## FILE NO. 160687

## AMENDED IN COMMITTEE 6/13/16 ORDINANCE NO.

[Planning Code - 100% Affordable Housing Bonus Programs]

1	
2	Ordinance amending the Planning Code to create the Affordable Housing Bonus
3	Programs, consisting of the Local Affordable Housing Bonus Program, the 100 Percent
4	Affordable Housing Bonus Program, the Analyzed State Density Bonus Program, and the
5	Individually Requested State Density Bonus Program, to provide for development bonuses
6	and zoning modifications for 100 percent affordable housing projects, in compliance with,
7	and above those required by the State Density Bonus Law, Government Code, Section
8	65915, et seq.; to establish the procedures in which the Local Affordable Housing Bonus
9	Program and the 100 Percent Affordable Housing Bonus Program projects shall be
10	reviewed and approved; adding a fee for applications under the Program; and
11	amending the Planning Code to exempt 100 Percent Affordable Housing Bonus Program
12	projects from the height limits specified in the Planning Code and the Zoning Maps;
13	and affirming the Planning Department's determination under the California
14	Environmental Quality Act; and making findings of consistency with the General Plan,
15	and the eight priority policies of Planning Code, Section 101.1.
16	NOTE: <b>Unchanged Code text and uncodified text</b> are in plain Arial font.
17	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <del>strikethrough italics Times New Roman font</del> .
18	Board amendment additions are in <u>double-underlined Arial font</u> . Board amendment deletions are in strikethrough Arial font.
19	<b>Asterisks (</b> * * * *) indicate the omission of unchanged Code subsections or parts of tables.
20	
21	Be it ordained by the People of the City and County of San Francisco:
22	Section 1.
23	(a) The Planning Department has determined that the actions contemplated in this
24	ordinance comply with the California Environmental Quality Act (California Public Resources
25	

Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 Supervisors in File No. 160687 and is incorporated herein by reference. The Board affirms
 this determination.

(b) On February 25, 2016, the Planning Commission, in Resolution No. 19578,
adopted findings that the actions contemplated in this ordinance are consistent, on balance,
with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
the Board of Supervisors in File No. 160687, and is incorporated herein by reference.

9 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code 10 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth 11 in Planning Commission Resolution No. 19578, and the Board incorporates such reasons 12 herein by reference.

13

Section 2. The Planning Code is hereby amended by adding Section 206 through
206.84 to read as follows:

## 16 <u>SEC. 206. THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM</u>S.

17 <u>This section shall be known as the Affordable Housing Bonus Programs, which includes</u>

18 the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing Bonus

19 <u>Program</u>, the Analyzed State Density Bonus Program and the Individually Requested State

- 20 Density Bonus Program.
- 21 <u>SEC. 206.1. PURPOSE AND FINDINGS.</u>
- 22 (a) The purpose of the <u>100% Affordable Housing Bonus Program</u>s is to facilitate the
- 23 *development and construction of affordable housing in San Francisco. Affordable housing is of*
- 24 *paramount statewide concern, and the California State legislature has declared that local and state*
- 25 governments have a responsibility to use the powers vested in them to facilitate the improvement and

1	development of housing to make adequate provision for the housing needs of all economic segments of
2	the community. The State Legislature has found that local governments must encourage the
3	development of a variety of types of housing for all income levels, including multifamily rental housing
4	and assist in the development of adequate housing to meet the needs of low- and moderate-income
5	households.
6	(b) Affordable housing is an especially paramount concern in San Francisco. San Francisco
7	has one of the highest housing costs in the nation, but San Francisco's economy and culture rely on a
8	diverse workforce at all income levels. It is the policy of the Board of Supervisors to provide housing
9	to these workers and ensure that they pay a proportionate share of their incomes to live in adequate
10	housing and to not commute ever-increasing distances to their jobs. The Association of Bay Area
11	Governments determined that San Francisco's share of the Regional Housing Need for January 2015
12	to June 2022 was provision of 28,870 new housing units, with 6,234 (or 21.6%) as very low, 4,639 (or
13	16.1%) as low, and 5,460 (or 18.9%) as moderate income units.
14	(c) This Board of Supervisors, and the voters in San Francisco, have long recognized the need
15	for the production of affordable housing. The voters, or this Board have adopted measures such as the
16	establishment of the mandatory Inclusionary Affordable Housing Ordinance in Planning Code section
17	415; the San Francisco Housing Trust Fund, adopted in 2012, which established a fund to create,
18	support and rehabilitate affordable housing, and set aside \$20 million in its first year, with increasing
19	allocations to reach \$50 million a year for affordable housing; the adoption of Proposition K in 2014
20	which established as City policy that the City, by 2020, will help construct or rehabilitate at least
21	30,000 homes, with more than 50% of the housing affordable for middle-income households, and at
22	least 33% as affordable for low-and moderate income households; and the multiple programs that rely
23	on Federal, State and local funding sources as identified in the Mayor's Office of Housing and
24	Community Development Comprehensive Plan.
25	

1	(d) Historically, in the United States and San Francisco, affordable housing requires
2	high levels of public subsidy, including public investment and reliance on public dollars. Costs
3	to subsidize an affordable housing unit vary greatly depending on a number of factors, such
4	as household income of the residents, the type of housing, and the cost to acquire land
5	acquisition. Currently, MOHCD estimates that the level of subsidy for an affordable housing
6	units is approximately \$250,000 per unit. Given this high cost per unit, San Francisco can
7	only meet its affordable housing goals through a combination of increased public dollars
8	dedicated to affordable housing and other tools that do not rely on public money.
9	(e) Development bonuses are a long standing zoning tool that enable cities to
10	encourage private development projects to provide public benefits including affordable
11	housing. By offering increased development potential, a project sponsor can offset the
12	expenses necessary to provide additional public benefits. In 1979, the State of California
13	adopted the Density Bonus Law, Government Code section 65915 et seq, which requires that
14	density bonuses and other concessions and incentives be offered to projects that provide a
15	minimum amount of on-site affordable housing.
16	(f <u>d) In recognition of the City's affordable housing goals, including the need to produce</u>
17	more affordable housing without need for public subsidies, the Planning Department contracted
18	with David Baker Architects and Seifel Consulting to determine a menu of zoning modifications and
19	<u>development bonuses that could offset a private developer's costs of providing various levels of</u>
20	additional on-site affordable housing. David Baker Architects and Seifel Consulting analyzed various
21	parcels in San Francisco, to determine the conditions in which a zoning accommodation would be
22	necessary to achieve additional density. The analysis modeled various zoning districts and lot size
23	configurations, consistent with current market conditions and the City's stated policy goals, including
24	to achieve a mix of unit types, including larger units that can accommodate larger households. These
25	reports are on file in Board of Supervisors File No. 160687.

1 (<u>ge</u>) Based on the results of the studies, the Department developed four <u>a programs</u> set forth 2 in this Section 206, the Affordable Housing Bonus Programs, which to provide an options by 3 which developers of 100% affordable housing projects can include additional affordable units on-4 site in exchange for through increased density and other zoning or design modifications. These 5 programs are the Local Affordable Housing Bonus Program, the 100 Percent Affordable 6 Housing Bonus Program, the Analyzed State Density Bonus Program and the Individually 7 Requested Bonus Program. This program is the 100% Affordable Housing Bonus Program. 8 (h) The goal of the Local Affordable Housing Program is to increase affordable 9 housing production, especially housing affordable to Middle Income households. Housing for 10 Middle Income Households in San Francisco is necessary to stabilize San Francisco's households and families, ensure income and household diversity in the long term population 11 12 of San Francisco, and reduce transportation impacts of middle income households working in 13 San Francisco. Middle Income households do not traditionally benefit from public subsidies. 14  $(\underline{f})$  The 100 Percent Affordable Housing Bonus Program provides additional incentives for 15 developers of 100% affordable housing projects, thereby reducing the overall cost of such 16 developments on a per unit basis. 17 (i) The Affordable Housing Bonus Program also establishes a clear local process for 18 all projects seeking the density bonuses guaranteed through the State Density Bonus Law. The State Analyzed Program provides an expedited process for projects that comply with a 19 20 pre-determined menu of incentives, concessions and waivers of development standards that 21 the Department, in consultation with David Baker Architects and Seifel Consulting can appropriately respond to neighborhood context without causing adverse impacts on public 22 23 health and safety, and provide affordable units through the City's already-established 24 Inclusionary Housing Program. Projects requesting density or concessions, incentives and 25

1	waivers outside of the City's preferred menu may seek a density bonus consistent with State
2	law in the Individually Requested Density Bonus Program.
3	SEC. 206.2 DEFINITIONS.
4	This Section applies to Sections 206 through 206.8 <u>4</u> . The definitions of Section 102 and the
5	definitions in Section 401 for "Area Median Income" or "AMI," "First Construction Document,"
6	<u>"Housing Project," "Life of the Project," "MOHCD," "On-site Unit," "Off-site Unit," "Principal</u>
7	Project," and "Procedures Manual," shall generally apply. For purposes of this Section 206 et seq.,
8	the following definitions shall apply, and shall prevail if there is a conflict with other sections of the
9	<u>Planning Code.</u>
10	<u>"100 Percent Affordable Housing Project" shall be a project where all of the dwelling units</u>
11	with the exception of the manager's unit are "Affordable Units" as that term is defined in section
12	<u>406(b).</u>
13	"Affordable to a Household of Lower, Very Low, or Moderate Income shall mean, at a
14	minimum (1) a maximum purchase price that is affordable to a Household of Lower, Very Low,
15	or Moderate Income, adjusted for the household size, assuming an annual payment for all
16	housing costs of 33 percent of the combined household annual gross income, a down
17	payment recommended by the Mayor's Office of Housing and Community Development and
18	set forth in the Procedures Manual, and available financing; and (2) an affordable rent as
19	defined in Section 50053 of the Health and Safety Code sufficient to ensure continued
20	affordability of all very low and low-income rental units that qualified the applicant for the
21	award of the density bonus for 55 years or a longer period of time if required by the
22	construction or mortgage financing assistance program, mortgage insurance program, or
23	rental subsidy program.
24	"Affordable to a Household of Middle Income" shall mean, at a minimum, (1) a
25	maximum purchase price that is affordable to a Household of Middle Income at 140% of Area

1 Median Income, adjusted for the household size, assuming an annual payment for all housing 2 costs of 33 percent of the combined household annual gross income, a down payment 3 recommended by the Mayor's Office of Housing and Community Development and set forth in the Procedures Manual, and available financing; and (2) the maximum annual rent for an 4 5 affordable housing unit shall be no more than 30% of the annual gross income for a 6 Household of Middle Income at an Area Median Income of 120%, as adjusted for the 7 household size, as of the first date of the tenancy. 8 "Base Density" is lot area divided by the maximum lot area per unit permitted under 9 existing density regulations (e.g 1 unit per 200, 400, 600, 800, or 1000 square feet of lot 10 area). Calculations that result in a decimal point of 0.5 and above are rounded to the next whole number. In the Fillmore Neighborhood Commercial Transit District and the Divisadero 11 12 Neighborhood Commercial Transit District, "Base Density" shall mean 1 unit per 600 square 13 feet of lot area. "Density Bonus" means a density increase over the Maximum Allowable Residential 14 15 Density granted pursuant to Government Code Section 65915 and Section 206 et seq. 16 "Density Bonus Units" means those market rate dwelling units granted pursuant to the 17 provisions of this Section 206.3, 206.5 and 206.6 that exceed the otherwise Maximum 18 Allowable Residential Density for the development site. 19 "Development standard" shall mean a site or construction condition, including, but not limited 20 to, a height limitation, a setback requirement, a floor area ratio, an onsite open space requirement, or 21 an accessory parking ratio that applies to a residential development pursuant to any ordinance, 22 general plan element, specific plan, charter, or other local condition, law, policy, resolution or 23 regulation. 24 25

