

This Bulletin outlines how the Planning Department administers ministerial approval for affordable and supportive housing.

PLANNING DIRECTOR

BULLETIN NO. 5

MINISTERIAL APPROVAL PROCESSES FOR AFFORDABLE AND SUPPORTIVE HOUSING

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References:

CA Govt. Code Section 65913.4 - SB 35/SB 423 CA Govt. Code Section 65650 – AB 2162 CA Govt. Code Section 65912.100 et seq. - AB 2011/AB 2243 CA Govt. Code Section 65913.16 - SB 4

WHAT IS MINISTERIAL APPROVAL?

A ministerial decision involves only the use of fixed or objective standards, and government agencies cannot use personal, subjective judgment in deciding whether or how the project should be carried out. Ministerial projects are not subject to environmental review under the California Environmental Quality Act (CEQA) or conditional use authorization or other similar discretionary entitlements under the Planning Code. Neighborhood notification is not required for ministerial projects.

This bulletin includes the eligibility criteria for various ministerial programs as they apply to 100% affordable housing projects and describes how the Planning Department implements these programs. Other residential or mixeduse projects that do not include 100% affordable housing may also be eligible for ministerial approval and are described in <u>Planning Director Bulletin 9</u>. The ministerial programs described in this Bulletin are mandated by the State of California.

WHAT IS THE PLANNING DEPARTMENT PROCESS FOR A 100% AFFORDABLE PROJECT THAT IS ELIGIBLE FOR MINISTERIAL APPROVAL?

Projects seeking to use a ministerial program will have different submittal requirements than discretionary Planning Department submissions. Projects seeking approval under a ministerial program must submit a complete application package to the Planning Department, which may include but is not limited to:

- A supplemental application form for the applicable ministerial approval program (linked below),
- A <u>SB 330 Preliminary Application/Notice of Intent to Submit a Project Application Pursuant to SB 423</u>, (also referred to as the "Notice of Intent" throughout this Bulletin),
- An <u>Individually Requested State Density Bonus Program Supplemental</u>
 <u>Application</u>, and
- A PDF set of 11" x 17" plans that comply with the Department's <u>Plan Submittal Guidelines</u>.

As of January 1, 2024, the Planning Department will no longer require projects seeking ministerial approval to submit a building or site permit as part of a complete application submittal.

The Planning Department must determine if an application is eligible for ministerial approval within a specified timeframe depending on the size of the project, as specified by the applicable state law. If the Department determines that a project is ineligible for ministerial review, state mandated timelines will restart upon resubmittal. After the Department has determined that the project is eligible for streamlining, it must also approve or deny the application within a specified timeframe. Planning will toll the time that the project application is with the applicant for revisions or clarifications after the date the project is determined to be eligible for ministerial approval.

If a project is deemed compliant, the Planning Department will issue a Planning Department Approval Letter. After receiving a Planning Department Approval Letter, an applicant may submit postentitlement building permits with the Department of Building Inspection (DBI) for review by DBI and other City agencies.

Certain ministerial approval programs require the project sponsor to submit a Phase 1 Environmental Assessment and supporting documentation for the project site as a condition of approval of the development. If the Phase 1 Environmental Assessment finds that hazardous materials are present, Planning staff will determine the application to be ineligible for ministerial approval until the Department of Public Health, in conjunction with the Planning Department, develops conditions of approval that will successfully mitigate any hazards to insignificant levels as set forth in State Law.

Pre-submittal Requirements

Certain programs require an applicant to complete tribal notification and/or hold an informational hearing at the Planning Commission prior to submitting an application for ministerial approval. These requirements are further described in the "Pre-Submittal" section of each ministerial program below. Applicants are required to submit a Notice of Intent to initiate any required pre-submittal requirements. The Planning Department will determine that an application for ministerial approval is incomplete if it is submitted prior to completion of these pre-submittal requirements.

Tribal Notification

Tribal Notification is required for certain streamlining programs. The Planning Department is required to engage in a scoping consultation regarding the proposed development with any California Native American tribe that is traditionally and culturally affiliated with the geographic area. Department staff has 30 days from submittal from the Notice of Intent to notify these tribal groups. Within 30 days of the notification, a representative of the tribal group may request a scoping consultation with the Department. The consultation may include discussion concerning the identification, presence, and significance of Tribal Cultural Resources (TCRs), the significance of the project's impacts on TCRs, and, as warranted, methods, measures and conditions to protect or reduce impacts on tribal cultural resources. If a scoping consultation is requested, Department staff will coordinate with the requestor to develop methods, measures, and conditions which will be attached to the approval as conditions of approval. If the project sponsor does not agree to impose these measures, or the sponsor and requestor cannot agree on a set of measures, then the project is not eligible for that ministerial approval program.

