New Planning Code Summary:

100% Affordable Housing Bonus Program

Amended Sections: Planning Code Section 206 and 328

Case Number: 2014-001503PCA **Board File/Enactment #:** 160687/143-16

Initiated by: Supervisor Tang and Mayor Lee

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The proposed Ordinance would amend the Planning Code to create the 100% Affordable Housing Bonus (AHBP). The 100% AHBP provides for development bonuses and zoning modifications for 100% affordable housing projects, in compliance with, and above those required by the State Density Bonus Law, Government Code, Section 65915, et seq. The Ordinance also establishes the procedures in which the 100% AHBP projects shall be reviewed and approved.

The Way It Was:

Currently the City approves 100% Affordable Housing projects through standard entitlements or through a Special Use District (SUD). The SUDs often include exemptions or modifications to density, bulk, and other code requirements such as rear yard and open space.

The Way It Is Now:

The 100% AHBP applies to projects that contain 100% affordable housing and provides additional incentives for developers of 100% affordable housing projects. A 100% Affordable Housing Project shall be a project where all of the dwelling units with the exception of the manager unit are "affordable units" as defined in Section 406 (b).

A 100% AHBP Project shall be a housing project that:

- 1. meets the definition of 100% AHBP Project;
- does not demolish, remove, or convert any existing residential units and does not include any other parcel that has any residential units that would be demolished, removed, or converted;
- 3. contain three or more residential units not including any additional units permitted through this code section;
- 4. allows residential uses and is in any zoning district that is not designated as an RH-1, RH-1(D), or RH-2;

- 5. includes, at the ground floor, neighborhood serving uses, including but not limited to General and Specialty Grocery, Health Service, Institutional, and Public Facilities, as defined in Section 102;
- 6. Demonstrates to the ERO officer that the 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 a new shadow that substantially affects outdoor recreation facilities or other public areas; and
 - c. alter wind in a manner that substantially affects public areas.

Development Bonuses and Zoning Modifications for 100% AHBP Projects.

Project Sponsors can receive any or all of the following:

- 1. **Priority Processing.** 100% AHBP shall receive priority processing.
- 2. **Form Based Density**. Density shall not be limited by lot area but rather other requirements such as height, bulk, open space, exposure, as well as applicable design guidelines, General Plan, and design review outlined in Section 328.
- 3. **Height.** Additional 30 feet beyond the district limit, additional height may only be used to provide up to three additional 10-foot stories for residential use.
- 4. **Ground Floor Ceiling Height.** In addition to the height bonus provided, an additional five feet will be provided to be used at the ground floor per Section.
- 5. **Rear Yard.** 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.
- 6. **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.
- 7. **Off Street Loading.** No off-street loading required under Section 152.
- 8. **Automobile Parking.** Up to a 100% reduction in the minimum off-street residential and commercial automobile parking requirement under Article 1.5.
- 9. **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.

10. **Inner Courts as Open Space.** 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.

Implementation of 100% AHBP

The following procedures shall govern the processing of a request for a project to qualify under the 100% AHBP:

- 1. Entitlements of 100% AHBP are valid for 10 years;
- 2. Notice and hearing are subject to the rules of Section 328; and
- 3. No Conditional Use Authorization shall be required for a 100% AHBP unless such a CU requirement is adopted by the voters.

An application to participate in the 100% AHBP shall include the following:

- 1. A full plan set including a site plan, elevations, sections and floor plans, showing total number of units, unit sizes and planned affordability levels and any applicable funding sources;
- 2. The requested development bonuses from those listed in subsection;
- 3. Unit size and distribution of multi-bedroom units to all existing commercial or residential tenants that the applicant intends to develop the property;
- 4. 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. 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 section; and
- 5. 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.

Section 328: 100% Affordable Housing Bonus Project Authorization

Section 328 ensures that 100% AHBP projects that meet the requirements in Section 206 are reviewed in coordination with priority processing. While most projects in the 100% AHBP 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.

Planning Commission Design Review.

- **1.** The Planning Commission shall review and evaluate all physical aspects of a 100% AHBP project;
- 2. The Planning Commission may find the project consistent with AHBP Design Guidelines, and other guidelines, and upon recommendation from the Planning Director, make minor modifications to a project to reduce the impacts of such difference in scale and may 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.
- **3.** The Planning Commission may grant minor exceptions to the provisions of this Code. The 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 100% AHBP.
- 4. All modifications and exceptions should be consistent with the 100% AHBP Design Guidelines and any other applicable design guidelines. In case of a conflict with other applicable design guidelines, the 100% AHBP Design Guidelines shall prevail.

Planning Commission Design Considerations. Review shall be limited to Design Issues including the following:

- Whether the bulk and massing of the building is consistent with the 100% AHBP Design Guidelines;
- 2. Whether the building design elements including but not limited to architectural treatments, façade design, and building materials, are consistent with the 100% AHBP 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 100% AHBP Design Guidelines, and any other applicable design guidelines; and
- **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.

Planning Commission may Grant Exceptions to the Planning Code. 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 100% AHBP Program and also are consistent with the 100% AHBP Guidelines. These exceptions may include exception(s):

- **1.** From residential usable open space requirements per Section 135 or any other special use district;
- **2.** From satisfaction of loading requirements per Section 152.1, or any other special use district;
- **3.** For rear yards, pursuant to requirements of Section 134, or any applicable special use district;
- **4.** From dwelling unit exposure requirements of Section 140, or any applicable special use district;
- **5.** From satisfaction of accessory parking requirements per Section 152.1, or any applicable special use district;
- **6.** Where not specified elsewhere in this subsection 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.

Required Planning Commission Findings. 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;
- **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;

4. If a 100% AHBP 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 the 100% AHBP Authorization.

Link to signed legislation:

 $\underline{https://sfgov.legistar.com/View.ashx?M=F\&ID=4607864\&GUID=E25217EF-B19C-40A4-A243-D56F1E36FAAD}$