2 income for all members does not exceed 140% of AMI to qualify for ownership housing and 3 120% of AMI to qualify for rental housing. "Inclusionary Units" shall mean on-site income-restricted residential units provided 4 5 within a development that meet the requirements of the Inclusionary Affordable Housing 6 Program, Planning Code Section 415 et seq. 7 "Lower or , Very Low, or Moderate Income" means annual income of a household that does 8 not exceed the maximum income limits for the income category, as adjusted for household size, 9 applicable to San Francisco, as published and periodically updated by the State Department of 10 Housing and Community Development pursuant to Sections 50079.5, or 50105, or 50093 of the 11 California Health and Safety Code. Very low income is currently defined in California Health and 12 Safety Code section 50105 as 50% of area median income. Lower Income is currently defined in 13 California Health and Safety Code section 50079.5 as 80% of area median income. Moderate Income is currently defined in California Health and Safety Code section 50093 as 120% of 14 15 area median income. "Maximum Allowable Residential Density" means the maximum number of dwelling 16 17 units per square foot of lot area in zoning districts that have such a measurement, or, in zoning districts without such a density measurement, the maximum number of dwelling units 18 19 that could be developed on a property while also meeting all other applicable Planning Code 20 requirements and design guidelines, and without obtaining an exception, modification, 21 variance, or waiver from the Zoning Administrator or Planning Commission for any Planning Code requirement. 22 23 "Middle Income Unit" shall mean a residential unit affordable to a Household of Middle 24 Income. 25

"Household of Middle Income" shall mean a household whose combined annual gross

1	"Qualifying Resident" means senior citizens or other persons eligible to reside in a
2	Senior Citizen Housing Development.
3	"Regulatory Agreement" means a recorded and legally binding agreement between an
4	applicant and the City to ensure that the requirements of this Chapter are satisfied. The
5	Regulatory Agreement, among other things, shall establish: the number of Restricted
6	Affordable Units, their size, location, terms and conditions of affordability, and production
7	schedule.
8	"Restricted Affordable Unit" means a dwelling unit within a Housing Project which will
9	be Affordable to Very Low, Lower or Moderate Income Households, as defined in this Section
10	206.2 for a minimum of 55 years. Restricted Affordable Units shall meet all of the
11	requirements of Government Code 65915, except that Restricted Affordable Units that are
12	ownership units shall not be restricted using an equity sharing agreement."
13	"Senior Citizen Housing Development" has the meaning in California Civil Code section
14	<del>51.3.</del>
15	SEC. 206.3. LOCAL AFFORDABLE HOUSING BONUS PROGRAM.
16	(a) Purpose. This Section sets forth the Local Affordable Housing Bonus Program.
17	The Local Affordable Housing Bonus Program or "Local Program" provides benefits to project
18	sponsors of housing projects that set aside a total of 30% of residential units onsite at below
19	market rate rent or sales price, including a percentage of units affordable to low and moderate
20	income households consistent with Section 415, the Inclusionary Housing Program, and the
21	remaining percentage affordable to a Household of Middle Income. The purpose of the Local
22	Affordable Housing Bonus Program is to expand the number of Inclusionary Units produced in
23	San Francisco and provide housing opportunities to a wider range of incomes than traditional
24	affordable housing programs, which typically provide housing only for very low, low or
25	moderate income households. The Local Program allows market-rate projects to match the

1 City's shared Proposition K housing goals that 50% of new housing constructed or

- 2 rehabilitated in the City by 2020 be within the reach of working middle class San Franciscans,
- 3 and at least 33% affordable for low and moderate income households.
- 4 (b) Applicability. A Local Affordable Housing Bonus Project or "Local Project" under
- 5 this Section 206.3 shall be a project that:
- (1) contains three or more residential units, as defined in Section 102, not
  including any Group Housing as defined in Section 102, efficiency dwelling units with reduced
  square footage defined in Section 318, and Density Bonus Units permitted through this
  Section 206.3, or any other density bonus;
- 10 (2) is located in any zoning district that: (A) is not designated as an RH-1 or RH-2 Zoning Districts; and (B) establishes a maximum dwelling unit density through a ratio of 11 12 number of units to lot area, including RH-3, RM, RC, C-2, Neighborhood Commercial, Named 13 Neighborhood Commercial, Chinatown Mixed Use Districts, and SoMa Mixed Use Districts; 14 but only if the SoMa Mixed Use District has a density measured by a maximum number of 15 dwelling units per square foot of lot area; (C) is in the Fillmore Neighborhood Commercial 16 Transit District and Divisadero Neighborhood Commercial Transit District; and (D) is not in the 17 North of Market Residential Special Use District, Planning Code Section 249.5 until the 18 Affordable Housing Incentive Study is completed at which time the Board will review whether the North of Market Residential Special Use District should continue to be excluded from this 19 20 Program. The Study will explore opportunities to support and encourage the provision of 21 housing at the low, moderate, and middle income range in neighborhoods where density controls have been eliminated. The goal of this analysis is to incentivize increased affordable 22 23 housing production levels at deeper and wider ranges of AMI and larger unit sizes in these 24 areas through 100% affordable housing development as well as below market rate units within market rate developments; and, 25

1	(3) is not seeking and receiving a density or development bonus under the
2	provisions of California Government Code Section 65915 et seq, Planning Code Section 207,
3	Section 124(f), Section 202.2(f), 304, or any other State or local program that provides
4	development bonuses;
5	(4) includes at least 135% of the Base Density as calculated under Planning
6	Code Section 206.5;
7	(5) in Neighborhood Commercial Districts is not a project that involves merging
8	lots that result in more than 125 feet in lot frontage for projects located; and
9	(6) consists only of new construction, and excluding any project that includes an
10	addition to an existing structure.
11	(c) Local Affordable Housing Bonus Project Eligibility Requirements. To receive the
12	development bonuses granted under this Section, a Local Project must meet all of the
13	following requirements:
14	(1) Comply with the Inclusionary Affordable Housing Program, Section 415 of
15	this Code, by providing the applicable number of units on-site under Section 415.6. For
16	projects not subject to the Inclusionary Affordable Housing Program, the applicable number of
17	on-site units under this section shall be zero. If the Dial Alternative currently proposed in an
18	ordinance in Board of Supervisors File No. 150911 is adopted and permits a project sponsor
19	to provide more Inclusionary Units at higher AMIs than currently required (referred to as
20	"dialing up"), a project sponsor may dial up and meet the requirements of this subsection (D).
21	If the Dial Alternative of the Inclusionary Affordable Housing Program is ever amended to
22	allow a project sponsor to provide fewer Inclusionary Units at lower AMIs than currently
23	required (referred to as "dialing down"), then a Project cannot qualify for this Section 206.5 if it
24	elects to dial down;
25	

1	(2) Provide an additional percentage of affordable units in the Local Project as
2	Middle Income Units, as defined herein, such that the total percentage of Inclusionary Units
3	and Middle Income Units equals 30%. The Middle Income Units shall be restricted for the Life
4	of the Project and shall comply with all of the requirements of the Procedures Manual
5	authorized in Section 415. As provided for in subsection (e), the Planning Department and
6	MOHCD shall amend the Procedures Manual to provide policies and procedures for the
7	implementation, including monitoring and enforcement, of the Middle Income units;
8	(3) Demonstrate to the satisfaction of the Environmental Review Officer that the
9	Local Project does not:
10	(A) cause a substantial adverse change in the significance of an historic
11	resource as defined by California Code of Regulations, Title 14, Section 15064.5,
12	(B) create new shadow in a manner that substantially affects outdoor
13	recreation facilities or other public areas; and
14	(C) alter wind in a manner that substantially affects public areas;
15	(4) Inclusive of Inclusionary Units and Middle Income Units, provides either (A)
16	a minimum unit mix of at least 40% of all units as two bedroom units or larger; or (B) any unit
17	mix such that 50% of all bedrooms within the Local Project are provided in units with more
18	than one bedroom. Local Projects are not eligible to modify this requirement under Planning
19	Code Section 303, 328, or any other provision of this Code; and,
20	(5) Provides replacement units for any units demolished or removed that are
21	subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco
22	Administrative Code Section 37, or are units qualifying for replacement as units being
23	occupied by households of Low or Very Low Income, consistent with the requirements of
24	Government Code section 65915(c)(3).
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(d) Development Bonuses. Any Local Project shall, at the project sponsor's request, receive any or all of the following:

- 3 (1) Form based density. Notwithstanding any zoning designation to the contrary, density of a Local Project shall not be limited by lot area but rather by the applicable 4 5 requirements and limitations set forth elsewhere in this Code. Such requirements and 6 limitations include, but are not limited to, height, including any additional height allowed by 7 subsection (d)(2), Bulk, Setbacks, Required Open Space, Exposure and unit mix as well as 8 applicable design guidelines, elements and area plans of the General Plan and design review, 9 including consistency with the Affordable Housing Bonus Program Design Guidelines, 10 referenced in Section 328, as determined by the Planning Department. (2) Height. Up to 20 additional feet above the height authorized for the Local 11 12 Project under the Height Map of the Zoning Map. This additional height may only be used to 13 provide up to two additional 10-foot stories to the project, or one additional story of no more than 10 feet in height. Building features exempted from height controls under Planning Code 14 15 Section 260(b) shall be measured from the roof level of the highest story provided under this 16 section. 17 (3) Ground Floor Ceiling Height. In addition to the permitted height allowed 18 under (d)(2), Local Projects with active uses on the ground floor as defined in Section 145.1(b)(2) shall receive up to a maximum of 5 additional feet in height above the height limit, 19 20 in addition to the additional 20 feet granted in subsection (2) above. However, the additional 5 21 feet may only be applied at the ground floor to provide a 14-foot (floor to ceiling) ceiling height
- for nonresidential uses, and to allow walk-up dwelling units to be consistent with the Ground
- 23 Floor Residential Design Guidelines. This additional 5 feet shall not be granted to projects
- 24 that already receive such a height increase under Planning Code Section 263.20.
- 25

1	(4) Zoning Modifications. Local Affordable Housing Bonus Projects may select
2	up to three of the following zoning modifications:
3	(A) Rear yard: The required rear yard per Section 134 or any applicable
4	special use district may be reduced to no less than 20 percent of the lot depth, or 15 feet,
5	whichever is greater. Corner properties may provide 20 percent of the lot area at the interior
6	corner of the property to meet the minimum rear yard requirement, provided that each
7	horizontal dimension of the open area is a minimum of 15 feet; and that the open area is
8	wholly or partially contiguous to the existing midblock open space, if any, formed by the rear
9	yards of adjacent properties.
10	(B) Dwelling Unit Exposure: The dwelling unit exposure requirements of
11	Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open
12	area that is no less than 25 feet in every horizontal dimension, and such open area is not
13	required to expand in every horizontal dimension at each subsequent floor.
14	(C) Off-Street Loading: Off-street loading spaces per Section 152 shall
15	not be required.
16	(D) Automobile Parking: Up to a 75% reduction in the residential and
17	commercial parking requirements in Section 151 or any applicable special use district.
18	(E) Open Space: Up to a 5% reduction in common open space if
19	provided under Section 135 or any applicable special use district.
20	(F) Additional Open Space: Up to an additional 5% reduction in common
21	open space if provided under Section 135 or any applicable special use district, beyond the
22	5% provided in subsection (E) above.
23	(G) Inner Courts as Open Space: In order for an inner court to qualify as
24	useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every
25	horizontal dimension, and for the height of the walls and projections above the court on at

least three sides (or 75 percent of the perimeter, whichever is greater) to be no higher than
one foot for each foot that such point is horizontally distant from the opposite side of the clear
space in the court. Local Affordable Housing Bonus Projects may instead provide an inner
court that is at least 25 feet in every horizontal dimension, with no restriction on the heights of
adjacent walls. All area within such an inner court shall qualify as common open space under
Section 135.

