File No. 180456 Committee Item No. 3
Board Item No. 27

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Victor Young **Date** July 6, 2018
Completed by: JM **Date** July 12, 2018

[Planning Code - HOME-SF and 100% Affordable Housing Bonus Program]

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) Program to revise the amount of inclusionary housing required and the types of development bonuses received for projects with complete environmental evaluation applications submitted on or before December 31, 2019, with existing requirements and bonuses revived for projects with complete environmental evaluation applications submitted on or after January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; establish duties for the Inclusionary Housing Technical Advisory Committee; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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

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

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 180456 and is incorporated herein by reference. The Board affirms this determination.

(b) On June 28, 2018, the Planning Commission, in Resolution No. 20225, 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. 180456, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code Amendment will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 20225, and the Board incorporates such reasons herein by reference. A copy of Planning Commission Resolution No. 20225 is on file with the Board of Supervisors in File No. 180456.

Section 2. The Planning Code is hereby amended by revising Section 206.3 and 206.4 to read as follows:

SEC. 206.3. HOUSING OPPORTUNITIES MEAN EQUITY - SAN FRANCISCO PROGRAM.

(a) **Purpose.** This Section *206.3* sets forth the HOME-SF Program. The HOME-SF Program or "HOME-SF" provides benefits to project sponsors of housing projects that set aside ~~a total of 30% of~~ residential units onsite at below market rate rent or sales price in an amount higher than the amount required by the Inclusionary Housing Ordinance. The purpose of HOME-SF is to expand the number of below market rate units produced in San Francisco and provide housing opportunities to a wider range of incomes than traditional affordable

housing programs, such as the City's Inclusionary Affordable Housing Program, Planning Code Sections 415 et seq., which typically provide housing only for very low, low or moderate income households. The purpose of HOME-SF also is to provide an alternative method of complying with the on-site inclusionary option set forth in Section 415.6. HOME-SF allows market-rate projects to match the City's shared Proposition K *(November 2014)* housing goals that 50% of new housing constructed or rehabilitated in the City by 2020 be within the reach of working middle class San Franciscans, and at least 33% affordable for low and moderate income households.

(b) **Applicability.** A HOME-SF Project under 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;

(2) is located in any zoning district that: (A) is not designated as an RH-1 or RH-2 Zoning District; and (B) establishes a maximum dwelling unit density through a ratio of number of units to lot area, including RH-3, RM, RC, C-2, Neighborhood Commercial, Named Neighborhood Commercial, and SoMa Mixed Use Districts; but only if the SoMa Mixed Use District has a density measured by a maximum number of dwelling units per square foot of lot area; (C) is not in the North of Market Residential Special Use District, Planning Code Section 249.5, until the 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 Program. The Study will explore opportunities to support and encourage the provision of 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 housing production levels at deeper and wider ranges of AMI and larger

unit sizes in these areas through 100% affordable housing development as well as below market rate units within market rate developments; (D) is not located within the boundaries of the Northeastern Waterfront Area Plan south of the centerline of Broadway; and (E) is not located on property under the jurisdiction of the Port of San Francisco;

(3) is not seeking and receiving a density or development bonus under the provisions of California Government Code Section<u>s</u> 65915 et seq.<u>,</u> Planning Code Section 207, Section 124(f), Section 202.2(f), 304, or any other State or local program that provides development bonuses;

(4) includes at least 135% of the Base Density as calculated under Planning Code Section 206.5;

~~*(5) in Neighborhood Commercial Districts is not a project that involves merging lots that result in more than 125 feet in lot frontage for projects located;*~~

~~*(6)*~~*(5)* consists of new construction, and excluding any project that includes an addition to an existing structure;

~~*(7)*~~*(6)* complies with the on-site Inclusionary Affordable Housing option set forth in Planning Code Section 415.6; provided however, that the percentage of affordable units and the required affordable sales price or affordable rents set forth in Section 415.6(a) shall be as provided in this Section 206.3;

~~*(8)*~~*(7)* if any retail use is demolished or removed, does not include a Formula Retail use, as defined in Section 303.1, unless the retail use demolished or removed was also a Formula Retail Use, or was one of the following uses: Gas Stations, Private or Public Parking Lots, Financial Services, Fringe Financial Services, Self Storage, Motel, Automobile Sales or Rental, Automotive Wash, Mortuaries, Adult Business, Massage Establishment, Medical Cannabis Dispensary, and Tobacco Paraphernalia Establishment, as those uses are defined in Planning Code Section 102;

~~(9)~~(8) if located north of the centerline of Post Street and east of the centerline of Van Ness Avenue, all otherwise eligible HOME-SF Projects shall only be permitted on:

(A) lots containing no existing buildings; or

(B) lots equal to or greater than 12,500 square feet where existing buildings are developed to less than 20% of the lot's principally permitted buildable gross floor area as determined by height limits, rear yard requirements, and required setbacks; and

~~(10)~~(9) if the City enacts an ordinance directing the Planning Department to study the creation of a possible area plan wholly or partially located in Supervisorial District 9, HOME-SF Projects shall not be permitted in any area in Supervisorial District 9 listed in the ordinance until such time as the City enacts the area plan.

(c) **HOME-SF Project Eligibility Requirements.** To receive the development bonuses granted under this Section *206.3*, a HOME-SF Project must meet all of the following requirements:

(1) *Except as limited in application by subsection (f):* Provide 30% of units in the HOME-SF Project as HOME-SF Units, as defined herein. The HOME-SF Units shall be restricted for the Life of the Project and shall comply with all of the requirements of the Procedures Manual authorized in Section 415 except as otherwise provided herein. Twelve percent of HOME-SF Units that are Owned Units shall have an average affordable purchase price set at 80% of Area Median Income; 9% shall have an average affordable purchase price set at 105% of Area Median Income; and 9% shall have an average affordable purchase price set at 130% of Area Median Income. Twelve percent of HOME-SF Units that are rental units shall have an average affordable rent set at 55% of Area Median Income; 9% shall have an average affordable rent set at 80% of Area Median Income; and 9% shall have an average affordable rent set at 110% of Area Median Income. All HOME-SF Units must be marketed at a price that is at least 20% less than the current market rate for that unit size and

neighborhood, and MOHCD shall reduce the Area Median Income levels set forth herein in order to maintain such pricing. As provided for in subsection (e), the Planning Department and MOHCD shall amend the Procedures Manual to provide policies and procedures for the implementation, including monitoring and enforcement, of the HOME-SF Units;

(2) Demonstrate to the satisfaction of the Environmental Review Officer that the HOME-SF Project does not:

(A) cause a substantial adverse change in the significance of an historic resource as defined by California Code of Regulations, Title 14, Section 15064.5;

(B) create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas; and

(C) alter wind in a manner that substantially affects public areas;

(3) All HOME-SF units shall be no smaller than the minimum unit sizes set forth by the California Tax Credit Allocation Committee as of May 16, 2017. In addition, notwithstanding any other provision of this Code, HOME-SF projects shall provide a minimum dwelling unit mix of (A) at least 40% two and three bedroom units, including at least 10% three bedroom units, or (B) any unit mix which includes some three bedroom or larger units such that 50% of all bedrooms within the HOME-SF Project are provided in units with more than one bedroom. Larger units should be distributed on all floors, and prioritized in spaces adjacent to open spaces or play yards. Units with two or three bedrooms are encouraged to incorporate family friendly amenities. Family friendly amenities shall include, but are not limited to, bathtubs, dedicated cargo bicycle parking, dedicated stroller storage, open space and yards designed for use by children. HOME-SF Projects are not eligible to modify this requirement under Planning Code Section ~~*303(t)*~~ *328* or any other provision of this Code;

(4) Does not demolish, remove, or convert any residential units; and

(5) Includes at the ground floor level active uses, as defined in Section 145.1, at the same square footages as any neighborhood commercial uses demolished or removed, unless the Planning Commission has granted an exception under Section *328* ~~*303(t)(2)(G)*~~.

(d) **Development Bonuses.** Any HOME-SF Project shall, at the project sponsor's request, receive any or all of the following:

(1) **Form based density.** *Except as limited in application by subsection (f):* Notwithstanding any zoning designation to the contrary, density of a HOME-SF Project shall not be limited by lot area but rather by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not limited to, height, including any additional height allowed by subsection (d)(2), Bulk, Setbacks, Required Open Space, Exposure and unit mix as well as applicable design guidelines, elements, and area plans of the General Plan and design review, including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined by the Planning Department.

(2) **Height.** *Except as limited in application by subsection (f):* Up to 20 additional feet above the height authorized for the HOME-SF Project under the Height Map of the Zoning Map. This additional height may only be used to 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 Section 260(b) shall be measured from the roof level of the highest story provided under this *sub*section *(d)(2)*.

(3) **Ground Floor Ceiling Height.** *Except as limited in application by subsection (f):* In addition to the permitted height allowed under *subsection* (d)(2), HOME-SF Projects with active uses on the ground floor as defined in Section 145.1(b)(2) shall receive up to a maximum of five additional feet in height above the height limit, in addition to the additional 20 feet granted in subsection *(d)*(2) ~~*above*~~. However, the additional five 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 Floor Residential Design Guidelines. This additional five feet shall not be granted to projects that already receive such a height increase under Planning Code Section 263.20.

(4) **Zoning Modifications.** HOME-SF Projects may receive ~~select up to three of~~ the following zoning modifications:

(A) **Rear yard:** The required rear yard per Section 134 or any applicable special use district may be reduced to no less than 20% of the lot depth, or 15 feet, whichever is greater. Corner properties may provide 20% of the lot area at the interior corner of the property to meet the minimum rear yard requirement, provided that each horizontal dimension of the open area is a minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock open space, if any, formed by the rear yards of adjacent properties.

(B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements of Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that is no less than 25 feet in every horizontal dimension, and such open area is not required to expand in every horizontal dimension at each subsequent floor.

(C) **Off-Street Loading:** Off-street loading spaces per Section 152 shall not be required.

(D) **Automobile Parking:** Up to a 75% reduction in the residential and commercial parking requirements in Section 151 or any applicable special use district.

(E) **Open Space:** Up to a 5% reduction in common open space if provided under Section 135 or any applicable special use district.

(F) **Additional Open Space:** Up to an additional 5% reduction in common open space if provided under Section 135 or any applicable special use district, beyond the 5% provided in subsection *(d)(4)*(E) ~~*above*~~.

(G) **Inner Courts as Open Space:** ~~*In order for*~~ *For* an inner court to qualify as us~~e~~able common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal dimension, and for the height of the walls and projections above the court on at least three sides (or 75% 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. HOME-SF 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.

(5) ***Priority Processing and Planning Commission approval.*** *HOME-SF Projects shall be reviewed in coordination with relevant priority processing and shall be approved, denied, or approved subject to conditions by the Planning Commission under Section 328, within* ~~120~~ 180 *days of* submittal of a complete project application, unless the Environmental Review Officer determines that an environmental impact report is required for the project under Administrative Code section 31.09. ~~the date that the HOME-SF application is deemed complete.~~

(e) **Implementation.**

(1) **Application.** An application to participate in the HOME-SF 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:

(A) A full plan set, including a site plan, elevations, sections, and floor plans, showing total number of units, number of and location of HOME-SF Units; and a draft Regulatory Agreement;

(B) The requested development bonuses and/or zoning modifications from those listed in subsection (d).

(C) A list of all on-site family friendly amenities. Family friendly amenities shall include, but are not limited to, dedicated cargo bicycle parking, dedicated stroller storage, open space and yards designed for use by children.

(D) 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 *206.3* and has provided any existing commercial tenants with a copy of the ~~*Mayor's*~~ Office of Economic and Workforce Development's Guide to Small Business Retention and Relocation Support. Any affected commercial tenants shall be given priority processing similar to the Department's Community Business Priority Processing Program, as adopted by the Planning 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.

(2) **Procedures Manual.** The Planning Department and MOHCD shall amend the Procedures Manual, authorized in Section 415, to include policies and procedures for the implementation, including monitoring and enforcement, of HOME-SF Units. As an 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 Procedures Manual shall include a requirement that project sponsors in specified areas complete a market survey of the area before marketing HOME-SF Units.

(3) **Notice and Hearing.** HOME-SF Projects shall comply with Section 306 for review and approval.

(4) **Controls.** HOME-SF Projects shall be governed by the ~~*conditional use*~~ procedures and timelines in ~~of~~ Section ~~*303*~~ *328*.

(5) **Regulatory Agreements.** Recipients of development bonuses under this Section 206.3 shall enter into a Regulatory Agreement with the City, as follows.

(A) The terms of the agreement shall be acceptable in form and content to the Planning Director, the Director of MOHCD, and the City Attorney. The Planning Director shall have the authority to execute such agreements.

(B) Following execution of the agreement by all parties, the completed Regulatory Agreement, or memorandum thereof, shall be recorded and the conditions filed and recorded on the Housing Project.

(C) 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 binding to all future owners and successors in interest.

(D) The Regulatory Agreement shall be consistent with the guidelines of the City's Inclusionary Housing Program and shall include at a minimum the following:

(i) The total number of dwelling units approved for the Housing Project, including the number of HOME-SF Units or other restricted units;

(ii) A description of the household income group to be accommodated by the HOME-SF Units, and the standards for determining the corresponding Affordable Rent or Affordable Sales Price. If required by the Procedures Manual, the project sponsor must commit to completing a market survey of the area before marketing HOME-SF Units;

(iii) The location, dwelling unit sizes (in square feet), and number of bedrooms of the HOME-SF Units;

(iv) Term of use restrictions for the life of the project;

(v) A schedule for completion and occupancy of HOME-SF Units;

(vi) A description of any Concession, Incentive, waiver, or modification, if any, being provided by the City;

(vii) A description of remedies for breach of the agreement (the City may identify tenants or qualified purchasers as third party beneficiaries under the agreement); and

(viii) Other provisions to ensure implementation and compliance with this Section.

