

[Planning Code - Inclusionary Housing Requirements for Group Housing, Affordable Designated Unit Requirements in C-3 Districts]

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Ordinance amending the Planning Code to clarify that the Inclusionary Affordable Housing Program applies to housing projects, as defined, including group housing projects; change certain requirements for group housing projects including eliminating the exemption for group housing projects from certain exposure requirements; allowing a Zoning Administrator partial waiver from the exposure requirements; allowing affordable On-Site Units in group housing projects to be exempt from density calculations in certain circumstances; providing that such On-site Units be affordable to households at 90% of AMI for rental and 120% of AMI for ownership, and to specifying that such On-site Units in group housing projects be priced as 75% of the maximum purchase price for studio units if the bedrooms are less than 350 square feet; and clarify the requirements for Designated Units in certain C-3 districts under Section 124(f) including that they be affordable to households of 120% of AMI for rental and 150% of AMI for ownership and otherwise meet the monitoring and procedures for affordable units under the Inclusionary Affordable Housing Program; and affirming the Planning Department's determination under the California Environmental Quality Act; and making findings including findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.

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

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

1 (a) The Planning Department has determined that the actions contemplated in this
2 ordinance comply with the California Environmental Quality Act (California Public Resources
3 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
4 Supervisors in File No. 150348 and is incorporated herein by reference. The Board affirms
5 this determination.

6 (b) On July 2, 2015, the Planning Commission, in Resolution No. 19405, adopted
7 findings that the actions contemplated in this ordinance are consistent, on balance, with the
8 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
9 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
10 Board of Supervisors in File No. 150348, and is incorporated herein by reference.

11 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
12 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth
13 in Planning Commission Resolution No. 19405, and the Board incorporates such reasons
14 herein by reference.

15
16 Section 2. General Findings.

17 (a) The Board of Supervisors finds that the Inclusionary Affordable Housing
18 Program ("Inclusionary Program"), adopted in 2002 by Ordinance No. 37-02, was originally
19 intended to apply and has always applied to group housing projects. Ordinance No. 37-02
20 provided that the Inclusionary Program applied to all applications for "housing projects" filed
21 on or after June 18, 2001. The definition of "Housing project" in Ordinance No. 37-02 states
22 that it includes a broad variety of developments "which are intended to provide long-term
23 housing to individuals and households." The 2002 definition specifically included group
24 housing, among other forms of housing. The definition of "Housing project" currently found in
25 Planning Code Section 401 has not changed in any material respect since the adoption of

1 Ordinance No. 37-02. It continues to specifically include group housing. The Board finds that
2 the definition of “Housing project” specifically includes group housing in a broad definition of
3 housing to insure that all types of developments that are intended to provide long-term
4 housing to individuals and households are subject to the requirements of the Inclusionary
5 Program.

6 (b) The Board has learned that, at some point since the adoption of the Inclusionary
7 Program, the Planning Department began to disregard the specific reference to group housing
8 as a “Housing project” subject to the Inclusionary Program. It is the Board’s understanding
9 that in reaching this conclusion the Department relied on language in the Inclusionary
10 Program that sets a threshold of application to “10 or more units.” The Department concluded
11 that group housing is not measured in “units” and is not comprised of “dwelling units” as
12 defined in the Planning Code. The Inclusionary Housing ordinance, however, does not use
13 the Planning Code definition of “Dwelling Unit” that excludes group housing, but rather refers
14 broadly to “dwelling units” as defined in the San Francisco Housing Code. That definition can
15 include group housing that meets certain requirements. The Department’s interpretation was
16 never formalized in a written Zoning Administrator determination under Planning Code Section
17 307 that could have been appealed to the Board of Appeals. Thus, neither the Board nor the
18 public were aware of the Department’s unofficial policy to exclude group housing projects from
19 the application of the Inclusionary Program.