7 (e) Implementation.

8 (1) Application. The following procedures shall govern the processing of a
 9 request for a project to qualify under the Local Program.

(A) An application to participate in the Local Program shall be submitted
 with the first application for approval of a Housing Project and processed concurrently with all
 other applications required for the Housing Project. The application shall be submitted on a
 form prescribed by the City and shall include at least the following information:

(i) A full plan set, including a site plan, elevations, sections and
 floor plans, showing total number of units, number of and location of Inclusionary Units, and
 Middle Income Units; and a draft Regulatory Agreement;

(ii) The number of dwelling units which are on the property, or if 17 18 the dwelling units have been vacated or demolished in the five year period preceding the application, have been and which were subject to a recorded covenant, ordinance, or law that 19 20 restricts rents to levels affordable to persons and families of lower or very low income; subject 21 to any other form of rent or price control through the City or other public entity's valid exercise of its police power; or occupied by lower or very low income households; and 22 23 (iii) If the property includes a parcel or parcels in which dwelling 24 units under subsection (ii) are located or were located in the five year period preceding the

1 application, the type and size of those units, and the incomes of the persons or families 2 occupying those units. 3 (iv) The requested development bonuses and/or zoning modifications from those listed in subsection (d). 4 5 (B) Documentation that the applicant has provided written notification to 6 all existing commercial or residential tenants that the applicant intends to develop the property 7 pursuant to this section. Any affected commercial tenants shall be given priority processing 8 similar to the Department's Community Business Priority Processing Program, as adopted by 9 the San Francisco Commission on February 12, 2015 under Resolution Number 19323, to 10 support relocation of such business in concert with access to relevant local business support 11 programs. 12 (2) Procedures Manual. The Planning Department and MOHCD shall amend 13 the Procedures Manual, authorized in Section 415, to include policies and procedures for the 14 implementation, including monitoring and enforcement, of the Middle Income units. As an 15 amendment to the Procedures Manual, such policies and procedures are subject to review and approval by the Planning Commission under Section 415. Amendments to the 16 17 Procedures Manual shall include a requirement that project sponsors complete a market 18 survey of the area before marketing Middle Income Units. All affordable units that are affordable to households between 120 and 140% of AMI must be marketed at a price that is at 19 20 least 20% less than the current market rate for that unit size and neighborhood, in addition to 21 any other applicable Program requirements. (3) Notice and Hearing. Local Projects shall comply with Section 328 for review 22 23 and approval. 24 25

1	(4) Controls. Local Projects shall comply with Section 328. Notwithstanding
2	any other provision of this Code, no conditional use authorization shall be required for a Local
3	Project unless such conditional use requirement was adopted by the voters.
4	(5) Regulatory Agreements. Recipients of a Density Bonus, Incentive,
5	Concession, waiver, or modification shall enter into a Regulatory Agreement with the City, as
6	follows.
7	(A) The terms of the agreement shall be acceptable in form and content to the
8	Planning Director, the Director of MOHCD, and the City Attorney. The Planning Director
9	shall have the authority to execute such agreements.
10	(B) Following execution of the agreement by all parties, the completed Density
11	Bonus Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions
12	filed and recorded on the Housing Project.
13	(C) The approval and recordation of the Regulatory Agreement shall take place
14	prior to the issuance of the First Construction Document. The Regulatory Agreement shall be
15	binding to all future owners and successors in interest.
16	(D) The Regulatory Agreement shall be consistent with the guidelines of the
17	City's Inclusionary Housing Program and shall include at a minimum the following:
18	(i) The total number of dwelling units approved for the Housing Project,
19	including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units
20	or other restricted units;
21	(ii) A description of the household income group to be accommodated by
22	the Restricted Affordable Units, and the standards for determining the corresponding
23	Affordable Rent or Affordable Sales Price. The project sponsor must commit to completing a
24	market survey of the area before marketing Middle Income Units. All affordable units that are
25	affordable to households between 120 and 140% of AMI must be marketed at a price that is

1	at least 20% less than the current market rate for that unit size and neighborhood, in addition
2	to any other applicable Program requirements;
3	(iii) The location, dwelling unit sizes (in square feet), and number of
4	bedrooms of the Restricted Affordable Units;
5	(iv) Term of use restrictions for Restricted Affordable Units of at least 55
6	years for Moderate Income units and at least 55 years for Low and Very Low units;
7	(v) A schedule for completion and occupancy of Restricted Affordable
8	Units;
9	(vi) A description of any Concession, Incentive, waiver, or modification, if
10	any, being provided by the City;
11	(vii) A description of remedies for breach of the agreement (the City may
12	identify tenants or qualified purchasers as third party beneficiaries under the agreement);
13	and
14	(viii) Other provisions to ensure implementation and compliance with this
15	Section.
16	<u>SEC. 206.4.206.3 THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM.</u>
17	(a) <b>Purpose and Findings.</b> This Section 206.4 describes the 100 Percent Affordable Housing
18	Bonus Program, or "100 Percent Affordable Housing Program". In addition to the purposes
19	described in section 206.1, the purpose of the 100 Percent Affordable Housing Program is to facilitate
20	the construction and development of projects in which all of the residential units are affordable to Low
21	and Very-Low Income Households. Projects pursuing a development bonus under this 100 Percent
22	Affordable Program would exceed the City's shared Proposition K housing goals that 50% of new
23	housing constructed or rehabilitated in the City by 2020 be within the reach of working middle class
24	San Franciscans, and at least 33% affordable for low and moderate income households.
25	

1	(b) Applicability. A 100 Percent Affordable Housing Bonus Project under this Section 206.4
2	206.3 shall be a Housing Project that:
3	(1) contains three or more Residential Units, as defined in Section 102, not including
4	Density Bonus Units any additional units permitted though this Section 206 through a density
5	<u>bonus;</u>
6	(2) is located in any zoning district that:
7	(A) is not designated as an RH-1 or RH-2 Zoning District; and
8	(B) allows Residential Uses;
9	(3) is not seeking and receiving a density or development bonus under the provisions of
10	California Government Code Section 65915 et seq., Planning Code Sections 207, 124(f), 304, 803.8 or
11	any other state or local program that provides development bonuses; and
12	(4) meets the definition of a "100 Percent Affordable Housing Project" in Section
13	<u>206.2-;</u>
14	(5) demonstrates to the satisfaction of the Environmental Review Officer that the
15	Project does not:
16	(A) cause a substantial adverse change in the significance of an historic
17	resource as defined by California Code of Regulations, Title 14, Section 15064.5,
18	(B) create new shadow in a manner that substantially affects outdoor recreation
19	<u>facilities or other public areas; and</u>
20	(C) alter wind in a manner that substantially affects public areas-: and
21	(6) does not demolish, remove or convert any residential units.
22	(c) Development Bonuses. A 100 Percent Affordable Housing Bonus Project shall, at the
23	project sponsor's request, receive any or all of the following:
24	(1) Priority Processing. 100 Percent Affordable Housing Bonus Projects shall receive
25	Priority Processing.

1	(2) Form based density. Notwithstanding any zoning designation to the contrary,
2	density of the 100 Percent Affordable Housing Bonus Project shall not be limited by lot area but rather
3	by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and
4	limitations include, but are not limited to, height, including any additional height allowed by subsection
5	(c)(2) herein, Bulk, Setbacks, Open Space, Exposure and unit mix as well as applicable design
6	guidelines, elements and area plans of the General Plan and design review, including consistency with
7	the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined
8	by the Planning Department.
9	(3) Height. 100 Percent Affordable Housing Bonus Projects shall be allowed up to 30
10	additional feet, not including allowed exceptions per Section 260(b), above the property's height
11	district limit in order to provide three additional stories of residential use. This additional height may
12	only be used to provide up to three additional 10-foot stories to the project, or one additional story of
13	not more than 10 feet in height
14	(4) Ground Floor Ceiling Height. In addition to the permitted height allowed under
15	subsection (c)(3), 100 Percent Affordable Housing Bonus Projects with active ground floors as defined
16	in Section 145.1(b)(2) shall receive one additional foot of height, up to a maximum of an additional five
17	feet at the ground floor, exclusively to provide a minimum 14-foot (floor to ceiling) ground floor ceiling
18	<u>height.</u>
19	(5) Zoning Modifications. 100 Percent Affordable Housing Bonus Projects may select
20	any or all of the following zoning modifications:
21	(A) <b>Rear Yard:</b> the required rear yard per Section 134 or any applicable
22	special use district may be reduced to no less than 20% of the lot depth or 15 feet, whichever is greater.
23	Corner properties may provide 20% of the lot area at the interior corner of the property to meet the
24	minimum rear yard requirement, provided that each horizontal dimension of the open area is a
25	

1	minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock
2	open space, if any, formed by the rear yards of adjacent properties.
3	(B) Dwelling Unit Exposure: The dwelling unit exposure requirements of
4	Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that
5	is no less than 15 feet in every horizontal dimension, and such open area is not required to expand in
6	every horizontal dimension at each subsequent floor.
7	(C) Off Street Loading: No off-street loading spaces under Section 152.
8	(D) Automobile Parking: Up to a 100% reduction in the minimum off-street
9	residential and commercial automobile parking requirement under Article 1.5 of this Code.
10	(E) <b>Open Space:</b> Up to a 10% reduction in common open space requirements if
11	required by Section 135, but no less than 36 square feet of open space per unit.
12	(F) Inner Courts as Open Space: In order for an inner court to qualify as
13	useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal
14	dimension, and for the height of the walls and projections above the court on at least three sides (or 75
15	percent of the perimeter, whichever is greater) to be no higher than one foot for each foot that such
16	point is horizontally distant from the opposite side of the clear space in the court. 100% Affordable
17	Housing Bonus Projects may instead provide an inner court that is at least 25 feet in every horizontal
18	dimension, with no restriction on the heights of adjacent walls. All area within such an inner court
19	shall qualify as common open space under Section 135.
20	(d) Implementation.
21	(1) Application. The following procedures shall govern the processing of a request for
22	a project to qualify as under the 100 Percent Affordable Housing Bonus Program.
23	(A) An application to participate in the 100 Percent Affordable Housing Bonus
24	Program shall be submitted with the first application for approval of a Housing Project and processed
25	