*(f) **Temporary provisions for projects with complete Environmental Evaluation Applications submitted prior to January 1, 2020.** To facilitate the construction of HOME-SF projects, and based on information from the inclusionary housing study prepared for the Divisadero and Fillmore Neighborhood Commercial Transit District, in Board of Supervisors File No. 151258, and the Office of the Controller's Inclusionary Housing Working Group final report (February 2016), the HOME-SF program shall include development incentives as specified in this subsection (f) based on the amount and level of affordability provided in projects with complete Environmental Evaluation Applications submitted through December 31, 2019. For any development project that has submitted a complete Environmental Evaluation Application prior to January 1, 2020, subsections (c)(1) and (d)(1), (d)(2), and (d)(3) shall not apply, and the provisions in this subsection (f) shall apply. For any development project that submits a complete Environmental Evaluation Application on or after January 1, 2020, this subsection (f) shall not apply, and such projects shall comply with subsections (c)(1), (d)(1), (d)(2), and (d)(3).*

*(1) **HOME-SF Project Eligibility Requirements**. To receive the development bonuses granted under this Section 206.3, a HOME-SF Project must provide a percentage of units, in the amounts set forth in section 206.3(f)(2)(A), (B), or (C), as HOME-SF Units, as defined in Section 206.2. The HOME-SF Units shall be restricted for the Life of the Project and shall comply with all of the requirements of the Procedures Manual authorized in Section 415 except as otherwise provided in this Section 206.3. All HOME-SF Units must be marketed at a price that is at least 20% less than the current market rate for that unit size and neighborhood, and MOHCD shall reduce the Area Median Income levels set forth in this Section 206.3 in order to maintain such pricing. As provided for in subsection (e), the Planning Department and MOHCD shall amend the Procedures Manual to provide policies and procedures for the implementation, including monitoring and enforcement, of the HOME-SF Units;*

(2) Development Bonuses. Any HOME-SF Project shall at the project sponsor's request receive the following:

*(A) **Tier One**: A Tier One HOME-SF Project* that consists of fewer than 25 units and are Owned Units *shall provide 20% of units in the HOME-SF Project as HOME-SF Units* at the following levels: ~~Ten~~ ten *percent* ~~of Tier One HOME-SF Units that are Owned Units~~ *shall have an average affordable purchase price set at 80% of Area Median Income; 5% shall have an average affordable purchase price set at 105% of Area Median Income; and 5% shall have an average affordable purchase price set at 130% of Area Median Income.* A Tier One HOME-SF Project that consists of fewer than 25 units and are rental units shall provide 20% of units in the HOME-SF Project as HOME-SF Units at the following levels: ~~Ten~~ ten *percent* ~~of Tier One HOME-SF Units that are rental units~~ *shall have an average affordable rent set at 55% of Area Median Income; 5% shall have an average affordable rent set at 80% of Area Median Income; and 5% shall have an average affordable rent set at 110% of Area Median Income.* A Tier One HOME-SF Project that consists of 25 or more units and are Owned Units shall provide 23% of units in the

HOME-SF Project as HOME-SF Units at the following levels: ten percent shall have an average affordable purchase price set at 80% of Area Median Income; 8% shall have an average affordable purchase price set at 105% of Area Median Income; and 5% shall have an average affordable purchase price set at 130% of Area Median Income. A Tier One HOME-SF Project that consists of 25 or more units and are Rental Units shall provide 23% of units in the HOME-SF Project as HOME-SF Units at the following levels: ten percent shall have an average affordable rent set at 55% of Area Median Income; 8% shall have an average affordable rent set at 80% of Area Median Income; and 5% shall have an average affordable rent set at 110% of Area Median Income.

(i) Form based density. Notwithstanding any zoning designation to the contrary, density of a Tier One HOME-SF Project shall not be limited by lot area but rather by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not limited to, height, Bulk, Setbacks, Required Open Space, Exposure, and unit mix as well as applicable design guidelines, elements and area plans of the General Plan and design review, including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined by the Planning Department.

(ii) Ground Floor Ceiling Height. Tier One HOME-SF Projects with active uses on the ground floor as defined in Section 145.1(b)(2) shall receive up to a maximum of five additional feet in height above the height limit. However, the additional five 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 Floor Residential Design Guidelines. This additional five feet shall not be granted to projects that already receive such a height increase under Planning Code Section 263.20.

*(B) **Tier Two**: A Tier Two HOME-SF Project shall provide 25% of units in the HOME-SF Project as HOME-SF Units. Ten percent of Tier Two HOME-SF Units that are Owned Units shall*

have an average affordable purchase price set at 80% of Area Median Income; 8% shall have an average affordable purchase price set at 105% of Area Median Income; and 7% shall have an average affordable purchase price set at 130% of Area Median Income. Ten percent of HOME-SF Units that are rental units shall have an average affordable rent set at 55% of Area Median Income; 8% shall have an average affordable rent set at 80% of Area Median Income; and 7% shall have an average affordable rent set at 110% of Area Median Income.

(i) Form based density. Notwithstanding any zoning designation to the contrary, density of a Tier Two HOME-SF Project shall not be limited by lot area but rather by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not limited to, height, including any additional height allowed by subsections (f)(2)(B)(ii) and (iii), Bulk, Setbacks, Required Open Space, Exposure, and unit mix as well as applicable design guidelines, elements, and area plans of the General Plan and design review, including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined by the Planning Department.

(ii) Height. Up to 10 additional feet above the height authorized for the Tier Two HOME-SF Project under the Height Map of the Zoning Map. This additional height may only be used to provide up to one additional story of no more than 10 feet in height. Building features exempted from height controls under Planning Code Section 260(b) shall be measured from the roof level of the highest story provided under this subsection (f)(2)(B)(ii).

(iii) Ground Floor Ceiling Height. In addition to the permitted height allowed under subsection (f)(2)(B)(ii), Tier Two HOME-SF Projects with active uses on the ground floor as defined in Section 145.1(b)(2) shall receive up to a maximum of five additional feet in height above the height limit. However, the additional five 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 Floor Residential Design Guidelines. This additional five feet shall not be granted to projects that already receive such a height increase under Planning Code Section 263.20.

*(C) **Tier Three**: A Tier Three HOME-SF Project shall provide 30% of units in the HOME-SF Project as HOME-SF Units. Ten percent of Tier Three HOME-SF Units that are Owned Units shall have an average affordable purchase price set at 80% of Area Median Income; 10% shall have an average affordable purchase price set at 105% of Area Median Income; and 10% shall have an average affordable purchase price set at 130% of Area Median Income. Ten percent of Tier Three HOME-SF Units that are rental units shall have an average affordable rent set at 55% of Area Median Income; 10% shall have an average affordable rent set at 80% of Area Median Income; and 10% shall have an average affordable rent set at 110% of Area Median Income.*

(i) Form based density. Notwithstanding any zoning designation to the contrary, density of a Tier Three HOME-SF Project shall not be limited by lot area but rather by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not limited to, height, including any additional height allowed by subsections (f)(2)(C)(ii) and (iii), Bulk, Setbacks, Required Open Space, Exposure, and unit mix as well as applicable design guidelines, elements, and area plans of the General Plan and design review, including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in Section 328, as determined by the Planning Department.

(ii) Height. Up to 20 additional feet above the height authorized for the Tier Three HOME-SF Project under the Height Map of the Zoning Map. This additional height may only be used to 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 Section 260(b) shall be measured from the roof level of the highest story provided under this section.

(iii) Ground Floor Ceiling Height. In addition to the permitted height allowed under subsection (f)(2)(C)(ii), Tier Three HOME-SF Projects with active uses on the ground floor as

defined in Section 145.1(b)(2) shall receive up to a maximum of five additional feet in height above the height limit. However, the additional five 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 Floor Residential Design Guidelines. This additional five feet shall not be granted to projects that already receive such a height increase under Planning Code Section 263.20.

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SEC. 206.4. THE 100 PERCENT AFFORDABLE HOUSING BONUS PROGRAM.

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(c) **Development Bonuses**. A 100 Percent Affordable Housing Bonus Project shall, at the project sponsor's request, receive any or all of the following:

(1) **Priority Processing**. 100 Percent Affordable Housing Bonus Projects shall receive Priority Processing.

(2) **Form Based Density**. Notwithstanding any zoning designation to the contrary, density of the 100 Percent Affordable Housing Bonus Project shall not be limited by lot area but rather by the applicable requirements and limitations set forth elsewhere in this Code. Such requirements and limitations include, but are not limited to, height, including any additional height allowed by subsection (c) herein, Bulk, Setbacks, Open Space, Exposure and unit mix as well as applicable design guidelines, elements and area plans of the General Plan and design review, including consistency with the Affordable Housing Bonus Program Design Guidelines, referenced in Section ~~328~~ *315.1*, as determined by the Planning Department.

(3) **Height.** 100 Percent Affordable Housing Bonus Projects shall be allowed up to 30 additional feet, not including allowed exceptions per Section 260(b), above the property's height district limit in order to provide three additional stories of residential use. This

additional height may only be used to provide up to three additional 10-foot stories to the project, or one additional story of not more than 10 feet in height.

(4) **Ground Floor Ceiling Height.** In addition to the permitted height allowed under subsection (c)(3), 100 Percent Affordable Housing Bonus Projects with active ground floors as defined in Section 145.1(b)(2) shall receive one additional foot of height, up to a maximum of an additional five feet at the ground floor, exclusively to provide a minimum 14-foot (floor to ceiling) ground floor ceiling height.

(5) **Zoning Modifications.** 100 Percent Affordable Housing Bonus Projects may select any or all of the following zoning modifications:

(A) **Rear Yard:** The required rear yard per Section 134 or any applicable special use district may be reduced to no less than 20% of the lot depth or 15 feet, whichever is greater. Corner properties may provide 20% of the lot area at the interior corner of the property to meet the minimum rear yard requirement, provided that each horizontal dimension of the open area is a minimum of 15 feet; and that the open area is wholly or partially contiguous to the existing midblock open space, if any, formed by the rear yards of adjacent properties.

(B) **Dwelling Unit Exposure:** The dwelling unit exposure requirements of Section 140(a)(2) may be satisfied through qualifying windows facing an unobstructed open area that is no less than 15 feet in every horizontal dimension, and such open area is not required to expand in every horizontal dimension at each subsequent floor.

(C) **Off Street Loading:** No off-street loading spaces under Section 152.

(D) **Automobile Parking:** Up to a 100% reduction in the minimum off-street residential and commercial automobile parking requirement under Article 1.5 of this Code.

(E) **Open Space:** Up to a 10% reduction in common open space requirements if required by Section 135, but no less than 36 square feet of open space per unit.

(F) **Inner Courts as Open Space:** In order for an inner court to qualify as useable common open space, Section 135(g)(2) requires it to be at least 20 feet in every horizontal dimension, and for the height of the walls and projections above the court on at least three sides (or 75% 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. 100 Percent 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.

(d) **Implementation**.

(1) **Application.** The following procedures shall govern the processing of a request for a project to qualify under the 100 Percent Affordable Housing Bonus Program.

(A) An application to participate in the 100 Percent Affordable Housing Bonus 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 the total number of units, unit sizes and planned affordability levels and any applicable funding sources;

(ii) The requested development bonuses from those listed in subsection (c);

(iii) Unit size and distribution of multi-bedroom units:

(iv) Documentation that the applicant has provided written notification to all existing commercial tenants that the applicant intends to develop the property pursuant to this section 206.4. Any affected commercial tenants shall be given priority processing similar to the Department's Community Business Priority Processing Program, as adopted by the Planning 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. In no case may an applicant receive a site permit or any demolition permit prior to 18 months from the date of written notification required by this subsection 206.4(d)(1)(B); and

(v) Documentation that the applicant shall comply with any applicable provisions of the State Relocation Law or Federal Uniform Relocation Act when a parcel includes existing commercial tenants.

(2) **Conditions.** Entitlements of 100 Percent Affordable Housing Bonus Projects approved under this Section shall be valid for 10 years from the date of ~~*Planning Commission or Planning Department*~~ approval.

~~*(3) **Notice and Hearing.** 100 Percent Affordable Housing Bonus Projects shall comply with Section 328 for review and approval.*~~

(*34*) **Controls.** Notwithstanding any other provision of this Code, no conditional use authorization shall be required for a 100 Percent Affordable Housing Bonus Project, unless such conditional use requirement was adopted by the voters.

Section 3. The Planning Code is hereby amended by revising Section 315 to read as follows:

SEC. 315 AFFORDABLE HOUSING PROJECT AUTHORIZATION

* * * *

SEC. 315.1 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT AUTHORIZATION.

*(a) **Purpose.** The purpose of this Section 315.1 is to ensure that all 100 Percent Affordable Housing Bonus projects pursuant to Planning Code Section 206.4 are reviewed in coordination with Priority Processing available for certain projects with 100% affordable housing. While most projects in the 100 Percent Affordable Housing Bonus Program will likely be somewhat larger than their surroundings in order to facilitate higher levels of affordable housing, the Planning Director and Department shall review each project for consistency with the Affordable Housing Bonus Design Guidelines and any other applicable design guidelines, as adopted and periodically amended by the Planning Commission, so that projects respond to their surrounding context, while still meeting the City's affordable housing goals.*

*(b) **Applicability.** This Section 315.1 applies to all 100 Percent Affordable Housing Bonus Projects that meet the requirements described in Section 206.4.*

*(c) **Design Review.** The Planning Department shall review and evaluate all physical aspects of a 100 Percent Affordable Housing Bonus Project as follows.*

(1) The Planning Director may, consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines, make minor modifications to a project to reduce the impacts of a 100 Percent Affordable Housing Bonus Project on surrounding buildings. The Planning Director may also apply the standards of Section 261.1 to bonus floors for all projects on narrow streets and alleys in order to ensure that these streets do not become overshadowed, including potential upper story setbacks, and special consideration for the southern side of East-West streets, and Mid-block passages, as long as such setbacks do not result in a smaller number of residential units.

(2) As set forth in subsection (d) ~~below~~, the Planning Director may also grant minor exceptions to the provisions of this Code. However, such exceptions should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when such

modifications do not substantially reduce or increase the overall building envelope permitted by the Program under Section 206.4. All modifications and exceptions should be consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program Design Guidelines shall prevail.

(3) The Planning Director may require these or other modifications or conditions in order to achieve the objectives and policies of the Affordable Housing Bonus Program or the purposes of this Code. This review shall be limited to design issues including the following:

(A) whether the bulk and massing of the building is consistent with the Affordable Housing Bonus Design Guidelines.

(B) whether building design elements including, but not limited to, architectural treatments, facade design, and building materials, are consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines.

(C) whether the design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and parking and loading access is consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.

(D) whether the required streetscape and other public improvements such as tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other applicable design guidelines.

(d) ***Exceptions.*** *As a component of the review process under this Section 315.1, the Planning Director may grant minor exceptions to the provisions of this Code as provided below, in addition to the development bonuses granted to the project in Section 206.4(c). Such exceptions, however, should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when the Planning Director finds that such modifications do not substantially reduce or increase the overall building envelope permitted by the Program under Section 206.4, and the project, with the*

modifications and exceptions, is consistent with the Affordable Housing Bonus Design Guidelines. These exceptions may include:

(1) Exception from residential usable open space requirements per Section 135, or any applicable special use district.

(2) Exception from satisfaction of loading requirements per Section 152.1, or any applicable special use district.

(3) Exception for rear yards, pursuant to the requirements of Section 134, or any applicable special use district.

(4) Exception from dwelling unit exposure requirements of Section 140, or any applicable special use district.

(5) Exception from satisfaction of accessory parking requirements per Section 152.1, or any applicable special use district.

(6) Where not specified elsewhere in this subsection (d), modification of other Code requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located, and without requiring conditional use authorization.

(e) ***Required Findings.*** *In reviewing any project pursuant to this Section 315.1, the Planning Director shall make the following findings:*

(1) the use complies with the applicable provisions of this Code and is consistent with the General Plan;

(2) the use provides development that is in conformity with the stated purpose of the applicable Use District; and,

(3) the use contributes to the City's affordable housing goals as stated in the General Plan.

