

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 4/24/2023)

[Planning, Administrative Codes - HOME-SF]

Ordinance amending the Planning Code to allow projects to qualify for a density bonus under the Housing Opportunities Mean Equity (HOME-SF) Program by agreeing to subject new dwelling units to the rent increase limitations of the Rent Ordinance; modifying the zoning changes available to HOME-SF projects; making conforming amendments in the Administrative Code; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

Home Ownership Means Equity – San Francisco (HOME-SF) is one of the density bonus programs in Planning Code Section 206, and allows density bonuses and zoning code modifications for projects that agree to provide inclusionary housing at levels above that required by the Inclusionary Housing Ordinance in Planning Code section 415. Currently under HOME-SF, projects must provide between 20% and 30% of units as on-site affordable units, and in exchange receive form-based density and up to two stories of additional height, as well as modifications to Planning Code requirements such as rear yard, open space, parking and loading.

Generally, under the Costa-Hawkins Rental Housing Act, California Civil Code section 1954.50 *et seq.*, landlords may set the initial and subsequent rental rate upon the vacancy of a rental unit for units constructed after 1995. San Francisco’s implementation of Costa-Hawkins is set forth in Administrative Code Section 37, the San Francisco Rent Stabilization and Arbitration Ordinance (the Rent Ordinance). There are exceptions to Costa-Hawkins, including when an owner has agreed by contract with a public entity in consideration for “forms of assistance specified in [the State Density Bonus Law].” Under that exception, in exchange for density bonuses, waivers, and concessions and incentives, a developer can agree to subject newly constructed units to rent control.

Amendments to Current Law

This ordinance would expand the HOME-SF program to project sponsors who agree to subject the residential units in the development to rent control under the Rent Ordinance. Instead of providing additional on-site affordable units, projects would comply with the inclusionary housing ordinance, and subject the remaining units to rent control, or if the project was not subject to the inclusionary housing ordinance (for example, due to its size), the entire building can be subject to rent control.

FILE NO. 221021

This version contains amendments adopted at the Land Use and Transportation Committee on April 24, 2023 and modifies certain zoning changes available to HOME-SF projects, including to requirements for parking and open space, requires studio units to meet a minimum size, and requires HOME-SF units subject to the Rent Ordinance to include language in any lease or sublease that the unit is subject to rent control.

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