1	concurrently with all other applications required for the Housing Project. The application shall be
2	submitted on a form prescribed by the City and shall include at least the following information:
3	(i) A full plan set including a site plan, elevations, sections and floor
4	plans, showing total number of units, unit sizes and planned affordability levels and any applicable
5	funding sources;
6	(ii) The requested development bonuses from those listed in subsection
7	<u>(c); and,</u>
8	(iii) Unit size and distribution of multi-bedroom units.
9	(B) Documentation that the applicant has provided written notification to all
10	existing commercial or residential tenants that the applicant intends to develop the property pursuant
11	to this section. Any affected commercial tenants shall be given priority processing similar to the
12	Department's Community Business Priority Processing Program, as adopted by the San Francisco
13	Commission on February 12, 2015 under Resolution Number 19323 to support relocation of such
14	business in concert with access to relevant local business support programs. In no case may an
15	applicant receive a site permit or any demolition permit prior to 18 months from the date of
16	written notification required by this subsection.
17	(2) Conditions. Entitlements of 100 Percent Affordable Housing Bonus Projects
18	approved under this Section shall be valid for 10 years from the date of Planning Commission or
19	<u>Planning Department approval.</u>
20	(3) Notice and Hearing. 100 Percent Affordable Housing Bonus Projects shall comply
21	with Section 328 for review and approval.
22	(4) Controls. Notwithstanding any other provision of this Code, no conditional use
23	authorization shall be required for a 100 Percent Affordable Housing Bonus Project, unless such
24	conditional use requirement was adopted by the voters.
25	206.5. STATE RESIDENTIAL DENSITY BONUS PROGRAM: ANALYZED

1 (a) Purpose: Sections 206.5, 206.6, and 206.7 shall be referred to as the San 2 Francisco State Residential Density Bonus Program or the State Density Bonus Program. 3 First, the Analyzed State Density Bonus Program in Section 206.5 offers an expedited process for projects that seek a density bonus that is consistent with the pre-vetted menu of 4 5 incentives, concessions and waivers that the Planning Department and its consultants have 6 already determined are feasible, result in actual cost reductions, and do not have specific 7 adverse impacts upon public health and safety of the physical environment. Second the 8 Individually Requested State Density Bonus Program in Section 206.6 details the review, 9 analysis and approval process for any project seeking a density bonus that is consistent with 10 State Law, but is not consistent with the requirements for the Analyzed State Density Bonus Program established in Section 206.5. Third, Sections 206.7, describes density bonuses 11 12 available under the State code for the provision of childcare facilities. 13 This Section 206.5 implements the Analyzed State Density Bonus Program or "Analyzed State Program." The Analyzed State Program offers an expedited process for 14 15 projects that seek a density bonus that is consistent with, among other requirements set forth 16 below, the pre-vetted menu of incentives, waiver and concessions. 17 (b) Applicability: 18 (1) A Housing Project that meets all of the requirements of this subsection (b)(1) or is a Senior Housing Project meeting the criteria of (b)(2) shall be an Analyzed State Density 19 20 Bonus Project or an "Analyzed Project" for purposes of Section 206 et seq. A Housing Project 21 that does not meet all of the requirements of this subsection (b), but seeks a density bonus under State law may apply for a density bonus under Section 206.6 as an Individually 22 23 Requested State Density Bonus Project. To qualify for the Analyzed State Density Bonus 24 Program a Housing Project must meet all of the following: 25

1	(A) contain five or more residential units, as defined in Section 102, not
2	including any Group Housing as defined in Section 102, efficiency dwelling units with reduced
3	square footage defined in Section 318, and Density Bonus Units permitted through this
4	Section 206.5 or other density program;
5	(B) is not seeking and receiving a density or development bonus under
6	Section 207; the Local Affordable Housing Bonus Program, Section 206.3; the 100 Percent
7	Affordable Housing Bonus Program, Section 206.4; or any other local or State density bonus
8	program that provides development bonuses;
9	(C) for projects located in Neighborhood Commercial Districts is not
10	seeking to merge lots that result in more than 125 in lot frontage on any one street;
11	(D) is located in any zoning district that: (i) is not designated as an RH-1
12	or RH-2 Zoning District; (ii) establishes a maximum dwelling unit density through a ratio of
13	number of units to lot area, including but not limited to, RH-3, RM, RC, C-2, Neighborhood
14	Commercial, Named Neighborhood Commercial, Chinatown Mixed Use Districts, and SoMa
15	Mixed Use Districts, but only if the SoMa Mixed Use District has a density measured by a
16	maximum number of dwelling units per square foot of lot area; (iii) is in the Fillmore
17	Neighborhood Commercial Transit District and Divisadero Neighborhood Commercial Transit
18	District; and (D) is not in the North of Market Residential Special Use District, Planning Code
19	Section 249.5 until the Affordable Housing Incentive Study is completed at which time the
20	Board will review whether the North of Market Residential Special Use District should continue
21	to be excluded from this Program. The Study will explore opportunities to support and
22	encourage the provision of housing at the low, moderate, and middle income range in
23	neighborhoods where density controls have been eliminated. The goal of this analysis is to
24	incentivize increased affordable housing production levels at deeper and wider ranges of AMI
25	

and larger unit sizes in these areas through 100% affordable housing development as well as
 below market rate units within market rate developments; and

 (E) is providing all Inclusionary Units as On-site Units under Section
 415.6. If the Dial Alternative currently proposed in an ordinance in Board of Supervisors File

- 5 No. 150911 is adopted and permits a project sponsor to provide more Inclusionary Units at
- 6 higher AMIs than currently required (referred to as "dialing up"), a project sponsor may dial up
- 7 and meet the requirements of this subsection (D). If the Dial Alternative of the Inclusionary
- 8 Affordable Housing Program is ever amended to allow a project sponsor to provide fewer
- 9 Inclusionary Units at lower AMIs than currently required (referred to as "dialing down"), then a
- 10 Project cannot qualify for this Section 206.5 if it elects to dial down;
- 11 (F) includes a minimum of nine foot ceilings on all residential floors;
- 12 (G) is seeking only Concessions or Incentives set forth in subsection
- 13 <del>(c)(4);</del>
- 14 (H) is seeking height increases only in the form of a waiver as described
- 15 in subsection (c)(5); and,

(I) provides replacement units for any units demolished or removed that
 are subject to the San Francisco Residential Rent Stabilization and Arbitration Ordinance, San
 Francisco Administrative Code Section 37, or are units qualifying for replacement as units
 being occupied by households of low or very low income, consistent with the requirements of
 Government Code section 65915(c)(3).

- (2) A Senior Housing Project, as defined in Section 102, may qualify as an
   Analyzed State Density Bonus Project if it follows all of the procedures and conditions set
   forth in Planning Code Section 202.2(f).
- 24 (c) Development Bonuses. All Analyzed State Law Density Bonus Projects shall
   25 receive, at the project sponsor's written request, any or all of the following:

1	(1) Priority Processing. Analyzed Projects that provide 30% or more of Units as							
2	On-site Inclusionary Housing Units or Restricted Affordable Units that meet all of the							
3	requirements of for an Inclusionary Housing Unit shall receive Priority Processing.							
4	(2) Density Bonus. Analyzed Projects that provide On-site Inclusionary Housing							
5	Units or Restricted Affordable Units that meet all of the requirements of for an Inclusionary							
6	Housing Unit shall receive a density bonus as described in Table 206.5 A as follows:							
7			Table 206.5A					
8		Density Bo	nus Summary –	Analyzed				
	A	B	<del>C</del>	Ð	E			
9	Restricted Affordable Units	Minimum	Percentage	Additional	Percentage of			
	or Category	Percentage	of Density	Bonus for	Restricted			
10	of Galogoly	of	Bonus	Each 1%	Units			
		Restricted	Granted	Increase In	Required for			
11		Affordable	Oranica	Restricted	Maximum			
••		Units						
12		Units		Affordable	35% Density			
12				Units	Bonus			
13	Very Low Income	<del>5%</del>	<del>20%</del>	<del>2.50%</del>	<del>11%</del>			
14	Lower Income	<del>10%</del>	<del>20%</del>	<del>1.50%</del>	<del>20%</del>			
15	Moderate Income	<del>10%</del>	<del>5%</del>	<del>1%</del>	<del>40%</del>			
16	Senior Citizen Housing, as	<del>100%</del>	<del>50%</del>					
17	defined in § 102, and							
18	meeting the requirements							
19	<del>of § 202.2(f).</del>							
20								
21	Note: A density bonus may b 35% of the Maximum Allowat	e selected fro de Residentia	<del>m more than on</del> I <mark>Density.</mark>	e category, up to	) a maximum of			
22	In calculating density b	onuses under	this subsection	206.5(c)(2) the	following shall			
23	<del>apply:</del>							
	(A) When calculating the number of permitted Density Bonus Units or							
24								
25	Restricted Affordable Units, any fractions of units shall be rounded to the next highest							

number. Analyzed Density Bonus Program projects must include the minimum percentage of
 Restricted Affordable Units identified in Column B of Table 206.5A for at least one income
 category, but may combine density bonuses from more than one income category, up to a
 maximum of 35% of the Maximum Allowable Residential Density.
 (B) An applicant may elect to receive a Density Bonus that is less than
 the amount permitted by this Section; however, the City shall not be required to similarly

7 reduce the number of Restricted Affordable Units required to be dedicated pursuant to this
8 Section and Government Code Section 65915(b).

9 (C) In no case shall a Housing Project be entitled to a Density Bonus of
 10 more than 35%, unless it is a Senior Housing Project meeting the requirements of Section
 11 <del>202.2(f).</del>

12 (D) The Density Bonus Units shall not be included when determining the 13 number of Restricted Affordable Units required to qualify for a Density Bonus. Density 14 bonuses shall be calculated as a percentage of the Maximum Allowable Residential Density. 15 (E) Any Restricted Affordable Unit provided pursuant to the on-site requirements of the Inclusionary Affordable Housing Program, Section 415 et seq., shall be 16 17 included when determining the number of Restricted Affordable Units required to qualify for a 18 Development Bonus under this Section 206.5. The payment of the Affordable Housing Fee shall not qualify for a Development Bonus under this Section. The provision of Off-site Units 19 20 shall not qualify the Principal Project for a Density Bonus under this Section; however an Off-21 site Unit may qualify as a Restricted Affordable Unit to obtain a density bonus for the Off-site 22 Project. 23 (F) In accordance with state law, neither the granting of a Concession,

24 Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in

and of itself to require a general plan amondment. Janing					
and of itself, to require a general plan amendment, zoning change, variance, or other					
discretionary approval.					
(3) Concessions and Incentives. Analyzed Projects shall receive concessions of					
incentives, in the amounts specified in Table 206.5B :					
Table 206.5B					
Concessions and Incentives Summary – Analyzed Projects					
Target Group	Restricted Affordable Units				
Very Low Income	<del>5%</del>	<del>10%</del>	<del>15%</del>		
Lower Income	<del>10%</del>	<del>20%</del>	<del>30%</del>		
Moderate Income (Common Interest Development)	<del>10%</del>	<del>20%</del>	<del>30%</del>		
Maximum Incentive(s)/Concession(s)	1	2	3		
lower, or moderate) 2. Common Interest Development is de Section 4100. (4) Menu of Concessions and Incentives: In s	submitting a	<del>a request fo</del>	<del>),</del>		
Concessions or Incentives, an applicant for an Analyzed Sta					
equest the specific Concessions and Incentives set forth be		Ū.	•		
pased on Department research and a Residential Density B	onus Study	/ prepared	<del>by David</del>		
Baker Architects, Seifel Consulting, and the San Francisco I	Planning D	epartment	dated		
	0	•			
August 2015, on file with the Clerk of the Board of Supervise	ors in File I	No	<u>, has</u>		
August 2015, on file with the Clerk of the Board of Supervise determined that the following Concessions and Incentives a	ors in File f re generall	Vo y consister	<u>, has</u> ht with		
Baker Architects, Seifel Consulting, and the San Francisco I August 2015, on file with the Clerk of the Board of Supervise determined that the following Concessions and Incentives a Government Code Section 65915(d) because, in general, th provide for affordable housing costs; will not be deemed by	ors in File f re generall ney: are ree	vo y consister quired in or	<u>, has</u> ht with der to		

adverse impact as defined in Government Code Section 65915(d); and are not contrary to
 State or Federal law.