(4) If a 100 Percent Affordable Housing Bonus Project otherwise would require a conditional use authorization due only to (1) a specific land use or (2) a use size limit, the Planning Director shall make all findings and consider all criteria required by this Code for such use or use size as part of this 100 Percent Affordable Housing Bonus Project Authorization and no conditional use authorization shall be required.

*(f) **Decision and Imposition of Conditions.** The Planning Director may authorize, disapprove or approve subject to conditions, the project and any associated requests for exceptions and shall make appropriate findings. The Director may impose additional conditions, requirements, modifications, and limitations on a proposed project in order to achieve the objectives, policies, and intent of the General Plan or of this Code. This administrative review shall be identical in purpose and intent to any Planning Commission review that would otherwise be required by Section 206.4 of the Planning Code.*

*(g) **Discretionary Review.** As long as the Planning Commission has delegated its authority to the Planning Department to review applications for an Affordable Housing Project, the Planning Commission shall not hold a public hearing for discretionary review of a 100 Percent Affordable Housing Bonus project that is subject to this Section.*

*(h) **Appeals.** The Planning Director's administrative determination regarding a 100 Percent Affordable Housing Bonus Project pursuant to this Section 315.1 shall be considered part of a related building permit. Any appeal of such determination shall be made through the associated building permit.*

Section 4. The Planning Code is hereby amended by revising Sections 303 ~~and 328~~ to read as follows:

SECTION 303. CONDITIONAL USES

* * * *

(v) **Affordable Housing Bonus Projects.** The purpose of this Section *303(v)* is to ensure that ~~*all HOME-SF Projects under Section 206.3 and*~~ all Analyzed State Density Bonus Program Projects under Section 206.5 are reviewed in coordination with priority processing available for certain projects with greater levels of affordable housing. While most projects in the Program will likely be somewhat larger than their surroundings in order to facilitate higher levels of affordable housing, the Planning Commission and Department shall ensure that each project is consistent with the Affordable Housing Bonus Design Guidelines and any other applicable design guidelines, as adopted and periodically amended by the Planning Commission, so that projects respond to their surrounding context, while still meeting the City's affordable housing goals.

(1) **Planning Commission Design Review:** The Planning Commission shall review and evaluate all physical aspects of a ~~*HOME-SF or*~~ State Analyzed Project at a public hearing. The Planning Commission recognizes that most qualifying projects will need to be larger in height and mass than surrounding buildings ~~*in order*~~ to achieve the Affordable Housing Bonus Program's affordable housing goals. However, the Planning Commission may, consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines, and upon recommendation from the Planning Director, make minor modifications to a project to reduce the impacts of such differences in scale. ~~*Additionally, as set forth in subsection (2) below, for HOME-SF Projects the Planning Commission may grant minor exceptions to the provisions of this Code. However, such exceptions should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when such modifications do not substantially reduce or increase the overall building envelope permitted by the Program under Section 206.3. All modifications and exceptions should be consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program*~~

~~*Design Guidelines shall prevail. The Planning Commission may require these or other modifications or conditions, or disapprove a project, in order to achieve the objectives and policies of the Affordable Housing Bonus Program or the purposes of this Code. This review shall be limited to design issues including the following:*~~

~~*(A) whether the bulk and massing of the building is consistent with the Affordable Housing Program Bonus Design Guidelines.*~~

~~*(B) whether building design elements including, but not limited to architectural treatments, façade design, and building materials, are consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines.*~~

~~*(C) whether the design of lower floors, including building setback areas. commercial space, townhouses, entries, utilities, and parking and loading access is consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.*~~

~~*(D) whether the required streetscape and other public improvements such as tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other applicable design guidelines.*~~

~~*(2)* ***Exceptions.*** *This subsection (v)(2) shall not apply to State Analyzed projects. As a component of the review process under this Section 303(v), the Planning Commission may grant minor exceptions to the provisions of this Code as provided for below, in addition to the development bonuses granted to the project in Section 206.3(d). Such exceptions, however, should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when the Planning Commission finds that such modifications: (1) do not substantially reduce or increase the overall building envelope permitted by the Program under Section 206.3; and (2) are consistent with the Affordable Housing Bonus Design Guidelines. These exceptions may include:*~~

~~*(A) Exception from residential usable open space requirements per Section 135, or any applicable special use district.*~~

~~*(B) Exception from satisfaction of loading requirements per Section 152.1, or any applicable special use district.*~~

~~*(C) Exception for rear yards, pursuant to the requirements of Section 134, or any applicable special use district.*~~

~~*(D) Exception from dwelling unit exposure requirements of Section 140, or any applicable special use district.*~~

~~*(E) Exception from satisfaction of accessory parking requirements per Section 152.1, or any applicable special use district.*~~

~~*(F) Where not specified elsewhere in this subsection (v)(2), modification of other Code requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located.*~~

~~*(G) Exception from active ground floor use requirements under 145.1(c)(3).*~~

~~*(3)*~~*(2)* **Additional Criteria.** In addition to the criteria set forth in subsection (c)(2), the Planning Commission shall consider the extent to which the following criteria are met:

(A) whether the project would require the demolition of an existing building;

(B) whether the project would remove existing commercial or retail uses;

(C) If the project would remove existing commercial or retail uses, how recently the commercial or retail uses were occupied by a tenant or tenants;

(D) whether the project includes commercial or retail uses;

(E) whether there is an adverse impact on the public health, safety, and general welfare due to the loss of commercial or retail uses in the district where the project is located; and

(F) whether any existing commercial or retail use has been designated, or is eligible to be designated, as a Legacy Business under Administrative Code Section 2A.242; or is a formula retail business.

~~(4)~~(3) In no case may a project receive a site permit or any demolition permit prior to 18 months from the date of written notification required by 206.5(d)(7). ~~206.3(e)(1)(D).~~

* * * *

Section 5. The Planning Code is hereby amended by deleting Section 328 as follows:

~~**SEC. 328.** ***100 PERCENT AFFORDABLE HOUSING BONUS*** **HOME-SF PROJECT AUTHORIZATION.**~~

~~(a) Purpose. The purpose of this Section 328 is to ensure that all HOME-SF *100 Percent Affordable Housing Bonus* projects under Section *206.4* 206.3 are reviewed in a timely manner *coordination with priority processing available for certain projects with 100 Percent affordable housing*. While most projects in the *100 Percent Affordable Housing Bonus* HOME-SF Program will likely be somewhat larger than their surroundings in order to facilitate higher levels of affordable housing, the Planning Commission and Department shall ensure that each project is consistent with the Affordable Housing Bonus Design Guidelines and any other applicable design guidelines, as adopted and periodically amended by the Planning Commission, so that projects respond to their surrounding context, while still meeting the City's affordable housing goals.~~

~~(b) Applicability. This Section 328 applies to all qualifying HOME-SF *100 Percent Affordable Housing Bonus* Projects that meet the requirements described in Section 206.4 206.3.~~

~~(c) Planning Commission Design Review. The Planning Commission shall review and evaluate all physical aspects of a *100 Percent Affordable Housing Bonus* HOME-SF Project at a public hearing. The Planning Commission recognizes that most qualifying projects will need to~~

~~be larger in height and mass than surrounding buildings in order to achieve *the 100% Affordable Housing Bonus Program's* HOME-SF's affordable housing goals. However, the Planning Commission may, consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines, and upon recommendation from the Planning Director, make minor modifications to a project to reduce the impacts of such differences in scale. The Planning Commission, upon recommendation of the Planning Director, may also apply the standards of Section 261.1 to bonus floors for all projects on narrow streets and alleys in order to ensure that these streets do not become overshadowed, including potential upper story setbacks, and special consideration for the southern side of East-West streets, and Mid-block passages, as long as such setbacks do not result in a smaller number of residential units.~~

~~Additionally, as set forth in subsection (d) below, the Planning Commission may grant minor exceptions to the provisions of this Code. However, such exceptions should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when such modifications do not substantially reduce or increase the overall building envelope permitted by the Program under Section 206.3206.4. All modifications and exceptions should be consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program Design Guidelines shall prevail.~~

~~The Planning Commission may require these or other modifications or conditions, or disapprove a project, in order to achieve the objectives and policies of the Affordable Housing Bonus Programs or the purposes of this Code. This review shall limited to design issues including the following:~~

~~(1) whether the bulk and massing of the building is consistent with the Affordable Housing Bonus Design Guidelines.~~

~~(2) whether building design elements including, but not limited to architectural treatments, facade design, and building materials, are consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines.~~

~~(3) whether the design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and parking and loading access is consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.~~

~~(4) whether the required streetscape and other public improvements such as tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other applicable design guidelines.~~

~~(5) if the project involves the merging of two or more lots resulting in more than 125 feet in lot frontage on any one street, whether the project is consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.~~

~~(d) Exceptions. As a component of the review process under this Section 328, the Planning Commission may grant minor exceptions to the provisions of this Code as provided for below, in addition to the development bonuses granted to the project in Section 206.3 *206.4(c)*. Such exceptions, however, should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when the Planning Commission finds that such modifications do not substantially reduce or increase the overall building envelope permitted by the HOME-SF Program under Section 206.3 *206.4*, and also are consistent with the Affordable Housing Bonus Design Guidelines. These exceptions may include:~~

~~(1) Exception from residential usable open space requirements per Section 135, or any applicable special use district.~~

~~(2) Exception from satisfaction of loading requirements per Section 152.1, or any applicable special use district.~~

~~(3) Exception for rear yards, pursuant to the requirements of Section 134, or any applicable special use district.~~

~~(4) Exception from dwelling unit exposure requirements of Section 140, or any applicable special use district.~~

~~(5) Exception from satisfaction of accessory parking requirements per Section 152.1, or any applicable special use district.~~

~~(6) Where not specified elsewhere in this subsection (d), modification of other Code requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located.~~

~~(e) Required Findings. In its review of any project pursuant to this Section 328, the Planning Commission shall make the following findings:~~

~~(1) the use as proposed will comply with the applicable provisions of this Code and is consistent with the General Plan; and~~

~~(2) the use as proposed will provide development that is in conformity with the stated purpose of the applicable Use District.~~*~~; and,~~*

~~(3) the use as proposed will contribute to the City's affordable housing goals as stated in the General Plan.~~

~~(f) Additional Criteria. The Planning Commission shall consider the extent to which the following criteria are met:~~

~~(1) whether the project would require the demolition of an existing building;~~

~~(2) whether the project would remove existing commercial or retail uses;~~

~~(3) If the project would remove existing commercial or retail uses, how recently the commercial or retail uses were occupied by a tenant or tenants;~~

~~(4) whether the project includes commercial or retail uses;~~

~~(5) whether there is an adverse impact on the public health, safety, and general welfare due to the loss of commercial or retail uses in the district where the project is located; and~~

~~(6) whether any existing commercial or retail use has been designated, or is eligible to be designated, as a Legacy Business under Administrative Code Section 2A.242; or is a formula retail business.~~

~~(f)~~ (g) If a ~~*100 Percent Affordable Housing Bonus* HOME-SF Project otherwise requires a conditional use authorization due only to (1) a specific land use, (2) use size limit, or (3) requirement adopted by the voters, then the Planning Commission shall make all findings and consider all criteria required by this Code for such use or use size as part of this *100 Percent Affordable Housing Bonus* HOME-SF Project Authorization.~~

~~(g)~~(h) ~~Hearing and Decision.~~

~~(1) Hearing. The Planning Commission shall hold a public hearing for all projects that are subject to this Section 328, within 120 days of the date that the HOME-SF application is deemed complete.~~

~~(2) Notice of Hearing. Notice of such hearing shall be provided pursuant to the same requirements for Conditional Use requests, as set forth in Sections 306.3 and 306.8.~~

~~(3) Director's Recommendations on Modifications and Exceptions. At the hearing, the Planning Director shall review for the Commission key issues related to the project based on the review of the project pursuant to subsection (c) and recommend to the Commission modifications, if any, to the project and conditions for approval as necessary. The~~

~~Director shall also make recommendations to the Commission on any proposed exceptions pursuant to subsection (d).~~

~~(4) Decision and Imposition of Conditions. The Commission, after public hearing and, after making appropriate findings, may approve, disapprove, or approve subject to conditions, the project and any associated requests for exceptions. As part of its review and decision, the Planning Commission may impose additional conditions, requirements, modifications, and limitations on a proposed project in order to achieve the objectives, policies, and intent of the General Plan or of this Code.~~

~~(5) Appeal. The decision of the Planning Commission may be appealed to the Board of *Supervisors* Appeals by any person aggrieved within *30* 15 days after the date of the decision by filing a written notice of appeal with the Board of *Supervisors* Appeals, setting forth wherein it is alleged that there was an error in the interpretation of the provisions of this Section 328 or abuse of discretion on the part of the Planning Commission. The procedures and requirements for *conditional use* appeals in Section *308.1(b) and (c)* 309(e)(3) and (4) shall apply to appeals to the Board of *Supervisors* Appeals under this Section 328.~~

~~(6) Discretionary Review. No requests for discretionary review shall be accepted by the Planning Department or heard by the Planning Commission for projects subject to this Section 328.~~

~~(7) Change of Conditions. Once a project is approved, authorization of a change in any condition previously imposed by the Planning Commission shall require approval by the Planning Commission subject to the procedures set forth in this Section 328.~~

~~(8) In no case may a project approved or approved with conditions under this Section 328 receive a site permit or any demolition permit prior to 18 months from the date of written notification required by 206.3(e)(1)(D).~~

Section 6. The Planning Code is hereby amended by adding Section 328 to read as follows:

SEC. 328. HOME-SF PROJECT AUTHORIZATION.

(a) Purpose. The purpose of this Section 328 is to ensure that all HOME-SF projects under Section 206.3 are reviewed in a timely manner. While most projects in the HOME-SF Program will likely be somewhat larger than their surroundings in order to facilitate higher levels of affordable housing, the Planning Commission and Department shall ensure that each project is consistent with the Affordable Housing Bonus Design Guidelines and any other applicable design guidelines, as adopted and periodically amended by the Planning Commission, so that projects respond to their surrounding context, while still meeting the City's affordable housing goals.

(b) Applicability. This Section 328 applies to all qualifying HOME-SF Projects that meet the requirements described in Section 206.3.

(c) Planning Commission Design Review. The Planning Commission shall review and evaluate all physical aspects of a HOME-SF Project at a public hearing. The Planning Commission recognizes that most qualifying projects will need to be larger in height and mass than surrounding buildings in order to achieve HOME-SF's affordable housing goals. However, the Planning Commission may, consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines, and upon recommendation from the Planning Director, make minor modifications to a project to reduce the impacts of such differences in scale. The Planning Commission, upon recommendation of the Planning Director, may also apply the standards of Section 261.1 to bonus floors for all projects on narrow streets and alleys to ensure that these streets do not become overshadowed, including potential upper story setbacks, and special consideration for the

southern side of East-West streets, and Mid-block passages, as long as such setbacks do not result in a smaller number of residential units.

