

1 [Increasing the requirements of the Inclusionary Affordable Housing Program.]

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3 **Ordinance amending Planning Code Sections 315.1, 315.2, 315.4 and 315.5 related to**
4 **the Inclusionary Affordable Housing Program to increase the percentage of affordable**
5 **housing required for all residential developments of 10 units or more, and to adjust the**
6 **way low and median income is calculated from a method using Metropolitan Statistical**
7 **Area calculations to City and County of San Francisco calculations; and making**
8 **findings including environmental findings and findings of consistency with the priority**
9 **policies of Planning Code Section 101.1 and the General Plan.**

10 Note: Additions are *single-underline italics Times New Roman*;
11 deletions are *strikethrough italics Times New Roman*.
12 Board amendment additions are double underlined.
13 Board amendment deletions are ~~strikethrough normal~~.

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

14 Section 1. Findings. The Board of Supervisors of the City and County of San
15 Francisco hereby finds and determines:

16 (a) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
17 ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in
18 Planning Commission Resolution No. _____, and incorporates such reasons
19 herein by reference. A copy of said Planning Commission Resolution is on file with the Clerk
20 of the Board of Supervisors in File No. _____.

21 (b) The Board of Supervisors finds that this ordinance is in conformity with the
22 General Plan, amended in the companion legislation, and the Priority Policies of Planning
23 Code Section 101.1 for the reasons set forth in Planning Commission Resolution No.
24 _____, and hereby incorporates those reasons by reference.

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1 (c) The Planning Department has determined that the actions contemplated in this
2 ordinance are in compliance with the California Environmental Quality Act (California Public
3 Resources Code sections 21000 et seq.). Said determination is on file with the Clerk of the
4 Board of Supervisors in File No. _____ and is incorporated herein by
5 reference.

6 Section 2. The San Francisco Planning Code is hereby amended by amending
7 Sections 315.1, 315.2, 315.4 and 315.5 to read as follows:

8 SEC. 315.1. DEFINITIONS.

9 The following definitions shall govern interpretation of this ordinance:

10 (1) "Affordable housing project" shall mean a housing project containing units
11 constructed to satisfy the requirements of Sections 315.4 or 315.5.

12 (2) "Affordable to a household" shall mean a purchase price that a household can
13 afford to pay based on an annual payment for all housing costs, as defined in California Code
14 of Regulations ("CCR") Title 25, Section 6920, as amended from time to time, of 33 percent of
15 the combined household annual net income, assuming a 10 percent down payment, and
16 available financing, or a rent that does not exceed 30 percent of a household's combined
17 annual net income.

18 (3) "Affordable to qualifying households" shall mean:

19 (A) With respect to owned units, the average purchase price on the initial
20 sale of all affordable owned units in an affordable housing project shall not exceed the
21 allowable average purchase price. Each unit shall be sold:

22 (i) Only to households with an annual net income equal to or less than the
23 qualifying limits for a household of median income, adjusted for household size ~~as set forth in~~
24 ~~CCR Title 25, Section 6932, as amended from time to time;~~

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1 (ii) On the initial sale, at or below the maximum purchase price; and
 2 (iii) On subsequent sales at or below the prices to be determined by the
 3 Director in the Conditions of Approval or Notice of Special Restrictions according to the
 4 formula specified in the Procedures Manual, as amended from time to time, such that the
 5 units remain affordable to qualifying households.

6 (B) With respect to rental units in an affordable housing project, the average
 7 annual rent, including the cost utilities paid by the tenant according to HUD utility allowance
 8 established by the San Francisco Housing Authority, shall not exceed the allowable average
 9 annual rent. Each unit shall be rented:

10 (i) Only to households with an annual net income equal to or less than the
 11 qualifying limits for a household of low income as defined in this Section;

12 (ii) At or less than the maximum annual rent.

13 (4) "Allowable average purchase price" shall mean a price for all affordable owned
 14 unit of the size indicated below that is affordable to a household of median income as defined
 15 in this Section, adjusted for the household size indicated below *as set forth in CCR Title 25,*
 16 *Section 6932, as amended from time to time,* as of the date of the close of escrow:

Number of Bedrooms (or, for live/work units square foot equivalency)	Number of Persons in Household
0 (Less than 600 square feet)	1
1 (601 to 850 square feet)	2
2 (851 to 1100 square feet)	3
3 (1101 to 1300 square feet)	4
4 (More than 1300 square feet)	5

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1 (5) "Allowable average annual rent" shall mean annual rent for an affordable rental
 2 unit of the size indicated below that is 18 percent of the annual net income of a household of
 3 median income as defined in this Section, adjusted for the household size indicated below ~~as~~
 4 ~~set forth in CCR Title 25, Section 6932, as amended from time to time:~~

Number of Bedrooms (or, for live/work units square foot equivalency)	Number of Persons in Household
0 (Less than 600 square feet)	1
1 (601 to 850 square feet)	2
2 (851 to 1100 square feet)	3
3 (1101 to 1300 square feet)	4
4 (More than 1300 square feet)	5

12 (6) "Annual net income" shall mean net income as defined in CCR Title 25, Section
 13 6916, as amended from time to time.

14 (7) "Average annual rent" shall mean the total annual rent for the calendar year
 15 charged by a housing project for all affordable rental units in the project of an equal number of
 16 bedrooms divided by the total number of affordable units in the project with that number of
 17 bedrooms.

18 (8) "Average purchase price" shall mean the purchase price for all affordable owned
 19 units in an affordable housing project of an equal number of bedrooms divided by the total
 20 number of affordable units in the project with that number of bedrooms.

21 (9) "Community apartment" shall be as defined in San Francisco Subdivision Code
 22 Section 1308(b).

1 (9a) "Conditional Use" for purposes of this Ordinance means a conditional use
2 authorization which, pursuant to the Planning Code, is required for the residential component
3 of a project.

4 (10) "Conditions of Approval" shall be a set of written conditions imposed by the
5 Planning Commission or another permit-issuing City agency or appellate body to which a
6 project applicant agrees to adhere and fulfill when it receives a conditional use or planned unit
7 development permit for the construction of a principal project or other housing project subject
8 to this Program.

9 (11) "Condominium" shall be as defined in California Civil Code Section 783.

10 (12) "Director" shall mean the Director of City Planning or his or her designee,
11 including other City agencies or departments.

12 (13) "First certificate of occupancy" shall mean either a temporary certificate of
13 occupancy or a Certificate of Final Completion and Occupancy as defined in San Francisco
14 Building Code Section 109, whichever is issued first.