3	(A) Rear yard: the required rear yard per Section 134 or any applicable						
4	special use district may be reduced to no less than 20% of the lot depth, or 15 feet, whichever						
5	is greater. Corner properties may provide 20% of the lot area at the interior corner of the						
6	property to meet the minimum rear yard requirement, provided that each horizontal dimension						
7	of the open area is a minimum of 15 feet; and that the open area is wholly or partially						
8	contiguous to the existing midblock open space, if any, formed by the rear yards of adjacent						
9	properties.						
10	(B) Dwelling Unit Exposure: the dwelling unit exposure requirements of						
11	Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open						
12	area that is no less than 25 feet in every horizontal dimension, and such open area is not						
13	required to expand in every horizontal dimension at each subsequent floor.						
14	(C) Off-Street Loading: off-street loading spaces under Section 152 shall						
15	not be required.						
16	(D) Parking: up to a 50% reduction in the residential and commercial						
17	parking requirement, per Section 151 or any applicable special use district.						
18	(E) Open Space: up to a 5% reduction in required common open space						
19	per Section 135, or any applicable special use district.						
20	(F) Additional Open Space: up to an additional 5% reduction in required						
21	common open space per Section 135 or any applicable special use district, beyond the 5%						
22	provided in subsection (E) above.						
23	(5) Waiver or Modification of Height Limits. Analyzed Projects may request a						
24	waiver of the applicable height restrictions if the applicable height limitation will have the effect						
25	of physically precluding the construction of a Housing Project at the densities or with the						

1	Concessions or Incentives permitted by this subsection (c)(4). Analyzed Projects may receive
2	a height bonus as of right of up to twenty feet or two stories, excluding exceptions permitted
3	per Section 260(b), if the applicant demonstrates that it qualifies for a height waiver through
4	the following formula:
5	Step one: Calculate Base Density and Bonus Density Limits
6	Calculate Base Density (BD), as defined in Section 206.2.
7	Bonus Density Limit (BD): ED multiplied by 1.XX where XX is the density bonus
8	requested per Section 206.5 of this Code (e.g. 7%, 23%, 35%), not to exceed 1.35, the
9	maximum density bonus available by this Section.
10	Step two: Calculate Permitted Envelope (PE). Buildable envelope available
11	under existing height and bulk controls.
12	PE equals lot area multiplied by permitted lot coverage, where lot coverage
13	equals .75, or .8 if the developer elects to request a rear yard modification under Section
14	206.5(c)(4)(A), multiplied by existing height limit (measured in number of stories), minus one
15	story for projects in districts where non-residential uses are required on the ground floor, and
16	minus any square footage subject to bulk limitations (for parcels that do not have an X bulk
17	designation).
18	Step three: Calculate Bonus Envelope (BE) Residential envelope necessary to
19	accommodate additional density ("Bonus envelope" or "BE")
20	BE equals Bonus Density multiplied by 1,000 gross square feet
21	Step four: Calculate Additional Residential Floors. Determine the number of
22	stories required to accommodate bonus:
23	(A) If BE is less than or equal to PE, the project is not awarded height
24	under this subsection (c)(5).
25	(B) If BE is greater than PE, the project is awarded height, as follows:

1	(i) If BE minus PE is less than the lot area multiplied by 0.75,
2	project is allowed 1 extra story; total gross square footage of building not to exceed BE;
3	(ii) If BE minus PE is greater than the lot area multiplied by 0.75
4	(i.e. if the difference is greater than one story), project is allowed two extra stories; total gross
5	square footage of building not to exceed BE.
6	(d) Application. An application for an Analyzed State Density Bonus Project under this
7	Section 206.5 shall be submitted with the first application for approval of a Housing Project
8	and shall be processed concurrently with all other applications required for the Housing
9	Project. The application shall be on a form prescribed by the City and, in addition to any
10	information required for other applications, shall include the following information:
11	(1) A description of the proposed Housing Project, including the total number of
12	dwelling units, Restricted Affordable Units, and Density Bonus Units proposed;
13	(2) Any zoning district designation, Base Density, assessor's parcel number(s)
14	of the project site, and a description of any Density Bonus, Concession or Incentive, or waiver
15	requested;
16	(3) A list of the requested Concessions and Incentives from Section 206.5(c)(4);
17	(4) If a waiver or modification of height is requested under Section 206.5(c)(5),
18	a calculation demonstrating how the project qualifies for such waiver under the formula;
19	(5) A full plan set including site plan, elevations, sections, and floor plans,
20	number of market-rate units, Restricted Affordable Units, and Density Bonus units within the
21	proposed Housing Project. The location of all units must be approved by the Planning
22	Department before the issuance of the building permit;
23	(6) Level of affordability of the Restricted Affordable Units and a draft
24	Regulatory Agreement;
25	

(7) The number of rental dwelling units which are on the property, or if the
dwelling units have been vacated or demolished in the five year period preceding the
application, have been and which were subject to a recorded covenant, ordinance, or law that
restricts rents to levels affordable to persons and families of lower or very low income; subject
to any other form of rent or price control through the City or other public entity's valid exercise
of its police power; or occupied by lower or very low income households; and

(8) If the property includes a parcel or parcels in which dwelling units under
 subsection (7) are located or were located in the five year period preceding the application,
 the type and size of those units, and the incomes of the persons or families occupying those
 units.

(9) Documentation that the applicant has provided written notification to all
 existing commercial or residential tenants that the applicant intends to develop the property
 pursuant to this section. Any affected commercial tenants shall be given priority processing
 similar to the Department's Community Business Priority Processing Program, as adopted by
 the San Francisco Commission on February 12, 2015 under Resolution Number 19323 to
 support relocation of such business in concert with access to relevant local business support
 programs.

(e) Review Procedures. An application for an Analyzed State Density Bonus Project,
 shall be acted upon concurrently with the application for other permits related to the Housing
 Project.

- (1) Before approving an application for an Analyzed Project, the Planning
   Department or Commission shall make written findings that the Housing Project is qualified as
   an Analyzed State Density Bonus Project.
- 24 (2) The review procedures for an Analyzed Project, including notice, hearings,
   25 and appeal, shall be the procedures applicable to the Housing Project regardless of whether it

1 is applying for a State Density Bonus under this Section 206.5. However, any notice shall 2 specify that the Housing Project is seeking a Development Bonus and shall provide a 3 description of the Development Bonuses requested. Analyzed Projects shall also be reviewed for consistency with the Affordable Housing Bonus Program Design Guidelines. 4 5 (f) Regulatory Agreements. Recipients of a Density Bonus, Incentive, Concession, 6 waiver, or modification shall enter into a Regulatory Agreement with the City, as follows. (1) The terms of the agreement shall be acceptable in form and content to the 7 8 Planning Director, the Director of MOHCD, and the City Attorney. The Planning Director 9 shall have the authority to execute such agreements. 10 (2) Following execution of the agreement by all parties, the completed Density Bonus Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions 11 12 filed and recorded on the Housing Project. 13 (3) The approval and recordation of the Regulatory Agreement shall take place prior to the issuance of the First Construction Document. The Regulatory Agreement shall be 14 15 binding to all future owners and successors in interest. 16 (4) The Regulatory Agreement shall be consistent with the guidelines of the City's Inclusionary Housing Program and shall include at a minimum the following: 17 18 (A) The total number of dwelling units approved for the Housing Project, including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units 19 20 or other restricted units; 21 (B) A description of the household income group to be accommodated by the Restricted Affordable Units, and the standards for determining the corresponding 22 23 Affordable Rent or Affordable Sales Price; 24 (C) The location, dwelling unit sizes (in square feet), and number of 25 bedrooms of the Restricted Affordable Units:

1 (D) Term of use restrictions for Restricted Affordable Units of at least 55 2 vears for Moderate Income units and at least 55 years for Low and Very Low units: 3 (E) A schedule for completion and occupancy of Restricted Affordable Units: 4 (F) A description of any Concession, Incentive, waiver, or modification, if 5 6 any, being provided by the City; 7 (G) A description of remedies for breach of the agreement (the City may 8 identify tenants or gualified purchasers as third party beneficiaries under the agreement); 9 and (H) Other provisions to ensure implementation and compliance with this 10 Section. 11 12 SEC. 206.6. STATE DENSITY BONUS PROGRAM: INDIVIDUALLY REQUESTED. 13 (a) Purpose and Findings: This Section 206.6 details the review, analysis and 14 approval process for any project seeking a density bonus that is consistent with State Law, 15 Government Code section 65915 et seq., but is not consistent with the pre-vetted menu of 16 concessions, incentives or waivers, or other requirements established in Section 206.5 as 17 analyzed by the Planning Department in coordination with David Baker and Seifel Consulting, 18 and shall be known as the Individually Requested State Density Bonus Program. California State Density Bonus Law allows a housing developer to request parking 19 20 ratios not to exceed the ratios set forth in Government Code section 65915(p)(1), which may 21 further be reduced as an incentive or concession. Because in most cases San Francisco regulates parking by dwelling unit as described in Article 1.5 of this Code, the minimum 22 23 parking ratios set forth in the Government Code are greater than those allowed in San 24 Francisco. Given that San Francisco's parking ratios are already less than the State ratios, the City finds that the State's minimum parking ratio requirement does not apply. 25

1	(b) Applicability. A Housing Project that does not meet any one or more of the criteria
2	of Section 206.5(b) under the Analyzed State Density Bonus Program, but meets the following
3	requirements, may apply for a Development Bonus under this Section 206.6 as an
4	"Individually Requested State Density Bonus Project" or "Individually Requested Project" if it
5	meets all of the following criteria:
6	(1) contains five or more residential units, as defined in Section 102;
7	(2) is not seeking and receiving a density or development bonus under Section
8	207; the Local Affordable Housing Bonus Program, Section 206.3; the 100 Percent Affordable
9	Housing Bonus Program, Section 206.4; Section 304, or any other local or state bonus
10	program that provides development bonuses.
11	(3) provides Restricted Affordable Housing Units, including but not limited to
12	Inclusionary Housing Units, at minimum levels as provided in Table 206.6A; and,
13	(4) provides replacement units for any units demolished or removed that are
14	subject to the San Francisco Rent Stabilization and Arbitration Ordinance, San Francisco
15	Administrative Code Section 37, or are units qualifying for replacement as units being
16	occupied by households of low or very low income, consistent with the requirements of
17	Government Code section 65915(c)(3).
18	(5) Is in any zoning district except for RH-1 or RH-2, unless the Code permits
19	the development of a project of 5 units or more on a site or sites.
20	(c) Development Bonuses. Any Individually Requested Density Bonus Project shall, at
21	the project sponsor's request, receive any or all of the following:
22	(1) Density Bonus. Individually Requested Projects that provide On-site
23	Inclusionary Housing Units or Restricted Affordable Units shall receive a density bonus as
24	described in Table 206.6A as follows:
25	Table 206.6 A