20 (c) To reiterate the original intent of Ordinance 37-02, the Board of Supervisors
21 adopts this ordinance to specifically require the Planning Department and Department of
22 Building Inspection to follow the original intent and the express language of the Planning Code
23 to apply the Inclusionary Program to group housing and all other forms of housing intended to
24 provide long-term housing to individuals and households.

1 Section 3. The Planning Code is hereby amended by revising Sections 124, 140, 207,
2 307, and 401 and ~~415.6~~ to read as follows:

3 **SEC. 124. BASIC FLOOR AREA RATIO.**

4 * * * *

5 (f) For buildings in C-3-G and C-3-S Districts, other than those designated as
6 Significant or Contributory pursuant to Article 11 of this Code, additional square footage above
7 that permitted by the base floor area ratio limits set forth above may be approved for
8 construction of dwellings on the site of the building affordable for the Life of the Project, as
9 defined in Section 401 ~~20 years~~ to households whose incomes are within 150 percent of
10 AMI, the median income as defined in Section 401 herein, for ownership units and up to 120%
11 of AMI for rental units. in accordance with the conditional use procedures and criteria as
12 provided in Section 303 of this Code. For buildings in the C-3-G District designated as
13 Significant or Contributory pursuant to Article 11 of this Code, additional square footage above
14 that permitted by the base floor area ratio limits set forth above up to the Gross Floor Area of
15 the existing building may be approved, in accordance with the conditional use procedures and
16 criteria as provided in Section 303 of this Code, where: (1) TDRs (as defined by Section
17 128(a)(5)) were transferred from the lot containing the Significant or Contributory building prior
18 to the effective date of the amendment to Section 124(f) adding this paragraph when the floor
19 area transferred was occupied by a non profit corporation or institution meeting the
20 requirements for exclusion from Gross Floor Area calculation; (2) the additional square
21 footage includes only the amount necessary to accommodate dwelling units and/or group
22 housing units that are affordable for ~~not less than 50 years~~ the Life of the Project to
23 households whose incomes are within 60 percent of ~~the median income~~ AMI as defined herein
24 together with any social, educational, and health service space accessory to such units; and
25 (3) the proposed change in use to dwelling units and accessory space and any construction

1 associated therewith, if it requires any alternation to the exterior or other character defining
2 features of the Significant or Contributory Building, is undertaken pursuant to the duly
3 approved Permit to Alter, pursuant to Section 1110, provided, however, that the procedures
4 otherwise required for a Major Alteration as set forth in Sections 1111.4 and 1111.5 and shall
5 be deemed applicable to any such Permit to Alter. (1) Any dwelling approved for construction
6 under this provision shall be deemed a "Dedesignated Unit " as defined below. Prior to the
7 issuance by the Director of the Department of Building Inspection ("Director of Building
8 Inspection") of a First Construction Document ~~site or building permit~~ to construct any
9 Dedesignated Unit subject to this Section, the permit applicant shall notify the Director of
10 Planning and the Director of MOHCD~~Property~~ in writing whether the Designated Unit will be
11 an owned or rental unit as defined in Section 401 of this Code. If any Designated Units will be
12 rental units, the project sponsor must follow the procedures in Section 415.5(g)(2). As
13 provided in that subsection, the Planning Director or the Director of MOHCD, may execute
14 such an agreement under the terms specified in Section 415.5(g)(2).

15 (2) ~~Within 60 days after the issuance by the Director of Building Inspection of a~~
16 ~~First Construction Document site or building permit for construction of any unit intended to be~~
17 ~~an owned unit, the Director of Planning shall notify the City Engineer in writing identifying the~~
18 ~~intended owned unit, and the Director of Property shall appraise the fair market value of such~~
19 ~~unit as of the date of the appraisal, applying accepted valuation methods, and deliver a written~~
20 ~~appraisal of the unit to the Director of Planning and the permit applicant. The permit applicant~~
21 ~~shall supply all information to the Director of Property necessary to appraise the unit, including~~
22 ~~all plans and specifications.~~