Some streamlining programs only require Tribal Notification on vacant sites. In San Francisco, a vacant site is:

- 1. Any undeveloped parcel containing no existing buildings;
- 2. Any parcel that contains only a surface parking lot and no existing buildings, except buildings that are accessory to a surface parking lot use, such as a guard station or kiosk, whether or not said surface parking lot was established with the benefit of a permit, or
- 3. For a parcel over 15,000 square feet in size that contains a surface parking lot use, the site may include structures that are accessory to a surface parking lot use, such as those supporting General Advertising Signs, and a building that does not exceed 800 square feet in building area.

Informational Hearing

CA Govt. Code Section 65913.4(q), adopted as part of SB 423 (2023), requires a public hearing for projects located in census tracts that are designated either as a moderate resource area, a low resource area, or an area of high segregation and poverty on the most recent "CTCAC/HCD Opportunity Map" published by the California Tax Credit Allocation Committee and the Department of Housing and Community Development and are shown on the "SB 423 Hearing Map" layer on the Department's Property Information Map. Projects located in these census tracts must present the project at a Planning Commission hearing (coordinated by Planning Staff) within 45 days of submittal of the Notice of Intent. SB 423 projects will be heard as informational items, usually at the beginning of regularly scheduled Commission hearings. The applicant will be required to confirm, in writing, that they attended the public meeting, and have reviewed oral and written testimony in its submittal of an application for ministerial approval.

MINISTERIAL APPROVAL PROGRAMS + STATE DENSITY BONUS LAW

The California State Density Bonus Law (CA Govt. Code Section 65915) offers development incentives to projects that provide on-site affordable housing.

Projects that meet the eligibility criteria for the State Density Bonus Law may also seek approval under ministerial approval programs. The State Density Bonus Law may be used on development sites with a base density of five units or more. Any waivers, concessions, or incentives, conferred through the State Density Bonus Law are considered code-complying, and therefore are consistent with the objective standards of the Planning Code.

The State Density Bonus Law provides a separate program for 100% affordable housing projects depending upon the projects' proximity to transit. (CA Govt. Code Section 65915(b)(1)(G)). Under this section, 100% affordable projects are entitled to form-based density, three additional stories in height (or 33 feet), up to five incentives or concessions, and unlimited waivers. Exclusive of a manager's unit or units, 100% of the total units must be for low or very-low income households except that up to 20% of the total units in the development may be for moderate-income households.

Alternatively, 100% affordable projects may seek a density bonus ranging between 20-50% depending on the affordability levels of the units provided, up to four incentives or concessions, and waivers of development standards. Please see <u>Planning Director Bulletin 6</u> (regarding the State Density Bonus Program) for additional information.

OTHER CONSIDERATIONS FOR 100% AFFORDABLE PROJECTS

Subsequent Permits and Post-Entitlement Permits

Subsequent permits defined in CA Govt. Code Section 65913.4(i), and post-entitlement permits defined in CA Govt. Code Section 65913.3, include permits and reviews required after the entitlement process to begin construction, including, but not limited to building permits, grading, excavation, demolition, or minor off-site improvements. When the City receives an application for a subsequent permit or post-entitlement permit for a project that was approved under a ministerial program, the City is required to process the permit without unreasonable delay. City agencies may not impose any new objective standards to the subsequent permit that were not in effect at the time of the ministerial project approval. City Agencies shall review subsequent permits and post-entitlement permits to implement the approved development, and review of these permits shall not chill, inhibit, or preclude the development. If a subsequent permit may not be reviewed ministerially, the issuing agency shall review the permit in accordance with CA Govt. Code Section 65913.4(i).

Industrial Uses

A project is ineligible for streamlined, ministerial approval under certain programs if it is on or adjacent to a site where more than 1/3 of uses are dedicated to Industrial Uses, which are defined as manufacturing, transportation maintenance and storage, warehousing and any other use considered a source that is subject to permitting by the Bay Area Air Quality District. Under Planning Code Section 102, an "Industrial Use" includes Agricultural and Beverage Processing, Automobile Wrecking, Automobile Assembly, Grain Elevator, Hazardous Waste Facility, Junkyard, Livestock Processing, Heavy Manufacturing, Light Manufacturing, Metal Working, Ship Yard, Storage Yard, Volatile Materials Storage, and Truck Terminal. For the purposes of implementation of ministerial programs, a "Light Industrial Use" is considered an "Industrial Use."

Additionally, the following Utility and Infrastructure uses under the Planning Code are considered to be industrial uses for the purposes of AB 2011 (CA Govt. Code Section 65912.100 et seq): Community Recycling Center, Internet Service Exchange, Power Plant, Public Transportation Facility, Public Utilities Yard, Utility Installation.

"Dedicated to an industrial use" means that the site is currently or was most recently permitted as an industrial use and occupied within the past three years or designated for industrial use in a general plan adopted after January 1, 2022 and residential uses are not principally permitted on the site. Project sponsors will be required to submit an affidavit related to adjacent uses as part of an application for ministerial approval programs, if applicable.

Application of the Inclusionary Affordable Housing Program

Projects may only be exempt from the Inclusionary Affordable Housing Program (Planning Code Section 415) if it is a 100% affordable housing project in which rents are controlled or regulated by any government unit, agency or authority, excepting those unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development (HUD). The Mayor's Office of Housing and Community Development must represent to the Planning Commission or Planning Department that the project meets this requirement. A Project Sponsor may demonstrate compliance with this criterion by executing and recording a regulatory agreement or obtaining letter from MOHCD confirming compliance. If the Project Sponsor cannot meet this criterion, then the Sponsor shall comply with the applicable Inclusionary Affordable Housing Program requirements, including the Affordable Housing Program Monitoring and Procedures Manual, as amended from time to time, published by MOHCD. A project may also be exempt if it is located on property is owned by the United States or any of its agencies or owned by the State of California.

Development Impact Fees

Pursuant to Planning Code Section 406, 100% affordable projects may qualify for exemptions from certain development impact fees. Generally, to qualify for an exemption, a project must maintain the affordability of the project for at least 55 years, must be subsidized by the Mayor's Office of Housing and Community Development (MOHCD), Department of Homelessness and Supportive Housing (HSH), and/or the Office of Community Investment and Infrastructure (OCII), and the affordable units must be priced at 80% AMI or below as published by HUD. If a 100% affordable project includes units that are priced above 80% AMI, but meets the other two criteria, the applicable development impact fees will be prorated only to apply to the units exceeding 80% AMI

Demolition

Projects seeking ministerial approval under SB 423 and SB 4 may not require the demolition of rent-controlled housing, housing restricted to persons and families moderate, low, or very low income, or housing that has been occupied by tenants within the last 10 years. In addition, projects may not be located on a site previously used for housing that was occupied by tenants that was demolished within 10 years before a proponent submits an application. Demolition is defined in Planning Code Section 317(b)(2)(A)-(C).

WHAT IF MY PROJECT IS 100% AFFORDABLE, BUT IS NOT ELIGIBLE FOR MINISTERIAL APPROVAL? If a 100% affordable project is not eligible for a ministerial approval program, the applicant may also seek administrative approval under Planning Code Section 315. CEQA review is still required for Section 315 approval, but the project will not be subject to any discretionary action by the Planning Commission. Projects seeking approval under Section 315 are eligible for a density bonus, waivers, and incentives/concessions under the State Density Bonus Law and may be eligible for other Planning Code exceptions through Section 315.

MINISTERIAL APPROVAL PROGRAMS

SB 423 (<u>CA Govt. Code Section 65913.4</u>)

Overview

CA Govt. Code Section 65913.4, commonly known as SB 35, applies in cities that are not meeting their Regional Housing Need Allocation (RHNA) goals for construction of very low, low, or above- moderate income housing. SB 35 requires local entities to streamline the approval of certain housing projects by providing a ministerial approval process. SB 35 was significantly amended in 2023 by SB 423.

Currently, the City does not meet its RHNA production goals for above-moderate housing, therefore under SB 423, the City must ministerially approve code compliant projects of 2 or more units (provided eligibility are met). If projects provide 11 or more units, 10% of the projects must be affordable to households at 80% AMI for ownership or 50% AMI for rental. Projects with 10 units must comply with local inclusionary requirements. Projects with 2-9 units have no affordability requirements.

This Bulletin refers to the program in CA Govt. Code Section 65913.4 as "SB 423" and describes the implementation of the program for 100% affordable projects (excluding a manager's unit) in San Francisco. For more information on how SB 423 is implemented for projects with less than 100% affordable units, please refer to <u>Planning Director Bulletin 9</u>. For complete details about the requirements of SB 423, please refer to CA Govt. Code Section 65913.4.

Eligibility Criteria

A 100% affordable project is eligible for streamlining under SB 423 if it meets the following criteria:

Site Requirements

- **Zoning.** The development must be located on a legal parcel or parcels that allow for residential uses.
- **Location.**The development must be located on a property that is not located on prime farmland, wetlands, a high fire hazard severity zone, a delineated earthquake fault zone, a flood plain, a floodway, a community conservation plan area, a habitat for protected species, or under a conservation easement.
- **Hazardous Waste Site.** The development is not located on a property that is classified as a hazardous waste site as defined under CA Gov't. Code Section 65912.111(e) (see CA Govt. Code Section 65913.4(a)(6)(e)), unless the project sponsor has secured a letter from the State Department of Public Health, State Water Resources Control Board, or the Department of Toxic Substance Control stating that the site is suitable for residential uses. This letter is required prior to the submittal of an AB 2011 project.
- Coastal Zone. Projects located in the Coastal Zone are prohibited until January 1, 2025. On or after January 1, 2025, the development may not be located on sites within the coastal zone that are not subject to a certified local coastal program or a certified land use plan; areas vulnerable to five feet of sea level rise; areas not zoned for multi-family housing; located within 100-feet of a wetland, or on prime agricultural land. For more information, please see the requirements in CA Govt. Code Section 65913.4(a)(6)(A).

If a project is located on a Coastal Zone site that is eligible for this program, the project sponsor shall submit a coastal zone permit, and the Department will review the project for compliance with any objective criteria of the Local Coastal Program.

- **Demolition of Residential Units.** SB 423 projects may not demolish any of the following types of housing:
 - o Units that have been occupied by tenants in the last 10 years;
 - Units subject to any form of rent or price control, or units subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low incomes.
 - The project cannot be located on a site which was previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent applies for approval under SB 423.
 - "Demolition" is defined in Planning Code Section 317(b)(2)(A)-(C).
- **Historic Buildings.** SB 423 may not demolish historic structures that are on a national, state, or local historic register. A local historic register includes those properties listed within Article 10 or 11 of the San Francisco Planning Code. For Article 10 Buildings, structures identified as Contributing and Contributing-Altered are considered historic while Non-contributing buildings are not considered historic structures for the purposes of SB 423. For Article 11, Contributory and Significant buildings (I, II, III, IV) are considered historic structures while Unrated (V) buildings are not historic structures for the purposes of SB 423. The Article 10 definition of demolition will apply to both Article 10 and Article 11 properties, and projects that exceed the definition of demolition are ineligible for streamlining.

Project Requirements

- **Residential Use.** The development must include the construction of at least two or more residential units. At least 2/3 of the floor area of the proposed building must be dedicated to residential uses.
- **Consistent with Objective Standards.** The project must meet all objective standards of the Planning Code, including any applicable design standards, at the time of SB 423 application submittal.
- Labor Requirements. If the development is not in its entirety a public work, as defined in CA Govt. Code Section 65913.4 (a)(8)(A), all construction workers employed in the execution of the development must be paid at least the general prevailing rate of per diem wages for the type of work and geographic area. The project sponsor shall certify to the City that it has met the requirements set forth in CA Govt. Code Section 65913.4(a)(8)(A). Projects with 10 or fewer units are exempt from the prevailing wage requirement. Project with 50 or more units must also make healthcare expenditures. Although a skilled and trained workforce, as defined in CA Govt. Code section 65913.4 (a)(8)(F), must complete the development if a project is over 85 feet in height above grade, 100% affordable housing projects (at 80% AMI or lower) are exempt from the skilled and trained workforce provisions. Please see CA Govt. Code Section 65913.4(a)(8) and (9) for complete details about the labor requirements for SB 423 projects.
- **Subdivisions.** An application for a subdivision associated with a SB 423 project is considered ministerial so long as the project is consistent with the objective standards of the City's Subdivision Ordinance.

Planning Department Review Process

Projects must submit an SB 423 Supplemental Application. For more information on the submittal requirements please see the <u>SB 423 Supplemental Application</u>.

Pre-submittal requirements

The project sponsor must complete the following prior to submittal of an SB 423 application. These are completed through the submittal of a <u>Notice of Intent</u>.

- **Tribal notification**, as described above, is required for all SB 423 projects.
- Projects located within the CTCAC High Opportunity Zone shall present the project at an
 informational hearing at the Planning Commission. The Planning Department will schedule the
 informational item to occur within 45 days of the submittal of the Notice of Intent.

Planning Review Timelines

After meeting pre-submittal requirements, the sponsor may submit SB 423 application materials. Planning review of a SB 423 application is subject to following deadlines. The Planning Department has 30 days to review any revision submitted by the project sponsor.

Project Size	Determination of Complete Application Materials	Eligibility for Ministerial Program and Code Compliance Review	Planning Project Approval
150 units or fewer	30 days from submittal	60 days from submittal	90 days from submittal
More than 150 units	30 days from submittal	90 days from submittal	180 days from submittal

Approval Expiration

If an SB 423 project includes public investment in affordable housing other than tax credits and provides at least 50% of the units at 80% AMI or below, then the SB 423 approval does not expire. If the project does not meet both foregoing criteria, then the SB 423 approval shall expire after three years unless construction activity has commenced on the site (including grading and demolition) and the site permit for the project has been issued. The City may grant a one-time, one-year extension if there has been significant progress towards getting the development construction ready.

AB 2162 (<u>CA Govt. Code Section 65650</u>)

Overview

California Assembly Bill No. 2162 (AB 2162) effective January 1, 2019, requires that supportive housing be a use that is permitted by right in zones where multifamily and mixed-use development is permitted. AB 2162 amends CA Govt. Code Section 65583 and adds CA Govt. Code Section 65650 to require local entities to streamline the approval of housing projects containing a minimum amount of Supportive Housing. For complete details on AB 2162, please see CA Govt. Code Section 65650.

What is Supportive Housing?

Supportive Housing is defined as housing with no limit on the length of stay, that is occupied by the target population, and is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. (CA Health Safety Code Section 50675.14). Target populations include homeless individuals, youth and families, and people with disabilities.

Eligibility Criteria

A project is eligible for streamlining under AB 2162 if it meets the following criteria:

- Affordability and Supportive Housing Use. All the proposed residential units in the project, excluding the manager's unit(s), must be dedicated as affordable to households at 80% AMI or below for a period of at least 55 years. At least 25% of the total number of units, or 12 units (whichever is greater) must be restricted for residents of Supportive Housing who meet the Target Population. If there are fewer than 12 units in the project, then the entire project must be restricted for residents of Supportive Housing.
- **Supportive Services.** Supportive Services include, but are not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy. For projects with 20 units or fewer, at least 90 square feet of space must be dedicated to supportive services. For projects with more than 20 units at least 3% of the floor area must be dedicated to supportive services.
- **Zoning.** The project must be in a District that allows for multifamily (2 or more units) or mixed-use zoning.
- **Replacement of Existing Units.** If the project demolishes any existing residential unit, then the project must include replacement unit(s) in the Supportive Housing Development in the manner described in CA Govt. Code Section 65915(c)(3).
- **Amenities.** Each unit, excluding the manager's unit, must have at least a bathroom, refrigerator, stovetop and sink.
- **Consistent with Objective Standards.** The project must comply with objective, written development standards and policies which apply to other multifamily developments within the same zoning district.

Planning Review Process

More information on the submittal requirements for an AB 2162 project may be found in the <u>AB 2162 Supplemental Application</u>.

Pre-submittal Requirements

There are no pre-submittal requirements for an AB 2162 Project.

Planning Review Timelines

Planning review is subject to deadlines listed in the chart below. The Planning Department has 30 days to review any revision submitted by the project sponsor.

Project Size	Determination of Complete Application Materials	Eligibility for Ministerial Program	Planning Project Approval
50 units or fewer	30 days from submittal	30 days from submittal	60 days from eligibility determination
More than 50 units	30 days from submittal	30 days from submittal	120 days from eligibility determination

AB 2011 (CA Govt. Code Section 65912.100 et seq.)

Overview

Assembly Bill 2011 (AB 2011), the Affordable Housing and High Road Jobs Act of 2022, effective July 1, 2023, requires the ministerial approval of eligible 100% affordable and mixed-income housing developments located on sites where office, retail or parking are principally permitted. In addition, to be eligible, mixed-income projects must be located on commercial corridors. All AB 2011 eligible projects must meet specified on-site affordable housing obligations and certain workforce commitments. Assembly Bill 2243 (AB 2243) further amended AB 2011, effective January 1, 2025. For complete details on AB 2011, please see CA Govt. Code Section 65912.100 et seq.

This Bulletin describes the implementation of AB 2011 for 100% affordable housing projects in San Francisco. For more information on how AB 2011 is implemented for mixed-income projects, please refer to <u>Planning Director Bulletin 9</u> and the <u>AB 2011 Supplemental Application</u>.

Eligibility Criteria

A 100% affordable housing project is eligible for streamlining under AB 2011 if it meets the following criteria:

Site Requirements

- Zoning. The development must be located on a legal parcel in a zoning district where either office, retail, or parking is a principally permitted use. For purposes of an AB 2011 application, principally permitted means a use that may occupy more than 1/3 of the square footage of designated use on the site and does not require a conditional use permit. In San Francisco, Projects in RH, RM, PDR, SALI, Van Ness Special Use District, Van Ness & Market SUD, and WSoMa Mixed Use Office (WMUO) district are ineligible for AB 2011 streamlining because they do not principally permit office, retail, or parking.
- Industrial Uses. The development must be located on a legal parcel where less than 1/3 of the square footage on the site is dedicated to industrial uses, is not adjacent to a lot where more than 1/3 of the square footage on the site is dedicated to industrial uses. An adjacent lot includes a lot that is separated from the project site by a street or highway. Projects in the PDR (Production Distribution and Repair)district are ineligible for AB 2011 approval because they are zoned for industrial uses.

A project is ineligible AB 2011 approval if it is on or adjacent to a site where more than 1/3 of uses were dedicated to Industrial Uses, which are defined as manufacturing, transportation maintenance and storage, and warehousing.

Under Planning Code Section 102, an "Industrial Use" includes Agricultural and Beverage Processing, Automobile Wrecking, Automobile Assembly, Grain Elevator, Hazardous Waste Facility, Junkyard, Livestock Processing, Heavy Manufacturing, Light Manufacturing, Metal Working, Ship Yard, Storage Yard, Volatile Materials Storage, and Truck Terminal. Additionally, the following Utility and Infrastructure uses under the Planning Code are considered to be industrial uses for the purposes of AB 2011: Community Recycling Center, Internet Service Exchange, Power Plant, Public Transportation Facility, Public Utilities Yard, Utility Installation. Note that power substations, utility conveyance, emergency backup generators and self-storage for residents who live on site are not considered industrial uses.

"Dedicated to an industrial use" means that the site is currently or was most recently permitted as an industrial use and the site has been occupied within the past three years or designated for industrial use in a general plan adopted after January 1, 2022 and residential uses are not principally permitted on the site. Project sponsors will be required to submit an affidavit related to adjacent uses as part of the AB 2011 application.

- **Location.** The development must not be on a site that contains prime farmland or wetlands, or that is classified as a high fire hazard severity zone, a delineated earthquake fault zone, a flood plain, a floodway, a community conservation plan area, a habitat for protected species, or that is under a conservation easement.
- **Coastal Zone.** The development may only be located on sites within the coastal zone that are subject to a certified local coastal program or a certified land use plan, not located in areas vulnerable to five feet of sea level rise; not located within 100-feet of a wetland, or not on prime agricultural land. For more information, please see the requirements in CA Govt. Code Section 65913.4(a)(6)(A).

If a project is located on a Coastal Zone site that is eligible for AB 2011, the project sponsor shall submit a coastal zone permit, and the Department will review the project for compliance with any objective criteria of the Local Coastal Program.

- **Hazardous Waste Site.** The development must not be located on a property that is classified as a hazardous waste site as defined under CA Gov't Code Section 65912.111(e) (See also, CA Govt. Code Section 65913.4(a)(6)(E)), unless the project sponsor has secured a letter from the State Department of Public Health, State Water Resources Control Board, or the Department of Toxic Substance Control stating that the site is suitable for residential uses. Such letter must be secured prior to submittal of an application under AB 2011.
- **Proximity to Freeways and Refineries.** If the development site is located within 500 feet of a freeway, the project must include MERV 16 ("Minimum efficiency reporting value") filtration and all outdoor intakes as well as building balconies must face away from the freeway. A freeway is defined in California Vehicle Code Section 332, but does not include on ramps or off ramps.

The development site must be located more than 3,200 feet from a facility that actively extracts or refines oil or natural gas.

Historic Buildings. AB 2011 projects may not demolish historic structures that are on a national, state, or local historic register. A local historic register includes those properties listed within Article 10 or 11 of the San Francisco Planning Code. For Article 10 Buildings, Contributing and Contributing-Altered are considered historic while Non-contributing are not considered historic structures for the purposes of AB 2011. For Article 11, Contributory and Significant buildings (I, II, III, IV) are considered historic structures while Unrated (V) buildings are not historic structures for the purposes of AB 2011. The Article 10 definition of demolition will apply to both Article 10 and Article 11 properties, and projects that exceed the definition of demolition are ineligible for streamlining.

Project Requirements

- **Affordability.** 100% of the units in the project, excluding manager's units, must be dedicated to lower-income households (80% AMI and below). Units must be subject to a recorded deed restriction of 55 years for rental units, and 45 years for owner-occupied units.
- **Consistent with Objective Standards.** The project must meet all objective standards of the Planning Code at the time of AB 2011 application submittal, including any applicable design standards.
- **State Density Bonus.** AB 2011 projects may also use the State Density Bonus Law. State Density bonus projects, including all requested waivers, incentives, and concessions, are considered code-complying. The setbacks required by CA Govt. Code Section 65912.123 may not be waived or modified by using an incentive.

- **Number of Units.** The project must propose at least five dwelling units, be 2/3 residential (including new or converted square footage) and be considered a Housing Development Project as defined in CA Govt. Code Section 65912.101(e). Assembly Bill 1893 (AB 1893), further refined the definition of Housing Development Project to include large projects of at least 500 net units. These projects must be at least 1/2 residential (including new or converted square footage) and may not contain any hotel uses aside from residential hotels. Similarly, a 500 net new unit project may involve the demolition of conversion of at least 100,000 square feet of nonresidential use by demolishing at least 50% of the existing nonresidential uses on the site. In addition, minimum densities will apply to an AB 2011 project. Please see CA Govt. Code Section 65912.123(b)(3).
- **Prevailing Wages.** If a project is not in its entirety a public work, it shall comply with the prevailing wage requirements set forth in CA Govt. Code Section 65912.130.
- **Craft Construction Employees.** In addition to the Labor Standards set forth in CA Govt. Code Section 65912.130, a project with 50 or more units shall employ construction craft employees as set forth in CA Govt. Code Section 65913.16(g).
- **Health Care Expenditures.** In addition to the Labor Standards set forth in CA Govt. Code Section 65912.130, in a project with 50 or more units, health care expenditures shall be made available for each contractor or subcontractor with construction craft employees. (CA Govt. Code Section 65912.131).

Planning Review Process

More information on the submittal requirements for an AB 2011 project may be found in the <u>AB 2011 Supplemental Application</u>.

As a condition of approval, an approved AB 2011 application must include a Phase 1 Environmental Assessment and supporting documentation for the project site. If hazardous materials are found, Planning staff will consult with the Department of Public Health to determine if the mitigation is adequate. The Department will pause the state mandated timelines during consultation with the Department of Public Health.

Pre-submittal Requirements

• Tribal notification, as described above, is required for AB 2011 projects on vacant sites only.

Planning Review Timelines

After meeting pre-submittal requirements, the sponsor may submit application materials. Planning review is subject to deadlines listed in the chart below. The Planning Department has 30 days to review any revision submitted by the project sponsor.

Project Size	Determination of Complete Application Materials	Eligibility for Ministe- rial Program and Code Compliance Review	Planning Project Approval
150 units or fewer	30 days from submittal	60 days from submittal	60 days from when development is deemed consistent with objective planning standards
More than 150 units	30 days from submittal	90 days from submittal	90 days from when deemed consistent with objective planning standards

Approval Expiration

If a project includes public investment beyond tax credits, then the AB 2011 approval will not expire. If the project does not include public investment, then the approval shall remain valid for three years from the date of the final action establishing that approval, or if litigation is filed challenging that approval, from the date of the final judgment upholding that approval. The project must begin construction activity, including demolition, grading, or other site preparation activities, within three years of approval.

SB 4 (<u>CA Govt. Code Section 65913.16</u>)

Overview

Senate Bill 4 (SB 4) was signed by Gov. Newsom on October 11, 2023, and will become effective on January 1, 2024. SB 4 adds CA Govt. Code Section 65913.16 to the Government Code Section and provides a ministerial approval process for 100% affordable projects located on land that was owned by an independent institution of higher education or religious institution on or before January 1, 2024. SB 4 expires on January 1, 2036.

Definitions (See CA Govt. Code Section 65913.16(b).)

- Independent institution of higher education means those nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in this state and are accredited by an agency recognized by the United States Department of Education. (CA Education Code 66010)
- **Religious Institution** means an institution owned, controlled and operated, and maintained by a bona fide church, religious denomination, or religious organization composed of multidenominational members of the same well-recognized religion, lawfully operating as a nonprofit religious corporation or as a corporation sole pursuant to the Corporations Code.
- Heavy Industrial Use means a source, other than a Title V source that is subject to permitting
 by an air pollution control district, or an air quality management district created or continued in
 existence pursuant to provisions of Part 3 (commencing with Section 40000 of the CA Health and
 Safety Code)
- **Light Industrial Use** means a use that is not subject to permitting by an air pollution control district or an air quality management district created or continued in existence pursuant to provisions of the CA Health and Safety Code. For the purposes of implementing SB 4, the definitions of "industrial use" and "dedicated to industrial use" as described above shall also serve as the definitions of a "light industrial use" and "dedicated to light industrial use" under SB 4.
- **Title V Industrial Use** means a use that is only a stationary source required by federal law to be included in an operating permit program established pursuant to Title V of the federal Clean Air Act (42 U.S.C. Secs. 7661 to 7661f, incl.) and the federal regulations adopted pursuant to Title V.

Non-Residential Uses in SB 4 Projects

Religious Institutional Uses are permitted within the development so long as the total square footage of non-residential space, and the total amount of parking, does not exceed the greater of what exists at the site or is principally permitted. Religious Institutional Uses are subject to the same operating conditions as contained in the previous approval for that use.

Other than Religious Institutional Uses, an SB 4 project may include ancillary uses that are limited to the ground floor of the development. In RH-1, ancillary uses may include child-care facilities and community facilities for use by residents and members of the local community. In all other zoning districts, ancillary uses may include any principally permitted uses within that zoning district.

Eligibility Criteria

A 100% affordable project is eligible for streamlining under SB 4 if it meets the following criteria:

Site Requirements

- **Land Ownership.** The development is located on land owned on or before January 1, 2024, by an independent institution of higher education or by a religious institution.
- **Location.** The development is not on a property that contains prime farmland or wetlands, or that is classified as a high fire hazard severity zone, a delineated earthquake fault zone, a flood plain, a floodway, a community conservation plan area, a habitat for protected species, or that is under a conservation easement.
- **Hazardous Waste Site.** The development is not located on a property that is classified as a hazardous waste site as defined under CA Gov't Code Section 65912.111(e) (CA Govt. Code Section 65913.4(a)(6)(e)), unless the project sponsor has secured a letter from the State Department of Public Health, State Water Resources Control Board, or the Department of Toxic Substance Control stating that the site is suitable for residential uses.
- **Demolition of Residential Units.** The project does not demolish any housing units that have been occupied by tenants in the last 10 years; are subject to any form of rent or price control, or are subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low incomes. The project cannot be located on a site which was previously used for housing that was occupied by tenants that was demolished within 10 years before the development proponent applies for approval under SB 4. "Demolition" is defined in Planning Code Section 317(b)(2)(A)-(C).
- **Historic Buildings.** The project does not demolish a historic structure that is on a national, state, or local historic register. A local historic register includes those properties listed within Article 10 or 11 of the San Francisco Planning Code. For Article 10 Buildings, Contributing and Contributing-Altered are considered historic while Non-contributing are not considered historic structures for the purposes of SB 4. For Article 11, Contributory and Significant buildings (I, II, III, IV) are considered historic structures while Unrated (V) buildings are not historic structures for the purposes of SB 4. The Article 10 definition of demolition will apply to both Article 10 and Article 11 properties, and projects that exceed the definition of demolition are ineligible for streamlining.
- **Proximity to Industrial Uses.** A project must meet all the following criteria:
 - o A project may not be adjacent to a site in which 1/3 of the uses or more are **dedicated to light industrial use**, meaning that the current use is light industrial, has been most recently permitted as light industrial, or has been identified as a light industrial site by the General Plan.
 - o A project site may not be located within 1,200 feet of an existing **heavy industrial use**, or a site that has been most recently permitted as a heavy industrial use.
 - o A project site may not be located within 1,600 feet of an existing **Title V industrial use**, or a site that was most recently permitted as a Title V industrial use.
 - o If a project site does not permit multifamily uses, then the project may not be located within 3,200 feet of a facility that actively extracts or refines oil or natural gas.
- **Proximity to Freeway.** If the project is within 500 feet of a freeway, regularly occupied areas of the building shall provide air filtration media for outside and return air that provide a minimum efficiency reporting value (MERV) of 13.

Project Requirements

- Affordability. 100% of the total units, excluding manager's unit(s), must be for lower- income households as defined by Section 50079.5 of the CA Health and Safety Code (80% AMI), except that that up to 20% of the total units in the development may be for moderate-income households as defined in Section 50053 of the CA Health and Safety Code (120% AMI), and 5% of the units may be for staff of the independent institution of higher education or religious institution that owns the land. Units must be subject to a recorded deed restriction of 55 years for rental units, and 45 years for owner-occupied units.
- Replacement Units. If a project requires the demolition of residential units or is located on a site
 where residential units have been demolished within the past five years, the project sponsor shall
 comply with the replacement provisions of the Housing Crisis Act of 2019 (CA. Govt. Code Section
 66300(d)).
- **Consistent with Objective Standards.** The project must meet all objective standards of the Planning Code and Subdivision Code, if applicable, at the time of SB 4 application submittal.

· Density.

- o In zones that allow for residential uses, including single-family zones, SB 4 permits a minimum density at the project site of 30 units per acre. If the zoning allows for a higher density on the project site or a site adjacent to the project site, then the highest density shall apply.
- o In zones that do not allow for residential uses, SB 4 permits a minimum density at the project site of 40 units per acre. An SB 4 project may be eligible for a density bonus, waivers and incentives/concessions under the State Density Bonus Law, except as described below for building height.

Height.

- o In zones that allow for residential uses, including single-family zones, SB 4 permits a minimum height at the project site of one story above the zoned height. If the zoning allows for a higher height limit on a site adjacent to the project site, then the higher height limit shall apply.
- o In zones that do not allow for residential uses, SB 4 permits a minimum height at the project site of one story above the zoned height. An SB 4 project may not seek a State Density Bonus incentive, concession or waiver to increase the height above the height allowed by SB 4.
- Prevailing Wages. A project that includes more than 10 units that is not in its entirety a public
 work shall comply with the prevailing wage requirements set forth in CA Govt. Code Section
 65913.16(c)(12).
- **Craft Construction Employees.** In addition to the Labor Standards set forth in CA Govt. Code Section 65912.130, a project with 50 or more units shall employ construction craft employees as set forth in CA Govt. Code Section 65913.16(g).
- **Health Care Expenditures.** In addition to the Labor Standards set forth in CA Govt. Code Section 65912.130, in a project with 50 or more units, health care expenditures shall be made available for each contractor or subcontractor with construction craft employees. (CA Govt. Code Section 65912.131).

Planning Review Process

More information on the submittal requirements for an SB 4 project may be found in the <u>SB 4 Supplemental Application</u>.

A Phase 1 Environmental Assessment and supporting documentation is required for all projects seeking ministerial approval under SB 4.

Pre-submittal Requirements

• **Tribal notification**, as described above, is required for SB 4 projects on vacant sites only.

Planning Review Timelines

After meeting pre-submittal requirements, the sponsor may submit application materials, review subject to following deadlines. The Planning Department has 30 days to review any revision submitted by the project sponsor.

Project Size	Determination of Complete Application Materials	Eligibility for Ministerial Program and Code Compliance Review	Planning Project Approval
150 units or fewer	30 days from submittal	60 days from submittal	90 days from submittal
More than 150 units	30 days from submittal	90 days from submittal	180 days from submittal

Approval Expiration

If a project includes public investment beyond tax credits, then the SB 4 approval will not expire. If the project does not include public investment, then the approval shall remain valid for three years from the date of the final action establishing that approval, or if litigation is filed challenging that approval, from the date of the final judgment upholding that approval. The project must begin construction activity, including demolition, grading, or other site preparation activities, within three years of approval.



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