1	Density Bonus Summary – Individually Requested Project						
2	Restricted Affordable Units or Category	Minimum Percentage of Restricted	Percentage of Density Bonus	Additional Bonus for Each 1%	Percentage of Restricted Units		
3		Affordable Units	Granted	Increase In Restricted	Required for Maximum		
4				Affordable Units	<del>35% Density</del> Bonus		
5	Very Low Income	<del>5%</del>	<del>20%</del>	2.50%	11%		
6	Lower Income	<del>10%</del>	<del>20%</del>	<del>1.50%</del>	<del>20%</del>		
7	Moderate Income	<del>10%</del>	5%	<del>1%</del>	4 <del>0%</del>		
8	Senior Citizen Housing	<del>100%</del>	<del>20%</del>				
9	Note: A density bonus ma the Maximum Allowable R	iy be selected fro esidential Densit	<del>m only one cate</del> <del>y.</del>	gory up to a ma	ximum of 35% of		
10 11	In calculatine	g density bonuse:	s under this subs	section 206.6(c)	(1) the following		
12	shall apply:						
12	<del>(A)</del> W	/hen calculating t	he number of pe	ermitted Density	Bonus Units or		
13	Restricted Affordable Units, any fractions of units shall be rounded to the next highest						
15	number.						
16	<del>(B)</del> A	n applicant may (	elect to receive a	a Density Bonus	that is less than		
17	the amount permitted by	this Section; how	<del>ever, the City sh</del>	all not be requir	ed to similarly		
18	reduce the number of Re	stricted Affordabl	e Units required	to be dedicated	pursuant to this		
19	Section and Government	Code Section 65	<del>915(b).</del>				
20	<del>(C)</del> E	ach Housing Pro	ject is entitled to	only one Densi	t <del>y Bonus, which</del>		
21	shall be selected by the applicant based on the percentage of Very Low Income Restricted						
22	Affordable Units, Lower II	ncome Restricted	Affordable Unit	s, or Moderate I	ncome Restricted		
23	Affordable Units, or the H	ousing Project's	<del>status as a Seni</del>	or Citizen Housi	ng Development.		
24	Density bonuses from more than one category may not be combined. In no case shall a						
25							

1 Housing Project be entitled to a Density Bonus of more than thirty-five percent (35%), unless 2 it is a Senior Housing Project meeting the requirements of Section 202.2(f). 3 (D) The Density Bonus Units shall not be included when determining the number of Restricted Affordable Units required to qualify for a Density Bonus. Density 4 bonuses shall be calculated as a percentage of the Maximum Allowable Residential Density. 5 6 (E) Any Restricted Affordable Unit provided pursuant to the on-site 7 requirements of the Inclusionary Affordable Housing Program, Section 415 et seq., shall be 8 included when determining the number of Restricted Affordable Units required to qualify for a 9 Development Bonus under this Section 206.6. The payment of the Affordable Housing Fee 10 shall not qualify for a Development Bonus under this Section. The provision of Off-site Units shall not qualify the Principal Project for a Density Bonus under this Section; however an Off-11 12 site Unit may qualify as a Restricted Affordable Unit to obtain a density bonus for the Off-site 13 Project. 14 (F) In accordance with state law, neither the granting of a Concession, 15 Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in and of itself, to require a general plan amendment, zoning change, variance, or other 16 17 discretionary approval. (G) No additional Density Bonus shall be authorized for a Senior Citizen 18 Development beyond the Density Bonus authorized by subsection (1) of this Section. 19 20 (H) Certain other types of development activities are specifically eligible 21 for a development bonuses pursuant to State law, including land donation under Government Code Section 65915(g), condominium conversions under Government Code 22 23 section 65915.5 and qualifying mobile home parks under Government Code section 24 65915(b)(1)(C). Such projects shall be considered Individually Requested State Density Bonus Projects. 25

1	(2) Concessions and Incentives. This Section	<del>n includes p</del>	provisions fo	ər providing
2	Concessions or Incentives pursuant to Government Code	Section 65	<del>)15 et seq,</del>	as set forth
3	in Table 206.6B. For purposes of this Section 206.6, Cond	<del>cessions an</del>	d Incentive	<del>s as used</del>
4	interchangeably shall mean such regulatory concessions a	<del>is specified</del>	in Governr	nent Code
5	Section 65915(k) to include:			
6	(A) A reduction of site Development St	andards or	architectur	<del>al design</del>
7	requirements which exceed the minimum applicable buildi	ng standarc	ls approved	<del>l by the</del>
8	State Building Standards Commission pursuant to Part 2.5	<del>(commenc</del>	ing with Se	ection
9	18901) of Division 13 of the Health and Safety Code, inclu	ding, but no	ot limited to	, a reduction
10	in setback, coverage, and/or parking requirements which r	esult in ider	ntifiable, fin	ancially
11	sufficient and actual cost reductions;			
12	(B) Allowing mixed use development ir	n conjunctic	on with the I	proposed
13	residential development, if nonresidential land uses will re-	duce the co	ost of the re	sidential
14	project and the nonresidential land uses are compatible w	ith the resid	lential proje	ect and
15	existing or planned development in the area where the Ho	using Proje	ect will be lo	cated; and
16	(C) Other regulatory incentives or cond	cessions pro	əposed by i	the
17	developer or the City that result in identifiable, financially s	sufficient, ar	nd actual co	ost
18	reductions.			
19	Table 206.6B			
20	Concessions and Incentives Summary – Individu	ally Reques	sted Projec	ŧ
21	Target Group	Restricted	Affordable	Units
22	Very Low Income	<del>5%</del>	<del>10%</del>	<del>15%</del>
23	Lower Income	<del>10%</del>	<del>20%</del>	<del>30%</del>
24	Moderate Income (Common Interest Development)	<del>10%</del>	<del>20%</del>	<del>30%</del>
25	Maximum Incentive(s)/Concession(s)	1	2	3
				_

ł	lotes: 1. Concessions or Incentives may be selected from only one category (very low, ower, or moderate). 2. Common Interest Development is defined in California Civil Code Section 4100.
e	
	—— (3) Request for Concessions and Incentives. In submitting a request for
¢	Concessions or Incentives that are not specified in Section 206.5(c)(4), an applicant for an
H	ndividually Requested Density Bonus Project must provide documentation described in
S	ubsection (d) below in its application. The Planning Commission shall hold a hearing and
S	hall approve the Concession or Incentive requested unless it makes written findings, based
e	n substantial evidence that:
	(A) The Concession or Incentive is not required in order to provide for
æ	ffordable housing costs, as defined in Section 50052.5 of the California Health and Safety
¢	Code, or for rents for the Restricted Affordable Units to be as specified in this Section 206.6;
e	<del>F</del>
	(B) The Concession or Incentive would have a specific adverse impact,
æ	is defined in Government Code Section 65589.5(d)(2) upon public health and safety or the
F	hysical environment or any real property that is listed in the California Register of Historical
F	Resources and for which there is no feasible method to satisfactorily mitigate or avoid the
S	pecific adverse impact without rendering the Housing Project unaffordable to low- and
f	noderate-income households.
	(C) The Concession or Incentive would be contrary to state or federal
ł	<del>aw.</del>
	(4) Waiver or Modification. An applicant may apply for a waiver or modification
e	f Development Standards that will have the effect of physically precluding the construction of
æ	Housing Project at the densities or with the Concessions or Incentives permitted by this
ę	Section 206.6. The Planning Commission will not grant a waiver or modification under this
	Section unless it is necessary to achieve the additional density or the Concessions or

1	Incentives permitted by this Section 206.6. The developer must submit sufficient information
2	as determined by the Planning Department demonstrating that Development Standards that
3	are requested to be waived or modified will have the effect of physically precluding the
4	construction of a Housing Project meeting the criteria of this Section 206.6 at the densities or
5	with the Concessions or Incentives permitted. The Planning Commission shall hold a hearing
6	to determine if the project sponsor has demonstrated that the waiver is necessary. The
7	Planning Commission may deny a waiver if it finds on the basis of substantial evidence that:
8	(A) It is not required to permit the construction of a Housing Project
9	meeting the density permitted or with the Concessions and Incentives permitted under this
10	Section 206.6;
11	(B) The Waiver is not required in order to provide for affordable housing
12	costs, as defined in Section 50052.5 of the California Health and Safety Code, or for rents for
13	the Restricted Affordable Units to be as specified in this Section 206.6;
14	(C) The Waiver would have a specific adverse impact, as defined in
15	Government Code Section 65589.5(d)(2) upon public health and safety or the physical
16	environment or any real property that is listed in the California Register of Historical
17	Resources and for which there is no feasible method to satisfactorily mitigate or avoid the
18	specific adverse impact without rendering the Housing Project unaffordable to low- and
19	moderate-income households; or,
20	(D) The Waiver would be contrary to state or federal law.
21	(5) Nothing in this Section shall be construed to require the provision of direct
22	financial incentives for the Project, including the provision of publicly owned land by the City or
23	the waiver of fees or dedication requirements.
24	(d) Application. An application for a Density Bonus, Incentive, Concession, or waiver
25	under this Section 206.6 shall be submitted with the first application for approval of a Housing

1 Project and shall be processed concurrently with all other applications required for the

2 Housing Project. The application shall be on a form prescribed by the City and, in addition to

any information required for other applications, shall include the following information:
 (1) A description of the proposed Project, and a full plan set, including a site

plan, elevations, section and floor plans, with the total number and location of dwelling units,
Restricted Affordable Units, and Density Bonus Units proposed;

7 (2) A plan set sufficient for the Planning Department to determine the project 8 site's Maximum Allowable Residential Density. The project sponsor shall submit plans for a 9 base project that demonstrates a Code complying project on the Housing Project site without 10 use of a modification, Conditional Use Authorization, Variance, Planned Unit Development, or other exception from the Planning Code. Such plans shall include similar detail to the 11 12 proposed Housing Project. The project sponsor shall demonstrate that site constraints do not 13 limit the Maximum Allowable Residential Density for the base project in practice. If the project sponsor cannot make such a showing, the Zoning Administrator shall determine whether the 14 15 Maximum Allowable Residential Density shall be adjusted for purposes of this Section. (3) The zoning district designations, Maximum Allowable Residential Density, 16

- 17 assessor's parcel number(s) of the project site, and a description of any Density Bonus,
- 18 Concession or Incentive, or waiver requested;

(4) If a Concession or Incentive is requested that is not included within the
 menu of Incentives/Concessions set forth in subsection 206.5(c), a submittal including
 financial information or other information providing evidence that the requested Concessions
 and Incentives result in identifiable, financially sufficient, and actual cost reductions required in
 order to provide for affordable housing costs as defined in Health and Safety Code Section
 50052.5, or for rents for the Restricted Affordable Units to be provided as required under this
 Program. The cost of reviewing any required financial information, including, but not limited

1	to, the cost to the City of hiring a consultant to review the financial data, shall be borne by the
2	applicant. The financial information shall include all of the following items:
3	(A) The actual cost reduction achieved through the Concession or
4	Incentive;
5	(B) Evidence that the cost reduction allows the applicant to provide
6	affordable rents or affordable sales prices; and
7	(C) Any other information requested by the Planning Director. The
8	Planning Director may require any financial information including information regarding capital
9	costs, equity investment, debt service, projected revenues, operating expenses, and such
10	other information as is required to evaluate the financial information;
11	(5) If a waiver or modification is requested, a submittal containing the following
12	information. The cost of reviewing any required information supporting the request for a
13	waiver, including, but not limited to, the cost to the City of hiring a consultant to review the
14	architectural information, shall be borne by the applicant.
15	(A) Why the Development Standard would physically preclude the
16	construction of the Development with the Density Bonus, Incentives, and Concessions
17	requested.
18	(B) Any other information requested by the Planning Director as is
19	required to evaluate the request;
20	(6) Level of affordability of the Restricted Affordable Units and a draft
21	Regulatory Agreement;
22	(7) The number of residential units which are on the property, or if the
23	residential units have been vacated or demolished in the five year period preceding the
24	application, have been and which were subject to a recorded covenant, ordinance, or law that
25	restricts rents to levels affordable to persons and families of lower or very low income; subject

to any other form of rent or price control through the City or other public entity's valid exercise
 of its police power; or occupied by lower or very low income households;

3 (8) If the property includes a parcel or parcels in which dwelling units under (6)
4 are located or were located in the five year period preceding the application, the type and size
5 of those units, the incomes of the persons or families occupying those units.