15 (14) "High need area" will mean an area identified by the Mayor's Office of Housing,
16 or its successor, as having a large percentage of low income households.

17 (15) "Household" shall mean any person or persons who reside or intend to reside in
18 the same housing unit.

19 (16) "Household of low income" shall mean a household whose combined annual
20 gross income for all members does not exceed sixty (60) percent of median income for the
21 City and County of San Francisco Metropolitan Statistical Area, as calculated by the Mayor's Office
22 of Housing using data from the United States Department of Housing and Urban Development
23 (HUD) and adjusted for household size or, if data from HUD is unavailable, calculated by the
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1 Mayor's Office of Housing using other publicly available and credible data and adjusted for household
2 size.

3 (17) "Household of median income" shall mean a household whose combined annual
4 gross income for all members does not exceed one hundred (100) percent of the median
5 income for the City and County of San Francisco Metropolitan Statistical Area, as calculated by
6 the Mayor's Office of Housing using data from the United States Department of Housing and
7 Urban Development (HUD) and adjusted for household size or, if data from HUD is unavailable,
8 calculated by the Mayor's Office of Housing using other publicly available and credible data and
9 adjusted for household size.

10 (18) "Housing project" shall mean any development which has residential units as
11 defined in the Planning Code, including but not limited to dwellings, group housing, assisted
12 living developments, and other forms of development which are intended to provide long-term
13 housing to individuals and households. "Housing project" for purposes of this Program shall
14 also include the development of live/work units as defined by Planning Code Section 102.13.
15 Housing project for purposes of this Program shall mean all phases or elements of a multi-
16 phase or multiple lot residential development.

17 (19) "Housing unit" or "unit" shall mean a dwelling unit as defined in San Francisco
18 Housing Code Section 401.

19 (20) "Live/work unit" shall be as defined in San Francisco Planning Code Section
20 102.13.

21 (21) "Live/work project" shall mean a housing project containing more than one
22 live/work unit.

23 (22) "Long term housing" shall mean housing intended for occupancy by a person or
24 persons for 32 consecutive days or longer.

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1 (23) "Market rate housing" shall mean housing constructed in the principal project
2 that is not subject to sales or rental restrictions.

3 (24) "Maximum annual rent" shall mean the maximum rent that a housing developer
4 may charge any tenant occupying an affordable unit for the calendar year. The maximum
5 annual rent for an affordable housing unit of the size indicated below shall be no more than 30
6 percent of the annual net income for a household of low income as defined in this Section, as
7 adjusted for the household size indicated below ~~as set forth in CCR Title 25, Section 6932, as~~
8 ~~amended from time to time~~, as of the first date of the tenancy:

9 Number of Bedrooms (or, for live/work units 10 square foot equivalency)	Number of Persons in Household
11 0 (Less than 600 square feet)	1
12 1 (601 to 850 square feet)	2
13 2 (851 to 1100 square feet)	3
14 3 (1101 to 1300 square feet)	4
15 4 (More than 1300 square feet)	5

16 (25) "Maximum purchase price" shall mean the maximum purchase price for an
17 affordable owned unit of the size indicated below that is affordable to a household of median
18 income, adjusted for the household size indicated below, ~~as set forth in CCR Title 25, Section~~
19 ~~6932, as amended from time to time~~, as of the date of the close of escrow, assuming an annual
20 payment for all housing costs of 33 percent of the combined household annual net income, a
21 10 percent down payment, and available financing:

22 Number of Bedrooms (or, for live/work units 23 square foot equivalency)	Number of Persons in Household
24 0 (Less than 600 square feet)	1

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1	1 (601 to 850 square feet)	2
2	2 (851 to 1100 square feet)	3
3	3 (1101 to 1300 square feet)	4
4	4 (More than 1300 square feet)	5

(26) "Notice of Special Restrictions" shall mean a document recorded with the San Francisco Recorder's Office for any unit subject to this Program detailing the sale and resale or rental restrictions and any restrictions on purchaser or tenant income levels included as a Condition of Approval of the principal project relating to the unit.

(27) "Off-site unit" shall mean a unit affordable to qualifying households constructed pursuant to this Ordinance on a site other than the site of the principal project.

(28) "On-site unit" shall mean a unit affordable to qualifying households constructed pursuant to this Ordinance on the site of the principal project.

(29) "Ordinance" shall mean Planning Code Sections 315.1 through 315.9.

(30) "Owned unit" shall mean a unit affordable to qualifying households which is a condominium, stock cooperative, community apartment, or detached single-family home. The owner or owners of an owned unit must occupy the unit as their primary residence.

(31) "Owner" shall mean the record owner of the fee or a vendee in possession.

(32) "Principal project" shall mean a housing development on which a requirement to provide affordable housing units is imposed.

(33) "Procedures Manual" shall mean the City and County of San Francisco Affordable Housing Monitoring Procedures Manual issued by the San Francisco Department of City Planning, as amended.

(34) "Program" shall mean the Residential Inclusionary Affordable Housing Program.

1 (35) "Project applicant" shall mean an applicant for a building permit or a site permit
2 or an applicant for a conditional use permit or planned unit development permit, seeking
3 approval from the Planning Commission or Planning Department for construction of a housing
4 project subject to this Section, such applicant's successors and assigns.

5 (36) "Rent" or "rental" shall mean the total charges for rent, utilities, and related
6 housing services to each household occupying an affordable unit.

7 (37) "Rental unit" shall mean a unit affordable to qualifying households which is not a
8 condominium, stock cooperative, or community apartment.

9 ~~(38) "Section 6932" shall mean Section 6932 of Title 25 of the California Code of~~
10 ~~Regulations as such section applies to the County of San Francisco.~~

11 **SEC. 315.2. FINDINGS.**

12 The Board of Supervisors hereby finds and declares as follows:

13 Affordable Housing: The findings in Planning Code Section 315.2 of the Inclusionary
14 Affordable Housing Ordinance are hereby readopted and updated as follows:

15 1. Affordable housing is a paramount statewide concern. In 1980, the Legislature declared
16 in Government Code Section 65580:

17 (a) The availability of housing is of vital statewide importance, and the early attainment of
18 decent housing and a suitable living environment for every California family is a priority of the highest
19 order.

20 (b) The early attainment of this goal requires the cooperative participation of government
21 and the private sector in an effort to expand housing opportunities and accommodate the housing needs
22 of Californians of all economic levels.

