



# SAN FRANCISCO PLANNING DEPARTMENT

**MEMO**

## NOTE TO FILE 3

**DATE:** April 17, 2017  
**TO:** File for Case No. 2014.1304E  
**FROM:** Michael Li  
**RE:** Affordable Housing Bonus Program  
June 2016 and March 2017 Amendments

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

On January 14, 2016, the Planning Department published Addendum 3 to the *2004 and 2009 Housing Element FEIR*. Addendum 3 analyzed the environmental impacts of the Affordable Housing Bonus Program (AHBP), which is legislation that was introduced by Mayor Lee and Supervisor Tang on September 29, 2015. Further amendments and substitute legislation were introduced and included in January and February 2016. The environmental impacts that could result from implementation of these further amendments were analyzed in a Note to File that was issued on February 18, 2016.

In June 2016, Supervisor Peskin introduced alternate legislation to one of the components of the AHBP. The environmental impacts that could result from implementation of the alternate legislation were analyzed in Note to File 2 that was issued on June 21, 2016. The alternate legislation was not adopted by the Board of Supervisors.

The "100% Affordable Housing Bonus Program" component of the AHBP was adopted by the Board of Supervisors on June 21, 2016, but no other components of the AHBP were adopted at that time.

Since June 2016, additional amendments to the AHBP have been introduced. This Note to File 3 analyzes the environmental impacts that could result from implementation of the additional amendments to the AHBP, which are discussed below.

### June 2016 Amendments

On June 13, 2016, the Land Use Committee of the Board of Supervisors recommended the following amendments to the AHBP:

- (1) prohibit the displacement of existing residential tenants;
- (2) prohibit the demolition, removal, or conversion of any existing residential uses;
- (3) require conditional use authorization pursuant to Planning Code Section 303 for all HOME-SF projects instead of project authorization pursuant to Planning Code Section 328;
- (4) require all HOME-SF projects to replace ground-floor active uses at like size when any neighborhood commercial uses would be affected; and
- (5) provide commercial tenant support, including early notification of no less than 18 months from relocation date, and observe commercial relocation best practices.

### **Environmental Impacts of June 2016 Amendments**

The first and second amendments listed above would reduce the number of sites in San Francisco that are eligible for the AHBP and would, therefore, reduce the theoretical maximum number of housing units that the AHBP could incentivize. Thus, these amendments would result in impacts that are the same as or less than the impacts discussed in Addendum 3 or Note to File 1.

The third and fifth amendments listed above address procedures related to implementing the "HOME-SF Program" component of the AHBP. These amendments would not result in any physical changes to the environment and would not result in changes to the impacts discussed in Addendum 3 or Note to File 1.

The fourth amendment listed above addresses the retention of existing neighborhood commercial uses that would be affected by HOME-SF projects. Thus, this amendment would result in impacts that are the same as or less than the impacts discussed in Addendum 3 or Note to File 1.

### **March 2017 Amendments**

On March 13, 2017, the Land Use Committee of the Board of Supervisors adopted the following amendments to the AHBP:

- (1) rename the "Local Affordable Housing Bonus Program" component as the "HOME-SF Program" component;
- (2) adjust the income levels, which are based on a percentage of Area Median Income (AMI), for below-market-rate (BMR) units to ensure equal distribution of low-, moderate-, and middle-income units as follows:
  - (a) rental BMR units would be offered at 55%, 80%, and 110% of AMI, and income qualification would be between 45% and 120% of AMI
  - (b) ownership BMR units would be offered at 90%, 120%, and 140% of AMI, and income qualification would be between 80% and 150% of AMI
- (3) encourage the inclusion of three-bedroom and larger units in the unit mix, the distribution of larger units on all floors and adjacent to open spaces or yards, and the incorporation of family-friendly amenities (e.g., bathtubs, stroller storage, open space, and yards);
- (4) enhance protections and options for existing commercial tenants;
- (5) exclude the Northeastern Waterfront Area Plan south of the centerline of Broadway from program eligibility; and
- (6) incorporate changes to the "Individually Requested State Density Bonus Program" component of the AHBP in response to the adoption of Assembly Bill 2501.

### **Environmental Impacts of March 2017 Amendments**

The first through fourth amendments and the sixth amendment listed above would not result in any physical changes to the environment and would not result in changes to the impacts discussed in Addendum 3 or Note to File 1.

The fifth amendment listed above would reduce the number of sites in San Francisco that are eligible for the AHBP and would, therefore, reduce the theoretical maximum number of housing units that the AHBP could incentivize. Thus, this amendment would result in impacts that are the same as or less than the impacts discussed in Addendum 3 or Note to File 1.