

[Incentives for Family-sized Affordable Housing Units.]

**Ordinance amending the Residential Inclusionary Affordable Housing Program, including Planning Code Section 315.9 to allow for density bonuses to project applicants who develop on-site, affordable family-sized units as defined herein as part of their inclusionary housing requirements; and the addition of Planning Code Section 315.10 regarding severability.**

Note: Additions are single-underline italics Times New Roman;  
deletions are ~~strikethrough italics Times New Roman~~.  
Board amendment additions are double underlined.  
Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. FINDINGS.

(1) From the enactment of San Francisco's Inclusionary Housing Ordinance in 2004 through 2007, 62 percent of the below-market rate units created have been studios or one-bedroom units, according to statistics compiled by the Mayor's Office of Housing.

(2) According to US Census data, San Francisco has the lowest percentage of households with children among the 50 largest U.S. cities. This percentage declined from 19% in 1970 to less than 15% in 2006.

(3) Between 1990 and 2000, the number of African-American households with children in San Francisco declined by 43%. African-Americans were twice as likely to leave San Francisco as other families, and results of a 2005 parent survey found that 54% of African-Americans expected they would be moving out of San Francisco in the next three years. Overall, families with children who earned more than \$50,000 annually were nearly twice as likely to leave San Francisco than those with lower incomes.

1 (4) In 2002, the median priced home in San Francisco was \$530,000. By  
2 January 2005, this figure had increased to \$776,000, a rise of 46%.

3 (5) Density bonuses to create incentives to increase the number of on-site,  
4 affordable family-sized units produced by market-rate developers will help address the crisis  
5 of families with children leaving San Francisco.

6 (6) Density bonuses to create incentives to increase the number of on-site,  
7 affordable family-sized units produced by market-rate developers will increase affordable  
8 homeownership opportunities for families in San Francisco.

9 (7) Section 315 of the San Francisco Planning Code currently contains a  
10 standard that a 2-bedroom unit is equivalent to at least 850 square feet, and a 3-bedroom unit  
11 is equivalent to at least 1100 square feet.

12 (8) This ordinance shall amend Sections 315 *et seq.* of the San Francisco  
13 Planning Code and is intended to supercede any other portion of the San Francisco Municipal  
14 Code that is contrary to its provisions. It is the intent of this ordinance to provide density  
15 bonuses within the context of the Residential Inclusionary Affordable Housing Program, and is  
16 not intended to preclude the provision of density bonuses within the context of other legislative  
17 programs.

18 Section 2. The San Francisco Planning Code Section 315.9 is hereby amended to  
19 read as follows.

20 **~~SEC. 315.9. PARTIAL INVALIDITY AND SEVERABILITY.~~**

21 ~~*If any provision of this Ordinance or its application to any housing project or to any*~~  
22 ~~*geographical area of the City, is held invalid, the remainder of this Ordinance, or the application of*~~  
23 ~~*such provision to other housing projects or to any other geographical areas of the City, shall not be*~~  
24 ~~*affected thereby.*~~  
25

1           **DENSITY BONUSES FOR FAMILY HOUSING**

2           (a)     Definitions: The following definitions shall apply to this Section 315.9:

3           (1)     "density bonus" shall mean a density increase over the otherwise maximum allowable  
4           residential density as of the date of the applicant's first application to the San Francisco Planning  
5           Department or Department of Building Inspection, or a concession or incentive from the requirements  
6           of the Code as specified herein.

7           (2)     "affordable family-sized unit" shall mean a two bedroom "on-site unit," as that term is  
8           defined in Section 315.1 of this Code, of at least 850 square feet where the provisions of Sections 315 et  
9           seq. require the on-site units to be a studio or a one-bedroom unit, or a three-bedroom on-site unit, as  
10          that term is defined in Section 315.1, of at least 1100 square feet where the provisions of Sections 315  
11          et seq. require a two-bedroom unit to be built.

12          (b)     Density Bonus Options. If the project applicant agrees to provide all of its inclusionary  
13          units as affordable family-sized-units, the City shall grant a density bonus or bonuses elected by the  
14          project applicant. The project applicant may elect one or both of the following options:

15          (1)     the density restrictions found in this Code shall not apply. All applicable maximum  
16          heights and minimum rear yard requirements shall apply, except to the extent the project applicant also  
17          elects option (2) below;

18          (2)     for buildings of 85 feet or less, and where the rear yard depth requirement is at least  
19          25% of the lot depth, the rear yard setback required by this Code shall be decreased by up to 10 feet,  
20          and no variance under Planning Code Section 305 shall be required. Notwithstanding the above, the  
21          Department or Commission may modify the applicant's request to decrease the rear yard setback if it  
22          makes written findings that site conditions warrant a greater minimum rear yard setback. In no case  
23          shall the minimum rear yard depth be less than 10 feet.

1           (c) Additional Provisions. If a project receives a density bonus under this Section, the  
2 following provisions shall apply:

3           (1) The density bonuses allowed by this ordinance shall apply to any project that receives  
4 any kind of approval by the Department of Building Inspection or Planning Department after the  
5 effective date of this ordinance. In addition, in an effort to provide as many affordable, family-sized  
6 units as possible, any project which has not yet obtained all of the approved addenda to the site permit  
7 (hereafter "pipeline project") prior to the effective date of this ordinance may be revised after the  
8 effective date of this ordinance to get the benefit of the density bonuses allowed herein. However, any  
9 revised project previously approved by the City shall be subject to all the applicable Planning Code or  
10 Charter provisions as though first submitted after the effective date of this ordinance. These revised  
11 projects shall receive the same priority as projects that are submitted for the first time after the  
12 effective date of this ordinance.

13           (2) In order to produce affordable family-sized units on an expedited basis, the following  
14 procedures shall apply to projects proceeding under the provisions of this Section.

15           (A) Projects shall get the same priority processing procedures at the Planning Department  
16 as project Types 1, 2 and 3 in the Planning Department Application Processing Guidelines dated  
17 September 28, 2006 (except that 100 percent affordable unit projects shall have a priority ahead of  
18 those units built under this Section) or equivalent status in any subsequent document, and, with regard  
19 to the Department of Building Inspection and the Department of Public Works, shall get the same  
20 priority processing levels at the Department of Building Inspection and the Department of Public  
21 Works.

22           (B) Unless a shorter appeal period applies, all appeals of the issuance of a statutory  
23 exemption, categorical exemption, general rule exclusion, final negative declaration or final mitigated  
24 negative declaration or other allowable appeal under the California Environmental Quality Act  
25

1 ("CEQA") shall be appealed to the Board of Supervisors within thirty days of the environmental  
2 approval by the Planning Department or Planning Commission.

3 (3) This section shall not apply to projects in the following districts: RH-1, RH-2 and RH-3.

4 (4) Any additional units allowed under this section shall be subject to the inclusionary housing  
5 requirements of Sections 315 et seq.

6 Section 3. The San Francisco Planning Code is hereby amended to add Section  
7 315.10 to read as follows:

8 **Sec. 315.10 PARTIAL INVALIDITY AND SEVERABILITY.**

9 If any provision of this Ordinance or the Inclusionary Affordable Housing Program, Planning  
10 Code Sections 315 et seq. ("Program") or its application to any housing project or to any geographical  
11 area of the City, is held invalid, the remainder of this Ordinance and Program, or the application of  
12 such provision to other housing projects or to any other geographical areas of the City, shall not be  
13 affected thereby.

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

16 By: \_\_\_\_\_  
17 Audrey Williams Pearson  
18 Deputy City Attorney