



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19686

HEARING DATE JUNE 30, 2016

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Project Name: **100% Affordable Housing Bonus Program and Density Done Right; Development Without Displacement Program**

Case Number: **2014-001503PCA [Board File No. 150969] and 2016-008024PCA [Board File No. 160668]**

Initiated by: **AHBP introduced September 29, 2015
DDR introduced on June 7, 2016**

Staff Contact: **Kearstin Dischinger, Manager of Housing Policy
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Recommendation: **Find both Ordinances consistent with the General Plan**

MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1 FOR THE 100% AFFORDABLE HOUSING BONUS PROGRAM AND DENSITY DONE RIGHT; DEVELOPMENT WITHOUT DISPLACEMENT PROGRAM.

WHEREAS, on September 29, 2015, Mayor Ed Lee and Supervisor Tang introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 15-0969, which would amend the Planning Code to create the Affordable Housing Bonus Program, to provide various zoning modifications, form based zoning, and a height waiver for projects providing various levels of affordable housing, including a program entitled "the 100% Affordable Housing Bonus Program"; and

WHEREAS, on October 15, 2015 the Planning Commission voted to initiate an amendment to the General Plan to add language to certain policies, objectives and maps that clarified that the City could adopt policies or programs that allowed additional density and development potential if a project included increased amounts of on-site affordable housing; and

WHEREAS, on February 25, 2016, this Commission found that the Affordable Housing Bonus Program was, on balance, consistent with the San Francisco General Plan as amended, and forwarded the Affordable Housing Bonus Program, together with several recommended amendments, to the Board of Supervisors for their consideration; and

WHEREAS, on June 13, 2016, Supervisor Tang duplicated the AHBP ordinance file and amended the AHBP ordinance to include only the 100% Affordable Housing Bonus Program, and amended the 100% Affordable Housing Bonus Program to, among other items, prohibit the use of the program on parcels containing residential units and to allow an appeal to the Board of Supervisors; and

2. Affordable housing is of paramount statewide concern, and the California State legislature has declared that local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
3. The State Legislature has found that local governments must encourage the development of a variety of types of housing for all income levels, including multifamily rental housing and assist in the development of adequate housing to meet the needs of low- and moderate-income households.
4. San Francisco has one of the highest housing costs in the nation, but San Francisco's economy and culture rely on a diverse workforce at all income levels. It is the policy of the Board of Supervisors to facilitate the provision of housing to these workers and help to ensure that they pay a proportionate share of their incomes to live in adequate housing and to not commute ever-increasing distances to their jobs. The Association of Bay Area Governments determined that San Francisco's share of the Regional Housing Need for January 2015 to June 2022 was the provision of 28,870 new housing units, with 6,234 (or 21.6%) as very low, 4,639 (or 16.1%) as low, and 5,460 (or 18.9%) as moderate income units.
5. This Board of Supervisors, and the voters in San Francisco, have long recognized the need for the production of affordable housing. The voters, or the Board have adopted measures such as the establishment of the mandatory Inclusionary Affordable Housing Ordinance in Planning Code section 415; the San Francisco Housing Trust Fund, adopted in 2012, which established a fund to create, support and rehabilitate affordable housing, and set aside \$20 million in its first year, with increasing allocations to reach \$50 million a year for affordable housing.
6. The adoption of Proposition K in 2014 which established as City policy that the City, by 2020, will help construct or rehabilitate at least 30,000 homes, with more than 50% of the housing affordable for middle-income households, and at least 33% as affordable for low-and moderate income households; and the multiple programs that rely on Federal, State and local funding sources as identified in the Mayor's Office of Housing and Community Development (MOHCD) Comprehensive Plan.
7. Development bonuses are a long standing zoning tool that enable cities to encourage private development projects to provide public benefits including affordable housing.
8. **General Plan Compliance.** The proposed Ordinances are, on balance, consistent with the Objectives and Policies of the General Plan . (Staff discussion is added in *italic font* below):

HOUSING ELEMENT

OBJECTIVE 1

Identify and make available for development adequate sites to meet the City's housing needs, especially permanently affordable housing.

The 100% Affordable Housing Bonus Program (100% AHBP) would apply in zoning districts which a) allow residential use. The 100% Affordable Housing Bonus Program eligible districts generally include the City's neighborhood commercial districts, where residents have easy access to daily services, and are located along major transit corridors. 100% Affordable Housing Bonus Program eligible districts generally allow or encourage mixed uses and active ground floors. On balance the program area is located within a quarter-mile (or 5 minute-walk) of the proposed

The 100% AHBP and the DDR will facilitate affordable housing supply, including homeownership opportunities.

OBJECTIVE 4

Foster a housing stock that meets the needs of all residents across lifecycles.

The 100% AHBP and DDR can be utilized to increase housing supply for many household types including families, seniors, and emancipated youth.

POLICY 4.1

Develop new housing, and encourage the remodeling of existing housing, for families with children.

The 100% AHBP and DDR can increase the supply of new affordable housing, including new affordable housing for families.

POLICY 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

The 100% AHBP and DDR encourages the development of greater numbers of permanently affordable housing, including rental units.

Policy 4.5

Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

Parcels in most of the City's neighborhood commercial districts are eligible for the 100% AHBP, which enables the City to increase the number of very low, low and moderate income households and encourage integration of neighborhoods.

A smaller set of parcels would be eligible for DDR, depending on existing uses and other program eligibility requirements.

Policy 4.6

Encourage an equitable distribution of growth according to infrastructure and site capacity.

On balance the 100% AHBP and DDR eligible parcels are located within a quarter-mile (or 5 minute-walk) of the proposed Muni Rapid Network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability.