Additionally, as set forth in subsection (d) below, the Planning Commission may grant minor exceptions to the provisions of this Code. However, such exceptions should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when such modifications do not substantially reduce or increase the overall building envelope permitted by the Program under Section 206.3. All modifications and exceptions should be consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines. In case of a conflict with other applicable design guidelines, the Affordable Housing Bonus Program Design Guidelines shall prevail.

The Planning Commission may require these or other modifications or conditions, or disapprove a project, in order to achieve the objectives and policies of the Affordable Housing Bonus Programs or the purposes of this Code. This review shall limited to design issues including the following:

(1) whether the bulk and massing of the building is consistent with the Affordable Housing Bonus Design Guidelines.

(2) whether building design elements including, but not limited to architectural treatments, facade design, and building materials, are consistent with the Affordable Housing Bonus Program Design Guidelines and any other applicable design guidelines.

(3) whether the design of lower floors, including building setback areas, commercial space, townhouses, entries, utilities, and parking and loading access is consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.

(4) whether the required streetscape and other public improvements such as tree planting, street furniture, and lighting are consistent with the Better Streets Plan, and any other applicable design guidelines.

(5) if the project involves the merging of two or more lots resulting in more than 125 feet in lot frontage on any one street, whether the project is consistent with the Affordable Housing Bonus Program Design Guidelines, and any other applicable design guidelines.

(d) Exceptions. As a component of the review process under this Section 328, the Planning Commission may grant minor exceptions to the provisions of this Code as provided for below, in addition to the development bonuses granted to the project in Section 206.3. Such exceptions, however, should only be granted to allow building mass to appropriately shift to respond to surrounding context, and only when the Planning Commission finds that such modifications do not substantially reduce or increase the overall building envelope permitted by the HOME-SF Program under Section 206.3, and also are consistent with the Affordable Housing Bonus Design Guidelines. These exceptions may include:

(1) Exception from residential usable open space requirements per Section 135, or any applicable special use district.

(2) Exception from satisfaction of loading requirements per Section 152.1, or any applicable special use district.

(3) Exception for rear yards, pursuant to the requirements of Section 134, or any applicable special use district.

(4) Exception from dwelling unit exposure requirements of Section 140, or any applicable special use district.

(5) Exception from satisfaction of accessory parking requirements per Section 152.1, or any applicable special use district.

(6) Where not specified elsewhere in this subsection (d), modification of other Code requirements that could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located.

(e) Required Findings. In its review of any project pursuant to this Section 328, the Planning Commission shall make the following findings:

(1) the use as proposed will comply with the applicable provisions of this Code and is consistent with the General Plan; and

(2) the use as proposed will provide development that is in conformity with the stated purpose of the applicable Use District.

(f) Additional Criteria. The Planning Commission shall consider the extent to which the following criteria are met:

(1) whether the project would require the demolition of an existing building;

(2) whether the project would remove existing commercial or retail uses;

(3) If the project would remove existing commercial or retail uses, how recently the commercial or retail uses were occupied by a tenant or tenants;

(4) whether the project includes commercial or retail uses;

(5) whether there is an adverse impact on the public health, safety, and general welfare due to the loss of commercial or retail uses in the district where the project is located; and

(6) whether any existing commercial or retail use has been designated, or is eligible to be designated, as a Legacy Business under Administrative Code Section 2A.242; or is a formula retail business.

(g) If a HOME-SF Project otherwise requires a conditional use authorization due only to (1) a specific land use, (2) use size limit, or (3) requirement adopted by the voters, then the

Planning Commission shall make all findings and consider all criteria required by this Code for such use or use size as part of this HOME-SF Project Authorization.

(h) Hearing and Decision.

(1) Hearing. The Planning Commission shall hold a public hearing for all projects that are subject to this Section 328 within 180 days of submittal of a complete project application, unless the Environmental Review Officer determines that an environmental impact report is required for the project under Administrative Code Section 31.09.

(2) Notice of Hearing. Notice of such hearing shall be provided pursuant to the same requirements for Conditional Use requests, as set forth in Sections 306.3 and 306.8.

(3) Director's Recommendations on Modifications and Exceptions. At the hearing, the Planning Director shall review for the Commission key issues related to the project based on the review of the project pursuant to subsection (c) and recommend to the Commission modifications, if any, to the project and conditions for approval as necessary. The Director shall also make recommendations to the Commission on any proposed exceptions pursuant to subsection (d).

(4) Decision and Imposition of Conditions. The Commission, after public hearing and, after making appropriate findings, may approve, disapprove, or approve subject to conditions, the project and any associated requests for exceptions. As part of its review and decision, the Planning Commission may impose additional conditions, requirements, modifications, and limitations on a proposed project in order to achieve the objectives, policies, and intent of the General Plan or of this Code.

(5) Appeal. The decision of the Planning Commission may be appealed to the Board of Appeals by any person aggrieved within 15 days after the date of the decision by filing a written notice of appeal with the Board of Appeals, setting forth wherein it is alleged that there was an error in the interpretation of the provisions of this Section 328 or abuse of

discretion on the part of the Planning Commission. The procedures and requirements for appeals in Section 309(e)(3) and (4) shall apply to appeals to the Board of Appeals under this Section 328.

(6) Discretionary Review. No requests for discretionary review shall be accepted by the Planning Department or heard by the Planning Commission for projects subject to this Section 328.

(7) Change of Conditions. Once a project is approved, authorization of a change in any condition previously imposed by the Planning Commission shall require approval by the Planning Commission subject to the procedures set forth in this Section 328.

(8) In no case may a project approved or approved with conditions under this Section 328 receive a site permit or any demolition permit prior to 18 months from the date of written notification required by 206.3(e)(1)(D).

(9) Expiration of Planning Commission approval. Authorization of a HOME-SF Project under this Section 328 shall expire if the project sponsor has not procured a building permit or site permit for construction of the project within 36 months of the date of Planning Commission approval. Such deadline shall be extended in the event of any appeal of such authorization for the duration of the appeal, and in the event of litigation seeking to invalidate the approval for the duration of the litigation.

Section 7. This section is uncodified. **Triennial Economic Feasibility Analysis**. The Inclusionary Housing Technical Advisory Committee, established in Administrative Code Chapter 5, Article XXIX and in conjunction with the requirements set forth in Section 415.10, shall review the affordability requirements of the HOME-SF Program, Section 206.3 of the Planning Code, including whether the inclusionary rates established for HOME-SF projects should be indexed at the levels established in the Inclusionary Affordable Housing Program;

and the feasibility of the HOME-SF rates established for ownership and rental projects, including the required percentage of affordable units and the required Area Median Income levels. Prior to January 1, 2020, the Inclusionary Housing Technical Advisory Committee shall review and consider the temporary tiered requirements in section 206.3(f), and recommend new rates if applicable.

Section ~~5 7~~ 8. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section ~~6 8~~ 9. 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.

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

By: Audrey Pearson
AUDREY W. PEARSON
Deputy City Attorney

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FILE NO. 180456

REVISED LEGISLATIVE DIGEST
(Amended in Board, 7/17/2018)

[Planning Code - HOME-SF and 100% Affordable Housing Bonus Program]

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) Program to revise the amount of inclusionary housing required and the types of development bonuses received for projects with complete environmental evaluation applications submitted on or before December 31, 2019, with existing requirements and bonuses revived for projects with complete environmental evaluation applications submitted on or after January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; establish duties for the Inclusionary Housing Technical Advisory Committee; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

HOME-SF

Planning Code section 206.3 sets forth the HOME-SF program, which grants housing development projects that provide at least 30% of dwelling units as affordable to very low, low and moderate income households certain development bonuses, including form-based density, twenty additional feet in height, as well as five additional feet of ceiling height for certain specified uses. Projects also receive up to three of seven specified zoning modifications. For ownership projects, twelve percent of units must have an average affordable purchase price set at 80% of Area Median Income (AMI); 9% must have an average affordable purchase price set at 105% of AMI; and 9% must have an average affordable purchase price set at 130% of AMI. In rental projects, 12% of units must have an average affordable rent set at 55% of AMI; 9% must have an average affordable rent set at 80% of AMI; and 9% must have an average affordable rent set at 110% of AMI.

A HOME-SF project in a neighborhood commercial district cannot require the merger of lots that result in more than 125 feet of lot frontage.

HOME-SF projects are reviewed and approved by the Planning Commission, with an appeal to the Board of Supervisors, under the conditional use procedures in Planning Code section 303(v). There is no set date by which a project must be approved, denied or approved with conditions at the Planning Commission.

100% Affordable Housing Bonus Projects

The 100% Affordable Housing Bonus Program, in Planning Code section 206.4, requires project approval through an authorization, Planning Code Section 328, which provides for a Planning Commission hearing and an appeal to the Board of Supervisors. A 100% Affordable Housing Bonus Project is not required to seek conditional use authorization, and the Planning Commission does not hear separate discretionary review requests.

Triennial Economic Feasibility Analysis

Planning Code section 415.10 requires the Inclusionary Housing Technical Advisory Committee to conduct a feasibility study of the Inclusionary Housing Program every three years.

Amendments to Current Law

HOME-SF

This ordinance amends certain requirements of the HOME-SF program for a limited period. Projects with complete environmental evaluation applications submitted before January 1, 2020 that provide at least 20% of units as affordable units can receive development bonuses based on the amount of affordable housing provided. Tier One projects that are fewer than 25 units must provide 20% of dwelling units as affordable units and can receive form-based density and an additional 5 feet of ground floor ceiling height for specified uses. Tier One projects that are 25 units or more must provide 23% of dwelling units as affordable units and can receive form-based density and an additional 5 feet of ground floor ceiling height for specified uses. Tier Two projects must provide 25% of dwelling units as affordable units and can receive form-based density, ten additional feet of height, and additional ground floor ceiling height. Tier Three projects must provide 30% of units as affordable units and can receive form based density, 20 additional feet in height, and an additional five feet of ground floor ceiling height. The percentage of units required at each income level in each tier is as follows:

Tier One (fewer than 25 units)
Ownership: 10% at 80% AMI; 5% at 105% AMI; 5% at 130% AMI
Rental: 10% at 55% AMI, 5% at 80% AMI; 5% at 110 AMI%

Tier One (25 or more units)
Ownership: 10% at 80% AMI; 8% at 105% AMI; 5% at 130% AMI
Rental: 10% at 55% AMI, 8% at 80% AMI; 5% at 110 AMI%

Tier Two – Ownership: 10% at 80% AMI; 8% at 105% AMI; 7% at 130% AMI
Rental 10% at 55% AMI; 8% at 80% AMI; 7% at 110% AMI

Tier Three – Ownership: 10% at 80% AMI; 10% at 105% AMI; 10% at 130% AMI
Rental: 10% at 55% AMI; 10% at 80% AMI; 10% at 110% AMI

For projects with complete environmental evaluation applications submitted on January 1, 2020 or thereafter, the affordability requirements and development bonuses allowed for HOME-SF projects would revert to current law, as set forth under "Existing Law."

The legislation would allow projects to receive all seven zoning modifications. The legislation would also repeal the current Section 328. HOME-SF projects would require authorization through a new Section 328 process similar to the repealed process, and would not require a conditional use authorization. New Section 328 allows an appeal to the Board of Appeals. Among other findings, the Planning Commission would be required to determine if a HOME SF project that involved the merger of two or more lots resulting in more than 125 feet of lot frontage was consistent with the Affordable Housing Bonus Program Design Guidelines. The Planning Commission would have to approve, deny, or approve with conditions the HOME-SF project within 180 days of submittal of a complete project application, unless the Environmental Review Officer determines that an environmental impact report is required.

Finally, a HOME-SF project authorization would expire if a project sponsor did not procure a building or site permit within 36 months of project approval. This deadline would be extended in the case of an appeal or litigation.

100% Affordable Housing Bonus Projects

The legislation would create a new process for authorization of 100% Affordable Housing Bonus Projects, under new section 315.1. These projects would no longer need approval through Section 328. Under section 315.1, the Planning Director, rather than the Planning Commission, would review 100% Affordable Housing Bonus projects and would make certain findings. No hearing before the Planning Commission would be required. No discretionary review hearing would occur before the Planning Commission as long as the Planning Commission delegates this review to the Planning Department. The Planning Department's approval would be conducted as part of a related building permit application, and any appeal of the Planning Department's determination would be through the associated building permit, which appeal would be to the Board of Appeals.

Triennial Economic Feasibility Analysis

The ordinance directs the Inclusionary Housing Technical Advisory Committee to review the inclusionary rates of the HOME-SF Program, including the different tiers set forth in the ordinance, the homeownership and rental inclusionary rates, and whether the rates should be indexed, as part of the Triennial Economic Feasibility Analysis conducted under Section 415.

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BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

May 30, 2018

File No. 180456-2

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On May 22, 2018, Supervisor Tang introduced the following substitute legislation:

File No. 180456-2

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received for projects with complete environmental evaluation applications submitted on or before December 31, 2019, with existing requirements and bonuses revived for projects with complete environmental evaluation applications submitted on or after January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This substitute legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Joy Navarrete
Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete, o=Planning, ou=Environmental Planning, email=joy.navarrete@sfgov.org, c=US
Date: 2018.06.01 14:17:18 -07'00'

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

May 8, 2018

File No. 180456

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On May 1, 2018, Supervisor Tang introduced the following proposed legislation:

File No. 180456

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received through December 31, 2019, with existing requirements and bonuses revived starting January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

Joy Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete, o=Planning, ou=Environmental Planning, email=joy.navarrete@sfgov.org, c=US
Date: 2018.05.17 16:30:40 -07'00'

SAN FRANCISCO
PLANNING DEPARTMENT

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

June 29, 2018

Ms. Angela Calvillo, Clerk
Honorable Supervisor Tang
Honorable Supervisor Safai
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2018-006910PCA
HOME-SF and 100% Affordable Housing Bonus Programs
Board File No. 180456
Planning Commission Recommendation: *Approval with Modification*

Dear Ms. Calvillo, Supervisor Tang, and Supervisor Safai,

On June 28, 2018, the Planning Commission conducted duly noticed public hearing at regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Katy Tang, that would amend the Planning Code to create a tiered program for HOME-SF and amend the approval processes for HOME-SF and 100% Affordable Housing Bonus Program projects. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. Amend Section 206.3(d)(4) to allow HOME-SF projects to receive all listed zoning modifications.
2. Amend affordability levels required in proposed Tier 1 in Section 206.3(f)(2)(A) as follows.
    a. For projects of 24 units or fewer, require 20% on-site affordable HOME-SF units at the proposed affordability levels
    b. For projects of 25 units or more, require 23% on-site affordable HOME-SF units at the following affordability levels:
        i. 10% at 55% AMI (rental) or 80% AMI (owner)
        ii. 8% at 80% AMI (rental) or 105% AMI (owner)
        iii. 5% at 110% AMI (rental) or 130% AMI (owner)
3. Amend language to set all affordability levels in Section 206.3 (f) as maximums.
4. Amend language to require HOME-SF projects receive a Commission Hearing within 180 days of completion of environmental review.