23 ~~(3)~~ Unless specifically stated in this Section 124(f), eEach designated unit shall be
24 subject to the provisions of Section 415413 of this Code. For purposes of this Subsection and
25 the application of Section 415413 of this Code to Dedesignated Unit#s constructed pursuant to

1 this Subsection, the definitions set forth in Section 401 of this Code shall apply, ~~with the~~
2 ~~exception of the following definitions, which shall supersede the definitions of the terms set~~
3 ~~forth in Section 401:~~

4 ~~_____ (A) "Base price" shall mean 3.25 times the median income for a family of~~
5 ~~four persons for the County of San Francisco as set forth in California Administrative Code~~
6 ~~Section 6932 on the date on which a housing unit is sold.~~

7 ~~_____ (B) "Base rent" shall mean 0.45 times the median income for the County~~
8 ~~of San Francisco as set forth in California Administrative Code Section 6932 for a family of a~~
9 ~~size equivalent to the number of persons residing in a household renting a designated unit.~~

10 ~~_____ (C) "Designated unit" shall mean a housing unit identified and reported~~
11 ~~to the Director by the sponsor of an office development project subject to this Subsection as a~~
12 ~~unit that shall be affordable to households of low or moderate income for 20 years.~~

13 ~~_____ (D) "Household of low or moderate income" shall mean a household~~
14 ~~composed of one or more persons with a combined annual grossnet income for all adult~~
15 ~~members that does not exceed 150 percent of AMI for ownership units and 120 percent of the~~
16 ~~qualifying limit for a median income family of a size equivalent to the number of persons~~
17 ~~residing in such household, as set forth for the County of San Francisco in California~~
18 ~~Administrative Code Section 6932.~~

19 ~~_____ (E) "Sponsor" shall mean an applicant seeking approval for construction~~
20 ~~of a project subject to this Subsection and such applicants' successors and assigns.~~

21 (3) Except as specifically specified herein, Designated Units shall meet all of the
22 procedures, pricing methodology, monitoring obligations and other requirements of the
23 Inclusionary Housing Procedures Manual and either:

1 (A) Be used to satisfy the requirements of the Inclusionary Affordable
2 Housing Program, Section 415 et seq. and meet all of the requirements of that Program,
3 including the income limits specified therein; or

4 (B) Meet the requirements of this subsection (f), including the income
5 limits specified, and be family sized, meaning that each Designated Unit contains at least 2 or
6 3 bedrooms. In the event that the Designated Unit is not also an On- or Off-site Unit under
7 Section 415, Designated Units shall not be used to determine the required unit size mix for
8 purposes of the Inclusionary Affordable Housing Program.

9 (4) MOHCD shall update its Procedures Manual if necessary to include any
10 specific provisions related to Designated Units.

11 (5) Affordable unit gross square footage which is exempted per this section for FAR
12 shall not be exempted for impact fees that are levied on a gross square foot or FAR basis.

13 **SEC. 140. ALL DWELLING UNITS IN ALL USE DISTRICTS TO FACE ON AN OPEN**
14 **AREA.**

15 (a) **Requirements for Dwelling Units.** With the exception of dwelling units in single
16 room occupancy buildings in the South of Market Mixed Use Districts, in each dwelling unit in
17 any use district, the required windows (as defined by Section 504 of the San Francisco
18 Housing Code) of at least one room that meets the 120-square-foot minimum superficial floor
19 area requirement of Section 503 of the Housing Code shall face directly on an open area of
20 one of the following types:

21 (1) A public street, public alley at least 20 feet in width, side yard at least 25
22 feet in width, or rear yard meeting the requirements of this Code; provided, that if such
23 windows are on an outer court whose width is less than 25 feet, the depth of such court shall
24 be no greater than its width; or

1 (2) An open area (whether an inner court or a space between separate
2 buildings on the same lot) which is unobstructed (except for fire escapes not projecting more
3 than necessary for safety and in no case more than four feet six inches, chimneys, and those
4 obstructions permitted in Sections 136(c)(14), (15), (16), (19), (20) and (29) of this Code) and
5 is no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit in
6 question is located and the floor immediately above it, with an increase of five feet in every
7 horizontal dimension at each subsequent floor, except for single room occupancy buildings in
8 the Eastern Neighborhoods Mixed Use Districts, which are not required to increase five feet in
9 every horizontal dimension until the fifth floor of the building.