(9) Documentation that the applicant has provided written notification to all
 existing commercial or residential tenants that the applicant intends to develop the property
 pursuant to this section. Any affected commercial tenants shall be given priority processing
 similar to the Department's Community Business Priority Processing Program, as adopted by
 the San Francisco Commission on February 12, 2015 under Resolution Number 19323 to
 support relocation of such business in concert with access to relevant local business support
 programs.

(10) If a Density Bonus or Concession is requested for a land donation under
 Government Code Section 65915(g), the application shall show the location of the land to be
 dedicated, provide proof of site control, and provide evidence that all of the requirements and
 each of the findings included in Government Code Section 65915(g) can be made;

(11) If a density bonus or Concession is requested for a Child Care Facility
 under Section 206.7, the application shall show the location and square footage of the child
 care facilities and provide evidence that all of the requirements and each of the findings
 included in Government Code Section 65915(h) can be made;

(12) If a Density Bonus or Concession is requested for a condominium
 conversion, the applicant shall provide evidence that all of the requirements found in
 Government Code Section 65915.5 can be met.

24

25

1	(e) Review Procedures. An application for a Density Bonus, Incentive, Concession, or
2	waiver shall be acted upon concurrently with the application other permits related to the
3	Housing Project.
4	(1) Before approving an application for a Density Bonus, Incentive, Concession,
5	or waiver, for any Individually Requested Density Bonus Project, the Planning Commission
6	shall make the following findings as applicable.
7	(A) The Housing Project is eligible for the Affordable Housing Bonus
8	Program.
9	(B) The Housing Project has demonstrated that any Concessions or
10	Incentives are required in order to provide for affordable housing costs, as defined in Section
11	50052.5 of the California Health and Safety Code, or for rents for the targeted units, based
12	upon the financial analysis and documentation provided.
13	(C) If a waiver or modification is requested, a finding that the
14	Development Standards for which the waiver is requested would have the effect of physically
15	precluding the construction of the Housing Project with the Density Bonus or Concessions and
16	Incentives permitted.
17	(D) If the Density Bonus is based all or in part on donation of land, a
18	finding that all the requirements included in Government Code Section 65915(g) have been
19	met.
20	(E) If the Density Bonus, Concession or Incentive is based all or in part
21	on the inclusion of a Child Care Facility, a finding that all the requirements included in
22	Government Code Section 65915(h) have been met.
23	(F) If the Concession or Incentive includes mixed-use development, a
24	finding that all the requirements included in Government Code Section 65915(k)(2) have been
25	<del>met.</del>

(2) If the findings required by subsection (a) of this Section cannot be made, the
 Planning Commission may deny an application for a Concession, Incentive, waiver or
 modification only if it makes one of the following written findings, supported by substantial
 evidence:

(A) The Concession, Incentive, waiver or modification is not required to
 provide for the affordability levels required for Restricted Affordable Units;

7 (B) The Concession, Incentive, waiver or modification would have a 8 specific, adverse impact upon public health or safety or the physical environment or on real 9 property listed in the California Register of Historic Resources, and there is no feasible 10 method to satisfactorily mitigate or avoid the specific adverse impact without rendering the Housing Project unaffordable to Low and Moderate Income households. For the purpose of 11 12 this subsection, "specific adverse impact" means a significant, quantifiable, direct, and 13 unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the Housing Project 14 15 was deemed complete; or

16 (C) The Concession, Incentive, waiver or modification is contrary to state
 17 or federal law.

- (3) The review procedures for an Individually Requested Density Bonus Project,
   including notice, hearings, and appeal, shall be the procedures applicable to the Housing
   Project regardless of whether it is applying for a State Density Bonus under this Section
   206.6. However, any notice shall specify that the Housing Project is seeking a Development
   Bonus and shall provide a description of the development bonuses requested. Individually
   Requested Projects shall also be reviewed for consistency with the Affordable Housing Bonus
   Program Design Guidelines.
- 25

1	— (4) In accordance with state law, neither the granting of a Concession,
2	Incentive, waiver, or modification, nor the granting of a Density Bonus, shall be interpreted, in
3	and of itself, to require a general plan amendment, zoning change, variance, or other
4	discretionary approval.
5	(f) Regulatory Agreements. Recipients of a Density Bonus, Incentive, Concession,
6	waiver, or modification shall enter into a Regulatory Agreement with the City, as follows.
7	(1) The terms of the agreement shall be acceptable in form and content to the
8	Planning Director, the Director of MOHCD, and the City Attorney. The Planning Director
9	shall have the authority to execute such agreements.
10	(2) Following execution of the agreement by all parties, the completed Density
11	Bonus Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions
12	filed and recorded on the Housing Project.
13	(3) The approval and recordation of the Regulatory Agreement shall take place
14	prior to the issuance of the First Construction Document. The Regulatory Agreement shall be
15	binding to all future owners and successors in interest.
16	(4) The Regulatory Agreement shall be consistent with the guidelines of the
17	City's Inclusionary Housing Program and shall include at a minimum the following:
18	(A) The total number of dwelling units approved for the Housing Project,
19	including the number of Restricted Affordable Units, Inclusionary Units, Middle Income Units
20	or other restricted units;
21	(B) A description of the household income group to be accommodated by
22	the Restricted Affordable Units, and the standards for determining the corresponding
23	Affordable Rent or Affordable Sales Price;
24	(C) The location, dwelling unit sizes (in square feet), and number of
25	bedrooms of the Restricted Affordable Units;

1	(D) Term of use restrictions for Restricted Affordable Units of at least 55
2	years for Moderate Income units and at least 55 years for Low and Very Low units;
3	(E) A schedule for completion and occupancy of Restricted Affordable
4	Units;
5	(F) A description of any Concession, Incentive, waiver, or modification, if
6	any, being provided by the City;
7	(G) A description of remedies for breach of the agreement (the City may
8	identify tenants or qualified purchasers as third party beneficiaries under the agreement);
9	and
10	(H) Other provisions to ensure implementation and compliance with this
11	Section.
12	SEC. 206.7. CHILD CARE FACILITIES.
13	(a) For purposes of this Section 206.7, "Child Care Facility" means a child day care
14	facility other than a family day care home, including, but not limited to, infant centers,
15	preschools, extended day care facilities, and school age child care centers
16	(b) When an applicant proposes to construct a Housing Project that is eligible for a
17	Density Bonus under Section 206.6 and includes a Child Care Facility that will be located on
18	the premises of, as part of, or adjacent to, the Housing Project, all of the provisions of this
19	Section 206.7 shall apply and all of the provisions of Section 206.6 shall apply, except as
20	specifically provided in this Section 206.7.
21	(c) When an applicant proposes to construct a Housing Project that is eligible for a
22	Density Bonus under Section 206.6 and includes a Child Care Facility that will be located on
23	the premises of, as part of, or adjacent to, the Housing Project, the City shall grant either:
24	(1) An additional density bonus that is an amount of square feet of residential
25	space that is equal to or greater than the square footage of the Child Care Facility; or

(2) An additional Concession or Incentive that contributes significantly to the
 economic feasibility of the construction of the Child Care Facility.

3 (d) The City shall require, as a condition of approving the Housing Project, that the
 4 following occur:

(1) The Child Care Facility shall remain in operation for a period of time that is
as long as or longer than the period of time during which the Affordable Units are required to
remain affordable. In the event the childcare operations cease to exist, the Zoning
Administrator may approve in writing an alternative community service use for the child care
facility.

- (2) Of the children who attend the Child Care Facility, the children of Very Low,
   Lower and Moderate Income households shall equal a percentage that is equal to or greater
   than the percentage of Restricted Affordable Units in the Housing Project that are required for
   Very Low, Lower and Moderate Income households pursuant to Section 206.6.
- 14 (e) Notwithstanding subsections (a) and (b) above, the City shall not be required to
   15 provide a density bonus or a Concession or Incentive for a child care facility if it finds, based
   16 upon substantial evidence, that the community has adequate child care facilities.

## 17 <u>SEC. 206.8206.4.</u> 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM

## 18 <u>EVALUATION.</u>

- 19 (a) Within one year from the effective date of Section 206 and following, the Planning
- 20 Department shall provide an informational presentation to the Planning Commission, and any other
- 21 <u>City agency at their request, presenting an overview of all projects that request or receive development</u>
- 22 <u>bonuses under the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing</u>
- 23 <u>Bonus Program</u> and the Analyzed and Individually Requested State Density Bonus Program
- 24 <u>("the Bonus Programs").</u>
- 25

1	(b) Annual Reporting. The Planning Department, in coordination with MOHCD, shall
2	include information on projects which request and receive development bonuses under the Bonus
3	Programs in any relevant Department publications regarding the development of housing in
4	San Francisco, including, but not limited to, the Quarterly Pipeline Report, the Housing
5	Inventory and the Housing Balance Report.
6	- (c) Data Report Report Contents. The Housing Inventory Planning Department, in
7	coordination with MOHCD, shall prepare a Data Report reviewing the Bonus Programs every
8	five years, beginning five years from the Effective Date of Section 206 and following. This
9	report shall include, but not be limited to, information on the:
10	- (1) number of projects utilizing the Bonus Programs;
11	- (2) number of units approved and constructed under the Bonus Programs and the AMI
12	<u>levels of such units;</u>
13	- (3) number of additional affordable units in excess of that otherwise required by
14	Section 415;
15	- (4 <u>3) geographic distribution of projects</u> , including the total number of units in each
16	project, utilizing the Bonus Programs;
17	- ( <u>54) number of larger unit types, including the number of 3 bedroom units;</u>
18	- (6 <u>5) square feet of units by bedroom count;</u>
19	- (7 <u>6) number of projects with 9 or fewer units that participate; and</u>
20	- (8 <u>7) Number of appeals of projects in the Program and stated reason for appeal.</u>
21	(d) Program Evaluation and Update:
22	(1) Purpose and Contents. In coordination with the Data Report, Every five years,
23	beginning five years from the Effective Date of Section 206, the Department shall prepare a
24	Program Evaluation and Update. The Program Evaluation and Update shall include an analysis of the
25	Bonus Programs Program's effectiveness as it relates to City policy goals including, but not limited to

