

1 [Planning Code - Housing Balance Report]

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3 **Ordinance amending the Planning Code to require inclusion in the Housing Balance**  
4 **Report data about the withdrawal of housing units from the rental market by all means,**  
5 **including owner move-ins; affirming the Planning Department’s determination under**  
6 **the California Environmental Quality Act; and making findings of consistency with the**  
7 **General Plan and the eight priority policies of Planning Code Section 101.1 and**  
8 **findings of public convenience, necessity, and welfare under Planning Code Section**  
9 **302.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
13 **Board amendment additions** are in double-underlined Arial font.  
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
15 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
16 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Findings.

19 (a) The Planning Department has determined that the actions contemplated in this  
20 ordinance comply with the California Environmental Quality Act (California Public Resources  
21 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
22 Supervisors in File No. 160321 and is incorporated herein by reference. The Board affirms  
23 this determination.

24 (b) On July 7, 2016, the Planning Commission, in Resolution No. 19690, adopted  
25 findings that the actions contemplated in this ordinance are consistent, on balance, with the  
City’s General Plan and the eight priority policies of Planning Code Section 101.1. The Board

1 adopts these findings as its own. A copy of said Resolution [OR determination] is on file with  
2 the Clerk of the Board of Supervisors in File No.160321, and is incorporated herein by  
3 reference.

4 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that  
5 these Planning Code amendments will serve the public necessity, convenience, and welfare  
6 for the reasons set forth in Planning Commission Resolution No. 19690, and the Board  
7 incorporates such reasons herein by reference.

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9 Section 2. The Planning Code is hereby amended by revising Section 103, to read as  
10 follows:

11 **SEC. 103. HOUSING BALANCE MONITORING AND REPORTING.**

12 \* \* \* \*

13 (c) **Housing Balance Calculation.**

14 (1) For purposes of this Section 103, "Housing Balance" shall be defined as  
15 the proportion of all new housing units affordable to households of extremely low, very low,  
16 low, or moderate income households, as defined in California Health & Safety Code Sections  
17 50079.5 et seq., as such provisions may be amended from time to time, less the number of  
18 units removed from rent-controlled or below-market status, to the total number of all new  
19 housing units for a 10-year Housing Balance Period.

20 (2) The Housing Balance Period shall begin with the first quarter of year  
21 2005 to the last quarter of 2014, and thereafter for the ten years prior to the most recent  
22 calendar quarter.

23 (3) For each year that data is available, beginning in 2005, the Planning  
24 Department shall report net housing construction by income levels, as well as units that have  
25 been withdrawn from protection afforded by City law, such as laws providing for rent-

1 controlled and single resident occupancy (SRO) units. The affordable housing categories shall  
2 include net new units, as well as existing units that were previously not restricted by deed or  
3 regulatory agreement that are acquired for preservation as permanently affordable housing as  
4 determined by the Mayor's Office of Housing and Community Development (MOHCD) (not  
5 including refinancing or other rehabilitation under existing ownership), protected by deed or  
6 regulatory agreement for a minimum of 55 years. The report shall include, by year, and for the  
7 latest quarter, all units that have received Temporary Certificates of Occupancy within that  
8 year, a separate category for units that obtained a site or building permit, and another  
9 category for units that have received approval from the Planning Commission or Planning  
10 Department, but have not ~~yet~~yet obtained a site or building permit to commence construction  
11 (except any entitlements that have expired and not been renewed during the Housing Balance  
12 Period). Master planned entitlements, including but not limited to such areas as Treasure  
13 Island, Hunters Point Shipyard, and Park Merced, shall not be included in this latter category  
14 until individual building entitlements or site permits are approved for specific housing projects.  
15 For each year or approval status, the following categories shall be separately reported:

16 (A) Extremely Low Income Units, which are units available to  
17 individuals or families making between 0-30% Area Median Income (AMI) as defined in  
18 California Health & Safety Code Section 50106, and are subject to price or rent restrictions  
19 between 0-30% AMI;

20 (B) Very Low Income Units, which are units available to individuals or  
21 families making between 30-50% AMI as defined in California Health & Safety Code Section  
22 50105, and are subject to price or rent restrictions between 30-50% AMI;

23 (C) Lower Income Units, which are units available to individuals or  
24 families making between 50-80% AMI as defined in California Health & Safety Code Section  
25 50079.5, and are subject to price or rent restrictions between 50-80% AMI;

1 (D) Moderate Income Units, which are units available to individuals or  
2 families making between 80-120% AMI and are subject to price or rent restrictions between  
3 80-120% AMI;

4 (E) Middle Income Units, which are units available to individuals or  
5 families making between 120-150% AMI and are subject to price or rent restrictions between  
6 120-150% AMI;

7 (F) Market-rate units, which are units not subject to any deed or  
8 regulatory agreement with price restrictions;

9 (G) Housing units withdrawn from protected status, including units  
10 withdrawn from rent control (except those units otherwise converted into permanently  
11 affordable housing), including all units that have been subject to rent control under the San  
12 Francisco Residential Rent Stabilization and Arbitration Ordinance but that a property owner  
13 removes *permanently* from the rental market including but not limited to through owner move-in  
14 pursuant to Administrative Code Section 37.9(a)(8), condominium conversion pursuant to  
15 Administrative Code Section 37.9(a)(9), demolition or alterations (including dwelling unit  
16 mergers), or permanent removal pursuant to Administrative Code Section 37.9(a)(10) or  
17 removal pursuant to the Ellis Act under Administrative Code Section 37.9(a)(13);

18 (H) Public housing replacement units and substantially rehabilitated  
19 units through the HOPE SF and Rental Assistance Demonstration (RAD) programs, as well as  
20 other substantial rehabilitation programs managed by MOHCD.

