

Topic	Summary of Inclusionary Requirements as Amended
1. Application	<ul style="list-style-type: none"> <li>Applies to 10 or more units; projects of 25 or more units have different requirements</li> <li>Specific requirements in some areas (see below)</li> </ul>
2. "Grandfathering"	<ul style="list-style-type: none"> <li>EEA before 1/1/2013: no change to requirements or rates</li> <li>EEA 1/1/2013 – 1/11/2016: no change to requirements, except increased rates apply*</li> <li>EEA on or after 1/12/2016: new inclusionary requirements and rates</li> </ul> <p><i>*Increased rates apply to large projects (25+ units) only, and vary by EEA date. See Inclusionary Program Compliance Affidavit to determine the exact requirement. For On-Site or Off-site projects, if no site or building permit is issued by 12/7/2018 the rate will be reset.</i></p>
3. Inclusionary Requirements	<p><b>Small projects (10-24 units):</b></p> <ul style="list-style-type: none"> <li>On-Site: 12% of units at 55% of AMI (rental) or 80% of AMI (ownership)</li> <li>Off-Site/Fee: equivalent to 20% of project units</li> </ul> <p><b>Large projects (25+ units),</b> requirement varies by project tenure, as follows:</p> <p><u>Rental projects:</u></p> <ul style="list-style-type: none"> <li>On-Site: 18% total, designated to households at three income tiers: <ul style="list-style-type: none"> <li>10% of units at 55% AMI average</li> <li>4% of units at 80% AMI average</li> <li>4% of units at 110% AMI average</li> </ul> </li> <li>Off-Site/Fee*: equivalent to 30% of project units</li> </ul> <p><u>Ownership projects:</u></p> <ul style="list-style-type: none"> <li>On-Site: 20% total, designated to households at three income tiers: <ul style="list-style-type: none"> <li>10% of units at 80% AMI average</li> <li>5% of units at 105% AMI average</li> <li>5% of units at 130% AMI average</li> </ul> </li> <li>Off-Site/Fee*: equivalent to 33% of project units</li> </ul> <p><i>*Fee rates subject to change following Technical Advisory Committee study by Jan. 2018</i></p>
4. Annual Increases to On-Site Rate	<p>On-Site rate will increase on an annual schedule as follows. (Off-Site/Fee rate is not subject)</p> <p><b>Small projects (10-24 units):</b></p> <ul style="list-style-type: none"> <li>Beginning Jan 1, 2018 increase by 0.5% annually until the rate is 15% (in 2023)</li> </ul> <p><b>Large projects (25+ units):</b></p> <ul style="list-style-type: none"> <li>Jan 1, 2018 and Jan 1, 2019: 1.0% increase to lowest AMI tier only</li> <li>Jan 1, 2020: 0.5% increase split between middle and highest AMI tiers, continuing annually until the total rates are 24% for Rental and 26% for Ownership projects (in 2025)</li> </ul> <p><i>NOTE: Rate is determined at date when EEA is accepted. The rate will be re-set to the prevailing rate if a site or building permit has not been issued within 30 months from entitlement.</i></p>

<b>5. Area-Specific Requirements</b>	<p>Inclusionary requirements for certain areas will be as follows until the conclusion of pending Planning Department analysis and further legislative action:</p> <ul style="list-style-type: none"> <li>• On-Site: 25% (rental); 27% (ownership) for all projects of 25 or more units</li> <li>• Off-Site/Fee: 30% (rental); 33% (ownership) for all projects of 25 or more units</li> </ul> <p>These areas include:</p> <ul style="list-style-type: none"> <li>• Mission Planning Area</li> <li>• North of Market Residential SUD (Tenderloin)</li> <li>• SoMa NCT (6<sup>th</sup> Street)</li> </ul>
<b>6. Minimum Unit Size (BMR units only)</b>	<p>On-Site inclusionary units must meet the minimum unit size standards established by the California Tax Credit Allocation Committee (TCAC):</p> <ul style="list-style-type: none"> <li>• Studio: 300 square feet*</li> <li>• 1BR: 450 square feet</li> <li>• 2BR: 700 square feet</li> <li>• 3BR: 900 square feet</li> <li>• 4BR: 1,000 square feet</li> </ul> <p><i>*Studio minimum size is specified in Section 415 of the Planning Code.</i></p>
<b>7. Middle-Income Studio Units</b>	<p>Inclusionary units at the highest income tier – 110% of AMI for rental units or 130% of AMI for ownership units – shall have a minimum occupancy of 2 persons.</p>
<b>8. Rental to Owner Conversions</b>	<p>If a project converts from a rental to an ownership project, the City will require payment of the Affordable Housing Fee in the amount corresponding to the difference between the Fee or Alternative requirement met by the rental project and the Fee requirement in effect for ownership projects at the time of conversion.</p>
<b>9. Replacement of Existing Affordable Units</b>	<p>If any existing affordable units, including any units subject to rent control that are deemed affordable, are demolished or removed by the project, these units must be replaced with additional On-Site or Off-Site inclusionary units or by payment of an additional Affordable Housing Fee.</p>
<b>10. State Density Bonus (SDB) Units</b>	<p>For any project that receives a density increase through the State Density Bonus Law, the additional units obtained through the Bonus will be subject to the Affordable Housing Fee.</p>

Please visit [www.sfplanning.org](http://www.sfplanning.org) for more information regarding these and any future modifications to the Inclusionary Affordable Housing Program.