1	Proposition K (2014) and the Housing Element. The Program Evaluation and Update shall include a
2	review of all of the following:
3	(A) Target income levels for the Local Affordable Housing Bonus
4	Program in relation to market values and assessed affordable housing needs.
5	(B) Feasibility of the Local Affordable Housing Bonus Program, in
6	relations to housing policy goals, program production, and current market conditions.
7	( <u>GA)</u> Requested and granted concessions and incentives, including
8	consideration of whether the menu of zoning modification or concessions and incentives set forth in
9	<u>Section 206.3(c)(5)(d)(4), 206.4(c)(5) and 206.5(c)(4) respond to the needs of projects seeking</u>
10	approvals under the Bonus Program <sup>s</sup> ; consideration of whether the elected zoning modifications or
11	incentives and concessions result in a residential project that responds to the surrounding
12	neighborhood context; and review and recommendation for additions or modifications to the list of
13	<u>zoning modifications or concessions and incentives in 206.3(d)(4)(c)(5)</u> , 206.4(c)(5) and
14	<del>206.5(c)(4)</del> .
15	$(\underline{\Theta}\underline{B})$ Geography and neighborhood specific considerations. Review and
16	analysis of where Bonus Program projects are proposed and approved, including an analysis of land
17	values, zoning, height controls and neighborhood support.
18	( <b>E<u>C</u>) Review of the process for considering projects under the Program,</b>
19	including a review of Section 328, the appeal process, and other relevant process considerations.
20	(2) Public Hearing: The Program Evaluation and Update shall be prepared no less
21	than every five years, beginning five years from the Effective Date of this Ordinance, and may be
22	completed as a series of reports and in coordination with ongoing monitoring of affordable housing
23	policies, or feasibility analyses. The Planning Commission shall hold a hearing on the Program
24	Evaluation and Update and any recommendations for modification to any of the Bonus Program <del>s.</del>
25	

1	Section 3. The Planning Code is hereby amended by adding Sections 328, to read as
2	follows:
3	<u>SEC. 328. LOCAL AND 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT</u>
4	AUTHORIZATION
5	(a) <b>Purpose.</b> The purpose of this Section is to ensure that all Local and 100 Percent
6	<u>Affordable Housing Bonus projects under Section 206.3 or 206.4 are reviewed in coordination with</u>
7	priority processing available for certain projects with greater levels of 100 % affordable housing.
8	While most projects in the Program will likely be somewhat larger than their surroundings in order to
9	facilitate higher levels of affordable housing, the Planning Commission and Department shall ensure
10	that each project is consistent with the Affordable Housing Bonus Design Guidelines and any other
11	applicable design guidelines, as adopted and periodically amended by the Planning Commission, so
12	that projects respond to their surrounding context, while still meeting the City's affordable housing
13	<u>goals.</u>
14	(b) Applicability. This section applies to all qualifying Local and 100 Percent Affordable
15	Housing Bonus Projects that meet the requirements described in Planning Code Section § 206.3 or
16	<del>206.4</del> .
17	(c) Planning Commission Design Review: The Planning Commission shall review and
18	evaluate all physical aspects of a Local or 100 Percent Affordable Housing Bonus Project at a public
19	hearing. The Planning Commission recognizes that most qualifying projects will need to be larger in
20	height and mass than surrounding buildings in order to achieve the <u>100% Affordable Housing Bonus</u>
21	Program's affordable housing goals. However, the Planning Commission may, consistent with the
22	<u>100% Affordable Housing Bonus Program Design Guidelines, and any other applicable design</u>
23	guidelines, and upon recommendation from the Planning Director, make minor modifications to a
24	project to reduce the impacts of such differences in scale.
25	

1	Additionally, as set forth in subsection (d) below, the Planning Commission may grant minor
2	exceptions to the provisions of this Code. However, such exceptions should only be granted to allow
3	building mass to appropriately shift to respond to surrounding context, and only when such
4	modifications do not substantially reduce or increase the overall building envelope permitted by the
5	Program under Section 206.3 or 206.4. All modifications and exceptions should be consistent with the
6	<u>100% Affordable Housing Bonus Program Design Guidelines and any other applicable design</u>
7	guidelines. In case of a conflict with other applicable design guidelines, the <u>100% Aff</u> ordable Housing
8	<u>Bonus Program Design Guidelines shall prevail.</u>
9	The Planning Commission may require these or other modifications or conditions, or
10	disapprove a project, in order to achieve the objectives and policies of the <u>100% Affordable Housing</u>
11	Bonus Program or the purposes of this Code. This review shall limited to design issues including the
12	following:
13	(1) whether the bulk and massing of the building is consistent with the $100\%$
14	<u>Affordable Housing Bonus Design Guidelines.</u>
15	(2) whether building design elements including, but not limited to architectural
16	<u>treatments, façade design, and building materials, are consistent with the 100% Affordable Housing</u>
17	Bonus Program Design Guidelines and any other applicable design guidelines.
18	(3) whether the design of lower floors, including building setback areas, commercial
19	space, townhouses, entries, utilities, and parking and loading access is consistent with the 100%
20	Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.
21	(4) whether the required streetscape and other public improvements such as tree
22	planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other
23	applicable design guidelines.
24	(d) <b>Exceptions.</b> As a component of the review process under this Section 328, the Planning
25	Commission may grant minor exceptions to the provisions of this Code as provided for below, in

1	<u>addition to the development bonuses granted to the project in Section 206.3(c)(d) or 206.4(c). Such</u>
2	exceptions, however, should only be granted to allow building mass to appropriately shift to respond to
3	surrounding context, and only when the Planning Commission finds that such modifications: 1) do not
4	substantially reduce or increase the overall building envelope permitted by the Program under Sections
5	<u>206.3 or 206.4; and 2) are consistent with the 100% Affordable Housing Bonus Design Guidelines.</u>
6	These exceptions may include:
7	(1) Exception from residential usable open space requirements per Section 135, or any
8	applicable special use district.
9	(2) Exception from satisfaction of loading requirements per Section 152.1, or any
10	applicable special use district.
11	(3) Exception for rear yards, pursuant to the requirements of Section 134, or any
12	applicable special use district.
13	(4) Exception from dwelling unit exposure requirements of Section 140, or any
14	applicable special use district.
15	(5) Exception from satisfaction of accessory parking requirements per Section 152.1, or
16	any applicable special use district.
17	(6) Where not specified elsewhere in this Subsection (d), modification of other Code
18	requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section
19	304), irrespective of the zoning district in which the property is located.
20	(e) Required Findings. If a Local Affordable Housing Bonus Program Project or 100
21	Percent Affordable Housing Bonus Project otherwise requires a conditional use authorization due only
22	to 1) a specific land use, 2) use size limit, or 3) requirement adopted by the voters, then the Planning
23	Commission shall make all findings and consider all criteria required by this Code for such use or use
24	size as part of this Local and 100 Percent Affordable Housing Bonus Project Authorization.
25	(f) Hearing and Decision.

1	(1) Hearing. The Planning Commission shall hold a public hearing for all projects that
2	are subject to this Section.
3	(2) Notice of Hearing. Notice of such hearing shall be provided pursuant to the same
4	requirements for Conditional Use requests, as set forth in Section 306.3 and 306.8.
5	(3) Director's Recommendations on Modifications and Exceptions. At the hearing,
6	the Planning Director shall review for the Commission key issues related to the project based on the
7	review of the project pursuant to Subsection (c) and recommend to the Commission modifications, if
8	any, to the project and conditions for approval as necessary. The Director shall also make
9	recommendations to the Commission on any proposed exceptions pursuant to Subsection (d).
10	(4) Decision and Imposition of Conditions. The Commission, after public hearing and,
11	after making appropriate findings, may approve, disapprove or approve subject to conditions, the
12	project and any associated requests for exception. As part of its review and decision, the Planning
13	Commission may impose additional conditions, requirements, modifications, and limitations on a
14	proposed project in order to achieve the objectives, policies, and intent of the General Plan or of this
15	<u>Code.</u>
16	(5) Appeal. The decision of the Planning Commission may be appealed to the Board of
17	Appeals by any person aggrieved within 15 days after the date of the decision by filing a written notice
18	of appeal with that body, setting forth wherein it is alleged that there was an error in the interpretation
19	of the provisions of this Code or abuse of discretion on the part of the Planning Commission.
20	(6) Discretionary Review. No requests for discretionary review shall be accepted by
21	the Planning Department or heard by the Planning Commission for projects subject to this Section.
22	(7) Change of Conditions. Once a project is approved, authorization of a change in
23	any condition previously imposed by the Planning Commission shall require approval by the Planning
24	Commission subject to the procedures set forth in this Section.
25	

1 Section 4. The Planning Code is hereby amended by amending Sections 250, 260, 2 and 352 to read as follows: 3 SEC. 250. HEIGHT AND BULK DISTRICTS ESTABLISHED. (a) In order to carry out further the purposes of this Code, height and bulk districts are 4 5 hereby established, subject to the provisions of this Article 2.5. 6 (b) No building or structure or part thereof shall be permitted to exceed, except as 7 stated in Sections 172, and 188, and 206 of this Code, the height and bulk limits set forth in this 8 Article for the district in which it is located, including the height limits for use districts set forth 9 in Section 261. 10 11 SEC. 260. HEIGHT LIMITS; MEASUREMENT. 12 13 (a) **Method of Measurement**. The limits upon the height of buildings and structures shall be as specified on the Zoning Map, except as permitted by Section 206. In the measurement 14 of height *for purposes of such limits*, the following rules shall be applicable: 15 16 SEC. 352. COMMISSION AND ZONING ADMINISTRATOR HEARING 17 18 **APPLICATIONS.** \* \* 19 20 (o) <u>100% Affordable Housing Bonus Program (Section 206 and following)</u>. The initial fee amount is not to exceed 50% of the construction cost. A \$120 surcharge shall be added to the fees for a 21 22 conditional use or planned unit development to compensate the City for the costs of appeals to the 23 Board of Supervisors. 24 Estimated Construction Cost Initial Fee 25 No construction cost, excluding extension of hours \$1,012.00

1	No construction cost, extension of hours	<u>\$724.00</u>
1	Wireless Telecommunications Services (WTS)	<u>\$5,061.00</u>
2	<u>\$1.00 to \$9,999.00</u>	<u>\$724.00</u>
3	<u>\$10,000.00 to \$999,999.00</u>	<u>\$724.00 plus 0.328% of cost over \$10,000.00</u>
4	\$1,000,000.00 to \$4,999,999.00	\$4,033.00 plus 0.391% of cost over \$1,000,000.00
4	<u>\$5,000,000.00 to \$9,999,999.00</u>	<u>\$19,986.00 plus 0.328% of cost over \$5,000,000.00</u>
5	<u>\$10,000,000.00 to \$19,999,999.00</u>	\$36,701.00 plus 0.171% of cost over \$10,000,000.00
6	<u>\$20,000,000.00 or more</u>	<u>\$54,120.00</u>

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Section 5. Effective Date and Operative Effect. This ordinance shall become effective 8 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor 9 returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, 10 or the Board of Supervisors overrides the Mayor's veto of the ordinance. This ordinance 11 applies to projects that the Planning Department or Planning Commission have not approved 12 as of the effective date. For projects that have not yet submitted applications to the Planning 13 Department or other City entity, all of the provisions of the ordinance apply. The Planning 14 Department shall develop a policy to apply the provisions of this ordinance to projects that 15 have already submitted applications, but have not obtained approvals, to permit such projects 16 to amend their applications. 17

18

Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
 additions, and Board amendment deletions in accordance with the "Note" that appears under
 the official title of the ordinance.

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2	DENNIS J. HERRERA, City Attorney	
3	By:	
4	Audrey Williams Pearson Deputy City Attorney	
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