21 (4) The Housing Balance shall be expressed as a percentage, obtained by  
22 dividing the cumulative total of extremely low, very low, low, and moderate income affordable  
23 housing units (all units 0-120% AMI) minus the lost protected units described in subsection  
24 (c)(3)(G) above by the total number of net new housing units within the Housing Balance  
25 Period. The Housing Balance shall also provide two calculations:

1 (A) the Cumulative Housing Balance, consisting of housing units that  
2 have already been constructed (and received a Temporary Certificate of Occupancy or other  
3 certificate that would allow occupancy of the units) within the 10-year Housing Balance  
4 Period, plus those units that have obtained a site or building permit. A separate calculation of  
5 the Cumulative Housing Balance shall also be provided, which includes HOPE SF and RAD  
6 public housing replacement and substantially rehabilitated units (but not including general  
7 rehabilitation/maintenance of public housing or other affordable housing units) that have  
8 received Temporary Certificates of Occupancy within the Housing Balance Period. The  
9 Housing Balance Reports will show the Cumulative Housing Balance with and without public  
10 housing included in the calculation; and

11 (B) the Projected Housing Balance, which shall include any residential  
12 project that has received approval from the Planning Commission or Planning Department,  
13 even if the housing project has not yet obtained a site or building permit to commence  
14 construction (except any entitlements that have expired and not been renewed during the  
15 Housing Balance period). Master planned entitlements shall not be included in the calculation  
16 until individual building entitlements or site permits are approved.

17 (d) **Bi-annual Housing Balance Reports.** By June 1, 2015, the Planning Department  
18 shall calculate the Cumulative and Projected Housing Balance for the most recent two  
19 quarters City-wide, by Supervisorial District, Plan Area, and by neighborhood Planning  
20 Districts, as defined in the annual Housing Inventory, and publish it as an easily visible and  
21 accessible page devoted to Housing Balance and Monitoring and Reporting on the Planning  
22 Department's website. By ~~September~~ October 1st and ~~March~~ April 1st of each year, the  
23 Planning Department shall publish and update the Housing Balance Report, and present this  
24 report at an informational hearing to the Planning Commission and Board of Supervisors, as  
25 well as to any relevant body with geographic purview over a plan area upon request, along

1 with the other quarterly reporting requirements of Administrative Code Section 10E.4. The  
2 annual report to the Board of Supervisors shall be accepted by resolution of the Board, which  
3 resolution shall be introduced by the Planning Department. The Housing Balance Report shall  
4 also be incorporated into the Annual Planning Commission Housing Hearing and Annual  
5 Report to the Board of Supervisors required in Administrative Code Section 10E.4.

6 (e) **Annual Hearing by Board of Supervisors.**

7 (1) The Board of Supervisors shall hold a public Housing Balance hearing on  
8 an annual basis by April 1<sup>5</sup> of each year, to consider progress towards the City's affordable  
9 housing goals, including the goal of a minimum 33% affordable housing to low and moderate  
10 income households, as well as the City's General Plan Housing Element housing production  
11 goals by income category. ~~The first hearing shall occur no later than 30 days after the~~  
12 ~~effective date of this ordinance, and by April 1 of each year thereafter.~~

13 (2) The hearing shall include reporting by the Planning Department, which shall  
14 present the latest Housing Balance Report City-wide and by Supervisorial District and  
15 Planning District; the Mayor's Office of Housing and Community Development, the Mayor's  
16 Office of Economic and Workforce Development, the Rent Stabilization Board, by the  
17 Department of Building Inspection, and the City Economist on strategies for achieving and  
18 maintaining a housing balance in accordance with San Francisco's housing production goals.  
19 If the Cumulative Housing Balance has fallen below 33% in any year, MOHCD shall determine  
20 how much funding is required to bring the City into a minimum 33% Housing Balance and the  
21 Mayor shall submit to the Board of Supervisors a strategy to accomplish the minimum of 33%  
22 Housing Balance. City Departments shall at minimum report on the following issues relevant  
23 to the annual Housing Balance hearing: MOHCD shall report on the annual and projected  
24 progress by income category in accordance with the City's General Plan Housing Element  
25 housing production goals, projected shortfalls and gaps in funding and site control, and

1 progress toward the City's Neighborhood Stabilization goals for acquiring and preserving the  
2 affordability of existing rental units in neighborhoods with high concentrations of low and  
3 moderate income households or historically high levels of evictions; the Planning Department  
4 shall report on current and proposed zoning and land use policies that affect the City's  
5 General Plan Housing Element housing production goals; the Mayor's Office of Economic and  
6 Workforce Development shall report on current and proposed major development projects,  
7 dedicated public sites, and policies that affect the City's General Plan Housing Element  
8 housing production goals; the Rent Board shall report on the withdrawal or addition of rent-  
9 controlled units and current or proposed policies that affect these numbers; the Department of  
10 Building Inspection shall report on the withdrawal or addition of Residential Hotel units and  
11 current or proposed policies that affect these numbers; and the City Economist shall report on  
12 annual and projected job growth by the income categories specified in the City's General Plan  
13 Housing Element.

14 (3) All reports and presentation materials from the annual Housing Balance  
15 hearing shall be maintained by year for public access on the Planning Department's website  
16 on its page devoted to Housing Balance Monitoring and Reporting.

17  
18 Section 3. Effective Date. This ordinance shall become effective 30 days after  
19 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
20 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
21 of Supervisors overrides the Mayor's veto of the ordinance

22  
23 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
2 additions, and Board amendment deletions in accordance with the “Note” that appears under  
3 the official title of the ordinance.

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5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

7 By: \_\_\_\_\_  
8 JUDITH A. BOYAJIAN  
9 Deputy City Attorney

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