5. **5: Amend language to include a "use it or lose it" provision, requiring HOME-SF project sponsors to file a Building Permit Application within 2 years of entitlement.**

Additionally, the Commission recommended the Board request the upcoming Inclusionary Housing TAC consider the affordability requirements of HOME-SF when they next convene in 2019. The Commission also recommended asking the TAC to consider indexing HOME-SF affordability requirements to the Inclusionary rate.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me or Paolo Ikezoe at paolo.ikezoe@sfgov.org/415-575-9137.

Sincerely,

Aaron Starr
Manager of Legislative Affairs, Planning Department

cc:
Erica Major, Office of the Clerk of the Board
Alisa Somera, Office of the Clerk of the Board
Menaka Mohan, Aide to Supervisor Tang
Suhagey Sandoval, Aide to Supervisor Safai
Audrey Pearson, Deputy City Attorney

Attachments :
Planning Commission Resolution No. 20225
Planning Department Case Report for Case No. 2018-006910PCA

SAN FRANCISCO
PLANNING DEPARTMENT

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Resolution No. 20225

HEARING DATE JUNE 28, 2018

Project Name:	HOME-SF and 100% Affordable Housing Bonus Programs
Case Number:	2018-006910PCA [Board File No. 180456]
Initiated by:	Supervisor Tang / Introduced May 1, 2018
Staff Contact:	Paolo Ikezoe, Citywide Division paolo.ikezoe@sfgov.org, 415-575-9137
Reviewed by:	Aaron D Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, 415-558-6362

RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE HOUSING OPPORTUNITIES MEAN EQUITY-SAN FRANCISCO (HOME-SF) PROGRAM TO REVISE THE AMOUNT OF INCLUSIONARY HOUSING REQUIRED AND THE TYPES OF DEVELOPMENT BONUSES RECEIVED THROUGH DECEMBER 31, 2019, WITH EXISTING REQUIREMENTS AND BONUSES REVIVED STARTING JANUARY 1, 2020, AND TO REQUIRE PROJECT AUTHORIZATION UNDER PLANNING CODE, SECTION 328; REVISING THE 100% AFFORDABLE HOUSING BONUS PROGRAM TO ELIMINATE A PLANNING COMMISSION REVIEW HEARING FOR 100% AFFORDABLE HOUSING PROJECTS UPON DELEGATION BY THE PLANNING COMMISSION; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on May 1, 2018 Supervisors Tang introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180456, which would amend Sections 206.3, 303, 315 and 328 of the Planning Code to amend the HOME-SF program, creating tiered options through December 31, 2019, requiring HOME-SF project authorization under Planning Code Section 328, and requiring 100% Affordable Housing Bonus Program project authorization under Planning Code Section 315.1; and

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 28, 2018; and

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act CEQA Guidelines Section 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; now and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed modifications are as follows:

1. Amend Section 206.3(d)(4) to allow HOME-SF projects to receive all listed zoning modifications.
2. Amend affordability levels required in proposed Tier 1 in Section 206.3(f)(2)(A) as follows:
    a) For projects of 24 units or fewer, require 20% on-site affordable HOME-SF units at the proposed affordability levels
    b) For projects of 25 units or more, require 23% on-site affordable HOME-SF units at the following affordability levels:

        10% at 55% AMI (rental) or 80% AMI (owner)

        8% at 80% AMI (rental) or 105% AMI (owner)

        5% at 110% AMI (rental) or 130% AMI (owner)
3. Amend language to set all affordability levels in Section 206.3 (f) as maximums.
4. Amend language to require HOME-SF projects receive a Commission Hearing within 180 days of completion of environmental review.
5. Amend language to include a "use it or lose it" provision, requiring HOME-SF project sponsors to file a Building Permit Application within two years of entitlement.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Commission finds that the proposed ordinance will provide additional options for project sponsors to participate in the City's local development bonus program, and will lead to increased production of needed housing, including on-site affordable housing.
2. The Commission finds that the proposed modifications will further the goal of making HOME-SF more flexible and broadly applicable while aligning the tiered affordability requirements with the current Inclusionary requirement and various related feasibility studies undertaken by the City.

3. The Commission finds that offering HOME-SF projects any and all listed modifications listed in 206.3(d)(4) would further HOME-SF's original goal of creating a local density bonus program that is more attractive to developers than the State Density Bonus Law.

4. The Commission finds that requiring 23% on-site affordable units for Tier 1 projects of 25 units or larger better aligns with existing inclusionary requirements, and ensures no HOME-SF project provides fewer affordable units than would otherwise be required under Section 415.

5. The Commission finds that amending Section 206.3(f) to set the affordability levels required within each tranche of HOME-SF units as a maximum could help with project feasibility in certain cases (such as when projects may qualify for financing via the 80/20 California Debt Limit Allocation Committee "CDLAC" program).

6. The Commission finds that amending the proposed 120-day timeline to 180 days from completion of environmental review better aligns the review timeline for HOME-SF projects with those outlined in the Mayor's Executive Directive 17-02.

7. The Commission finds that including a use it or lose it provision, requiring HOME-SF project sponsors to file a Building Permit Application within two years of entitlement will ensure HOME-SF projects proceed towards construction in a timely manner.

8. The Commission finds that the proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

POLICY 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

HOME-SF and the proposed changes to the program aim to increase the number of affordable housing units that could be built in San Francisco. The program is one tool to plan for affordable housing needs of very low, low and moderate income households.

POLICY 1.10
Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The majority of HOME-SF eligible parcels are located within a quarter-mile (or 5 minute-walk) of the Muni Rapid Network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

POLICY 3.3

Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.

HOME-SF and the proposed changes to the program will facilitate affordable housing supply, including homeownership opportunities for moderate income households.

OBJECTIVE 4
Foster a housing stock that meets the needs of all residents across lifecycles.

POLICY 4.1
Develop new housing, and encourage the remodeling of existing housing, for families with children.

POLICY 4.4
Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

POLICY 4.5
Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

POLICY 4.6
Encourage an equitable distribution of growth according to infrastructure and site capacity.

HOME-SF and the proposed changes to the program aim to increase the stock of affordable, family-friendly housing throughout the city. The HOME-SF program area includes parcels in most of the city's neighborhood commercial district, enabling the City to increase the number of very low, low and moderate income households and encourage integration of neighborhoods. The program aims to spur production of housing, including permanently affordable housing, in neighborhoods with existing transit, schools, and parks.

OBJECTIVE 7
Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

Policy 7.5
Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

HOME-SF and the proposed changes to the program provide zoning and process accommodations including priority processing for projects that participate by providing on-site affordable housing. These programs implement this General Plan policy.

OBJECTIVE 8
Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.

POLICY 8.3
Support the production and management of permanently affordable housing.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply.

OBJECTIVE 10
Ensure a streamlined, yet thorough, and transparent decision-making process.

POLICY 10.1
Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

HOME-SF and the proposed changes to the program propose a clear and detailed review and entitlement process for qualifying projects. The process includes detailed design review and offers limited zoning concessions and modifications. The proposed changes to the program require Planning Commission review, with appeal to the Board of Appeal, similar to the existing Large Project Authorization process.

OBJECTIVE 11
Support and respect the diverse and distinct character of San Francisco's neighborhoods.

POLICY 11.2
Ensure implementation of accepted design standards in project approvals.

POLICY 11.3
Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

In recognition that the projects utilizing HOME-SF will sometimes be taller or of differing mass than the surrounding context, the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context. These design guidelines enable

HOME-SF projects to support and respect the diverse and distinct character of San Francisco's neighborhoods while also providing much needed affordable housing. Establishing permanently affordable housing in the city's various neighborhoods would enable the City to stabilize very low, low and moderate income households. These households meaningfully contribute to the existing character of San Francisco's diverse neighborhoods.

POLICY 11.5
Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

OBJECTIVE 12
Balance housing growth with adequate infrastructure that serves the City's growing population.

POLICY 12.1
Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

OBJECTIVE 13
Prioritize sustainable development in planning for and constructing new housing.

POLICY 13.1
Support "smart" regional growth that locates new housing close to jobs and transit.
The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

URBAN DESIGN ELEMENT

POLICY 4.15
Protect the livability and character of residential properties from the intrusion of incompatible new buildings.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

TRANSPORTATION ELEMENT

POLICY 11.3
Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

VAN NESS AVENUE AREA PLAN

Policy 5.1
Establish height controls to emphasize topography and adequately frame the great width of the Avenue.

POLICY 5.3
Continue the street wall heights as defined by existing significant buildings and promote an adequate enclosure of the Avenue.

HOME-SF and proposed changes to the program would continue the street wall heights, though may offer some degree of variation due to height exceptions available through the program. Established height controls would continue to be applicable for most projects, and therefore the topography and width of the Avenue would continue to be emphasized and adequately framed. The AHBP Design Guidelines and Planning Commission review process will ensure that on balance projects promote continue the street wall heights an adequate enclosure of the Avenue.

BAYVIEW AREA PLAN

OBJECTIVE 6
Encourage the construction of new affordable and market rate housing at locations and density levels that enhance the overall residential quality of Bayview Hunters Point.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply in Bayview Hunters Point, particularly along Third Street.

CHINATOWN AREA PLAN

OBJECTIVE 3
Stabilize and where possible increase the supply of housing.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply in Chinatown.

DOWNTOWN PLAN

OBJECTIVE 7
Expand the supply of housing in and adjacent to downtown.

HOME-SF and the proposed changes to the program support the production of housing, including permanently affordable housing, in and adjacent to downtown.

WESTERN SHORELINE AREA PLAN

POLICY 11.1
Preserve the scale and character of existing residential neighborhoods by setting allowable densities at the density generally prevailing in the area and regulating new development so its appearance is compatible with adjacent buildings.
HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

POLICY 11.3

Continue the enforcement of citywide housing policies, ordinances and standards regarding the provision of safe and convenient housing to residents of all income levels, especially low- and moderate-income people.

POLICY 11.4
Strive to increase the amount of housing units citywide, especially units for low- and moderate-income people.

HOME-SF and the proposed changes to the program aim to increase the number of affordable housing units that could be built in San Francisco. The program is one tool to plan for affordable housing needs of very low, low and moderate income households.

9. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

   1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

      The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

   2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

      The proposed Ordinance would not have a negative effect on housing or neighborhood character.

   3. That the City's supply of affordable housing be preserved and enhanced;

      The proposed Ordinance would increase the City's supply of affordable housing.

   4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

      The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

   5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

      The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

   The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

   The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

   The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

10. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby approves with modifications the proposed ordinance as described in this Resolution;

AND BE IT FURTHER RESOLVED, that the Planning Commission recommends the Board request the upcoming Inclusionary Housing TAC consider the affordability requirements of HOME-SF when it next convenes in 2019. The Commission also recommends asking the TAC to consider indexing HOME-SF affordability requirements to the Inclusionary rate.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 28, 2018.

Jonas P. Ionin
Commission Secretary

AYES: Fong, Hillis, Johnson, Melgar, Moore, Richards

NOES: None

ABSENT: Koppel

ADOPTED: June 28, 2018

SAN FRANCISCO
PLANNING DEPARTMENT

Executive Summary
Planning Code Text Amendment
HEARING DATE: JUNE 28, 2018
90-DAY DEADLINE: JULY 30, 2018

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Project Name:	**Amendments to HOME-SF and 100% Affordable Housing Bonus Programs**
Case Number:	**2018-006910PCA** [Board File No. 180456]
Initiated by:	Supervisor Tang / Introduced May 1, 2018
Staff Contact:	Paolo Ikezoe, Citywide Division Paolo.ikezoe@sfgov.org, 415-575-9137
Reviewed by:	Aaron Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, 415-558-6362
Recommendation:	**Approval with Modifications**

PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to temporarily revise the amount of inclusionary housing required and the types of development bonuses received through December 31, 2019, and to require project authorization under Planning Code Section 328. It would also revise the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects by delegating such review and approval to the Planning Department.

The Way It Is Now:

1. Projects seeking to use HOME-SF must provide a minimum of 30% on-site affordable units at the following AMI levels to qualify for the program:

   12% of units at 55% of AMI (rental) or 80% of AMI (owner)
   9% of units at 80% of AMI (rental) or 105% of AMI (owner)
   9% of units at 110% of AMI (rental) or 130% of AMI (owner)

   Projects meeting this threshold (and complying with all other HOME-SF requirements) are allowed relief from density controls based on lot area and up to two stories of height above existing height limits.

2. HOME-SF projects must seek a Conditional Use pursuant to Section 303.

3. 100% Affordable Housing Bonus Program (Sec 206.4) projects are required to seek approval from the Planning Commission via Section 328, the 100% Affordable Housing Bonus Program Authorization. Decisions under Section 328 are appealable to the Board of Supervisors.

The Way It Would Be:

1. Projects seeking to use HOME-SF would be able to choose from the following three options:

   Tier 1 – Relief from density controls but no extra height – 20% affordable
   10% of units at 55% of AMI (rental) or 80% of AMI (owner)
   5% of units at 80% of AMI (rental) or 105% of AMI (owner)
   5% of units at 110% of AMI (rental) or 130% of AMI (owner)

   Tier 2 – Relief from density controls and one extra story of height – 25% affordable
   10% of units at 55% of AMI (rental) or 80% of AMI (owner)
   8% of units at 80% of AMI (rental) or 105% of AMI (owner)
   7% of units at 110% of AMI (rental) or 130% of AMI (owner)

   Tier 3 – Relief from density controls and two extra stories of height – 30% affordable
   10% of units at 55% of AMI (rental) or 80% of AMI (owner)
   10% of units at 80% of AMI (rental) or 105% of AMI (owner)
   10% of units at 110% of AMI (rental) or 130% of AMI (owner)

   Projects submitting Environmental Evaluation applications before December 31, 2019 would be eligible to be considered for approval based on the above tiers. After that date, the tiers would sunset and the affordability requirements for HOME-SF would return to the current structure.

2. HOME-SF projects would seek entitlement through the process provided for in Section 328 instead of Conditional Use (Section 303). Section 328, which currently establishes the process for the 100% Affordable Housing Bonus Program Project Authorization, is similar to a Large Project Authorization (Sec. 329). Section 328 requires approval by the Planning Commission at a public hearing and allows the Commission to grant certain modifications. The Planning Commission's decision would be appealable to the Board of Appeals rather than the Board of Supervisors. Section 328 would require HOME-SF projects be approved, approved with conditions, or disapproved by the Planning Commission within 120 days of receipt of a complete HOME-SF application.

3. 100% Affordable Housing Bonus Program projects would receive administrative approval under Section 315.1. This entitlement would not require a Planning Commission hearing and would not be subject to Discretionary Review. [1]

[1] Note that the specific amendments to Sections 315.1 and 328 proposed in this legislation are exactly the same as those proposed in the Mayor's Process Improvements Ordinance (Board File 180423) reviewed by the Planning Commission on June 7, 2018.

