

**REVISED LEGISLATIVE DIGEST**

(Substituted, 6/18/2016)

[Planning Code - Affordable Housing Requirement and Fee in Divisadero and Fillmore Neighborhood Commercial Transit Districts]

**Ordinance amending the Planning Code to require additional affordable housing or payment of a fee for certain sites that obtained higher residential development potential as a result of the rezoning of the Divisadero Street Neighborhood Commercial Transit District and the Fillmore Street Neighborhood Commercial Transit District in 2015; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, Planning Code, Section 302, and the eight priority policies of Planning Code, Section 101.1.**

Existing Law

Residential development projects are required to comply with applicable inclusionary housing requirements, as provided in the Planning Code and Charter.

Amendments to Current Law

The proposed amendments provide that if the Planning Department determines that the housing development potential on a site within the Divisadero Street Neighborhood Commercial Transit District or the Fillmore Street Neighborhood Commercial Transit District has been increased 50% or more through the adoption of the rezoning set forth in Ordinance Nos. 126-15 and 127-15, a proposed housing development project on such site would be required to comply with the new inclusionary housing requirements set forth in the City's Inclusionary Affordable Housing Program, Planning Code Sections 415 *et seq.*, as amended by Ordinance No. 76-16, with none of the grandfathering provisions set forth in Planning Code Section 415.3(b) available for such projects.

Such requirement would include payment of a fee equivalent to a requirement to provide 33% of the units in the principal project as affordable units. If the project sponsor of a housing development project elects and is qualified to construct affordable units on-site of the principal project as set forth in Planning Code Section 415.5(g), the project sponsor must construct 25% of all units constructed on the project site as affordable housing and comply with otherwise applicable requirements of Section 415.6. If the project sponsor of a housing development project elects and is qualified to provide affordable units off-site of the principal project as set forth in Planning Code Section 415.5(g), the project sponsor must construct or cause to be constructed affordable housing equal to 33% of all units constructed on the principal project site as affordable housing and comply with all otherwise applicable requirements of Section 415.7.

All other proposed housing development projects located in the Divisadero Street and Fillmore Street NCT Districts must comply with the inclusionary housing requirements set forth in Planning Code Sections 415 *et seq.* and may avail themselves of any applicable “grandfathering” provisions set forth in Planning Code Section 415.3(b).

The legislation also provides that if the Board adopts permanent inclusionary affordable housing requirements that are higher than those set forth in Sections 428 *et seq.*, the higher requirement shall apply.

#### Background Information

The voters approved a Charter Amendment at the June 7, 2016 election, which would allow the City to impose different inclusionary housing requirements through legislation. The Board of Supervisors adopted trailing legislation, in Ordinance 76-16, setting forth new inclusionary housing requirements and providing for imposition of different requirements on certain pending applications through grandfathering provisions contained in Planning Code Section 415.3(b).

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