionary review hearing would occur before the Planning Commission as long as the Planning Commission delegates this review to the Planning Department. The Planning Department's approval would be conducted as part of a related building permit application, and any appeal of the Planning Department's determination would be through the associated building permit, which appeal would be to the Board of Appeals.

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