10 (b) Requirements for Group Housing. For group housing projects, either each bedroom
11 or at least one interior common area that meets the 120 square-foot minimum superficial floor
12 area requirement of Section 503 of the Housing Code shall include windows meeting the
13 requirements of subsections a(1) or a(2) above. The requirements of this subsection (b) may
14 be waived by the Zoning Administrator per Section 307(m) of this Code.

15 (c) **Exceptions.** For historic buildings identified in Section 307(h), and for the
16 conversion of a nonconforming use in an existing building to a residential use in a district
17 where the residential use is principally permitted, the requirements of this Section 140 may be
18 modified or waived pursuant to the procedures and criteria set forth in Sections 307(h)
19 and 329. This administrative exception does not apply to new additions to historic buildings.

20 **SEC. 207. DWELLING UNIT DENSITY LIMITS.**

21 (c) Exceptions to Dwelling Unit Density Limits. An exception to the calculations under
22 this Section shall be made in the following circumstances:

23 (1) Affordable Units in Projects with 20 Percent or More Affordable Units. For
24 projects that are not located in any RH-1 or RH-2 zoning district, or are not seeking and
25 receiving a density bonus under the provisions of California Government Code Section 65915,

1 where 20 percent or more of the Dwelling Units on-site are "Affordable Units," the on-site
2 Affordable Units shall not count towards the calculation of dwelling unit density. This Planning
3 Code Section does not provide exceptions to any other Planning Code requirements such as
4 height or bulk. For purposes of this Section 207, "Affordable Units" shall be defined as
5 meeting (1) the criteria of Section 406(b); (2) the requirements of Section 415 et seq. for on-
6 site units; or (3) restricted units in a project using California Debt Limit Allocation Committee
7 (CDLAC) tax-exempt bond financing and 4 percent tax credits under the Tax Credit Allocation
8 Committee (TCAC). If a project sponsor proposes to provide "Affordable Units" that are not
9 restricted by any other program, in order to receive the benefit of the additional density
10 permitted under this Subsection (c)(1) or Subsection (c)(2), the project sponsor shall elect and
11 the Planning Department and MOHCD shall be authorized to enforce, restricting the units as
12 affordable under Planning Code Section 415.6 up to a maximum of 20 percent of the units in
13 the principal project. The project sponsor shall make such election through the procedures
14 described in Section 415.5(g) including submitting an Affidavit of Compliance indicating the
15 project sponsor's election to pursue the benefits of Subsection (c)(1) or (c)(2) and committing
16 to 20% on-site units restricted under Section 415.6 prior to approval by the Planning
17 Commission or Planning Department staff. If a project sponsor obtains the exemption from
18 the density calculation for Affordable Units provided in this subsection, the exemption shall be
19 recorded against the property. Any later request to decrease the number of Affordable Units
20 shall require the project to go back to the Planning Commission or Planning Department,
21 whichever entity approved the project as a whole.

22 (2) Affordable Units in RTO Districts. In the RTO District, on site Dwelling Units
23 that are "Affordable Units," as defined in Subsection (a), shall not count toward density
24 calculations or be limited by lot area.

25

1 (3) Double Density for Senior Housing in RH, RM, RC, and NC Districts.

2 Senior Housing, as defined in and meeting all the criteria and conditions defined in Section
3 102 of this Code, is permitted up to twice the dwelling unit density otherwise permitted for the
4 District.