OBJECTIVE 7

Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

The DDR program requires a Conditional Use Permit which requires that the Commission find that entitled projects are consistent with the surrounding context, thus ensuring that the diverse and distinct character of San Francisco's neighborhoods are supported and respected.

POLICY 11.2

Ensure implementation of accepted design standards in project approvals.

In order to ensure consistency with the intent of the Planning Code and the General Plan, construct high quality buildings, as well as provide project sponsors with guidance and predictability in forming their building proposals, the project sponsors who use the 100% AHBP are subject to the AHBP Design Guidelines.

POLICY 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

The 100% AHBP and DDR only provide development bonuses which may permit a larger overall building mass for projects that include 100% affordable housing. Generally there are only two or three of these projects funded and entitled per year. Analysis conducted by staff and consultants on building heights in the eligible districts identified numerous buildings of varying heights in all height districts, including buildings substantially below the allowable height limit, and buildings substantially above the applicable height limits. Thus, the existing character in all eligible neighborhoods includes buildings of various heights. On balance, 100% affordable projects that exceed existing height limits by two or three stories would not substantially and adversely impact existing residential neighborhood character.

Further, establishing permanently affordable housing in the City's various neighborhoods would enable the City to stabilize very low, low and moderate income households. These households meaningfully contribute to the existing character of San Francisco's diverse neighborhoods.

POLICY 11.5

Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

The 100% AHBP and DDR only provide development bonuses which may permit a larger overall building mass for projects that include 100% affordable housing. Generally there are two or three of these projects funded and entitled per year. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are usually consistent with neighborhood character in most parts of San Francisco. As both 100% AHBP and DDR offer increased density as a zoning modification, but still limit overall density permitted through height and other zoning considerations – on balance 100% AHBP projects and DDR projects would be generally consistent with prevailing neighborhood character.

VAN NESS AVENUE AREA PLAN

Policy 5.1

Establish height controls to emphasize topography and adequately frame the great width of the Avenue.

POLICY 5.3

Continue the street wall heights as defined by existing significant buildings and promote an adequate enclosure of the Avenue.

100% AHBP and DDR projects would continue the street wall heights, though may offer some degree of variation due to height exceptions available through the program. Established height controls would continue to be applicable for most projects, and therefore the topography and width of the Avenue would continue to be emphasized and adequately framed. The AHBP Design Guidelines and Planning Commission review process will ensure that on balance projects promote continue the street wall heights an adequate enclosure of the Avenue.

BALBOA PARK AREA PLAN

OBJECTIVE 4.5: Provide increased housing opportunities affordable to a mix of households at varying income levels.

The 100% AHBP and DDR provide zoning and process accommodations which would increase affordable housing opportunities for a mix of household incomes.

BAYVIEW AREA PLAN

OBJECTIVE 6 Encourage the construction of new affordable and market rate housing at locations and density levels that enhance the overall residential quality of Bayview Hunters Point.

The 100% AHBP and DDR provide zoning and process accommodations which would increase affordable housing opportunities for a mix of household incomes.

CENTRAL WATERFRONT AREA PLAN

OBJECTIVE 2.1 Ensure that a significant percentage of new housing created in the central waterfront is affordable to people with a wide range of incomes.

The 100% AHBP and DDR provide zoning and process accommodations which would increase affordable housing opportunities

CHINATOWN AREA PLAN

OBJECTIVE 3

Stabilize and where possible increase the supply of housing.

The 100% AHBP and DDR provide zoning and process accommodations which would increase affordable housing opportunities.

POLICY 11.3

Continue the enforcement of citywide housing policies, ordinances and standards regarding the provision of safe and convenient housing to residents of all income levels, especially low- and moderate-income people.

The 100% AHBP and DDR provide zoning and process accommodations which would increase affordable housing opportunities.

POLICY 11.4

Strive to increase the amount of housing units citywide, especially units for low- and moderate-income people.

The 100% AHBP and DDR provide zoning and process accommodations which would increase affordable housing opportunities.

WESTERN SOMA AREA PLAN

OBJECTIVE 3.3

ENSURE THAT A SIGNIFICANT PERCENTAGE OF THE NEW HOUSING CREATED IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

The 100% AHBP provide zoning and process accommodations which would increase affordable housing opportunities to households making up to 80% of the area median income. The DDR provides zoning and process accommodations which would increase affordable housing opportunities to households earning up to 100% of the neighborhood median income.

4. Planning Code Section 101 Findings. The proposed amendments to the Planning Code are, on balance, consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed programs will create a net addition of neighborhood serving commercial uses. Many of the districts encourage or require that commercial uses be placed on the ground floor. These existing requirements ensure the proposed amendments will not have a negative effect on neighborhood serving retail uses and will not affect opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

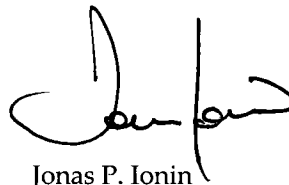
The 100% AHBP and DDR both propose to conserve and protect the existing neighborhood character, by stabilizing very low, low and moderate income households who contribute greatly to the City's cultural and economic diversity, and by providing design review opportunities through the 100% Affordable Housing Bonus Program Design Review Guidelines and Board of Supervisors appeal process, and the conditional use review process for the DDR.

The DDR may also include a prohibition on projects that would create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas.

5. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

FURTHER RESOLVED, that the Commission hereby finds the proposed 100% AHBP ordinance; and the DDR ordinance, with proposed amendments to address historic resources, wind, and shadow concerns and if eligibility for the DDR to projects is limited to areas that are not within the boundaries of Northeast Waterfront Plan Area, south of Broadway, are consistent with the General Plan.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 30, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Antonini , Hillis, Johnson, Moore, Richards, Wu,

NOES: None

ABSENT: Fong

ADOPTED: June 30, 2016