

LEGISLATIVE DIGEST

[Planning Code, Zoning Map - Central City South of Market Area - Housing Balance Special Use District]

Ordinance amending the Planning Code to establish a special use district in the Central City South of Market Area to balance market rate housing and affordable housing and to require conditional use permit for market rate housing if the balance is not maintained; amending the Zoning Map to establish this special use district; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

The Central City/South of Market area is currently regulated by a variety of Planning Code zoning restrictions, and the area is comprised of many different zoning districts. A conditional use permit for a housing project may be required under different provisions of the Planning Code, depending on the project's location in a particular zoning district and the specific elements that comprise the proposed project. The current ratio of new market rate housing to new affordable housing in this area has been calculated to be approximately 70% to 30%.

Amendments to Current Law

The proposed legislation establishes the Central City/South of Market Housing Balance Special Use District, which includes all of current Board of Supervisors District 6. The legislation requires that a market rate housing project seek and procure a conditional use permit if the Special Use District's ratio of new market rate housing to new affordable housing in this area exceeds 70% to 30%. In such event, the City must consider criteria set forth in the legislation, including whether allowing the project would substantially hamper the location or viability of affordable housing in the Special Use District, and the extent to which approval of the project would cause or exacerbate the displacement of very low, low, or moderate income households from the Special Use District. If the Planning Commission approves the market rate housing project, it must find that the project promotes the health, safety and welfare of the City and this Special Use District, in spite of any potential adverse impacts on affordable housing and potential displacement of lower income households in the Special Use District. In the event the Planning Commission disapproves the housing project, it must make findings to explain how the project as proposed would have specific adverse impacts upon the the public health and safety of the City and this Special Use District.

The Planning Department is directed to calculate the cumulative housing balance ratio for the Special Use District, report it to the Planning Commission and Board of Supervisors, and publish it on the Planning Department's website on a page devoted to this Special Use

District. With each new project authorization within the Special Use District, the Planning Department staff must update the cumulative housing balance ratio and, within 10 days of the end of each calendar quarter, report it to the Planning Commission and Board of Supervisors along with the other quarterly reporting requirements of Administrative Code section 10E.4(b)(2), and publish it on the Planning Department's website on a page devoted to this Special Use District.

Background Information

This area currently includes many different kinds of uses and housing, including many multi-unit apartment buildings and residential hotels that are home to very low, low, and moderate income individuals, where affordable housing currently serves the working class, and families, long-time residents, elderly seniors and disabled persons, artists, musicians and others. The Planning Department's May 2012 Socio-Economic Profiles for Supervisorial Districts shows that median household income in this Special Use District was \$37,431, only 52.4% of the City-wide median of \$71,416. Twenty-two percent (22%) of neighborhood residents have incomes below the poverty level. Most or all of this area has been designated a Priority Development Area slated for substantial housing development, and the housing pipeline confirms the intensity of development already approved for the area. The purpose of the proposed legislation is to encourage a balanced approach to construction of new housing that is available to all income levels.

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