BACKGROUND

The HOME-SF program was approved unanimously by the Board of Supervisors and subsequently signed by Mayor Ed Lee on June 13, 2017. As of the writing of this case report, the Department has received two applications for HOME-SF projects:

1) 921 O'Farrell Street – PPA filed 9/28/17 – PPA letter issued 12/21/17
    a. RC-4 Zoning – 130-V Height/Bulk
    b. Base zoning: 24 units (12% affordable units required if project chose on-site option)
    c. As proposed with HOME-SF: 51 units (16 affordable units - 30% affordable)
2) 3330 Geary Street – PPA filed 12/18/17 - PPA letter issued 3/7/18
    a. NC-3 Zoning – 40-X Height/Bulk
    b. Base zoning: 21 units (12% affordable units required if project chose on-site option)
    c. As proposed with HOME-SF: 41 units (12 affordable units - 30% affordable)

Additionally, two projects already previously filed and under review with the Department have submitted revised plans and applied to seek approval under HOME-SF.

1) 3945 Judah Street – Project filed 07/15 – Revision filed 01/18 - Under review
    a. NC-1 Zoning – 40-X Height/Bulk
    b. Original project: 6 units (0% affordable – under 10-unit threshold for Section 415)
    c. As proposed with HOME-SF: 20 units (6 affordable units - 30% affordable)
2) 2601 Van Ness Avenue – Project filed 08/13 – Revision filed 01/18 - Under review
    a. RC-3 Zoning – 65-A Height/Bulk
    b. Original project: 27 units (0% affordable – project proposed to pay in lieu fee)
    c. As proposed with HOME-SF: 60 units (18 affordable units - 30% affordable)

ISSUES AND CONSIDERATIONS

The goal of this legislation is to amend the HOME-SF program and allow a broader range of projects to provide increased on-site affordability in exchange for density and height allowances. It introduces tiers to the program to allow greater flexibility depending on a project's specific context (site configuration, height limit, etc.) and financial feasibility. The legislation also aims to make the program more attractive to project sponsors by offering a higher degree of certainty in the approval process.

Allowing flexibility for a wider variety of projects to participate

The ability of a project to "pencil" depends on many factors, including the costs of land and construction, and the potential sales price or rent new units can command in a particular neighborhood. In recent years the cost of construction, in particular, has skyrocketed in San Francisco. Both construction and provision of on-site inclusionary units are costs to a housing developer, and when both are high, it can lead projects to become financially infeasible.

This legislation seeks to offer project sponsors on sites where HOME-SF's 30% on-site requirement appears infeasible additional options to participate in the program. Rather than an all-or-nothing program requiring the full 30% on-site affordability whether a project sponsor requests additional height or not, the proposed legislation would allow sponsors to choose from three tiers, with scaled affordability requirements based on the amount of additional height and density sought by the project.

The tiered options would be available through December 31, 2019, providing a trial period during which the Department could closely monitor developers' choices and gather information in support of the next scheduled review of the inclusionary rates by the Technical Advisory Committee (TAC) in 2019. The 2019 TAC would then presumably use this information along with other feasibility analysis to consider adjusting the affordability requirements of HOME-SF alongside those of the standard inclusionary program.

In the one year since adoption of HOME-SF, the Department has received many PPAs and project proposals in HOME-SF eligible locations in which the sponsor has chosen not to utilize HOME-SF. In at least ten of those cases, project sponsors have elected to invoke the State Density Bonus Law instead. One likely reason is that the state law does not require 30% affordability, instead offering density bonuses on a sliding scale based on tiered levels of on-site affordability provided in a project. This offers greater flexibility, particularly to projects that may not necessarily want or need additional height.

The Department is supportive of changes to HOME-SF that could spur the production of housing, including higher rates of on-site affordable housing, by providing a scaled bonus program. As discussed further below, the Department recommends an amendment to the proposed Tier 1 to ensure that no HOME-SF project provides a lower inclusionary percentage than the standard Section 415 inclusionary rate would otherwise require.

Incentivizing Small Projects

In at least two of the cases where the Department has received proposals in HOME-SF eligible locations that chose not to use the program, projects have instead opted to develop 'as of right' projects consisting of fewer than 10 units (and therefore providing no inclusionary units). Reasons cited include the perceived bureaucratic difficulty and expense of providing on-site units regulated by the Mayor's Office of Housing and the risk and uncertainty in seeking a Conditional Use Authorization.

The proposed legislation aims to respond to this early feedback by guaranteeing a Commission hearing within 120 days of receipt of a complete HOME-SF application. This will provide greater certainty about the length of time a HOME-SF project can expect to be under review with the Department. The legislation also proposes to change the appeal process for HOME-SF projects. Currently HOME-SF projects are required to seek a Conditional Use Authorization, which is appealable to the Board of Supervisors. The legislation proposes a new approval process for HOME-SF projects – Section 328 HOME-SF Project Authorization - with decisions appealable to the Board of Appeals.

General Plan Compliance

The General Plan specifically identifies offering increased development capacity, zoning modifications, and streamlined approvals as a strategy for incentivizing increased provision of on-site affordable housing in new development. Detailed analysis of this legislation's compliance with the General Plan is included as attachment A.

Implementation

The Department has determined that the 120-day approval timeline specified in the ordinance is likely infeasible given current staffing levels and environmental review requirements. The Department's

Recommendation 5 below suggests removing the 120-day requirement and instead relying on a combination of Priority Processing (offered to all HOME-SF projects) and the newly adopted Executive Directive project approval timelines to ensure timely approvals.

RECOMMENDATION

The Department recommends that the Commission recommend *approval of the proposed Ordinance with modifications* and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Amend Section 206.3(d)(4) to allow HOME-SF projects to receive any of the zoning modifications listed, rather than only allowing three.
2. Amend Section 206.3(f)(2)(A) to modify the proposed Tier 1 as follows:
    a. If a Tier 1 HOME-SF project consists of 24 units or fewer, require 20% on-site affordable HOME-SF units at the proposed affordability levels
    b. If a Tier 1 HOME-SF project consists of 25 units or more, require 23% on-site affordable HOME-SF units at the following affordability levels:
        i. 10% at 55% AMI (rental) or 80% AMI (owner)
        ii. 8% at 80% AMI (rental) or 105% AMI (owner)
        iii. 5% at 110% AMI (rental) or 130% AMI (owner)
3. Amend Section 206.3(f)(2) language to set the prescribed AMI levels as maximums, allowing HOME-SF project sponsors to provide HOME-SF units at deeper affordability levels.
4. Remove the proposed requirement in Section 328 that the Planning Commission make a decision on a HOME-SF project within 120 days of receipt of a complete application.
5. Add Section 328.1 to allow administrative approval of Tier 1 HOME-SF projects, which would not exceed the existing height limit.

BASIS FOR RECOMMENDATION

The Department supports the proposed ordinance because it provides additional options for project sponsors to participate in the City's local bonus program, and will lead to increased production of badly needed housing, including higher rates of on-site affordable housing.

The Department is recommending the following amendments to further the goal of making HOME-SF more flexible while aligning the tiered affordability requirements with the current Inclusionary requirement and various related feasibility studies undertaken by the City.

Following is discussion of the rationale for each recommended modification to the proposed legislation:

Recommendation 1: Amend Section 206.3(d)(4) to allow HOME-SF projects to receive all listed zoning modifications. Currently, HOME-SF projects are only offered up to three of the listed modifications of certain requirements (rear yard, exposure, etc.). All modifications offered in this section were thoroughly vetted by Department Staff in crafting the original program, and are exceptions routinely granted by the Commission to many market rate projects through Large Project Authorizations (LPA) or Planned Unit

Developments (PUDs). Originally, the program limited HOME-SF projects to three modifications in an effort to mirror the State Density Bonus Law's allowance for up to three incentives or concessions for qualifying projects. However, the State Density Bonus Law also offers projects providing far less on-site affordability an *unlimited* number of more generous waivers from the Planning Code. As one of the original goals of HOME-SF was to create a local density bonus program that would be more attractive to developers than the state law, the Department recommends offering HOME-SF projects any and all listed modifications listed in 206.3(d)(4),

Recommendation 2: Amend affordability levels required in proposed Tier 1 in Section 206.3(f)(2)(A). The original HOME-SF program - as well as the State Density Bonus Law - has established a precedent of pairing increased development capacity with requirements for higher on-site affordability. The proposed tiers in this legislation generally align with this policy direction, with the exception of larger projects (25+ units) in Tier 1.

As proposed, Tier 1 would require 20% on-site affordable units. In cases where the proposed Tier 1 HOME-SF project is 24 units or fewer, 20% represents a significant increase in affordability compared to the current inclusionary requirement of 12.5% for small projects. However, for larger projects (25+ units), the proposed 20% requirement is actually lower than the current Inclusionary requirement for condominiums (21%) and only 1% higher than what is currently required for rental projects (19%).

The legislation seeks to set tiered affordability requirements based on information from the inclusionary housing study prepared for the Divisadero and Fillmore Neighborhood Commercial Transit Districts (presented to the Planning Commission at the March 22, 2018 hearing). That study found a prototypical site on Divisadero Street, receiving an upzoning roughly equivalent to the proposed Tier 1, could support an inclusionary rate of 20-23%. Additionally, the Geary-Masonic SUD, approved by the Planning Commission on November 30, 2017, found 23% to be an appropriate inclusionary rate for a project (the Lucky Penny site at 2670 Geary Street) which received relief from density limits but no additional height.

In order to better align with existing inclusionary requirements, and ensure no HOME-SF project provides fewer affordable units than would otherwise be required under Section 415, the Department recommends larger Tier 1 projects provide 23% on-site affordable units.

Recommendation 3: Amend language to set all affordability levels in Section 206.3 (f) as maximums. The current inclusionary program, similar to HOME-SF, requires projects choosing the on-site option to provide units in three tranches of affordability, defined in terms of Area Median Income (AMI). However, Planning Code Section 415 explicitly sets the affordability required within each tranche as a maximum (e.g. 12% of units at 55% AMI *or less*), allowing project sponsors to lower the prices of inclusionary units and still meet the requirement. Some sponsors seek to lower the target AMIs (thus providing greater affordability) in order to qualify for financing via the 80/20 CDLAC program, which helps with project feasibility. The Department recommends amending Section 206.3(f) to mirror this language.

Recommendation 4: Remove the proposed requirement in Section 328 that HOME-SF projects receive a Commission decision within 120 days of receipt of a complete application. Recent state legislation has required similar timelines for review and approval or disapproval of certain projects. An example of this is AB73, which enabled Housing Sustainability Districts (HSD) like the proposed Central SOMA HSD, recommended for approval by this Commission on May 10. AB73 also mandates a 120-day timeline for approval or disapproval of HSD projects. However, a key difference is that HSD projects, which must be completely code complying, can be approved ministerially. HOME-SF projects will still be subject to CEQA, and while many will qualify for CEQA exemptions, 120 days is not a realistic timeline for

completing CEQA review in addition to design review and other work associated with the review and entitlement of a project. The Department recommends removing the proposed 120-day timeline. Instead, HOME-SF projects will receive priority processing and be subject to the following project approval timeframes outlined in the Mayor's Executive Directive 17-02, which the Department will be implementing as part of the new consolidated development application:

6 MONTHS – Projects with no CEQA review

9 MONTHS – Projects receiving categorical exemptions

12 MONTHS – Projects receiving negative declaration, mitigated negative declaration, or community plan evaluation: no more than 12 months;

18 MONTHS – Projects requiring an Environmental impact report (EIR)

22 MONTHS – Projects requiring a Complex EIR

Recommendation 5: Add a new Section 328.1 to allow Tier 1 HOME-SF projects, which will not exceed existing height limits, to receive expedited administrative approval. In order to provide an additional incentive for smaller projects to participate in the program, the Department suggests offering Tier 1 projects administrative approval via a new Section 328.1. This subsection would ensure the same level of design review as Section 328 while allowing a more attractive streamlined approval process for projects choosing to go above and beyond basic inclusionary requirements or choosing to participate in HOME-SF by providing inclusionary units where the base zoning would not accommodate a project large enough to trigger the 10-unit threshold for Section 415.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection or adoption with modifications to the Board of Supervisors.

ENVIRONMENTAL REVIEW

The proposed amendments are not defined as a project under CEQA Guidelines Section 15378 and 15060(c)(2) because they do not result in a physical change in the environment.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

RECOMMENDATION:

Attachments:

Exhibit A:	General Plan Compliance
Exhibit B:	Draft Planning Commission Resolution
Exhibit C:	Board of Supervisors File No. 180456

Appendix A
General Plan Compliance

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

General Plan Compliance

The General Plan specifically identifies offering increased development capacity, zoning modifications, and streamlined approvals as a strategy for incentivizing increased provision of on-site affordable housing in new development. Detailed analysis of this legislation's compliance with the General Plan is included below.

HOUSING ELEMENT

POLICY 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

HOME-SF and the proposed changes to the program aim to increase the number of affordable housing units that could be built in San Francisco. The program is one tool to plan for affordable housing needs of very low, low and moderate income households.

POLICY 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The majority of HOME-SF eligible parcels are located within a quarter-mile (or 5 minute-walk) of the Muni Rapid Network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

POLICY 3.3

Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.

HOME-SF and the proposed changes to the program will facilitate affordable housing supply, including homeownership opportunities for moderate income households.

OBJECTIVE 4

Foster a housing stock that meets the needs of all residents across lifecycles.

POLICY 4.1
Develop new housing, and encourage the remodeling of existing housing, for families with children.

POLICY 4.4
Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

POLICY 4.5
Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

POLICY 4.6
Encourage an equitable distribution of growth according to infrastructure and site capacity.

HOME-SF and the proposed changes to the program aim to increase the stock of affordable, family-friendly housing throughout the city. The HOME-SF program area includes parcels in most of the city's neighborhood commercial district, enabling the City to increase the number of very low, low and moderate income households and encourage integration of neighborhoods. The program aims to spur production of housing, including permanently affordable housing, in neighborhoods with existing transit, schools, and parks.

OBJECTIVE 7
Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

Policy 7.5
Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

HOME-SF and the proposed changes to the program provide zoning and process accommodations including priority processing for projects that participate by providing on-site affordable housing. These programs implement this General Plan policy.

OBJECTIVE 8
Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.

POLICY 8.3
Support the production and management of permanently affordable housing.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply.

OBJECTIVE 10
Ensure a streamlined, yet thorough, and transparent decision-making process.

POLICY 10.1
Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

HOME-SF and the proposed changes to the program propose a clear and detailed review and entitlement process for qualifying projects. The process includes detailed design review and offers limited zoning concessions and modifications. The proposed changes to the program require Planning Commission review, with appeal to the Board of Appeal, similar to the existing Large Project Authorization process.

OBJECTIVE 11
Support and respect the diverse and distinct character of San Francisco's neighborhoods.

POLICY 11.2
Ensure implementation of accepted design standards in project approvals.

POLICY 11.3
Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

In recognition that the projects utilizing HOME-SF will sometimes be taller or of differing mass than the surrounding context, the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context. These design guidelines enable HOME-SF projects to support and respect the diverse and distinct character of San Francisco's neighborhoods while also providing much needed affordable housing. Establishing permanently affordable housing in the city's various neighborhoods would enable the City to stabilize very low, low and moderate income households. These households meaningfully contribute to the existing character of San Francisco's diverse neighborhoods.

