

REVISED LEGISLATIVE DIGEST

(Amended in Board, 7/17/2018)

[Planning Code - HOME-SF and 100% Affordable Housing Bonus Program]

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 for projects with complete environmental evaluation applications submitted on or before December 31, 2019, with existing requirements and bonuses revived for projects with complete environmental evaluation applications submitted on or after 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; establish duties for the Inclusionary Housing Technical Advisory Committee; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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. Projects also receive up to three of seven specified zoning modifications. 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.

A HOME-SF project in a neighborhood commercial district cannot require the merger of lots that result in more than 125 feet of lot frontage.

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.

Triennial Economic Feasibility Analysis

Planning Code section 415.10 requires the Inclusionary Housing Technical Advisory Committee to conduct a feasibility study of the Inclusionary Housing Program every three years.

Amendments to Current Law

HOME-SF

This ordinance amends certain requirements of the HOME-SF program for a limited period. Projects with complete environmental evaluation 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 that are fewer than 25 units 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 One projects that are 25 units or more must provide 23% 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 (fewer than 25 units)

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 One (25 or more units)

Ownership: 10% at 80% AMI; 8% at 105% AMI; 5% at 130% AMI
Rental: 10% at 55% AMI, 8% 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

For projects with complete environmental evaluation applications submitted on January 1, 2020 or thereafter, 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 allow projects to receive all seven zoning modifications. The legislation would also repeal the current Section 328. HOME-SF projects would require authorization through a new Section 328 process similar to the repealed process, and would not require a conditional use authorization. New Section 328 allows an appeal to the Board of Appeals. Among other findings, the Planning Commission would be required to determine if a HOME SF project that involved the merger of two or more lots resulting in more than 125 feet of lot frontage was consistent with the Affordable Housing Bonus Program Design Guidelines. The Planning Commission would have to approve, deny, or approve with conditions the HOME-SF project within 180 days of submittal of a complete project application, unless the Environmental Review Officer determines that an environmental impact report is required.

Finally, a HOME-SF project authorization would expire if a project sponsor did not procure a building or site permit within 36 months of project approval. This deadline would be extended in the case of an appeal or litigation.

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 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.

Triennial Economic Feasibility Analysis

The ordinance directs the Inclusionary Housing Technical Advisory Committee to review the inclusionary rates of the HOME-SF Program, including the different tiers set forth in the ordinance, the homeownership and rental inclusionary rates, and whether the rates should be indexed, as part of the Triennial Economic Feasibility Analysis conducted under Section 415.