5 (A) Projects in RC Districts or within one-quarter of a mile from an RC or
6 NC-2 (Small-Scale Neighborhood Commercial District) zoned area or higher, including Named
7 Commercial Districts, and located in an area with adequate access to services including but
8 not limited to transit, shopping and medical facilities, shall be principally permitted.

9 (B) Projects in RH and RM Districts located more than one-quarter of a
10 mile from an RC or NCD-2 (Small-Scale Neighborhood Commercial District) zoned area or
11 higher, including Named Commercial Districts, shall require Conditional Use authorization.

12 (4) Accessory Dwelling Units.

13 (A) Definition. An "Accessory Dwelling Unit," also known as a
14 Secondary Unit or In-Law Unit, is defined for purposes of this Subsection 207(c)(4) as an
15 additional Dwelling Unit that:

16 (i) is constructed entirely within the existing built envelope of an
17 existing building zoned for Residential use or within the envelope of an existing and
18 authorized auxiliary structure on the same lot; and

19 (ii) will be constructed with a complete or partial waiver from the
20 Zoning Administrator of the density limits and/or the parking, rear yard exposure, or open
21 space standards of this Code pursuant to the provisions of this Section 207(c)(4) and Section
22 307(l) of this Code.

23 As used in this Section 207, the term Accessory Dwelling Unit is separate and distinct
24 from the term "dwelling units accessory to other uses" in Section 204.4.

25

1 (B) Applicability. The exceptions permitted by this Subsection 207(c)(4)
2 shall apply only to:

3 (i) lots within the Castro Street Neighborhood Commercial District
4 (NCD) or within 1,750 feet of the Castro Street NCD boundaries, excluding any lot within 500
5 feet of Block 2623 Lots 116 through 154; and

6 (ii) lots located in a building undergoing mandatory seismic
7 retrofitting in compliance with Section 34B of the Building Code or voluntary seismic
8 retrofitting in compliance with the San Francisco Department of Building Inspection's
9 Administrative Bulletin 094.

10 (C) Controls. An Accessory Dwelling Unit is permitted to be constructed
11 under the following conditions:

12 (i) An Accessory Dwelling Unit shall not be constructed using
13 space from an existing Dwelling Unit.

14 (ii) Castro Street NCD and Surrounding Area. For Accessory Dwelling
15 Units on lots covered by Subsection 207(c)(4)(B)(i):

16 a. An Accessory Dwelling Unit shall not be permitted in any RH-
17 1(D) zoning district.

18 b. An Accessory Dwelling Unit shall be constructed entirely within
19 the existing building envelope or auxiliary structure, as it existed three (3) years prior to the
20 time of the application.

21 c. For buildings that have no more than 10 existing dwelling units,
22 one Accessory Dwelling Unit is permitted; for buildings that have more than 10 existing
23 dwelling units, two Accessory Dwelling Units are permitted.

24 (iii) Buildings Undergoing Seismic Retrofitting. For Accessory Dwelling
25 Units on lots covered by Subsection 207(c)(4)(B)(ii):

1 a. An Accessory Dwelling Unit shall not be permitted in any RH-1
2 or RH-1(D) zoning district.

3 b. If allowed by the Building Code, a building in which an
4 Accessory Dwelling Unit is constructed may be raised up to three additional feet in height to
5 create ground-floor ceiling heights suitable for residential use.

6 (iv) Pursuant to the provisions of Section 307(l) of this Code, an
7 Accessory Dwelling Unit may receive a waiver of the density limits and parking, rear yard,
8 exposure, or open space standards of this Code from the Zoning Administrator; provided,
9 however, that if the existing building or any existing dwelling unit within the building is subject
10 to the provisions of the San Francisco Residential Rent Stabilization and Arbitration
11 Ordinance (Chapter 37 of the Administrative Code), the property owner shall submit to the
12 Department (AA) a proposed agreement demonstrating that the Accessory Dwelling Unit(s)
13 are not subject to the Costa Hawkins Rental Housing Act (California Civil Code Section
14 1954.50) because, under Section 1954.52(k), the owner has entered into this agreement with
15 the City in consideration for a direct financial contribution or any other form of assistance
16 specified in California Government Code Sections 65915 et seq. ("Agreement") and (BB) if
17 the Planning Director determines necessary, an Affidavit containing information about the
18 direct financial contribution or other form of assistance provided to the property owner. The
19 property owner and the Planning Director (or his designee), on behalf of the City, will execute
20 the Agreement, which shall be reviewed and approved by the City Attorney's Office. The
21 Agreement shall be approved prior to the City's issuance of the First Construction Document,
22 as defined in Section 107A.13.1 of the San Francisco Building Code.

