

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

LAND USE & ECONOMIC DEVELOPMENT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Sophie Maxwell, Chair
Land Use & Economic Development Committee

FROM: Alisa Somera, Committee Clerk

DATE: February 1, 2010

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, February 2, 2010

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting, Tuesday, February 2, 2010. This item was acted upon at the committee meeting on February 1, 2010 at 1:00 p.m., by the votes indicated.

Item No. 34 **File No. 100047**

Resolution approving interim controls providing that the alternatives provided to project applicants of residential development under Planning Code Section 315 et seq. shall, except for certain eligible projects, be suspended and replaced by an interim affordable housing fee that is equivalent to the current in lieu fee and amending the housing requirements for residential projects in the Rincon Hill Area Plan for 18 months or until a permanent ordinance amending Planning Code Section 315 et seq. is adopted; and making findings of consistency with the priority policies of Planning Code Section 101.1 and environmental findings.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Maxwell - Aye
Supervisor Mar - Aye
Supervisor Chiu - Aye

c: Angela Calvillo, Clerk of the Board
Cheryl Adams, Deputy City Attorney
Board of Supervisors

File No. 100047

Committee Item No. 1

Board Item No. 34

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date February 1, 2010

Board of Supervisors Meeting Date February 2, 2010

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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| * | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Draft Ordinance - File No. 100046 |
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Completed by: Alisa Somera Date January 28, 2010
Completed by: Alisa Somera Date February 1, 2010

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file and the online version.

1 [Planning Code - Interim Controls Related To Affordable Housing Requirements]

2
3 **Resolution approving interim controls providing that the alternatives provided to**
4 **project applicants of residential development under Planning Code Section 315 et seq.**
5 **shall, except for certain eligible projects, be suspended and replaced by an interim**
6 **affordable housing fee that is equivalent to the current in lieu fee and amending the**
7 **housing requirements for residential projects in the Rincon Hill Area Plan for 18**
8 **months or until a permanent ordinance amending Planning Code Section 315 et seq. is**
9 **adopted; and making findings of consistency with the priority policies of Planning**
10 **Code Section 101.1 and environmental findings.**

11
12 WHEREAS, The Board of Supervisors makes the following findings related to
13 imposition of interim zoning controls:

14 (1) Planning Code Section 306.7 provides for the imposition of interim zoning controls
15 to accomplish objectives related to the public interest. The provision and generation of
16 affordable housing is a recognized public purpose and is within the public interest of the City
17 and County of San Francisco.

18 (2) Pursuant to this resolution, the Board of Supervisors proposes interim controls for
19 residential housing projects that are set forth in a draft ordinance amending Planning Code
20 Section 315 et seq. being introduced at the Board of Supervisors simultaneously and on file
21 with the Clerk of the Board in File No. 100047 ("Draft Ordinance"). If adopted, the interim
22 controls will insure that the applications currently being processed by the City will not be in
23 conflict with the current proposed amendments to Planning Code Section 315 et seq in the
24 Draft Ordinance. The interim controls affect projects that are currently subject to the
25 provisions of Planning Code Section 315 et seq. currently known as the Residential

1 Inclusionary Affordable Housing Program ("Program"). The interim controls do not increase
2 the requirements of the Program; rather the interim controls require the payment of an
3 affordable housing fee in most circumstances. The Affordable Housing fee is the same as the
4 current "in lieu" fee.

5 (3) The interim controls will also modify the housing requirements of the Rincon Hill
6 Area Plan by deleting the requirement that 50 percent of all on- or off-site units must be
7 provided as rental units.

