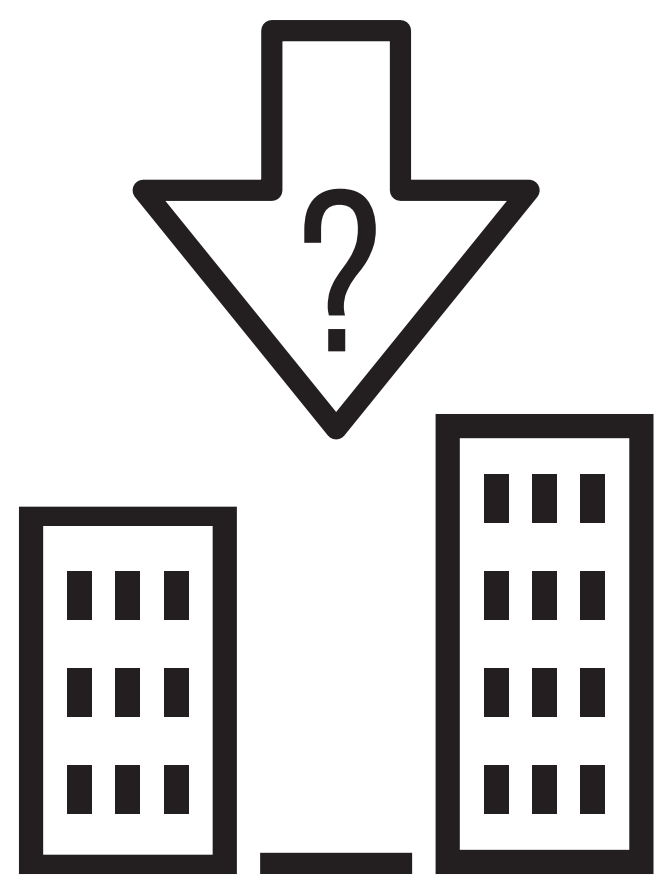


# AFFORDABLE HOUSING BONUS PROGRAM GOALS



## AFFORDABLE HOUSING BONUS PROGRAM

The Affordable Housing Bonus Program seeks to meet affordable housing needs. The Program goals are to:



### IMPROVE FEASIBILITY OF UNDERUTILIZED SITES

The Program will provide opportunities for developments within the Program area to meet current housing needs. Current zoning regulations within the Program area are outdated.



### ESTABLISH A 'MIDDLE INCOME' PROGRAM

San Francisco currently does not have programs to support affordable housing for middle-income households.



### INCENTIVIZE GREATER LEVELS OF ONSITE AFFORDABLE UNITS

Currently, developers have the option to provide affordable housing units on-site, off-site, or pay a fee. The Program provides incentives for developers to increase the number of affordable units within a development.



### FACILITATE ENTITLEMENT OF 100% AFFORDABLE PROJECTS

The Program provides a streamlined application, review, and approval process for 100 percent affordable housing projects.



# WHY NOW



## AFFORDABLE HOUSING BONUS PROGRAM

### INCREASING OPPORTUNITIES TO BUILD HOUSING

Zoning districts within the Program area were adopted in the 1960s and 1970s and do not support mixed-income development, a current housing need.



### REMAINING AN EQUITABLE AND INCLUSIVE CITY

Retaining families and people of all incomes is an overriding issue.

San Francisco has several affordable housing programs, but the City currently does not have programs to support affordable housing for middle-income households.



### CUSTOMIZING THE STATE LAW TO MEET SAN FRANCISCO NEEDS

- » The State Density Bonus Law and 2013 Napa Court Case do not define density bonus parameters for projects that include affordable housing.
- » The State Law provides a solid foundation, however its broad scope does not meet San Francisco's specific housing needs.
- » The State Law requirements do not adequately support permanently affordable middle-income housing.



# WHO IS AFFORDABLE HOUSING FOR?

In 2015, San Francisco's Area Median Income for one person is **\$71,380.**


Affordable housing is when 30 percent or less of a household's income is spent on housing.

## AREA MEDIAN INCOME


**Area**  
A particular geographical area, e.g., San Francisco

**Median**  
Middle point: half of the households earn below the median while the other half earn above

**Income**  
Total income of the entire household



Occupation  
HOUSEKEEPING CLEANER




Occupation  
LANDSCAPER OR GROUNDS-KEEPER

### VERY LOW-INCOME HOUSEHOLDS

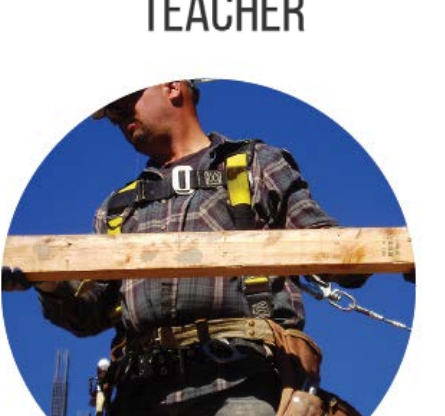
50% AMI  
(AREA MEDIAN INCOME)

ANNUAL INCOME, BY HOUSEHOLD SIZE				
VERY LOW-INCOME HOUSEHOLDS Earn up to 50% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
\$36,000	\$41,000	\$46,000	\$51,000	

AFFORDABLE RENTS AND SALES PRICES				
VERY LOW-INCOME HOUSEHOLDS Earn up to 50% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
Rental \$900	Rental \$1,000	Rental \$1,100	Rental \$1,300	
Owner \$96,000	Owner \$113,000	Owner \$130,000	Owner \$147,000	



Occupation  
ELEMENTARY/ SECONDARY SCHOOL TEACHER




Occupation  
CONSTRUCTION WORKER

### LOW-INCOME HOUSEHOLDS


80% AMI  
(AREA MEDIAN INCOME)

ANNUAL INCOME, BY HOUSEHOLD SIZE				
LOW-INCOME HOUSEHOLDS Earn up to 80% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
\$57,000	\$65,000	\$73,000	\$82,000	

AFFORDABLE RENTS AND SALES PRICES				
LOW-INCOME HOUSEHOLDS Earn up to 80% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
Rental \$1,400	Rental \$1,600	Rental \$1,800	Rental \$2,000	
Owner \$197,000	Owner \$228,000	Owner \$260,000	Owner \$291,000	



Occupation  
POLICE, FIRE, AMBULANCE DISPATCH




Occupation  
ELECTRICIAN

### MODERATE-INCOME HOUSEHOLDS


120% AMI\*  
(AREA MEDIAN INCOME)

ANNUAL INCOME, BY HOUSEHOLD SIZE				
MODERATE-INCOME HOUSEHOLDS Earn up to 120% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
\$85,000	\$98,000	\$110,000	\$122,000	

AFFORDABLE RENTS AND SALES PRICES				
MODERATE-INCOME HOUSEHOLDS Earn up to 120% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
Rental \$2,100	Rental \$2,400	Rental \$2,700	Rental \$3,000	
Owner \$331,000	Owner \$382,000	Owner \$432,000	Owner \$483,000	



Occupation  
ACCOUNTANT



Occupation  
ELECTRICAL ENGINEER

### MIDDLE-INCOME HOUSEHOLDS

140% AMI\*  
(AREA MEDIAN INCOME)

ANNUAL INCOME, BY HOUSEHOLD SIZE				
MIDDLE INCOME HOUSEHOLDS Earn up to 140% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
\$100,000	\$114,000	\$128,000	\$143,000	

AFFORDABLE RENTS AND SALES PRICES				
MIDDLE INCOME HOUSEHOLDS Earn up to 140% of Area Median Income				
1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	
Rental \$2,500	Rental \$2,800	Rental \$3,200	Rental \$3,500	
Owner \$398,000	Owner \$458,000	Owner \$519,000	Owner \$579,000	

\* AHBP provides new affordable housing units for these residents.