23 (c) The provision of housing affordable to low-and moderate- income households requires
24 the cooperation of all levels of government.

1 (d) Local and state governments have a responsibility to use the powers vested in them to
2 facilitate the improvement and development of housing to make adequate provision for the housing
3 needs of all economic segments of the community...

4 The Legislature further stated in Government Code Section 65581 that:

5 It is the intent of the Legislature in enacting this article:

6 (a) To assure that counties and cities recognize their responsibilities in contributing to the
7 attainment of the state housing goal.

8 (b) To assure that counties and cities will prepare and implement housing elements
9 which...will move toward attainment of the state housing goal.

10 (c) To recognize that each locality is best capable of determining what efforts are required
11 by it to contribute to the attainment of the state housing goal...

12 The California Legislature requires each local government agency to develop a comprehensive
13 long-term general plan establishing policies for future development. As specified in the Government
14 Code (at Sections 65300, 65302(c), and 65583(c)), the plan must (1) "encourage the development of a
15 variety of types of housing for all income levels, including multifamily rental housing"; (2) "[a]ssist in
16 the development of adequate housing to meet the needs of low- and moderate-income households"; and
17 (3) "conserve and improve the condition of the existing affordable housing stock, which may include
18 addressing ways to mitigate the loss of dwelling units demolished by public or private action."

19 2. San Francisco faces a continuing shortage of affordable housing for very low and low-
20 income residents. The San Francisco Planning Department reported that for the four year period
21 between 2000 and 2004, 8,389 total new housing units were built in San Francisco. This number
22 includes 1,933 units for low and very low-income households out of a total need of 3,930 low and very
23 low-income housing units for the same period. According to the state Department of Housing and
24 Community Development, there will be a regional need for 230,743 new housing units in the nine Bay
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1 Area counties from 1999—2006. Of that amount, at least 58 percent, or 133,164 units, are needed for
2 moderate, low and very low-income households. The Association of Bay Area Governments (ABAG) is
3 responsible for dividing the total regional need numbers among its member governments which
4 includes both counties and cities. ABAG estimates that San Francisco's low and very low-income
5 housing production need from 1999 through 2006 is 7,370 units out of a total new housing need of
6 20,372 units, or 36% of all units built. Within the past four years, only 23% of all housing built, or
7 49% of the previously projected housing need for low and very low-income housing for the same
8 period, was produced in San Francisco. The production of moderate income rental units also fell short
9 of the ABAG goal. Only 351 moderate income units were produced over the previous four years, or 4%
10 of all units built, compared to ABAG's call for 28% of all units to be affordable to households of
11 moderate income. Given the need for 3,007 moderate income units over the 4-year period, only 12% of
12 the projected need for moderate income units was built.

13 3. In response to the above mandate from the California Legislature and the projections of
14 housing needs for San Francisco, San Francisco has instituted several strategies for producing new
15 affordable housing units. The 2004 Housing Element of the General Plan recognizes the need to
16 support affordable housing production by increasing site availability and capacity for permanently
17 affordable housing through the inclusion of affordable units in larger housing projects. Further, the
18 City, as established in the General Plan, seeks to encourage the distribution of affordable housing
19 throughout all neighborhoods and, thereby, offer diverse housing choices and promote economic and
20 social integration. The 2004 Housing Element calls for an increase in the production of new affordable
21 housing and for the development of mixed income housing to achieve social and cultural diversity. This
22 legislation furthers the goals of the State Legislature and the General Plan.

23 4. The 2005 Consolidated Plan for July 1, 2000 - June 30, 2005, issued by the Mayor's
24 Office of Community Development and the Mayor's Office of Housing, establishes that extreme housing
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1 pressures face San Francisco, particularly in regard to low- and moderate-income residents. Many
2 elements constrain housing production in the City. This is especially true of affordable housing. As
3 discussed in the 2004 Housing Element published by the City Planning Department, San Francisco is
4 largely built out, with very few large open tracts of land to develop. As noted in the 2000 Consolidated
5 Plan, its geographical location at the northern end of a peninsula inherently prevents substantial new
6 development. There is no available adjacent land to be annexed, as the cities located on San
7 Francisco's southern border are also dense urban areas. Thus new construction of housing is limited
8 to areas of the City not previously designated as residential areas, infill sites, or to areas with
9 increased density. New market-rate housing absorbs a significant amount of the remaining supply of
10 land and other resources available for development and thus limits the supply of affordable housing.

11 There is a great need for affordable rental and owner-occupied housing in the City. Housing
12 cost burden is one of the major standards for determining whether a locality is experiencing inadequate
13 housing conditions, defined as households that expend 30% or more of gross income for rent or 35% or
14 more of household income for owner costs. The 2000 Census indicates that 64,400 renter households
15 earning up to 80% of the area median income are cost burdened. Of these, about 25,000 households
16 earn less than 50% AMI and pay more than 50% of their income to rent. According to more recent
17 data from the American Housing Survey, 80,662 total renter households, or 41%, are cost burdened in
18 2003. A significant number of owners are also cost burdened. According to 2000 Census data, 18,237
19 of owners are cost-burdened, or 23% of all owner households. The 2003 American Housing Survey
20 indicates that this level has risen to 29%.

21 The San Francisco residential real estate market is one of the most expensive in the United
22 States. In May 2005, the California Association of Realtors reported that the median priced home in
23 San Francisco was \$755,000. This is 18% higher than the median priced home one year earlier, 44%
24 higher than the State of California median, and 365% higher than the nation average. While the

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1 national homeownership rate is approximately 69%, only approximately 35% of San Franciscans own
2 their own home. The majority of market-rate homes for sale in San Francisco are priced out of the
3 reach of low and moderate income households. In May 2005, the average rent for a 2-bedroom
4 apartment was \$1821, which is affordable to households earning over \$74,000.

5 These factors contribute to a heavy demand for affordable housing in the City that the private
6 market cannot meet. Each year the number of market rate units that are affordable to low income
7 households is reduced by rising market rate rents and sales prices. The number of households
8 benefiting from rental assistance programs is far below the need established by the 2000 Census.
9 Because the shortage of affordable housing in the City can be expected to continue for many years, it is
10 necessary to maintain the affordability of the housing units constructed by housing developers under
11 this Program. The 2004 Housing Element of the General Plan recognizes this need. Objective 1 of the
12 Housing Element is to provide new housing, especially permanently affordable housing, in appropriate
13 locations which meets identified housing needs and takes into account the demand for affordable
14 housing created by employment demand. Objective 6 is to protect the affordability of existing housing,
15 and to ensure that housing developed to be affordable be kept affordable for 50 – 75 year terms, or
16 even longer if possible.