8 (4) The affordable housing fee, which is equivalent to the current in lieu fee and the
9 other alternatives for a project applicant, if eligible, to build on- or off-site affordable housing
10 are supported by the findings set out in the Draft Ordinance, including the study undertaken
11 by Keyser Marston Associates entitled "Nexus analysis in support of the Inclusionary Housing
12 Program, or an analysis of the impact of development of market rate housing on affordable
13 housing supply and demand." The study is on file with the Clerk of the Board of Supervisors
14 in File No. 061529. Specifically, the Board finds that this study and the findings in the Draft
15 Ordinance support the affordable housing fee proposed in these interim controls because it:
16 identifies the purpose of the fee to mitigate impacts on the demand for affordable housing in
17 the City; identifies the use to which the fee is to be put as being to increase the City's
18 affordable housing supply; and establishes a reasonable relationship between the use of the
19 fee for affordable housing and the need for affordable housing and the construction of new
20 market rate housing. Moreover, the Board finds that the current requirements proposed in
21 these interim controls are less than the cost of mitigation and do not include the costs of
22 remedying any existing deficiencies. The Board also finds that the study establishes that the
23 current Program requirements and the requirements being proposed in these interim controls
24 do not duplicate other city requirements or fees.

1 (5) This Board has considered the impact on the public health, safety, peace, and
2 general welfare if the interim controls proposed herein were not imposed.

3 (6) This Board has determined that the public interest will be best served by imposition
4 of these interim controls at this time in order to ensure that the legislative scheme that may be
5 ultimately adopted is not undermined during the planning and legislative process for
6 permanent controls, which process shall be conducted within a reasonable time.

7 WHEREAS, The Board of Supervisors makes the following findings of consistency with
8 the Priority Policies set forth in Planning Code Section 101.1. These interim controls advance
9 Priority Policy 3 that the City's supply of affordable housing be preserved and enhanced.
10 These interim controls do not conflict with other priority policies and are, on balance,
11 consistent with the Priority Policies.

12 WHEREAS, The Planning Department has determined that the actions contemplated in
13 this Resolution are in compliance with the California Environmental Quality Act (California
14 Public Resources Code §§ 21000 et seq.). Said determination is on file with the Clerk of the
15 Board of Supervisors in File No. 100047 and is incorporated herein by reference. Now,
16 therefore, be it

17 RESOLVED That the provisions of the Draft Ordinance entitled "Amending Inclusionary
18 Housing Ordinance " on file with the Clerk of the Board of Supervisors in File No. 100046 ,
19 which is hereby declared to be a part of this motion as if set forth fully herein, shall be adopted
20 as interim zoning controls; and therefore be it,

21 FURTHER RESOLVED That, upon imposition of these interim controls, the Planning
22 Department shall conduct a study of the contemplated zoning proposal and shall propose
23 permanent legislation or recommend adoption, modification, or disapproval of the Draft
24 Ordinance proposed by the Board of Supervisors; and therefore be it,
25

1 FURTHER RESOLVED That, notwithstanding Planning Code Section 315.3(b), the
2 requirements of these Interim Controls shall take effect immediately upon adoption and apply
3 to all projects regardless of application date; and therefore be it,

4 FURTHER RESOLVED That these interim zoning controls shall remain in effect for 18
5 months unless extended in accordance with Planning Code Section 306.7(h) or until
6 permanent controls are adopted to address the issues posed by the impact of new market-
7 rate residential development on the need for affordable housing.

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January 14, 2010

File No. 100047

Bill Wycko
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Mr. Wycko:

—On January 12, 2010, Mayor Newsom introduced the following proposed legislation:

File: 100047

Resolution approving interim controls providing that the alternatives provided to project applicants of residential development under Planning Code Section 315 et seq. shall, except for certain eligible projects, be suspended and replaced by an interim affordable housing fee that is equivalent to the current in lieu fee and amending the housing requirements for residential projects in the Rincon Hill Area Plan for 18 months or until a permanent ordinance amending Planning Code Section 315 et seq. is adopted; and making findings of consistency with the priority policies of Planning Code Section 101.1 and environmental findings.

The legislation is being transmitted to you for environmental review, pursuant to Planning Code Section 306.7(c).

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script that reads "Alisa Somera".

By: Alisa Somera, Committee Clerk
Land Use & Economic Development Committee

Attachment

cc: Nannie Turrell, Major Environmental Analysis
Brett Bollinger, Major Environmental Analysis

*No. 4 a project per CEQA
Guidelines Section 15378(6)(4)
Nannie R. Turrell
January 14, 2010*

Environmental Review Referral

7/23/09