# WHAT IS A DENSITY BONUS?



AFFORDABLE HOUSING  
BONUS PROGRAM

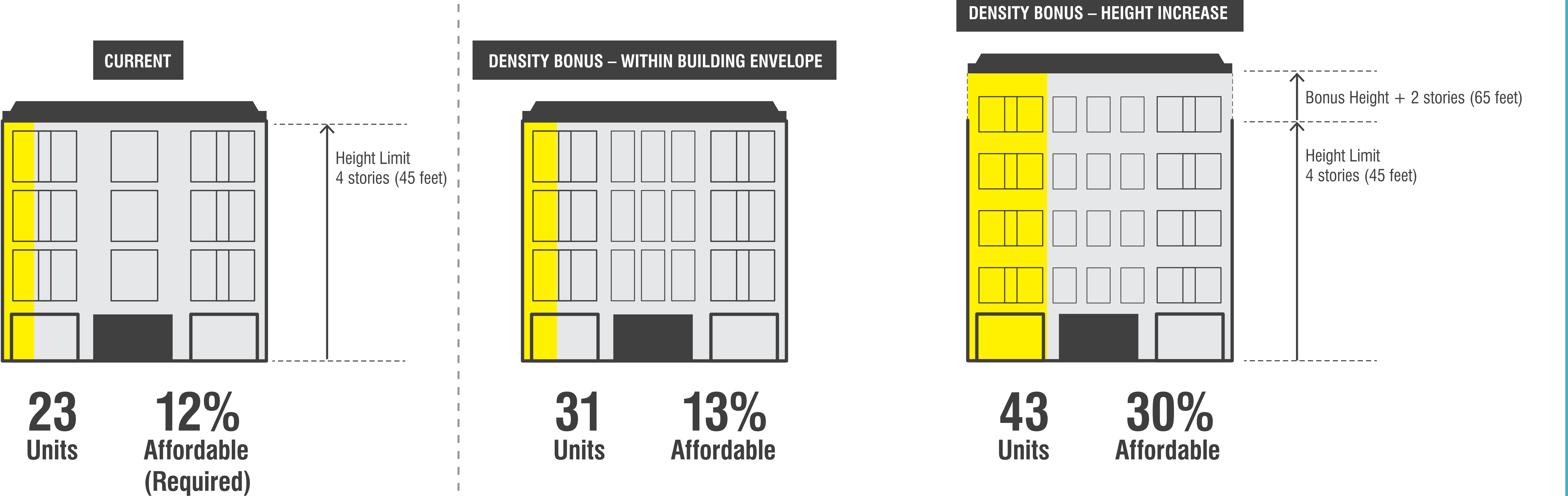
## WHAT IS A DENSITY BONUS?

A density bonus is an increase in the number of housing units and possibly height that is currently allowed under a specific zoning regulation. In exchange for building more affordable housing units.

### EXAMPLE SCENARIO

Neighborhood Commercial

Market Rate Units   Affordable Units



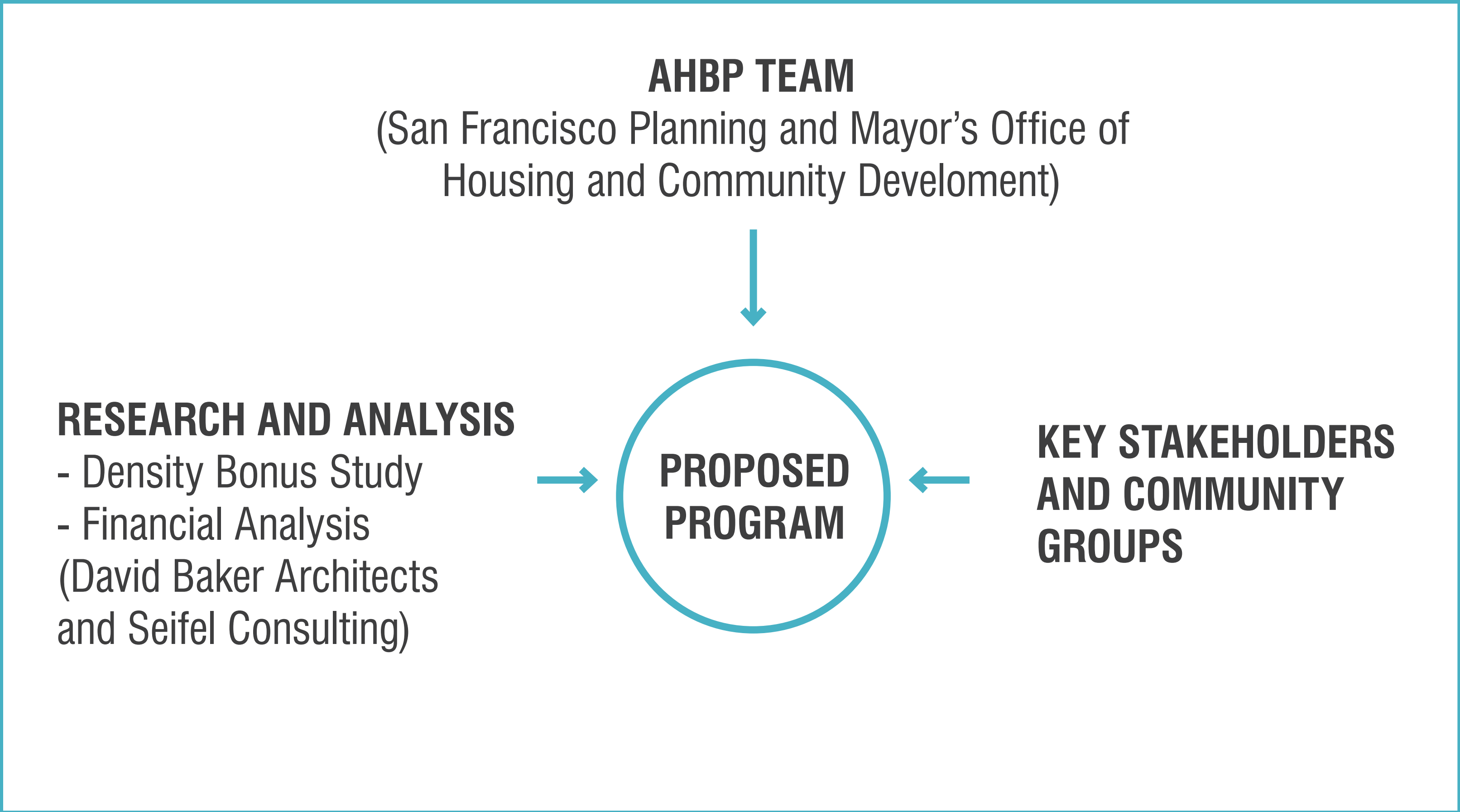


# HOW WE DEVELOPED THE PROGRAM



**AFFORDABLE HOUSING  
BONUS PROGRAM**

## PROGRAM DEVELOPMENT (2 YEARS)



## LEGISLATIVE PROCESS



**\*Informational Hearing:**  
*November 5 at 12PM*  
Legislative Chamber  
Room 250, City Hall

**\*Adoption Hearing:**  
*December 3 at 12PM*  
Legislative Chamber  
Room 250, City Hall



# BACKGROUND



## AFFORDABLE HOUSING BONUS PROGRAM

### State Density Bonus Law – 1979

Requires all cities and counties to offer a density bonus and other incentives to housing developments that include a certain percentage of affordable housing units.



### Napa Court Case – 2013

The State Supreme Court clarified that project sponsors can request a density bonus if their residential development includes on-site affordable housing units.



2014

### San Francisco Housing Element

In April 2014, San Francisco Planning updated the City's Housing Element, which includes Implementation Measure 38b, recommending the development of an Affordable Housing Bonus Program.

### Mayor's Working Group

Mayor Lee organized a housing working group that included key stakeholders in the housing community: affordable and market-rate housing developers and financiers, City staff, housing advocates, and related stakeholders.

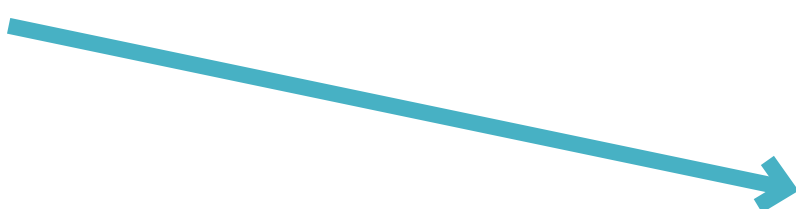
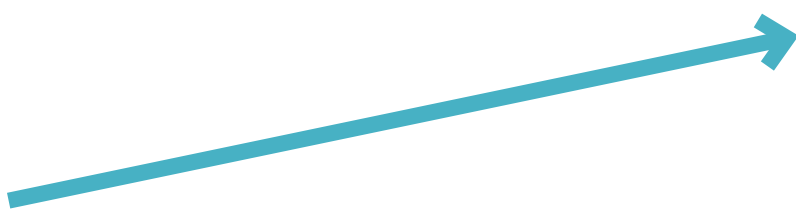
### Proposition K

San Francisco voters passed Proposition K, which established a goal of constructing or rehabilitating at least 30,000 housing units by 2020, 33 percent of which is to be affordable housing permanently available to low and moderate-income households.



### Affordable Housing Bonus Program

The proposed AHBP includes two options: the Local Program and the State Program.



### Local AHBP

Offer incentives to project sponsors that elect to provide 30 percent or more affordable housing units on-site.

### State AHBP

Locally implements the State Density Bonus Law.



# PROGRAM AREA



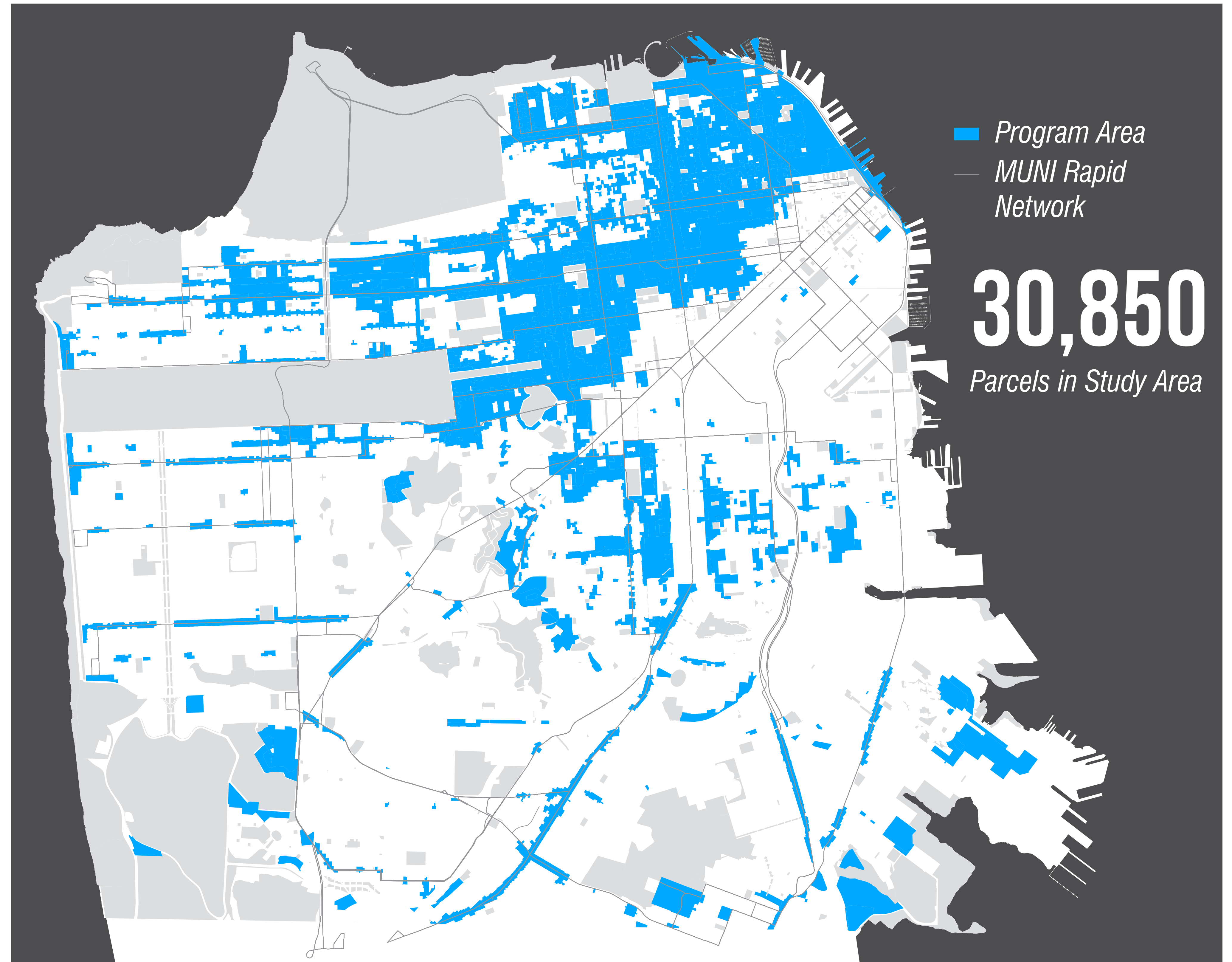
AFFORDABLE HOUSING  
BONUS PROGRAM

## MAP OF PROGRAM AREA

Areas highlighted in blue on the map below illustrate the key residential and commercial corridors where the Program applies in the City. Ground floor commercial retail is generally allowed or required in the program area.

### WHERE THE PROGRAM DOES NOT APPLY

- » Parcels in RH-1 or RH-2 Districts
- » Districts where density is regulated by height and bulk
- » Districts that do not allow residential uses





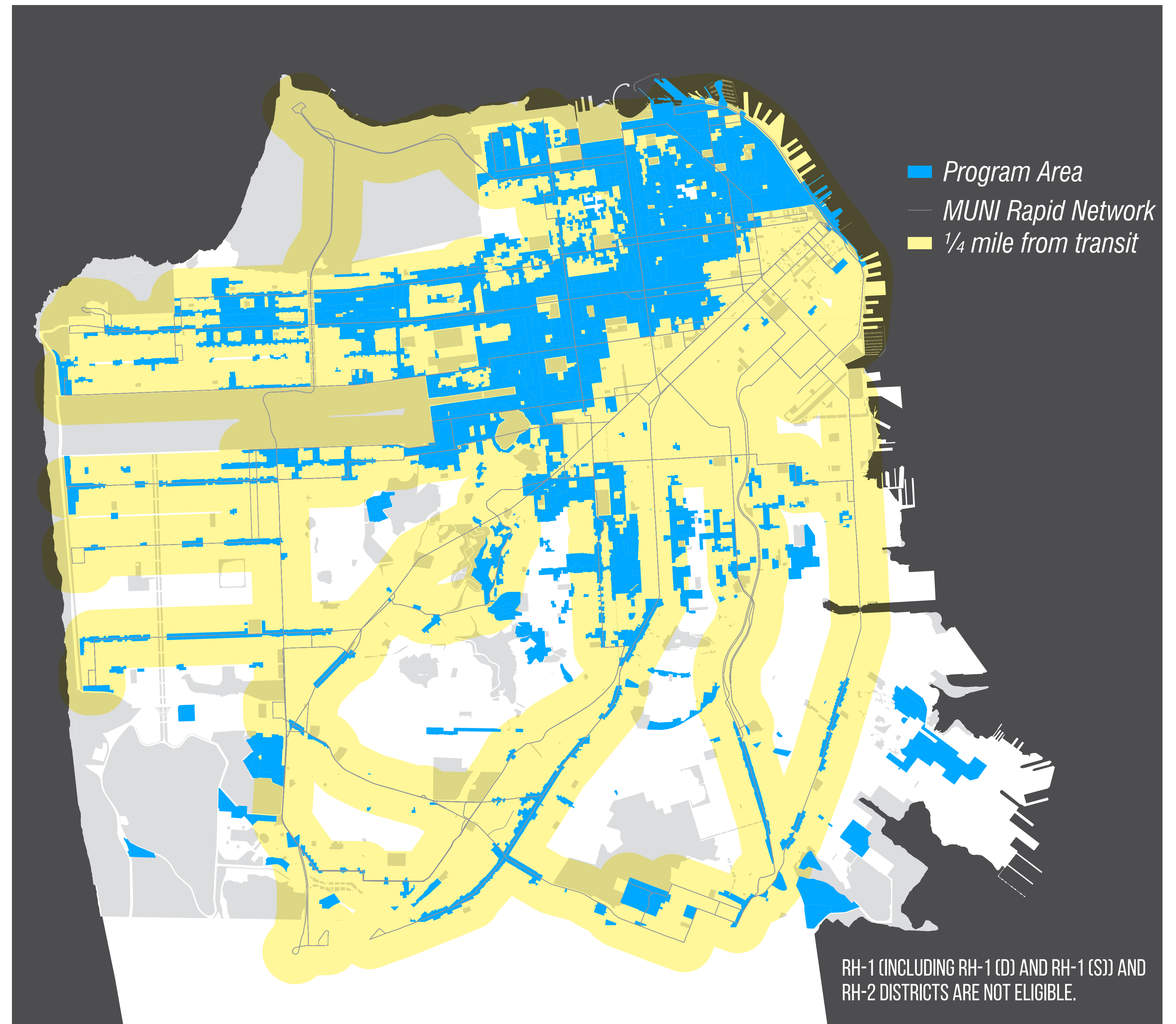
# PROGRAM AREA



## AFFORDABLE HOUSING BONUS PROGRAM

### WITHIN 5 MINUTE WALK TO TRANSIT

This map shows the program area and the Muni Rapid Network. Most of the program area parcels are within 1/4 mile of transit (5 minute walk), so we are encouraging housing near transit.





# PROPOSED LOCAL AFFORDABLE HOUSING BONUS PROGRAM



## AFFORDABLE HOUSING BONUS PROGRAM

The Local AHBP will offer incentives to project sponsors that elect to provide 30 percent or more affordable housing units on-site.

The following incentives will be available:

- » Up to 2 stories above existing height limits
- » Increased density based on:
  - Height and bulk controls
  - 40% 2-bedroom requirement
  - Design principles

Market Rate Units   Affordable Units to Low or Moderate-Incomes   Affordable Units to Middle-Incomes



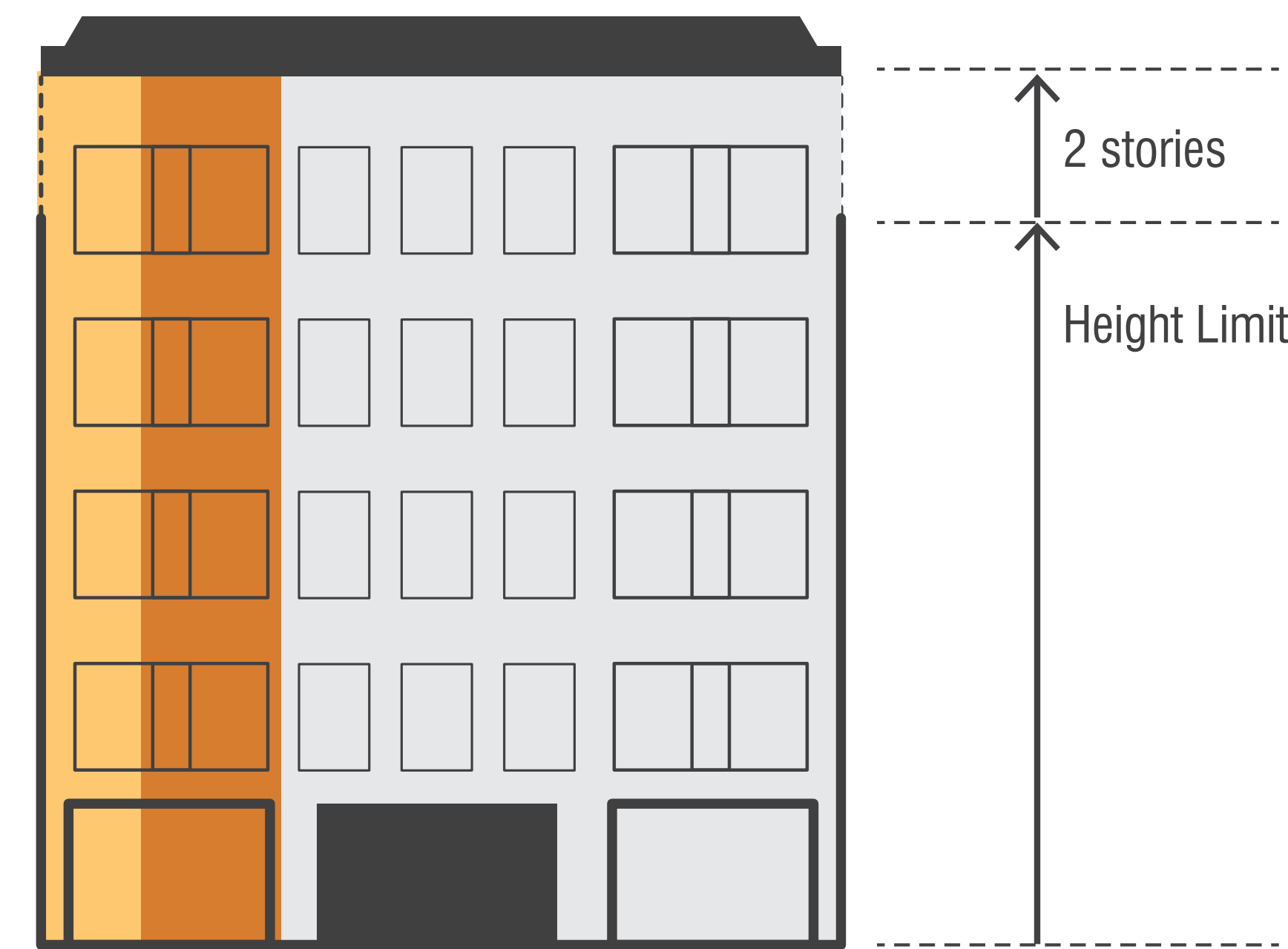
**12%**  
Affordable Units to Low  
or Moderate-Incomes  
(Required)



**12% + 18%**  
Affordable Units to Low  
or Moderate-Incomes  
(Required)   Affordable Units to  
Middle-Incomes

\* There is no minimum unit threshold.

### DENSITY BONUS – HEIGHT INCREASE



**= 30%**  
Affordable  
on-site units



# PROPOSED LOCAL AFFORDABLE HOUSING BONUS PROGRAM

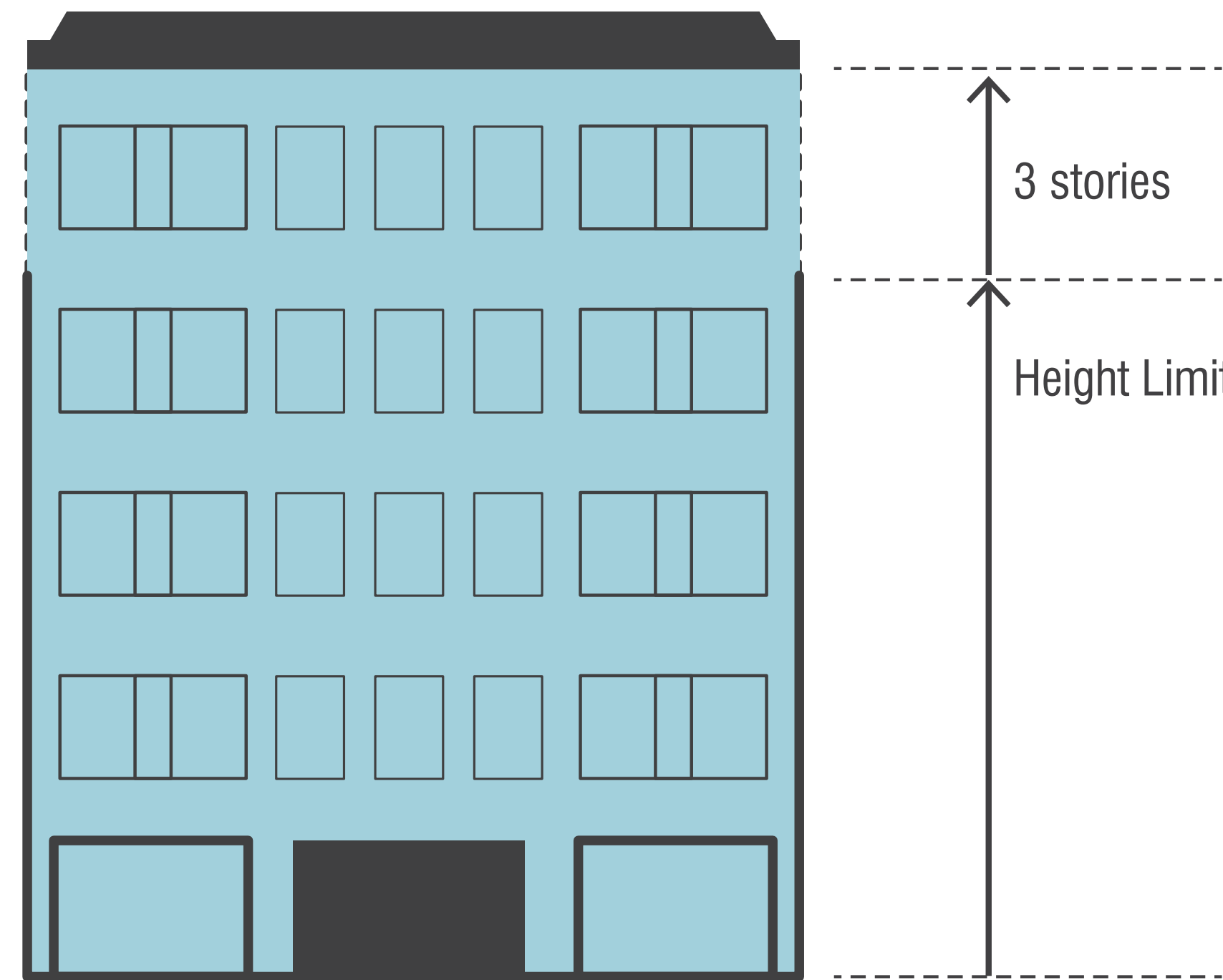


## AFFORDABLE HOUSING BONUS PROGRAM

Under the Local AHBP, project sponsors that provide 100 percent affordable units on-site will be offered incentives.

100% Affordable Units

### DENSITY BONUS – HEIGHT INCREASE



The following incentives will be available:

- » Up to 3 stories above existing height limits
- » Extended entitlements of 10 years
- » Increased density based on:
  - Height and bulk controls
  - Design principles



Bradley Davis (Flickr creative commons)



Harasha K R (Flickr creative commons)



# PROPOSED **STATE** AFFORDABLE HOUSING BONUS PROGRAM



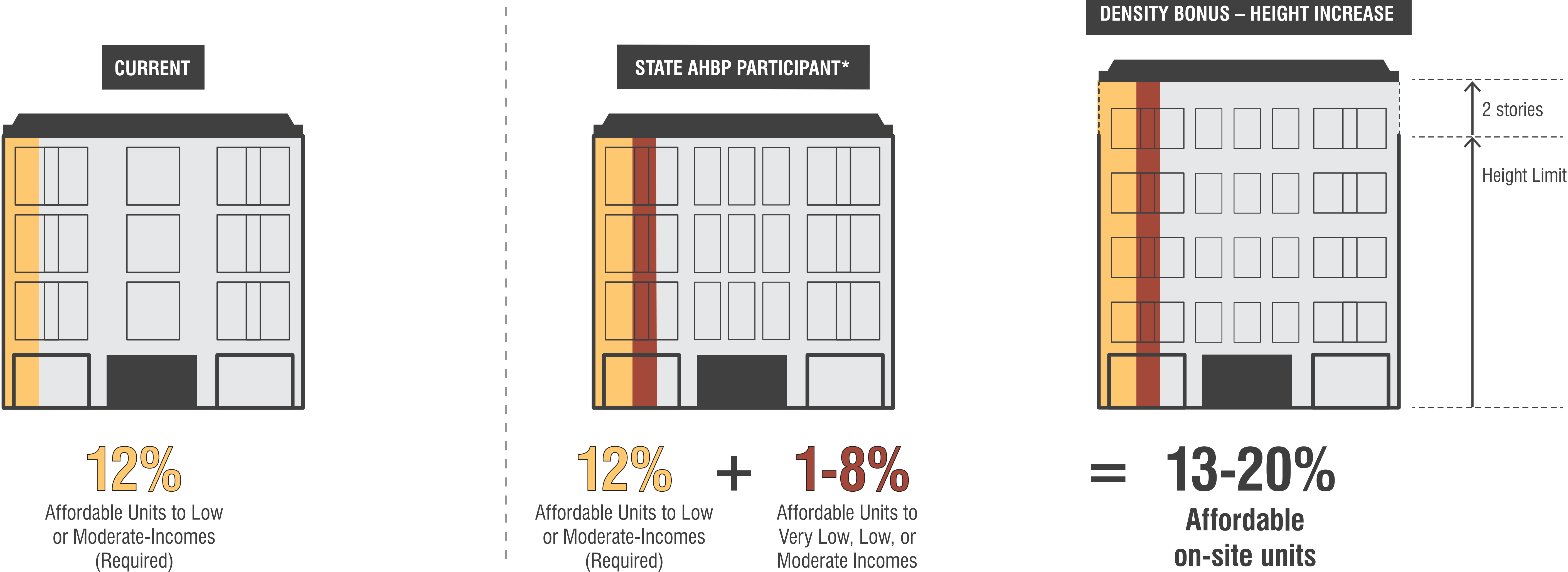
## AFFORDABLE HOUSING BONUS PROGRAM

This program is referenced as the ‘**State Program**’ because it is intended to locally implement the State Density Bonus Law.

The following incentives will be available:

- » Up to 2 stories above existing height limits
- » 7–35% density bonus granted on a graduated scale:
  - Percent of affordable units
  - Income levels by affordable units

Market Rate Units   Affordable Units to Low or Moderate-Incomes   Affordable Units to Very Low, Low, or Moderate Incomes



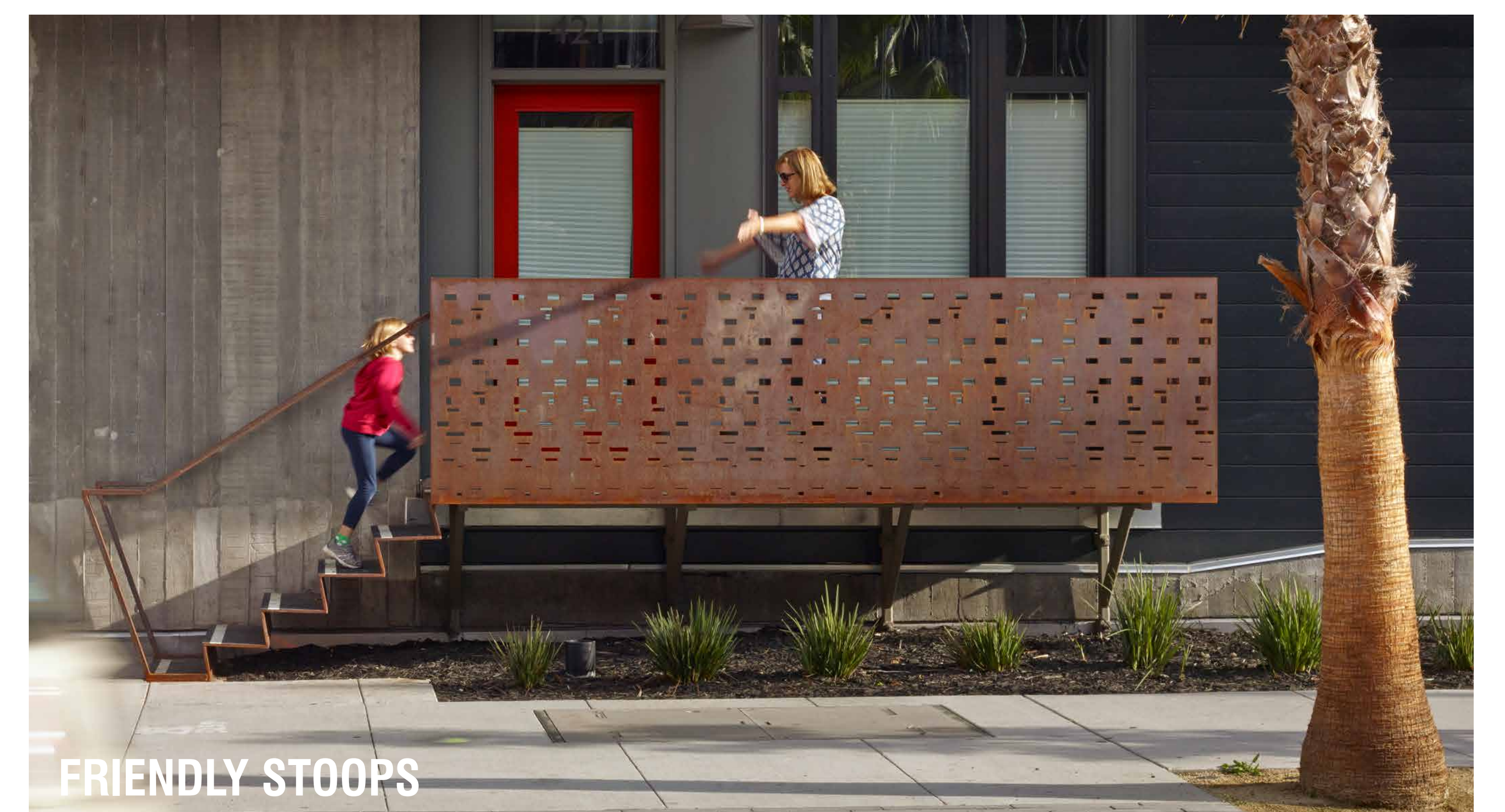
\* Project must include 5 units or more.