23
24 (D) Monitoring Program.
25

1 (i) Monitoring of Affordability. The Department shall establish a system
2 to monitor the affordability of the Accessory Dwelling Units authorized to be constructed by
3 this Subsection 207(c)(4). Property owners shall provide the Department with rent information
4 as requested by the Department. The Board of Supervisors recognizes that property owners
5 and tenants generally consider rental information sensitive and do not want it publicly
6 disclosed. The intent of the Board is for the Department to obtain the information so that it
7 can be used by the Department in aggregate form, not in a manner that would be linked to
8 specific individuals or units. The Department shall only request rental information from
9 property owners if the notice includes the statement that the Department is acquiring it in
10 confidence and will publicly disclose it only in aggregate form. The Department shall not ask
11 property owners to provide rental information if it determines, after consulting with the City
12 Attorney's Office, that the information would be publicly disclosable under federal, state, or
13 local law in nonaggregated form.

14 (ii) Department Report. The Department shall publish a report by April
15 1, 2016, that describes and evaluates the types of units being developed and their affordability
16 rates. The report shall contain such additional information as the Director determines would
17 inform decision makers and the public on the effectiveness and implementation of the
18 Subsection and make recommendations for any amendments or expansion of areas where
19 Accessory Dwelling Units should be constructed. In subsequent years, information on
20 Accessory Dwelling Units shall be included in the Housing Inventory.

21 (5) On-site Units in Group Housing projects: For On-site Units in Group
22 Housing projects subject to Section 415.6 that are not located in any RH-1 or RH-2 zoning
23 district, or are not seeking and receiving a density bonus under the provisions of California
24 Government Code Section 65915, the On-site Units in Group Housing projects subject to
25 Section 415.6 shall not count towards the calculation of dwelling unit density. This Planning

1 Code Section does not provide exceptions to any other Planning Code requirements such as
2 height or bulk.

3 **SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.**

4 In addition to those specified in Sections 302 through 306, and Sections 316 through
5 316.6 of this Code, the Zoning Administrator shall have the following powers and duties in
6 administration and enforcement of this Code. The duties described in this Section shall be
7 performed under the general supervision of the Director of Planning, who shall be kept
8 informed of the actions of the Zoning Administrator.

9 * * * *

10 (m) The Zoning Administrator may partially wave the exposure requirements of
11 Section 140(b) for group housing so that when a qualifying window faces an open area per
12 subsection 140(a)(2), such open area may be no less than 15 feet in every horizontal direction
13 and may not be required to expand on subsequent floors.

14 **SEC. 401. DEFINITIONS.**

15 In addition to the specific definitions set forth elsewhere in this Article, the
16 following definitions shall govern interpretation of this Article:

17 * * * *

18 "Allowable average purchase price." A price for all affordable owned units of the size
19 indicated below that are affordable to a household of median income as defined in this
20 Section, adjusted for the household size indicated below as of the date of the close of escrow,
21 except for Single Room Occupancy units and Group Housing units that are less than 350
22 square feet (both as defined in Section ~~102890.88~~), which shall be 75% of the maximum
23 purchase price level for studio units, and, where applicable, adjusted to reflect the
24 Department's policy on unbundled parking for affordable housing units as specified in the
25 Procedures Manual and amended from time to time:

<i>Number of Bedrooms (or, for live/work units square foot equivalency)</i>	<i>Number of Persons in Household</i>
0 (Less than 600 square feet)	1
1 (601 to 850 square feet)	2
2 (851 to 1,100 square feet)	3
3 (1,101 to 1,300 square feet)	4
4 (More than 1,300 square feet)	5

"Allowable average annual rent." Annual rent for an affordable rental unit of the size indicated below that is 30 percent of the annual gross income of a household of low income as defined in this Section, adjusted for the household size indicated below except for Single Room Occupancy units *and Group Housing units that are less than 350 square feet* (both as defined in Section ~~102890.88~~), which shall be 75% of the maximum rent level for studio units, and, where applicable, adjusted to reflect the Department's policy on unbundled parking for affordable housing units as specified in the Procedures Manual and amended from time to time:

<i>Number of Bedrooms (or, for live/work units square foot equivalency)</i>	<i>Number of Persons in Household</i>
0 (Less than 600 square feet)	1
1 (601 to 850 square feet)	2
2 (851 to 1,100 square feet)	3

3 (1,101 to 1,300 square feet)	4
4 (More than 1,300 square feet)	5

At no time can a rent increase, or can multiple rent increases within one year, exceed the percentage change in Maximum Monthly Rent levels as published by MOH from the previous calendar year to the current calendar year.

* * * *

"Housing project." Any development which ~~has~~ includes residential ~~units~~ use as defined in ~~the~~ Planning Code Section 102, including but not limited to Dwellings, Group Housing, Single Room Occupancy Units, independent living units, and other forms of development which are intended to provide long-term housing to individuals and households. "Housing project" shall not include that portion of a development that qualifies as an Institutional Use under the Planning Code. "Housing project" for purposes of the Inclusionary Housing Program shall also include the development of live/work units as defined by Section 102.13 of this Code. Housing project for purposes of the Inclusionary Housing Program shall mean all phases or elements of a multi-phase or multiple lot residential development.

"Housing unit" or "unit." ~~A residential use dwelling unit in a Housing project as defined in San Francisco Housing Code Section 401. For the purposes of the Inclusionary Affordable Housing Program, Planning Code Section 415 et seq., and corresponding definitions in this Section 401, the use of the word "unit" will also mean bedrooms where a Group Housing or other Housing project is measured by number of bedrooms.~~

* * * *

"Maximum annual rent." The maximum rent that a housing developer may charge any tenant occupying an affordable unit for the calendar year. The maximum annual rent for an affordable housing unit, of the size indicated below shall be no more than 30 percent of the

1 annual gross income for a household of low income as defined in this Section, as adjusted for
 2 the household size indicated below, except in the case of Single Room Occupancy units and
 3 Group Housing units that are less than 350 square feet (*both* as defined in Section 102890.88),
 4 which shall be 75% of the maximum rent level for studio units, as of the first date of the
 5 tenancy:

<i>Number of Bedrooms (or, for live/work units square foot equivalency)</i>	<i>Number of Persons in Household</i>
0 (Less than 600 square feet)	1
1 (601 to 850 square feet)	2
2 (851 to 1,100 square feet)	3
3 (1,101 to 1,300 square feet)	4
4 (More than 1,300 square feet)	5

15 At no time can a rent increase, or can multiple rent increases within one year, exceed
 16 the percentage change in Maximum Monthly Rent levels as published by MOH from the
 17 previous calendar year to the current calendar year.

18 "Maximum purchase price." The maximum purchase price for an affordable owned unit
 19 of the size indicated below except in the case of Single Room Occupancy units and Group
 20 Housing units that are less than 350 square feet (*both* as defined in Section 102 890.88), which
 21 shall be 75% of the maximum purchase price level for studio units, that is affordable to a
 22 household of moderate income, adjusted for the household size indicated below, assuming an
 23 annual payment for all housing costs of 33 percent of the combined household annual gross
 24 income, a down payment recommended by MOH and set forth in the Procedures Manual, and
 25 available financing:

<i>Number of Bedrooms (or, for live/work units square foot equivalency)</i>	<i>Number of Persons in Household</i>
0 (Less than 600 square feet)	1
1 (601 to 850 square feet)	2
2 (851 to 1,100 square feet)	3
3 (1,101 to 1,300 square feet)	4
4 (More than 1,300 square feet)	5

* * * *

~~SEC. 415.6. ON-SITE AFFORDABLE HOUSING ALTERNATIVE.~~

~~* * * *~~

~~(c) Type of Housing: All on-site units constructed under this Section must be provided as ownership units unless the project sponsor meets the eligibility requirement of Section 415.5(g). All on-site units must be Affordable to Qualifying Households, except that Group Housing On-Site Units shall be affordable to households earning up to 90% of AMI if rented and up to 120% of AMI if provided as ownership units. In general, affordable units constructed under this Section 415.6 shall be comparable in number of bedrooms, exterior appearance and overall quality of construction to market rate units in the principal project. A Notice of Special Restrictions shall be recorded prior to issuance of the first construction document and shall specify the number, location and sizes for all affordable units required under this Subsection. The interior features in affordable units should be generally the same as those of the market rate units in the principal project, but need not be the same make, model or type of such item as long as they are of good and new quality and are consistent with then-current standards for new housing. The square footage of affordable units do not~~

1 need to be same as or equivalent to those in market rate units in the principal project, so long
2 as it is consistent with then-current standards for new housing. Where applicable, parking
3 shall be offered to the affordable units subject to the terms and conditions of the Department's
4 policy on unbundled parking for affordable housing units as specified in the Procedures
5 Manual and amended from time to time. On-site affordable units shall be ownership units
6 unless the project applicant meets the eligibility requirement of Section 415.5(g).

7 * * * *

8 **SEC. 415.6. ON-SITE AFFORDABLE HOUSING ALTERNATIVE.**

9 * * * *

10 (c) Type of Housing: All on-site units constructed under this Section must be provided
11 as ownership units unless the project sponsor meets the eligibility requirement of
12 Section 415.5(g). All on-site units must be Affordable to Qualifying Households. In general,
13 affordable units constructed under this Section 415.6 shall be comparable in number of
14 bedrooms, exterior appearance and overall quality of construction to market rate units in the
15 principal project. A Notice of Special Restrictions shall be recorded prior to issuance of the
16 first construction document and shall specify the number, location and sizes for all affordable
17 units required under this Subsection. The interior features in affordable units should be
18 generally the same as those of the market rate units in the principal project, but need not be
19 the same make, model or type of such item as long as they are of good and new quality and
20 are consistent with then-current standards for new housing. The square footage of affordable
21 units do not need to be same as or equivalent to those in market rate units in the principal
22 project, so long as it is consistent with then-current standards for new housing. Where
23 applicable, parking shall be offered to the affordable units subject to the terms and conditions
24 of the Department's policy on unbundled parking for affordable housing units as specified in
25 the Procedures Manual and amended from time to time. On-site affordable units shall be

1 ownership units unless the project applicant meets the eligibility requirement of
2 Section 415.5(g).

3 * * * *

4 Section 4. Effective Date; Applicability, and Retroactivity of Ordinance. This ordinance
5 shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the
6 ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within
7 ten days of receiving it, or the Board of Supervisors overrides the Mayor’s veto of the
8 ordinance. This ordinance shall apply to all Housing projects as defined, including Group
9 Housing projects, where the Department of Building Inspection issues the First Construction
10 Document, as defined in San Francisco Building Code Section 107A.13.1, after May 19, 2015.
11 Accordingly, this ordinance shall be retroactive to May 20, 2015.

12
13 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
14 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
15 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
16 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
17 additions, and Board amendment deletions in accordance with the “Note” that appears under
18 the official title of the ordinance.

19
20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: _____
23 Susan Cleveland-Knowles
24 Deputy City Attorney

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