POLICY 11.5
Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

OBJECTIVE 12
Balance housing growth with adequate infrastructure that serves the City's growing population.

POLICY 12.1
Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

OBJECTIVE 13
Prioritize sustainable development in planning for and constructing new housing.

POLICY 13.1
Support "smart" regional growth that locates new housing close to jobs and transit.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

URBAN DESIGN ELEMENT

POLICY 4.15
Protect the livability and character of residential properties from the intrusion of incompatible new buildings.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

TRANSPORTATION ELEMENT

POLICY 11.3
Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to

prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

VAN NESS AVENUE AREA PLAN

Policy 5.1
Establish height controls to emphasize topography and adequately frame the great width of the Avenue.

POLICY 5.3
Continue the street wall heights as defined by existing significant buildings and promote an adequate enclosure of the Avenue.

HOME-SF and proposed changes to the program would continue the street wall heights, though may offer some degree of variation due to height exceptions available through the program. Established height controls would continue to be applicable for most projects, and therefore the topography and width of the Avenue would continue to be emphasized and adequately framed. The AHBP Design Guidelines and Planning Commission review process will ensure that on balance projects promote continue the street wall heights an adequate enclosure of the Avenue.

BAYVIEW AREA PLAN

OBJECTIVE 6
Encourage the construction of new affordable and market rate housing at locations and density levels that enhance the overall residential quality of Bayview Hunters Point.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply in Bayview Hunters Point, particularly along Third Street.

CHINATOWN AREA PLAN

OBJECTIVE 3
Stabilize and where possible increase the supply of housing.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply in Chinatown.

DOWNTOWN PLAN

OBJECTIVE 7
Expand the supply of housing in and adjacent to downtown.

HOME-SF and the proposed changes to the program support the production of housing, including permanently affordable housing, in and adjacent to downtown.

WESTERN SHORELINE AREA PLAN

POLICY 11.1

Preserve the scale and character of existing residential neighborhoods by setting allowable densities at the density generally prevailing in the area and regulating new development so its appearance is compatible with adjacent buildings.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

POLICY 11.3

Continue the enforcement of citywide housing policies, ordinances and standards regarding the provision of safe and convenient housing to residents of all income levels, especially low- and moderate-income people.

POLICY 11.4

Strive to increase the amount of housing units citywide, especially units for low- and moderate-income people.

HOME-SF and the proposed changes to the program aim to increase the number of affordable housing units that could be built in San Francisco. The program is one tool to plan for affordable housing needs of very low, low and moderate income households.

SAN FRANCISCO
PLANNING DEPARTMENT

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Draft Resolution

HEARING DATE JUNE 28, 2018

Project Name:	**HOME-SF and 100% Affordable Housing Bonus Programs**
Case Number:	2018-006910PCA [Board File No. 180456]
Initiated by:	Supervisor Tang / Introduced May 1, 2018
Staff Contact:	Paolo Ikezoe, Citywide Division paolo.ikezoe@sfgov.org, 415-575-9137
Reviewed by:	Aaron D Starr, Manager of Legislative Affairs aaron.starr@sfgov.org, 415-558-6362

RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT WITH MODIFICATIONS A PROPOSED ORDINANCE THAT WOULD AMEND THE HOUSING OPPORTUNITIES MEAN EQUITY-SAN FRANCISCO (HOME-SF) PROGRAM TO REVISE THE AMOUNT OF INCLUSIONARY HOUSING REQUIRED AND THE TYPES OF DEVELOPMENT BONUSES RECEIVED THROUGH DECEMBER 31, 2019, WITH EXISTING REQUIREMENTS AND BONUSES REVIVED STARTING JANUARY 1, 2020, AND TO REQUIRE PROJECT AUTHORIZATION UNDER PLANNING CODE, SECTION 328; REVISING THE 100% AFFORDABLE HOUSING BONUS PROGRAM TO ELIMINATE A PLANNING COMMISSION REVIEW HEARING FOR 100% AFFORDABLE HOUSING PROJECTS UPON DELEGATION BY THE PLANNING COMMISSION; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on May 1, 2018 Supervisors Tang introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 180456, which would amend Sections 206.3, 303, 315 and 328 of the Planning Code to amend the HOME-SF program, creating tiered options through December 31, 2019, requiring HOME-SF project authorization under Planning Code Section 328, and requiring 100% Affordable Housing Bonus Program project authorization under Planning Code Section 315.1.

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 28, 2018; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act CEQA Guidelines Section 15378 and 15060(c)(2); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; now therefore be it

RESOLVED, that the Planning Commission hereby adopts the following findings and recommends the Board of Supervisors **approve with modifications** the proposed ordinance. The Commission's proposed modifications are as follows:

1: Amend Section 206.3(d)(4) to allow HOME-SF projects to receive all listed zoning modifications.

2: Amend affordability levels required in proposed Tier 1 in Section 206.3(f)(2)(A).

3: Amend language to set all affordability levels in Section 206.3 (f) as maximums.

4: Remove the proposed requirement in Section 328 that HOME-SF projects receive a Commission decision within 120 days of receipt of a complete application.

5: Add a new Section 328.1 to allow Tier 1 HOME-SF projects, which will not exceed existing height limits, to receive expedited administrative approval.

The Planning Commission hereby adopts the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Commission finds that the proposed ordinance will provide additional options for project sponsors to participate in the City's local development bonus program, and will lead to increased production of needed housing, including on-site affordable housing.
2. The Commission finds that the proposed modifications will further the goal of making HOME-SF more flexible and broadly applicable while aligning the tiered affordability requirements with the current Inclusionary requirement and various related feasibility studies undertaken by the City.
    a. The Commission finds that offering HOME-SF projects any and all listed modifications listed in 206.3(d)(4) would further HOME-SF's original goal of

creating a local density bonus program that is more attractive to developers than the State Density Bonus Law.

b. The Commission finds that requiring 23% on-site affordable units for Tier 1 projects of 25 units or larger better aligns with existing inclusionary requirements, and ensures no HOME-SF project provides fewer affordable units than would otherwise be required under Section 415.

c. The Commission finds that amending Section 206.3(f) to set the affordability levels required within each tranche of HOME-SF units as a maximum could help with project feasibility in certain cases (such as when projects may qualify for financing via the 80/20 California Debt Limit Allocation Committee "CDLAC" program).

d. The Commission finds that removing the proposed 120-day timeline and instead ensuring HOME-SF projects will receive priority processing and be subject to the following project approval timeframes outlined in the Mayor's Executive Directive 17-02, will make the

e. The Commission finds that offering Tier 1 projects administrative approval via a new Section 328.1 will provide an additional incentive for smaller projects choosing to go above and beyond basic inclusionary requirements or choosing to participate in HOME-SF by providing inclusionary units where the base zoning would not accommodate a project large enough to trigger the 10-unit threshold for Section 415, to participate in the program.

3. The Commission finds that the proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

POLICY 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

HOME-SF and the proposed changes to the program aim to increase the number of affordable housing units that could be built in San Francisco. The program is one tool to plan for affordable housing needs of very low, low and moderate income households.

POLICY 1.10
Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The majority of HOME-SF eligible parcels are located within a quarter-mile (or 5 minute-walk) of the Muni Rapid Network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

POLICY 3.3
Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.

HOME-SF and the proposed changes to the program will facilitate affordable housing supply, including homeownership opportunities for moderate income households.

OBJECTIVE 4
Foster a housing stock that meets the needs of all residents across lifecycles.

POLICY 4.1
Develop new housing, and encourage the remodeling of existing housing, for families with children.

POLICY 4.4
Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

POLICY 4.5
Ensure that new permanently affordable housing is located in all of the city's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

POLICY 4.6
Encourage an equitable distribution of growth according to infrastructure and site capacity.

HOME-SF and the proposed changes to the program aim to increase the stock of affordable, family-friendly housing throughout the city. The HOME-SF program area includes parcels in most of the city's neighborhood commercial district, enabling the City to increase the number of very low, low and moderate income households and encourage integration of neighborhoods. The program aims to spur production of housing, including permanently affordable housing, in neighborhoods with existing transit, schools, and parks.

OBJECTIVE 7
Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

Policy 7.5
Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

HOME-SF and the proposed changes to the program provide zoning and process accommodations including priority processing for projects that participate by providing on-site affordable housing. These programs implement this General Plan policy.

OBJECTIVE 8
Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.

POLICY 8.3
Support the production and management of permanently affordable housing.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply.

OBJECTIVE 10
Ensure a streamlined, yet thorough, and transparent decision-making process.

POLICY 10.1
Create certainty in the development entitlement process, by providing clear community parameters for development and consistent application of these regulations.

HOME-SF and the proposed changes to the program propose a clear and detailed review and entitlement process for qualifying projects. The process includes detailed design review and offers limited zoning concessions and modifications. The proposed changes to the program require Planning Commission review, with appeal to the Board of Appeal, similar to the existing Large Project Authorization process.

OBJECTIVE 11
Support and respect the diverse and distinct character of San Francisco's neighborhoods.

POLICY 11.2
Ensure implementation of accepted design standards in project approvals.

POLICY 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

In recognition that the projects utilizing HOME-SF will sometimes be taller or of differing mass than the surrounding context, the AHBP Design Guidelines clarify how projects shall both maintain their size and adapt to their neighborhood context. These design guidelines enable HOME-SF projects to support and respect the diverse and distinct character of San Francisco's neighborhoods while also providing much needed affordable housing. Establishing permanently affordable housing in the city's various neighborhoods would enable the City to stabilize very low, low and moderate income households. These households meaningfully contribute to the existing character of San Francisco's diverse neighborhoods.

POLICY 11.5
Ensure densities in established residential areas promote compatibility with prevailing neighborhood character.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

OBJECTIVE 12
Balance housing growth with adequate infrastructure that serves the City's growing population.

POLICY 12.1
Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

OBJECTIVE 13
Prioritize sustainable development in planning for and constructing new housing.

POLICY 13.1
Support "smart" regional growth that locates new housing close to jobs and transit.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

URBAN DESIGN ELEMENT

POLICY 4.15
Protect the livability and character of residential properties from the intrusion of incompatible new buildings.

HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

TRANSPORTATION ELEMENT

POLICY 11.3
Encourage development that efficiently coordinates land use with transit service, requiring that developers address transit concerns as well as mitigate traffic problems.

The HOME-SF program area is largely located within a quarter-mile (or 5 minute-walk) of the Muni Rapid network, which serves almost 70% of Muni riders and will continue to receive major investments to prioritize frequency and reliability. This program would support mixed-income housing projects where households could easily rely on transit.

VAN NESS AVENUE AREA PLAN

Policy 5.1
Establish height controls to emphasize topography and adequately frame the great width of the Avenue.

POLICY 5.3
Continue the street wall heights as defined by existing significant buildings and promote an adequate enclosure of the Avenue.

HOME-SF and proposed changes to the program would continue the street wall heights, though may offer some degree of variation due to height exceptions available through the program. Established height controls would continue to be applicable for most projects, and therefore the topography and width of the

Avenue would continue to be emphasized and adequately framed. The AHBP Design Guidelines and Planning Commission review process will ensure that on balance projects promote continue the street wall heights an adequate enclosure of the Avenue.

BAYVIEW AREA PLAN

OBJECTIVE 6
Encourage the construction of new affordable and market rate housing at locations and density levels that enhance the overall residential quality of Bayview Hunters Point.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply in Bayview Hunters Point, particularly along Third Street.

CHINATOWN AREA PLAN

OBJECTIVE 3
Stabilize and where possible increase the supply of housing.

HOME-SF and the proposed changes to the program support the production of permanently affordable housing supply in Chinatown.

DOWNTOWN PLAN

OBJECTIVE 7
Expand the supply of housing in and adjacent to downtown.

HOME-SF and the proposed changes to the program support the production of housing, including permanently affordable housing, in and adjacent to downtown.

WESTERN SHORELINE AREA PLAN

POLICY 11.1
Preserve the scale and character of existing residential neighborhoods by setting allowable densities at the density generally prevailing in the area and regulating new development so its appearance is compatible with adjacent buildings.
HOME-SF and the proposed changes to the program only provide development bonuses which may permit a larger overall building mass for projects that include higher levels of affordable housing than would otherwise be permitted by the Planning Code. Analysis conducted by staff and consultants on the eligible districts identified many existing buildings, especially building built before the 1970's or 1980's, that exceed existing zoned density limits. Therefore, even housing with densities higher than the existing zoned density limit are generally consistent with neighborhood character in most parts of San Francisco.

POLICY 11.3
Continue the enforcement of citywide housing policies, ordinances and standards regarding the provision of safe and convenient housing to residents of all income levels, especially low- and moderate-income people.

POLICY 11.4
Strive to increase the amount of housing units citywide, especially units for low- and moderate-income people.

HOME-SF and the proposed changes to the program aim to increase the number of affordable housing units that could be built in San Francisco. The program is one tool to plan for affordable housing needs of very low, low and moderate income households.

4. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

   The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

   The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

   The proposed Ordinance would increase the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

   The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

   The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

   The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

   The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

5. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

AND THEREFORE BE IT FURTHER RESOLVED that the Commission hereby recommends the Board of Supervisors APPROVE WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 28, 2018.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: June 28, 2018

180456

Member, Board of Supervisors
District 4

City and County of San Francisco

KATY TANG

HOME-SF 2.0 Overview

Builds upon optional local program that incentivizes the creation of affordable housing in market-rate projects by offering up to two additional floors and other zoning incentives. Applies to projects of three units or more (RH-1 and RH-2 excluded from program), and prohibits demolition of existing residential units. Requires Planning Commission approval and new tiers expire by December 31, 2019. Continues to encourage new family-friendly housing in parts of the city well served by parks and transit.

GOALS

1) Respond to recent state legislation such as SB 827 and the State Density Bonus Law to incentivize project sponsors to choose the local HOME-SF program.
2) Provide projects with a time-bound entitlement process after CEQA is completed.
3) Ease the process for 100% Affordable Housing Projects taking advantage of HOME-SF.
4) Incentivize the construction of housing affordable to moderate and middle-income workforce households and families.

