

**LEGISLATIVE DIGEST**

*(7/13/15 – Amended in Committee)*

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

**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 Average Median Income (AMI) for rental and 120% of AMI for ownership, and to specify that such On-site Units be priced at 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 Downtown Commercial (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; 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.**

Existing Law

The Inclusionary Affordable Housing Program (“Inclusionary Program”), adopted by the Board in 2002 provided that the Inclusionary Program applies to all applications for “housing projects” including 10 or more units. The Inclusionary Program requires project sponsors to provide On-site or Off-site affordable units or to pay a fee. On-site units must be affordable to households of 55% of Area Median Income (AMI) if rented and 90% of AMI if sold. The definition of “Housing project” includes a broad variety of developments “which are intended to provide long-term housing to individuals and households,” specifically including group housing, among other forms of housing. The definition of “housing project,” currently found in Planning Code Section 401, has not changed in any material respect and the Program still applies to projects of 10 or more units. “Unit” is defined as a dwelling unit under the San Francisco Housing Code.

Group housing projects in general do not need to meet the exposure requirements of the Planning Code. In buildings in C-3-G and C-3-S Districts, other than those designated as Significant or Contributory pursuant to Article 11 of this Code, additional square footage above that permitted by the base floor area ratio limits may be approved for construction of dwellings

on the site of the building affordable to households whose incomes are within 150 percent of the median income.

### Amendments to Current Law

The Proposed Legislation makes findings establishing that the Board intended that the Inclusionary Program, as adopted in 2002 and subsequently amended, should apply to group housing, including a variety of other forms of housing. The legislation amends the definition of housing project and housing unit to more clearly include group housing, and provides that the use of the term “unit” where it appears in the Inclusionary Program can mean a bedroom where a group housing or other housing project is measured by number of bedrooms.

### Background Information

In implementing the Inclusionary Program, the Planning Department has not applied the Program to group housing. The sponsors have introduced this legislation to clarify that the Department should apply the Program to group housing.

This legislative digest reflects amendments adopted by the Land Use and Transportation Committee on July 13, 2015 as follows:

1. Apply exposure requirements that apply to other types of residential projects to group housing and allow a Zoning Administrator partial waiver from the exposure requirements for all group housing bedrooms or the group housing common room.
2. Clarify that the group housing bedrooms provided as On- or Off-site Units under the Inclusionary Affordable Housing Program would be priced as 75% of the maximum purchase price for studio units if the bedrooms are less than 350 square feet. Otherwise, such bedrooms would be subject to the price for a studio unit.
3. On-site Units under the Inclusionary Housing Program in Group Housing Projects will be affordable to 90% of AMI for rental units and 120% of AMI for ownership units.
4. Provide that On-site inclusionary group housing rooms satisfying the Inclusionary Requirements may be exempt from density calculations.
5. Amending 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 that they generally follow the procedures for affordable units under the Inclusionary Affordable Housing Program.

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