

**REVISED LEGISLATIVE DIGEST**  
(Amended in Committee, 10/22/2018)

[Planning Code - Affordable Housing Requirement and Fee in Divisadero Street Neighborhood Commercial Transit District]

**Ordinance amending the Planning Code to require additional affordable housing or payment of a fee for certain sites that obtained higher residential development potential as a result of the rezoning of the Divisadero Street Neighborhood Commercial Transit District in 2015; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of public convenience, necessity, and welfare under Planning Code, Section 302, and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

Existing Law

Residential development projects of 10 or more units are required to comply with inclusionary housing requirements, as provided in the Planning Code in Section 415. Projects may comply by paying a fee equivalent to a requirement to provide a specified percentage of units on-site, or by providing the units on-site or off-site. Section 415 requires that on-site units be affordable to households earning between 55% and 130% of the area median income (AMI). The fee or number of units required differ for projects depending on whether the project is between 10 and 24 units, or 25 or more units, and whether the project is an ownership or a rental project. Projects with environmental evaluation applications filed before January 12, 2016 are subject to temporary inclusionary affordable housing requirements.

Amendments to Current Law

The proposed amendments would create Section 428 of the Planning Code and would impose affordability requirements for certain projects in the Divisadero Street Neighborhood Commercial Transit District (NCT). If the Planning Department determines that the housing development potential on a site within the Divisadero Street NCT has been increased 50% or more through the adoption of rezoning set forth in Ordinance No. 127-15, a proposed housing development project on such site would be subject to specified inclusionary housing requirements.

Residential projects of 10 or more units that have submitted a complete development application before October 1, 2018 would comply with Section 415, except that the temporary inclusionary requirements in Section 415 would not apply, and projects would be required to provide affordable housing in the following amounts:

Fee/Off-site: Ownership project – 33%  
Rental Projects – 30%

On-site: Ownership: 23% at the following area median incomes (AMI)

- 12% low income (80% AMI)
- 5.5% moderate income (105% AMI)
- 5.5% middle income (130% AMI)

Rental: 20% at the following AMI's

- 12% low income (55% AMI)
- 4% moderate income (80% AMI)
- 4% middle income (110% AMI)

For projects of 10 or more units that have submitted a complete development application on or after October 1, 2018, projects would comply with Section 415, except that projects would be required to provide affordable housing in the following amounts:

Fee/Off-site: 33% for Ownership projects  
30% for Rental projects

On-site: Ownership: 23% at the following AMI's

- 10% low income (80% AMI)
- 8% moderate income (105% AMI)
- 5% middle income (130% AMI)

Rental: 23% at the following AMI's

- 10% low income (55% AMI)
- 8% moderate income (80% AMI)
- 5% middle income (110% AMI)

The percentage of affordable units and level of affordability for projects of 10 or more units that have submit a complete development application on or after October 1, 2018, shall be the same as the levels set forth in 206.3(f)(2)(A), the HOME-SF Program, as that program may be amended from time to time. However, the percentage of affordable units constructed on-site must always be higher than or equal to the percentage required by Section 415.6 for projects consisting of 25 or more units.