ELIGIBILITY (mostly the same as original HOME-SF legislation)

- Applies to buildings with 3+ units
- New construction only – excludes any project that includes an addition to an existing structure
- **Excluded** from program:
  - RH-1 and RH-2
  - Area plans
  - North of Market Residential Special Use District
  - Northeastern Waterfront Area Plan south of the centerline of Broadway (to make consistent with General Plan)
  - District 9 – HOME-SF applies to District 9 parcels until an ordinance is adopted by the Board of Supervisors directing the Planning Department to study the creation of an area plan wholly or partially located in Supervisorial District 9.
  - Northeast quadrant area north of Post Street and east of Van Ness Avenue, with exception of soft sites (defined as lots 12,500 square feet or more with existing structures that cover less than 20% of the zoned capacity)
  - All NCTs excluded from HOME-SF

INCENTIVES

- Provides development bonuses, including up to 20 additional feet and other zoning incentives, if project meets affordability requirements
- Incentives vary depending on the level of affordability

SMALL BUSINESS SUPPORT (same as original HOME-SF legislation)

- Enhanced protections and options for existing commercial tenants. Planning Commission must make five findings related to business displacement (this requirement is unique to HOME-SF)
- Requirement for replacement of ground floor level active uses at like size of any neighborhood commercial space impacted by a project using HOME-SF
- Planning Commission must make findings related to small business support (same as in original HOME-SF legislation)

KATY TANG

- Requirement for commercial tenant support, including early notification of no less than 18 months from relocation date and observance of commercial relocation best practices
- Additional finding that Planning Commission must make related to business displacement regarding Legacy Businesses and Formula Retail.
- Prohibits non-existing Formula Retail to occupy ground floor of HOME-SF project.
    - *Note: Formula retail prohibition on ground floor does not apply to sites with existing fringe financial, self-storage, motel, automobile sales/rental, gas station, car wash, mortuaries, adult entertainment, massage, medical cannabis dispensary, and tobacco shop uses.*

REQUIREMENTS (mostly same as original HOME-SF legislation)

- ***Proposed Land Use Amendment, page 13, line 7:*** *20%, 25%, or 30% on-site permanently affordable housing (original HOME-SF legislation required 30% on-site permanently affordable housing only)*
- **Unit mix**: At least 40% of new units required to include 2+ bedrooms with at least 10% of all units as 3-bedrooms; or option of having 50% unit mix that contains some 3-bedrooms or larger units
- Planning Commission approval
- **Protections for tenants and rent-controlled units**
    - No displacement of existing residential tenants
    - No demolition, removal or conversion of any existing residential units
- **Family-friendly amenities** – Encourages the inclusion of 3+ bedroom units in unit mix, the distribution of larger units on all floors and adjacent to open spaces or play yards, and the incorporation of family-friendly amenities such as bathtubs, stroller storage, and open space and yards.
- **Unit pricing** – all HOME-SF units must be marketed at least 20% less than current market rate for that unit size and neighborhood, and MOHCD shall reduce the AMI levels to maintain such pricing (*note: HOME-SF units in lower income tiers will likely always be priced below market rate).*
- **Unit size** – HOME-SF units shall be no smaller than the minimum unit sizes set forth by the California Tax Credit Allocation Committee as of May 16, 2017.
- ***Proposed Land Use Amendment, page 2, line 20:*** *Ensure that HOME-SF provides that provide affordable units in an amount higher than the amount required by the Inclusionary Housing Ordinance.*

INCOME ELIGIBILITY (same as original HOME-SF legislation)

Note: Income levels and % distribution for BMR units are independent of income levels in Section 415 of Planning Code (Inclusionary Housing requirements).

- 55% AMI is $45,600 for one person; $65,100 for a family of four
- 80% AMI is $66, 300 for one person; $94, 700 for a family of four
- 105% AM is $87,050 for one person; $124,300 for a family of four
- 110% AMI is $91,200 for one person; $130,250 for a family of four
- 130% AMI is $107,750 for one person; $153,900 for a family of four

PROCESS CHANGES THROUGH HOME-SF 2.0:

- Approve projects through a project authorization, similar to a large project authorization Eastern neighborhoods, which requires a Planning Commission hearing, and is appealable to the Board of Appeals.
- Planning Commission must find that the projects comply with design guidelines, and if the project is proposing a lot merger that results in street frontage that is more than 125 feet on any one street it must also comply with the design guidelines.
    - ***Proposed Land Use Amendment, page 23, line 20:*** *Creating a new section as this section was deleted on as part of the Mayor's Process Improvement ordinance on 6/26/2018.*

- ***Proposed Land Use Amendment, page 8, line 2:*** allow HOME-SF project to receive any or all zoning modifications outlined in the HOME-SF program (as opposed to just three).
  Rationale: The State Density Bonus Law only offers three zoning modifications, and this may incentivize more project sponsors to use HOME-SF instead of the state law.

- Projects must be approved by the Planning Commission within 120 days of the environmental evaluation (CEQA) to be completed.
  - ***Proposed Land Use Amendment;*** **Page 9, line 7***: Projects must be approved by Planning Commission within 180 days of a complete project application, unless an EIR is required.*
- Pilot program ends on 12/31/2019. Legislation directs the Technical Advisory Committee (TAC) to study new rates as part of its reconvening.
  - ***Proposed Land Use Amendment:*** *Direct the TAC to explore indexing HOME-SF rates similar to the inclusionary program (this was stated verbally but never included in the legislation)*
- 100% affordable HOME-SF projects would no longer be subject to a hearing and can be approved by the Director of Planning.
  - ***Proposed Land Use Amendment, page 27, line 23:*** *Delete this section as this amendment passed on as part of the Mayor's Process Improvement ordinance on 6/26/2018.*
- Projects that submit their Environmental Evaluation before or on December 31, 2019 can still utilize the Tiers even after the HOME-SF 2.0 expires.

Member, Board of Supervisors
District 4

City and County of San Francisco

KATY TANG

TIME-LIMITED PROGRAM CHANGES THROUGH HOME-SF 2.0
Page 13, line 7

	Current HOME-SF program	Proposed: HOME-SF 2.0 through 1/1/2020				
	HOME-SF	~~*Proposed Tier 1 (applicable for 2 years)*~~	~~*Proposed Tier 2 (applicable for 1 year)*~~	~~*Tier 1*~~	**Tier2**	**Tier 3**
On-Site BMR	30%	~~20%~~	~~25%~~	~~20%~~	25%	30%
Ownership	12% @80%AMI 9%@105%AMI 9%@130%AMI	~~10% @ 80% AMI 5% @ 105% AMI 5% @ 130% AMI~~	~~10% @ 80% AMI 5% @ 105% AMI 5% @ 130% AMI~~	~~10% @ 80%AMI 5% @ 105% AMI 5% @ 130% AMI~~	10% @ 80% AMI 8% @ 105% AMI 7% @ 130% AMI	10% @ 80%AMI 10% @ 105%AMI 10% @ 130%AMI
Rental	12%@55%AMI 9% @80%AMI 9%@110%AMI	~~10% @ 55% AMI 5% @ 80% AMI 5% @ 110% AMI~~	~~10% @ 55% AMI 5% @ 80% AMI 5% @ 110% AMI~~	~~10% @ 55%AMI 5% @ 80% AMI 5% @ 110%AMI~~	10% @55% AMI 8% @ 80%AMI 7% @110% AMI	10% @ 55%AMI 10% @ 80%AMI 10% @ 110% AMI
Incentives	Form based density 5' ground floor bump Two additional stories 3 Zoning modifications	~~Form based density~~ ~~5' ground floor bump~~ ~~3 Zoning modifications~~ ~~*Proposed Amendment: any zoning modification*~~	~~Form based density~~ ~~5' ground floor bump~~ ~~3 Zoning modifications~~ ~~*Proposed Amendment: any zoning modification*~~	~~Form based density~~ ~~5' ground floor bump~~ ~~3 Zoning modifications~~	Form based density 5' ground floor bump One additional story 3 Zoning modifications *Proposed Amendment: any zoning modification*	Form based density 5' ground floor bump Two additional stories 3 Zoning modifications *Proposed Amendment: any zoning modification*
Process	Modified Conditional Use	Planning Commission Hearing Approved within 120 days of CEQA completed Modified Conditional Use Authorization findings				
Appeal*	Board of Supervisors	Board of Appeals				

*Note all CEQA Appeals are considered by the Board of Supervisors

Last updated: 07/9/2018

180456

From:	Kristy Wang <kwang@spur.org>
Sent:	Monday, July 09, 2018 7:24 AM
To:	Tang, Katy (BOS); Kim, Jane (BOS); Safai, Ahsha (BOS)
Cc:	Major, Erica (BOS); Mohan, Menaka (BOS); Duong, Noelle (BOS); Sandoval, Suhagey (BOS); Rahaim, John (CPC); Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Ikezoe, Paolo (CPC)
Subject:	SPUR Supports HOME-SF 2.0
Attachments:	SPUR Supports HOME-SF 2.0 .pdf

Dear Supervisors:

Thank you for the opportunity to share SPUR's support for Supervisor Tang and Supervisor Safai's proposed amendments to HOME-SF. Please see attached letter for more details.

Best,
Kristy Wang

Kristy Wang, LEED AP
Community Planning Policy Director
SPUR • Ideas + Action for a Better City
(415) 644-4884
415) 425-8460 m
kwang@spur.org

SPUR
San Francisco | San Jose | Oakland

July 6, 2018

Land Use & Transportation Committee
San Francisco Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: July 9, 2018 Agenda Item No. 3
Amendments to HOME-SF and 100% Affordable Housing Bonus Programs (Board File No. 180456)

Dear Supervisors Tang, Kim and Safaí:

Thank you for the opportunity to weigh in on Supervisor Tang's proposal to amend the HOME-SF and 100% Affordable Housing Bonus programs. **SPUR has strongly supported the HOME-SF program since Supervisor Tang first introduced the AHBP in 2015.** The intention has always been for HOME-SF to be an attractive local option to the state density bonus.

Unfortunately, there has been a lack of demand for the program, perhaps due to the affordability requirements, or perhaps due to the extensive list of eligibility requirements. However, the examples of the four projects that as of late June have filed applications or revised applications are instructive. HOME-SF would create 172 units instead of 78 units overall, and it would create 52 affordable units instead of 6 affordable units and in lieu fee. If more projects selected HOME-SF, the impact could be very meaningful. But the number of projects in HOME-SF eligible areas that passed up using HOME-SF is significant, and ten of those projects chose the state density bonus.

We support the effort to offer a temporary pilot option with tiered affordability and commensurate benefits. It's a great idea to learn from experience and data. If the number of projects utilizing HOME-SF grows, then maybe there is a reason to study the changes and perhaps make them permanent. If this time-limited pilot works *too* well, then that would provide clear evidence that the market might be ready for the original HOME-SF parameters.

SPUR supports setting a limited timeframe for approvals and the proposed process changes, including switching from a Conditional Use Authorization process to a Section 328 process. Enhanced certainty around the entitlements process matters to developers considering their options; if we hope for more San Francisco homes to be provided in the outer

neighborhoods and non-plan areas, then we must reduce the risk that these projects will be flat-out denied, if not shrunk.

SPUR also supports the Planning Department's recommendation to eliminate the limit on the number of zoning modifications allowed under HOME-SF. This list of modifications includes the most common exceptions requested of and granted by Planning. Making this change also helps to make the local option more attractive than the state density bonus.

A few notes of caution around two of the Planning Commission's recommended modifications: We agree that HOME-SF's requirements ought to be higher than the baseline inclusionary, but Tier 1 is really only offering density decontrol, not bonus volume. We understand that the original feasibility work for HOME-SF (when feasibility conditions were stronger than they are now) showed that more incentives were needed to make HOME-SF attractive than were ultimately included. And while the Divisadero/Fillmore inclusionary study did show feasibility between 20-23% inclusionary, we are still hearing that the high end of that may still be too high for Tier 1 rental.

Lastly, we do generally agree with providing flexibility on affordability levels, and there ought to be a path forward for 80/20 projects that use tax exempt bonds, but one of HOME-SF's selling points was that each project provided a range of affordability and specifically included moderate- and middle-income housing opportunities. Since we currently have so few tools to encourage the development of homes restricted to moderate and middle-income households, we hesitate to weaken this aspect of the HOME-SF program.

SPUR believes that additional steps should be considered to make HOME-SF more effective, including revisiting the prohibition on demolition and replacing it with strong tenant protections and right-to-return/replacement rules, and looking at income targets, unit size requirements and other parameters that may be a barrier to the HOME-SF option. If we are seeking to encourage density in outer neighborhoods and maximize the creation of affordable housing without subsidy, we should continue to look for opportunities to incentivize the use of HOME-SF at the highest density tier.

We appreciate Supervisor Tang's interest in increasing the effectiveness of the HOME-SF program and encourage you to approve this legislation in order to help address San Francisco's housing shortage.

Please feel free to reach out if you have any questions.

Best,

Kristy Wang

Community Planning Policy Director

cc: SPUR Board of Directors

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

May 30, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On May 22, 2018, Supervisor Tang introduced the following substitute legislation:

File No. 180456-2

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received for projects with complete environmental evaluation applications submitted on or before December 31, 2019, with existing requirements and bonuses revived for projects with complete environmental evaluation applications submitted on or after January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

The substitute ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
Scott Sanchez, Zoning Administrator
Lisa Gibson, Environmental Review Officer
AnMarie Rodgers, Director of Citywide Planning
Laura Lynch, Environmental Planning
Joy Navarrete, Environmental Planning

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May 30, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
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May 30, 2018

File No. 180456-2

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On May 22, 2018, Supervisor Tang introduced the following substitute legislation:

File No. 180456-2

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received for projects with complete environmental evaluation applications submitted on or before December 31, 2019, with existing requirements and bonuses revived for projects with complete environmental evaluation applications submitted on or after January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This substitute legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

May 8, 2018

File No. 180456

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On May 1, 2018, Supervisor Tang introduced the following proposed legislation:

File No. 180456

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received through December 31, 2019, with existing requirements and bonuses revived starting January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

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TDD/TTY No. 554-5227

May 8, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On May 1, 2018, Supervisor Tang introduced the following legislation:

File No. 180456

Ordinance amending the Planning Code to amend the Housing Opportunities Mean Equity-San Francisco (HOME-SF) program to revise the amount of inclusionary housing required and the types of development bonuses received through December 31, 2019, with existing requirements and bonuses revived starting January 1, 2020, and to require project authorization under Planning Code, Section 328; revising the 100% Affordable Housing Bonus Program to eliminate a Planning Commission review hearing for 100% affordable housing projects upon delegation by the Planning Commission; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare under Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
Scott Sanchez, Zoning Administrator
Lisa Gibson, Environmental Review Officer
AnMarie Rodgers, Director of Citywide Planning
Laura Lynch, Environmental Planning
Joy Navarrete, Environmental Planning

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

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2018 MAY 22 PM 3:53
BY

Time stamp or meeting date

I hereby submit the following item for introduction (select only one):

☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)

☐ 2. Request for next printed agenda Without Reference to Committee.

☐ 3. Request for hearing on a subject matter at Committee.

☐ 4. Request for letter beginning "Supervisor [ ] inquires"

☐ 5. City Attorney request.

☐ 6. Call File No. [ ] from Committee.

☐ 7. Budget Analyst request (attach written motion).

☐ 8. Substitute Legislation File No. [ ]

☐ 9. Reactivate File No. [ ]

☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☒ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Tang, Safai

Subject:

Planning Code – HOME-SF and 100% Affordable Housing Bonus Program

The text is listed below or attached:

Signature of Sponsoring Supervisor: Kf Tang

For Clerk's Use Only:

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):

☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)

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☐ 7. Budget Analyst request (attach written motion).

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☐ 9. Reactivate File No. _____

☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on _____

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☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☒ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Tang, Safai

Subject:

Planning Code – HOME-SF

The text is listed below or attached:

Signature of Sponsoring Supervisor: Katy Tang

For Clerk's Use Only: