



SAN FRANCISCO PLANNING DEPARTMENT

New Planning Code Summary:

Inclusionary Affordable Housing Program Amendment, a.k.a. The Palmer Fix

Amended Sections: 415, 124 and 406
Case Number: 2017-014892PCA
Board File/Enactment #: 171193/26-18
Initiated by: Supervisor Peskin
Effective Date: March 25, 2017

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The proposed Ordinance amended the Inclusionary Affordable Housing Ordinance (Planning Code Section 415) to remove the requirement that on-site and off-site inclusionary units within a new development be ownership units rather than rental units.

The Way It Was:

Project sponsors may comply with the requirements of the Inclusionary Affordable Housing Program, set forth in Planning Code section 415 et. seq., by paying an impact fee, providing affordable units on-site, or providing affordable units off-site. On-site or off-site affordable units must be ownership units unless a developer can demonstrate that the development qualifies for an exemption from the Costa-Hawkins Rental Housing Act (CA Civil Code Section 1954.50 – “Costa Hawkins”). Generally, Costa Hawkins prohibits rent control on new residential units, unless the development has received density bonuses or other zoning modifications. The project sponsor would enter into a Costa Hawkins Agreement with the City, demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins because the project is receiving a development bonus or direct financial contribution.

The Way It Is Now:

This Ordinance would amend Planning Code Section 415 to allow affordable units on-site and off-site rental units without the need to qualify for an exemption from Costa Hawkins.

Link to Signed Legislation:

<https://sfgov.legistar.com/View.ashx?M=F&ID=5828425&GUID=AC9A51E2-C663-44A2-8920-E5FB91438639>