17 In 2004 the National Housing Conference issued a survey entitled "Inclusionary Zoning: The
18 California Experience." The survey found that as of March 2003, there were 107 cities and counties
19 using inclusionary housing in California, one-fifth of all localities in the state. Overall, the
20 inclusionary requirements were generating large numbers of affordable units. Only six percent of
21 jurisdictions reported voluntary programs, and the voluntary nature appears to compromise the local
22 ability to guarantee affordable housing production. While there was a wide range in the affordability
23 percentage-requirements for inclusionary housing, the average requirement for affordability in rental

1 developments is 13%. Approximately half of all jurisdictions require at least 15% to be affordable, and
2 one-quarter require 20% or more to be affordable.

3 5. Development of new market-rate housing makes it possible for new residents to move to
4 the City. These new residents place demands on services provided by both public and private sectors.
5 Some of the public and private sector employees needed to meet the needs of the new residents earn
6 incomes only adequate to pay for affordable housing. Because affordable housing is in short supply
7 within the City, such employees may be forced to live in less than adequate housing within the City, pay
8 a disproportionate share of their incomes to live in adequate housing within the City, or commute ever-
9 increasing distances to their jobs from housing located outside the City. These circumstances harm the
10 City's ability to attain goals articulated in the City's General Plan and place strains on the City's ability
11 to accept and service new market-rate housing development.

12 6. The development of affordable housing on the same site as market-rate housing
13 increases social and economic integration vis-à-vis housing in the City and has corresponding social
14 and economic benefits to the City. Inclusionary housing provides a healthy job and housing balance.
15 Inclusionary housing provides more affordable housing close to employment centers which in turn may
16 have a positive economic impact by reducing such costs as commuting and labor costs. However, there
17 may also be trade-offs where constructing affordable units at a different site than the site of the
18 principle project may produce a greater number of affordable units without additional costs to the
19 project applicant. If a project applicant may produce a significantly greater number of affordable units
20 off-site then it is in the best interest of the City to permit the development of affordable units at a
21 different location than that of the principle project.

22 7. Provided project applicants can take these requirements into consideration when
23 negotiating to purchase land for a housing project, the requirements of this Section are generally
24 financially feasible for project applicants to meet, particularly because of the benefits being conferred
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1 by the City to housing projects under this ordinance. This ordinance provides a means by which a
2 project applicant may seek a reduction or waiver of the requirements of this mitigation fees if the
3 project applicant can show that imposition of these requirements would create an unlawful financial
4 burden.

5 8. Conditional Use and Planned Unit Development Permits permit the development of
6 certain uses not permitted as of right in specific districts or greater density of permitted residential
7 uses. As the General Plan recognizes, through the conditional use and planned unit development
8 process, applicants for housing projects generally receive material economic benefits. Such applicants
9 are generally permitted to build in excess of the generally applicable black letter requirements of the
10 Planning Code for housing projects resulting in increased density, bulk, or lot coverage or a reduction
11 in parking or other requirements or an approval of a more intensive use over that permitted without the
12 conditional use permit or planned unit development permit. Through the conditional use and planned
13 unit development process, building standards can be relaxed in order to promote lower cost home
14 construction. An additional portion of San Francisco's affordable housing needs can be supplied (with
15 no public subsidies or financing) by private sector housing developers developing inclusionary
16 affordable units in their large market-rate projects in exchange for the density and other bonuses
17 conferred by conditional use or planned unit development approvals, provided it is financially
18 attractive for private sector housing developers to seek such conditional use and/or planned unit
19 development approvals.

20 9. Live/work as defined in the Planning Code recognizes that "residential living space" is
21 an integral part of a live/work unit. A substantial portion of new housing development in San
22 Francisco has been live/work units in Mixed Use Districts South of Market and in industrially zoned
23 areas of San Francisco where residential development has not traditionally been permitted as of right.
24 Live/work development projects are subject to less stringent development standards than other types of
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1 housing projects in certain Mixed Use Districts and industrially zoned areas. Live/work developments
2 are conferred an equivalent benefit as projects going through the conditional use or planned unit
3 development permit process by virtue of the fact that (1) live/work developments are not required to get
4 a conditional use permit for housing development in some Mixed Use Districts and in all industrially
5 zoned districts where other residential uses are required to get a conditional use permit; (2) live/work
6 developments receive a five foot height bonus above prevailing height limits for specific
7 neighborhoods; (3) live/work units are permitted to cover 100% of a lot rather than the stricter lot
8 coverage requirements that apply to other residential development, typically requiring rear yards equal
9 to 15 feet in length or 25% of the lot, whichever is greater. Given these benefits conferred by statute
10 which allow live/work developments to exceed the limitations on other housing development in the City,
11 the Board of Supervisors finds that, for purposes of this Program, live/work developments are
12 conferred a private benefit equal to or in excess of housing projects which require a conditional use or
13 planned unit development permit. The relaxed building standards applied to live/work projects
14 promote the ability to include lower cost home production in live/work projects. A unit meets the
15 definition of California Civil Code Section 1940(c) as a "dwelling unit" because it "is used as a home,
16 residence or sleeping place by one person who maintains a household or by two or more persons who
17 maintain a common household." Live/work units shall not be considered "commercial real property"
18 for purposes of Civil Code Section 1954.25 et seq.

19 10. The City wants to balance the burden on private property owners with the demonstrated
20 need for affordable housing in the City. For the reasons stated above, the Board of Supervisors thus
21 intends to increase the inclusionary housing requirements for all residential projects. In order to
22 balance the burden on property owners, the Board intends to limit the application of an inclusionary
23 housing requirement to 15% for housing projects that do not receive any of the benefits described
24 above through the conditional use or planned unit development process, or in live/work projects. A
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1 slightly higher percentage will be applied to projects which generally receive benefits through the
2 conditional use or planned unit development process, or in live/work projects. The Housing Element
3 (Policy 4.2) states: Include affordable units in larger housing developments. It also calls for the City
4 to review its inclusionary housing program regularly to ensure fair burden and not constrain new
5 housing production. The Board of Supervisors has reviewed the inclusionary affordable housing
6 program and finds that, for purposes of the Housing Element of the General Plan, increasing the
7 inclusionary housing requirements ensures more fair burden on all housing development and will not
8 constrain new housing production.

9 K. The findings of Planning Code Section 313.2 for the Jobs-Housing Linkage
10 Program, Planning Code Sections 313 et seq., relating to the shortage of affordable housing, the low
11 vacancy rate of housing affordable to persons of lower and moderate income, and the decrease in
12 construction of affordable housing in the City are hereby readopted.

13 ~~SEC. 315.2. FINDINGS.~~

14 ~~— The Board of Supervisors hereby finds and declares as follows:~~

15 ~~A. Affordable housing is a paramount statewide concern. In 1980, the Legislature~~
16 ~~declared in Government Code Section 65580:~~

17 ~~(a) The availability of housing is of vital statewide importance, and the early~~
18 ~~attainment of decent housing and a suitable living environment for every California family is a priority~~
19 ~~of the highest order.~~

20 ~~(b) The early attainment of this goal requires the cooperative participation of~~
21 ~~government and the private sector in an effort to expand housing opportunities and accommodate the~~
22 ~~housing needs of Californians of all economic levels.~~

23 ~~(c) The provision of housing affordable to low and moderate income households~~
24 ~~requires the cooperation of all levels of government.~~

1 ~~—— (d) —— Local and state governments have a responsibility to use the powers vested in~~
2 ~~them to facilitate the improvement and development of housing to make adequate provision for the~~
3 ~~housing needs of all economic segments of the community....~~

4 ~~—— The Legislature further stated in Government Code Section 65581 that:~~

5 ~~—— It is the intent of the Legislature in enacting this article:~~

6 ~~—— (a) —— To assure that counties and cities recognize their responsibilities in contributing~~
7 ~~to the attainment of the state housing goal.~~

8 ~~—— (b) —— To assure that counties and cities will prepare and implement housing elements~~
9 ~~which...will move toward attainment of the state housing goal.~~

10 ~~—— (c) —— To recognize that each locality is best capable of determining what efforts are~~
11 ~~required by it to contribute to the attainment of the state housing goal....~~

12 ~~—— The California Legislature requires each local government agency to develop a~~
13 ~~comprehensive long term general plan establishing policies for future development. As specified in the~~
14 ~~Government Code (at Sections 65300, 65302(c), and 65583(c)), the plan must (1) "encourage the~~
15 ~~development of a variety of types of housing for all income levels, including multifamily rental~~
16 ~~housing"; (2) "[a]ssist in the development of adequate housing to meet the needs of low and moderate-~~
17 ~~income households"; and (3) "conserve and improve the condition of the existing affordable housing~~
18 ~~stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or~~
19 ~~private action."~~

20 ~~—— B. —— San Francisco faces a continuing shortage of affordable housing for very low~~
21 ~~and low income residents. The San Francisco Planning Department reported that for the past ten~~
22 ~~years, 3,199 units of low and very low income housing were built in San Francisco out of a total need~~
23 ~~of 15,103 units for the same period. According to the state Department of Housing and Community~~
24 ~~Development, there will be a regional need for 230,743 new housing units in the nine Bay Area~~

1 ~~counties from 1999—2006. Of that amount, at least 58 percent, or 133,164 units, are needed for~~
2 ~~moderate, low and very low income house holds. The Association of Bay Area Governments (ABAG) is~~
3 ~~responsible for dividing the total regional need numbers among its member governments which~~
4 ~~includes both counties and cities. ABAG estimates that San Francisco's low and very low income~~
5 ~~housing production need through 2006 is 7,370 units out of a total new housing need of 20,372 units.~~
6 ~~Within the past ten years, less than 25% of the previously projected housing need was produced in San~~
7 ~~Francisco. The new ABAG housing goals will require that San Francisco produce more than twice the~~
8 ~~amount of low and very low income housing within half the time.~~

9 ~~————C.———— In response to the above mandate from the California Legislature and the~~
10 ~~projections of housing needs for San Francisco, San Francisco has instituted several strategies for~~
11 ~~producing new affordable housing units. The General Plan Residential Element recognizes the need to~~
12 ~~increase the amount of land available and improve building resources for permanently affordable~~
13 ~~housing through the inclusion of affordable units in larger market rate housing projects. Further, the~~
14 ~~City, as established in the General Plan, seeks to encourage the distribution of affordable housing~~
15 ~~throughout all neighborhoods and, thereby, offer diverse housing choices and promote economic and~~
16 ~~social integration. The General Plan calls for an increase in the production of new affordable housing~~
17 ~~and for the development of mixed income housing to achieve social and cultural diversity. As one~~
18 ~~strategy to achieve these goals, the General Plan states that "[i]nclusion of affordable housing should~~
19 ~~be required as a condition of approval of housing projects containing 10 or more units which seek~~
20 ~~Planning Commission approval as conditional uses or planned unit developments." This legislation~~
21 ~~further the goals of the State Legislature and the General Plan. For housing projects to which this~~
22 ~~legislation applies it is intended to replace the Planning Commission Guidelines for Application of San~~
23 ~~Francisco's Inclusionary Affordable Housing Policy. For housing projects to which this legislation~~

1 ~~does not apply because of the application date, it is intended that the Planning Commission Guidelines~~
2 ~~in effect at the time of project approval, where applicable, will apply.~~

3 ~~———— D. ——— The 2000 Consolidated Plan for July 1, 2000— June 30, 2005, issued by the~~
4 ~~Mayor's Office of Community Development and the Mayor's Office of Housing establishes that extreme~~
5 ~~housing pressures face San Francisco, particularly in regard to low and moderate income residents.~~
6 ~~Many elements constrain housing production in the City. This is especially true of affordable housing.~~
7 ~~San Francisco is largely built out, and its geographical location at the northern end of a peninsula~~
8 ~~inherently prevents substantial new development. There is no available adjacent land to be annexed, as~~
9 ~~the cities located on San Francisco's southern border are also dense urban areas. Thus new~~
10 ~~construction of housing is limited to areas of the City not previously designated as residential areas,~~
11 ~~infill sites, or to areas with increased density. New market rate housing absorbs a significant amount~~
12 ~~of the remaining supply of land and other resources available for development and thus limits the~~
13 ~~supply of affordable housing.~~

14 ~~———— There is a great need for affordable rental and owner occupied housing in the City. The~~
15 ~~vacancy rate for residential rental property has dropped significantly since 1989-90 when the~~
16 ~~Residence Element 1992 Annual Evaluation Report reported a 4.2 percent citywide vacancy rate (for~~
17 ~~1989), and the U.S. Census showed a 6.9 percent vacancy rate (as of 1990). Data from the San~~
18 ~~Francisco rental market from RealFacts for 2000 indicates a vacancy rate of 1.9 percent. Rents on~~
19 ~~newly occupied residential units have risen dramatically. Housing cost burden is one of the major~~
20 ~~standards for determining whether a locality is experiencing inadequate housing conditions; the~~
21 ~~Consolidated Plan defines a household expending 30 percent or more of its gross income for housing~~
22 ~~costs as experiencing a cost burden. According to the 1990 Census, 38.1 percent of San Franciscans~~
23 ~~experienced a cost burden in 1990 and, according to more recent data from the American Housing~~
24 ~~Survey, this level had risen to 45 percent in 1993.~~

1 ~~———— The San Francisco residential real estate market is one of the most expensive in the~~
2 ~~United States. A February 1999 report from the National Association of Realtors found that San~~
3 ~~Francisco had the highest median price of existing homes in the United States. In the 1980's average~~
4 ~~home prices in San Francisco rose nearly three times as fast as the overall cost of living in San~~
5 ~~Francisco according to data from the Bay Area Council and 1990 Census. An analysis of sales data~~
6 ~~from a three month period in 1999 gathered by American Real Estate Solutions showed that of 1,420~~
7 ~~full, confirmed, and verified sales, the median sales price was \$390,000. This study, among others,~~
8 ~~demonstrates that the majority of market rate homes for sale in San Francisco are priced out of the~~
9 ~~reach of low and moderate income households.~~

10 ~~———— These factors contribute to a heavy demand for affordable housing in the City that the~~
11 ~~private market cannot meet. Each year the number of market rate units that are affordable to low~~
12 ~~income households is reduced by rising market rate rents and sales prices. The number of households~~
13 ~~benefiting from rental assistance programs is far below the need established by the 1990 Census.~~
14 ~~Because the shortage of affordable housing in the City can be expected to continue for many years, it is~~
15 ~~necessary to maintain the affordability of the housing units constructed by housing developers under~~
16 ~~this Program. The Residential Element of the General Plan (Objective 9, Policy 2) recognizes this~~
17 ~~need and provides that affordable units should be required to remain affordable for at least 50 years~~
18 ~~and, where possible, for longer.~~

19 ~~———— In 1994 the California Coalition for Rural Housing Project issued a study entitled~~
20 ~~"Creating Affordable Communities: Inclusionary Housing Programs in California." The study found~~
21 ~~that at least 64 jurisdictions in California had inclusionary housing programs and that, overall, the~~
22 ~~inclusionary requirements were generating large numbers of affordable units. Sixty six percent of the~~
23 ~~inclusionary programs studied were mandatory programs and the mandatory programs were proven to~~
24 ~~be more effective by a number of measures than the voluntary programs. While there was a wide range~~
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1 *in the percentage requirements for inclusionary housing, a 10% requirement is the most common,*
2 *occurring in 39% of the jurisdictions studied, followed by a 15% requirement that was the second most*
3 *common.*

4 ~~————— E. ——— Development of new market rate housing makes it possible for new residents to~~
5 ~~move to the City. These new residents place demands on services provided by both public and private~~
6 ~~sectors. Some of the public and private sector employees needed to meet the needs of the new residents~~
7 ~~earn incomes only adequate to pay for affordable housing. Because affordable housing is in short~~
8 ~~supply within the City, such employees may be forced to live in less than adequate housing within the~~
9 ~~City, pay a disproportionate share of their incomes to live in adequate housing within the City, or~~
10 ~~commute ever increasing distances to their jobs from housing located outside the City. These~~
11 ~~circumstances harm the City's ability to attain goals articulated in the City's General Plan and place~~
12 ~~strains on the City's ability to accept and service new market rate housing development.~~

13 ~~————— F. ——— The development of affordable housing on the same site as market rate housing~~
14 ~~increases social and economic integration vis à vis housing in the City and has corresponding social~~
15 ~~and economic benefits to the City. Inclusionary housing provides a healthy job and housing balance.~~
16 ~~Inclusionary housing provides more affordable housing close to employment centers which in turn may~~
17 ~~have a positive economic impact by reducing such costs as commuting and labor costs. However, there~~
18 ~~may also be trade offs where constructing affordable units at a different site than the site of the~~
19 ~~principle project may produce a greater number of affordable units without additional costs to the~~
20 ~~project applicant. If a project applicant may produce a significantly greater number of affordable units~~
21 ~~off site then it is in the best interest of the City to permit the development of affordable units at a~~
22 ~~different location than that of the principle project.~~

23 ~~————— G. ——— Provided project applicants can take these requirements into consideration when~~
24 ~~negotiating to purchase land for a housing project, the requirements of this Section are generally~~

1 ~~financially feasible for project applicants to meet, particularly because of the benefits being offered by~~
2 ~~the City to housing projects that comply with this Section. Some of the requirements of this Section are~~
3 ~~being phased in over a period of one year, so that project applicants will have adequate notice of these~~
4 ~~requirements and can take them into consideration when negotiating to purchase land for a project.~~
5 ~~This Section provides a means by which a project applicant may seek a reduction or waiver of the~~
6 ~~requirements of this Section if the project applicant can show that imposition of these requirements~~
7 ~~would create an unlawful financial burden.~~

8 ~~————— H. ——— Conditional Use and Planned Unit Development Permits permit the~~
9 ~~development of certain uses not permitted as of right in specific districts or greater density of permitted~~
10 ~~residential uses. As the General Plan recognizes, through the conditional use and planned unit~~
11 ~~development process, applicants for housing projects generally receive material economic benefits.~~
12 ~~Such applicants are generally permitted to build in excess of the generally applicable black letter~~
13 ~~requirements of the Planning Code for housing projects resulting in increased density, bulk, or lot~~
14 ~~coverage or a reduction in parking or other requirements or an approval of a more intensive use over~~
15 ~~that permitted without the conditional use permit or planned unit development permit. Through the~~
16 ~~conditional use and planned unit development process, building standards can be relaxed in order to~~
17 ~~promote lower cost home construction. An additional portion of San Francisco's affordable housing~~
18 ~~needs can be supplied (with no public subsidies or financing) by private sector housing developers~~
19 ~~developing inclusionary affordable units in their large market rate projects in exchange for the density~~
20 ~~and other bonuses conferred by conditional use or planned unit development approvals, provided it is~~
21 ~~financially attractive for private sector housing developers to seek such conditional use and/or planned~~
22 ~~unit development approvals.~~

23 ~~————— I. ——— The Residential Element of the General Plan (Objective 7, Policy 1) provides~~
24 ~~that as land not previously used for residential space is developed for residential use, such development~~

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1 ~~should also provide for a minimum of 10% permanently affordable units for all residential development~~
2 ~~containing more than 10 units. Live/work as defined in the Planning Code recognizes that "residential~~
3 ~~living space" is an integral part of a live/work unit. A substantial portion of new housing development~~
4 ~~in San Francisco has been live/work units in Mixed Use Districts South of Market and in industrially~~
5 ~~zoned areas of San Francisco where residential development has not traditionally been permitted as of~~
6 ~~right. Live/work development projects are subject to less stringent development standards than other~~
7 ~~types of housing projects in certain Mixed Use Districts and industrially zoned areas. Live/work~~
8 ~~developments are conferred an equivalent benefit as projects going through the conditional use or~~
9 ~~planned unit development permit process by virtue of the fact that (1) live/work developments are not~~
10 ~~required to get a conditional use permit for housing development in some Mixed Use Districts and in~~
11 ~~all industrially zoned districts where other residential uses are required to get a conditional use permit;~~
12 ~~(2) live/work developments receive a five foot height bonus above prevailing height limits for specific~~
13 ~~neighborhoods; (3) live/work units are permitted to cover 100% of a lot rather than the stricter lot~~
14 ~~coverage requirements that apply to other residential development, typically requiring rear yards equal~~
15 ~~to 15 feet in length or 25% of the lot, whichever is greater. Given these benefits conferred by statute~~
16 ~~which allow live/work developments to exceed the limitations on other housing development in the City,~~
17 ~~the Board of Supervisors finds that, for purposes of this Program, live/work developments are~~
18 ~~conferred a private benefit equal to or in excess of housing projects which require a conditional use or~~
19 ~~planned unit development permit. The relaxed building standards applied to live/work projects~~
20 ~~promote the ability to include lower cost home production in live/work projects. A unit meets the~~
21 ~~definition of California Civil Code Section 1940(c) as a "dwelling unit" because it "is used as a home,~~
22 ~~residence or sleeping place by one person who maintains a household or by two or more persons who~~
23 ~~maintain a common household." Live/work units shall not be considered "commercial real property"~~
24 ~~for purposes of Civil Code Section 1954.25 et seq.~~

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1 ~~————— J. ——— The City wants to balance the burden on private property owners with the~~
2 ~~demonstrated need for affordable housing in the City. For the reasons stated above, the Board of~~
3 ~~Supervisors thus intends to apply an inclusionary housing requirement to all residential projects of 10~~
4 ~~units or more. In order to balance the burden on property owners, the Board intends to limit the~~
5 ~~application of an inclusionary housing requirement to 10% for housing projects that do not receive any~~
6 ~~of the benefits described above through the conditional use or planned unit development process, or in~~
7 ~~live/work projects. A slightly higher percentage will be applied to projects which generally receive~~
8 ~~benefits through the conditional use or planned unit development process, or in live/work projects.~~

9 ~~————— K. ——— The findings of Planning Code Section 313.2 for the Jobs Housing Linkage~~
10 ~~Program, Planning Code Sections 313 et seq., relating to the shortage of affordable housing, the low~~
11 ~~vacancy rate of housing affordable to persons of lower and moderate income, and the decrease in~~
12 ~~construction of affordable housing in the City are hereby readopted.~~

13 SEC. 315.4. ON-SITE HOUSING REQUIREMENT AND BENEFITS.

14 Except as provided in Section 315.4(e), all housing projects subject to this Program
15 through the application of Section 315.3 shall be required to construct on-site units subject to
16 the following requirements:

17 (a) Number of Units:

18 (1) The Planning Department shall require for housing projects covered by Section
19 315.3(a)(1), as a condition of Planning Department approval of a project's building permit, that
20 ~~10%~~ 15% of all units constructed on the project site shall be affordable to qualifying
21 households so that a project applicant must construct ~~10~~ 15 times the total number of units
22 produced in the principal project beginning with the construction of the tenth unit. If the total
23 number of units is not a whole number, the project applicant shall round up to the nearest
24 whole number for any portion of .5 or above.

1 Notwithstanding any other provision of this section, any inclusionary affordable
2 requirement imposed on housing projects covered by Section 315.3(a)(1) in connection with
3 an application filed with the Department of Building Inspection from the effective date of this
4 legislation and 180 days thereafter shall be 5% so that a project applicant must construct .05
5 times the total number of units produced in the principal project beginning with the
6 construction of the tenth unit. If the total number of units is not a whole number, the project
7 applicant shall round up to the nearest whole number for any portion of .5 or above.

8 The Planning Department shall provide written notice by mail to the project applicant of
9 the number of affordable units which shall be required within 30 days of approval by the
10 Planning Department or Planning Commission.

11 (2) The Planning Department or the Planning Commission shall require for housing
12 projects covered by Section 315.3(a)(2), (3) and (4), as a Condition of Approval of a
13 conditional use or planned unit development permit or as a condition of Planning Department
14 approval of a live/work project that ~~12%~~ 20% of all units constructed on the project site shall be
15 affordable to qualifying households so that a project applicant must construct ~~12~~ 20 times the
16 total number of units produced in the principal project beginning with the construction of the
17 tenth unit. If the total number of units is not a whole number, the project applicant shall round
18 up to the nearest whole number for any portion of .5 or above.

19 The Planning Commission or Planning Department shall provide written notice by mail
20 to the project applicant of the number of affordable units which shall be required within 30
21 days of approval by the Planning Commission or Planning Department.

22 (2) If the principal project has resulted in demolition, conversion, or removal of
23 affordable housing units renting or selling to households at income levels and/or for a rental
24 rate or sales price below corresponding income thresholds for units affordable to qualifying
25

1 households, the Planning Commission shall require that the project applicant replace the
2 number of affordable units removed with units of a comparable number of bedrooms or
3 provide that ~~12%~~ 20% of all units constructed as part of the new project shall be affordable to
4 qualifying households, whichever is greater.

5 (b) Timing of Construction: On-site inclusionary housing required by this Section
6 315.4 must be constructed, completed, and ready for occupancy no later than the market rate
7 units in the principal project.

8 (c) Type of Housing: The type of affordable housing needed in San Francisco is
9 documented in the City's Consolidated Plan and the Residence Element of the General Plan.
10 In general, affordable units constructed under this Section 315.4 shall be com-parable in
11 number of bedrooms, exterior appearance and overall quality of construction to market rate
12 units in the principal project. The Notice of Special Restrictions or Conditions of Approval
13 shall include a specific number of units at specified unit sizes for affordable units. The square
14 footage of affordable units and interior features in affordable units do not need to be same as
15 or equivalent to those in market rate units in the principal project, so long as they are of good
16 quality and are consistent with then-current standards for new housing.

17 (d) Marketing the Units: The Notice of Special Restrictions or Conditions of
18 Approval shall specify that the marketing requirements and procedures contained in the
19 Procedures Manual as amended from time to time, shall apply to the affordable units in the
20 project.

21 (e) Alternatives: At the project applicant's election, the project applicant may satisfy
22 the requirement of Section 315.4 by:

23 (1) Constructing units affordable to qualifying households at an alternative site
24 within the City and County of San Francisco pursuant to the requirements of Section 315.5.

25

1 (2) Paying an in lieu fee to the Mayor's Office of Housing pursuant to the
2 requirements of Section 315.6.

3 (3) Any combination of construction of on-site units as provided in Section 315.4,
4 off-site units as provided in Section 315.5, or payment of an in lieu fee as provided in Section
5 315.6, provided that the project applicant constructs or pays the fee at the appropriate
6 percentage or fee level required for that option.

7 (f) Benefits: If the project applicant elects to satisfy the inclusionary housing
8 requirements through the production of on-site inclusionary housing in this Section 315.4, the
9 project applicant shall at his or her option, be eligible to receive a refund of the following fees:
10 a conditional use or other fee required by Planning Code Section 352, if applicable; an
11 environmental review fee required by Administrative Code Section 31.46B, if applicable; a
12 building permit fee required by the Building Code and by Planning Code Section 355 for the
13 portion of the housing project that is affordable. The project applicant shall pay the building
14 fee for the portion of the project that is market-rate.

15 The Controller shall refund fees from any appropriated funds to the project applicant on
16 application by the project applicant. The application must include a copy of the certificate of
17 occupancy for all units affordable to a qualifying household required by the Inclusionary
18 Affordable Housing Program. It is the policy of the Board of Supervisors to appropriate money
19 for this purpose from the General Fund.

20 **SEC. 315.5. COMPLIANCE THROUGH OFF-SITE HOUSING DEVELOPMENT.**

21 If the project applicant elects, pursuant to Section 315.4(e), that the project applicant
22 will build off-site units to satisfy the requirements of this Program, the project applicant shall
23 meet the following requirements:

24
25

1 (a) Number of Units: The number of units constructed off-site shall be ~~1.5 times that~~
2 ~~of the on-site requirement as follows:-~~

3 For projects described in Section 315.3(a)(1), ~~15%~~ 20% so that a project applicant must
4 construct ~~15~~ 20 times the total number of units produced in the principal project beginning
5 with the construction of the tenth unit. If the total number of units is not a whole number, the
6 project applicant shall round up to the nearest whole number for any portion of .5 or above.

7 The Planning Department shall provide written notice by mail to the project applicant of
8 the number of affordable units which shall be required within 30 days of approval by the
9 Planning Department or Planning Commission. This notice shall also be sent to project
10 applicants who elect to pay an in lieu fee.

11 For projects described in Section 315.3(a)(2), (3), and (4), ~~17%~~ 25% so that a project
12 applicant must construct ~~17.25~~ times the total number of units produced in the principal
13 project beginning with the construction of the tenth unit. If the total number of units is not a
14 whole number, the project applicant shall round up to the nearest whole number for any
15 portion of .5 or above.

16 The Planning Department shall provide written notice by mail to the project applicant of
17 the number of affordable units which shall be required within 30 days of approval by the
18 Planning Department or Planning Commission. This notice shall also be sent to project
19 applicants who elect to pay an in lieu fee.

20 (b) Timing of Construction: The project applicant shall insure that the off-site units
21 are constructed, completed, and ready for occupancy no later than the market rate units in the
22 principal project.

23 (c) Location of off-site housing: The project applicant must insure that off-site units
24 are located in either (i) close proximity to the principal project, or (ii) a high need area or a
25

1 project type identified as a high priority in the Residence Element of the General Plan or the
2 Consolidated Plan published by the Mayor's Office of Housing and the Mayor's Office of
3 Community Development or their successors.

4 (d) Type of Housing: The type of affordable housing needed in San Francisco is
5 documented in the City's Consolidated Plan and the Residence Element of the General Plan.
6 In general, affordable units constructed under this Section 315.5 shall be com-parable in
7 number of bedrooms, exterior appearance and overall quality of construction to market rate
8 units in the principal project. The total square footage of the off-site affordable units
9 constructed under this Section 315.5 shall be no less than the calculation of the total square
10 footage of the on-site market-rate units in the principal project multiplied by the relevant on-
11 site percentage requirement for the project specified in Section 315.4 (.12 for conditional use,
12 planned unit developments or live-work projects, and .10 for all other housing projects). The
13 Notice of Special Restrictions or Conditions of Approval shall include a specific number of
14 units at specified unit sizes - including number of bedrooms and minimum square footage - for
15 affordable units. The interior features in affordable units need not be the same as or
16 equivalent to those in market rate units in the principal project, so long as they are of good
17 quality and are consistent with then-current standards for new housing. If the residential units
18 in the principal project are live/work units which do not contain bedrooms or are other types of
19 units which do not contain bedrooms separated from the living space, the off-site units shall
20 be comparable in size according to the following equivalency calculation between live/work
21 and units with bedrooms:

Number of Bedrooms (or, for live/work units square foot equivalency)	Number of Persons in Household
0 (Less than 600 square feet)	1

25

1	1 (601 to 850 square feet)	2
2	2 (851 to 1100 square feet)	3
3	3 (1101 to 1300 square feet)	4
4	4 (More than 1300 square feet)	5

(e) Marketing the Units: Notice of Special Restrictions or Conditions of Approval shall specify that the marketing requirements and procedures contained in the Procedures Manual, as amended from time to time, shall apply to the marketing of off-site units.

(f) Affordable units constructed under Section 315.5 shall not have received development subsidies from any federal, state or local program established for the purpose of providing affordable housing, and should not be counted to satisfy the affordable housing requirement in the off-site development.

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

By: Susan Cleveland-Knowles
Deputy City Attorney

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