## DESIGN GUIDELINES

# AHBP BUILDINGS HAVE GREAT GROUND FLOORS

GENEROUS CEILING HEIGHTS, FRIENDLY STOOPS, AND TRANSPARENCY

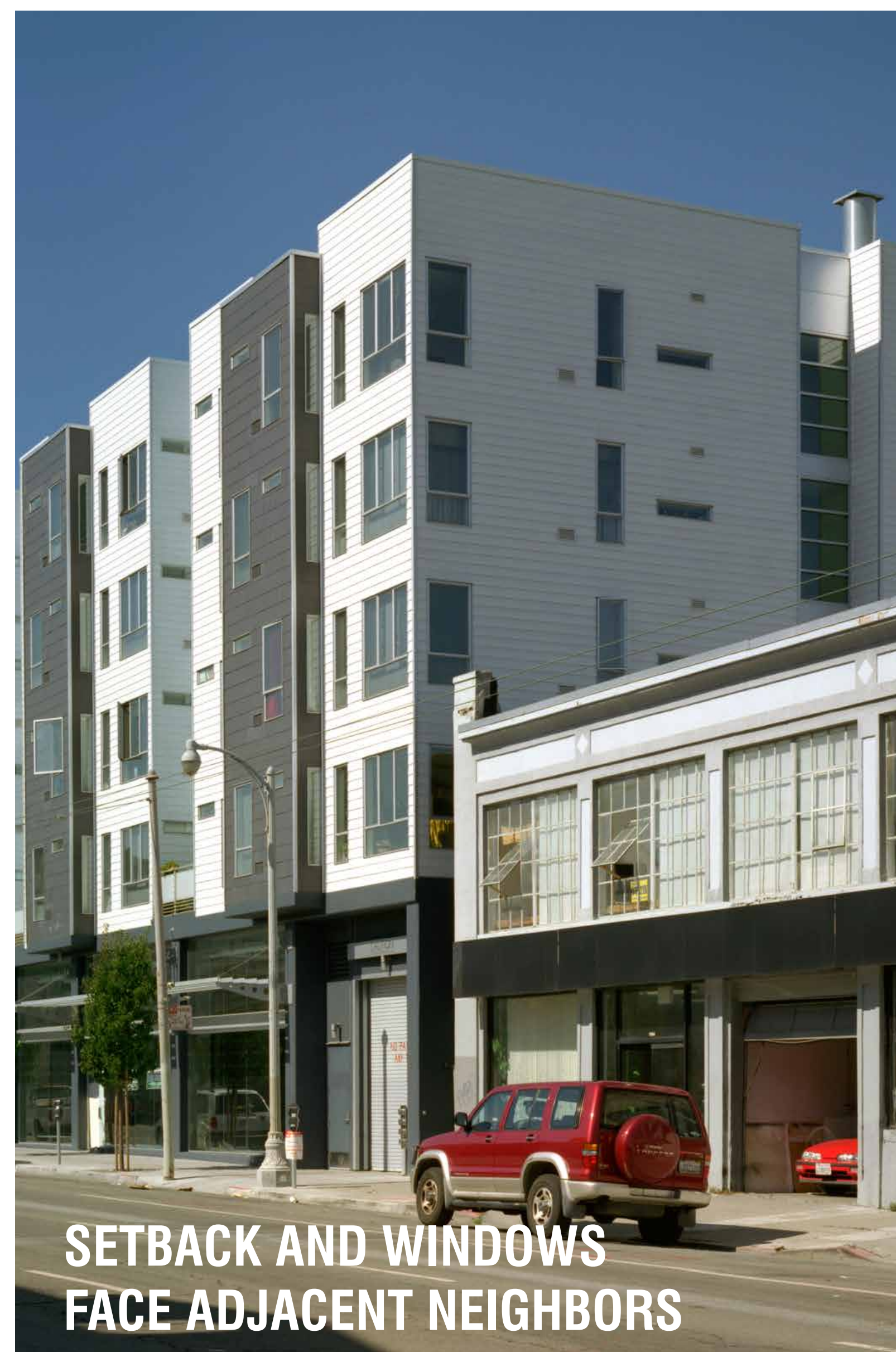
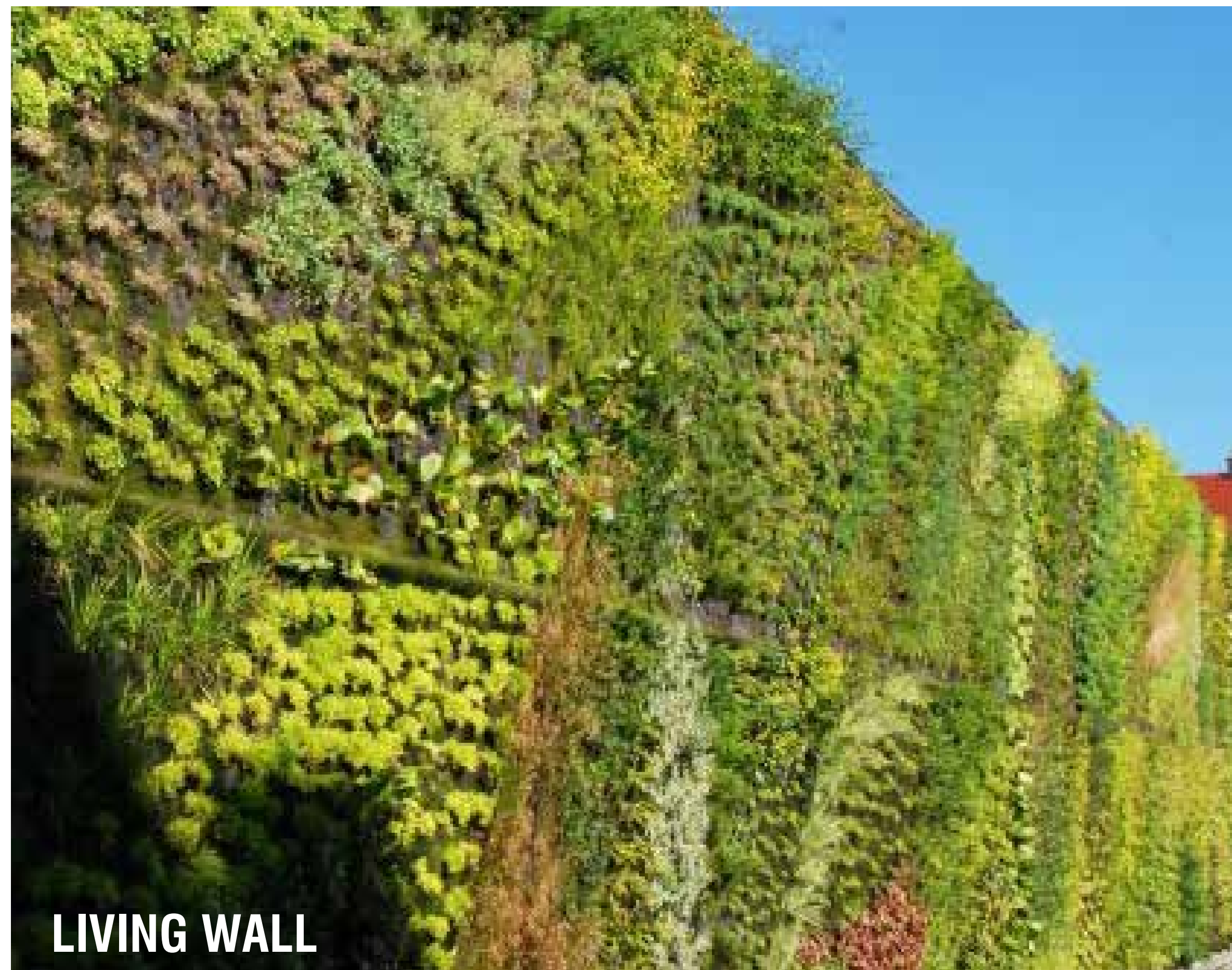
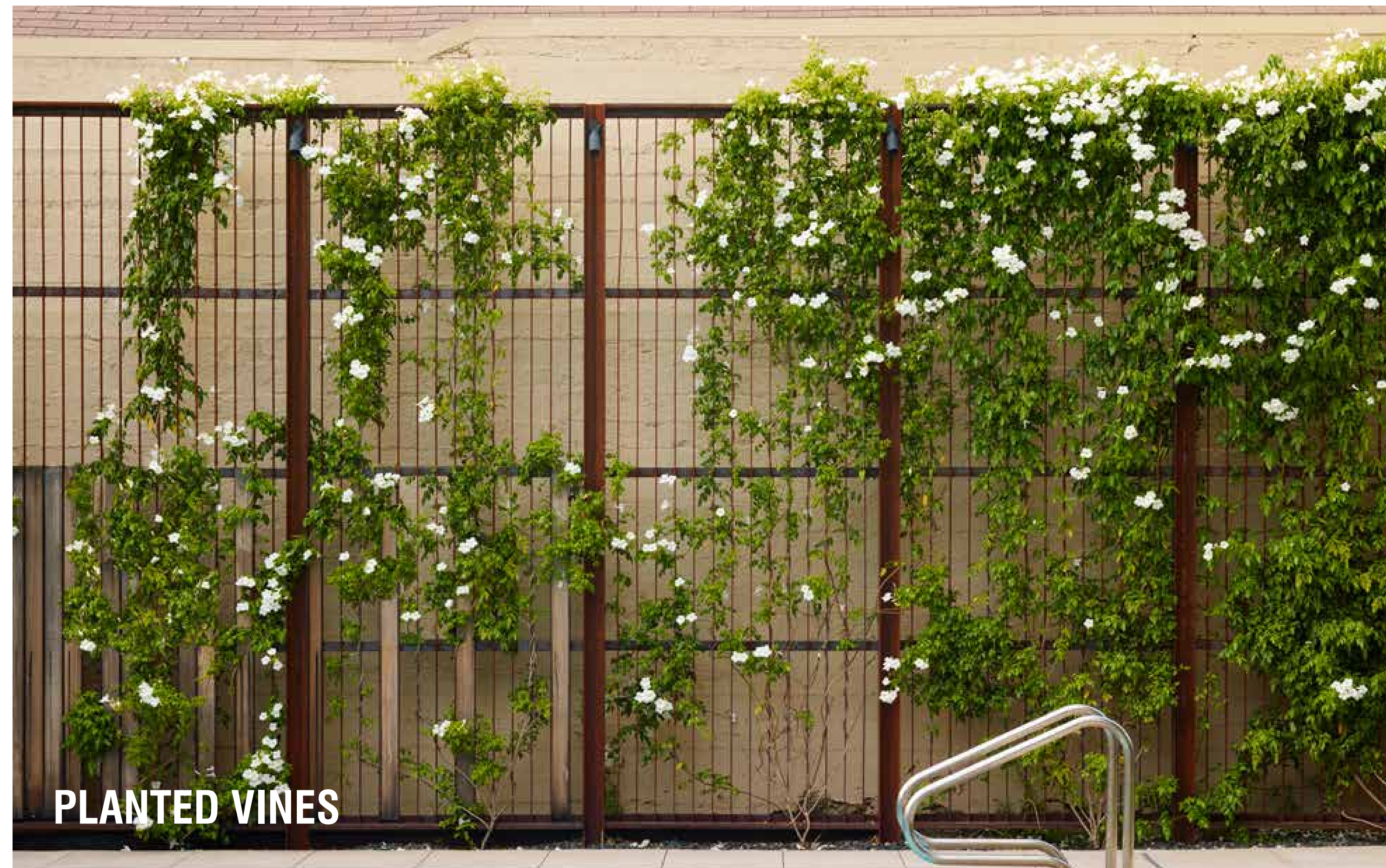




## DESIGN GUIDELINES

# AHBP BUILDINGS ARE CONSIDERATE NEIGHBORS

ACTIVATE WALLS WITH WINDOWS, ART, PLANTS, AND SETBACKS

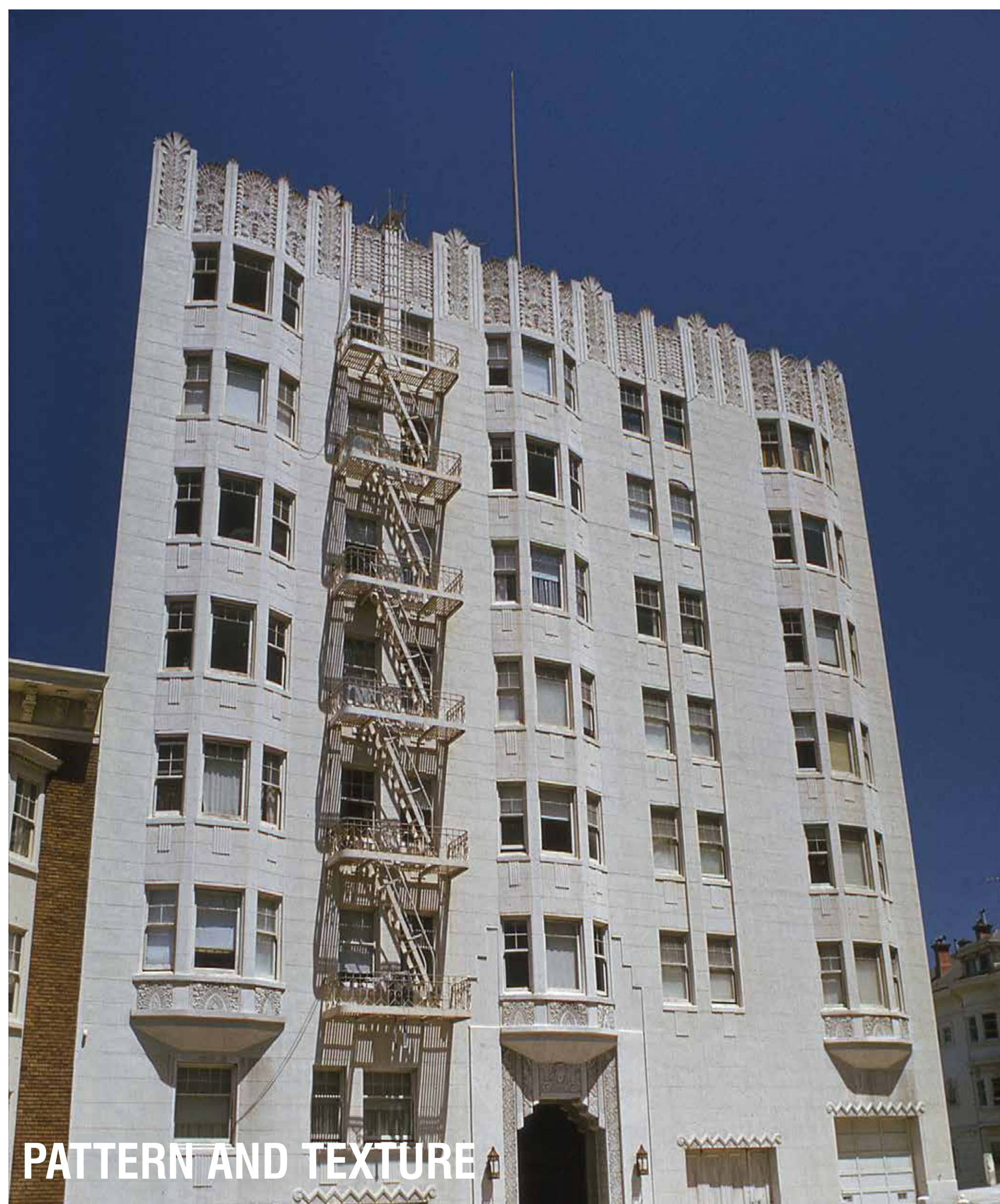




## DESIGN GUIDELINES

# AHBP BUILDINGS PAY ATTENTION TO DETAIL

## BALCONIES, BAYS, SUNSHADES, AND WINDOWS





# WHAT COULD NEW AHBP BUILDINGS LOOK LIKE?

## POSSIBLE UNDER CURRENT ZONING



Current zoning allows up to 47 homes in a 65' building.

## POSSIBLE UNDER AHBP



Under the AHBP, 65 homes could be built in a 90' building.

--- MAXIMUM ALLOWED HEIGHT  
UNDER THE AHBP—WITH  
30% AFFORDABLE HOMES  
--- CURRENT HEIGHT LIMIT



# WHAT COULD NEW AHBP BUILDINGS LOOK LIKE?

## POSSIBLE UNDER CURRENT ZONING



Up to 8 homes in a 40' building are allowed under current zoning.

## POSSIBLE UNDER AHBP



Under the AHBP, 13 homes could be built in a 65' building.

--- MAXIMUM ALLOWED HEIGHT  
UNDER THE AHBP—WITH  
30% AFFORDABLE HOMES  
--- CURRENT HEIGHT LIMIT



. Up to 15 homes in a 50' building are allowed under current zoning.



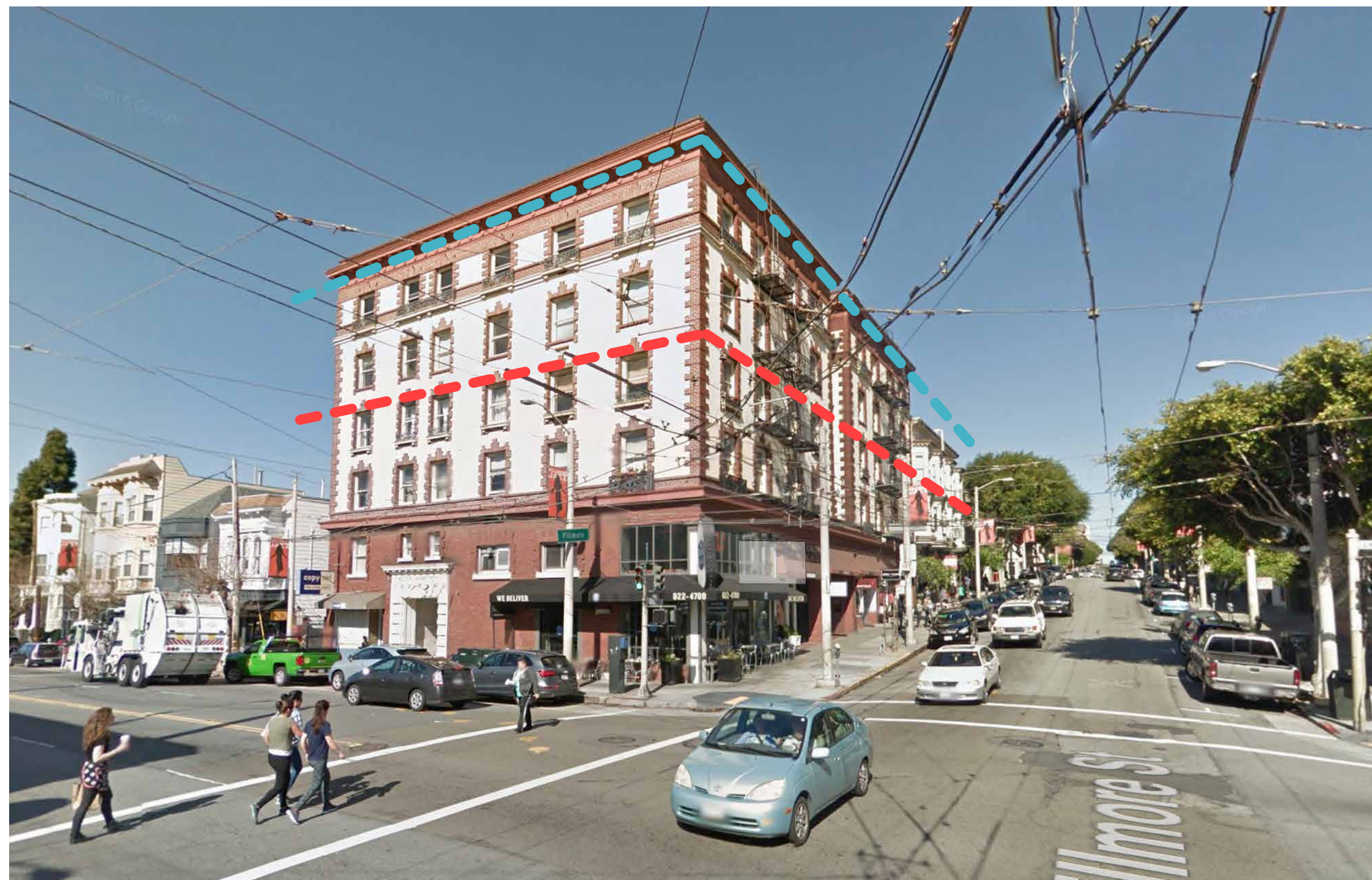
Under the AHBP, 46 homes could be built in a 75' building.



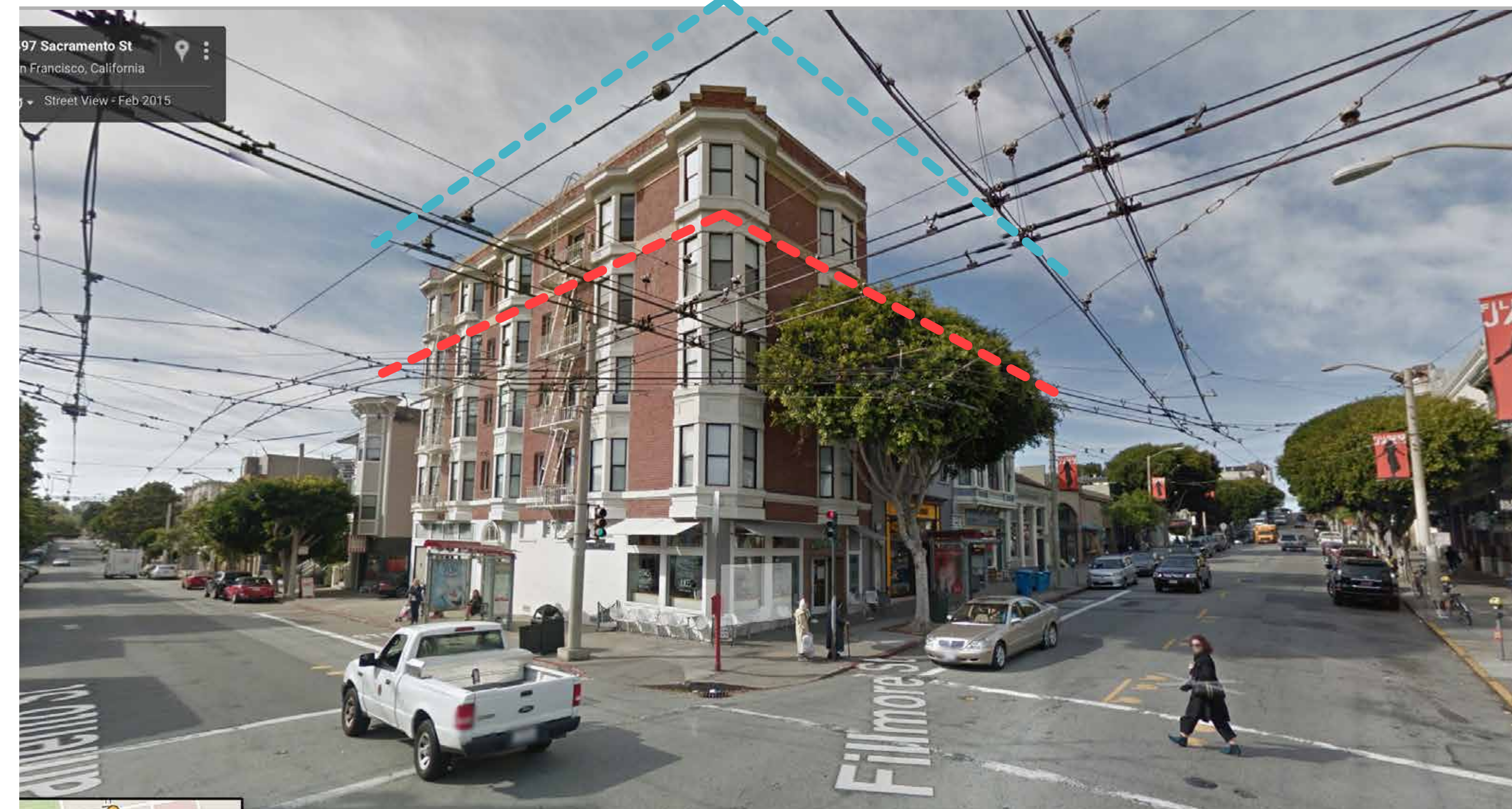
# WHAT COULD NEW AHBP BUILDINGS LOOK LIKE?

## THEY MAY LOOK A LOT LIKE WHAT ALREADY EXISTS

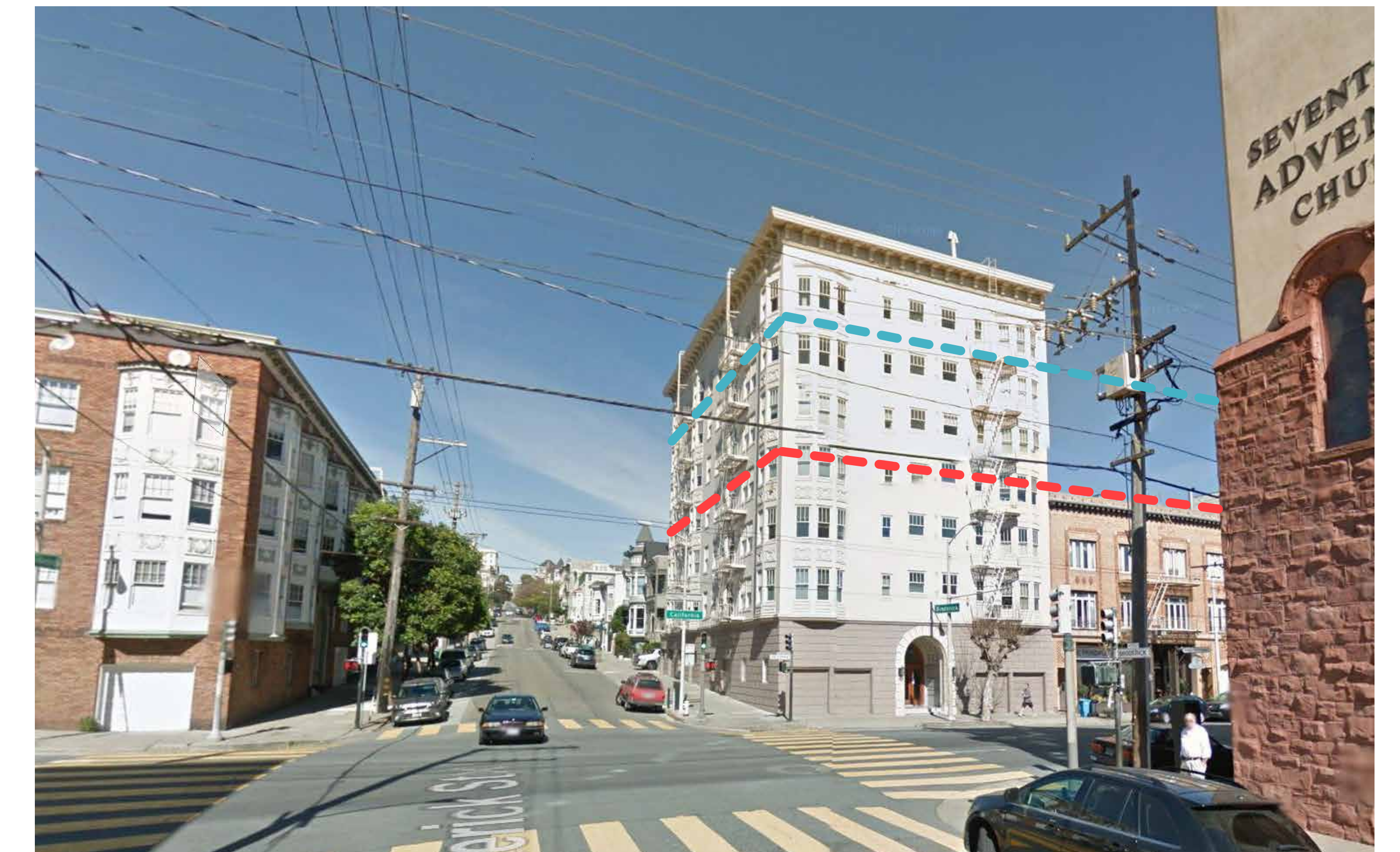
--- MAXIMUM ALLOWED HEIGHT UNDER THE AHBP—WITH 30% AFFORDABLE HOMES  
--- CURRENT HEIGHT LIMIT



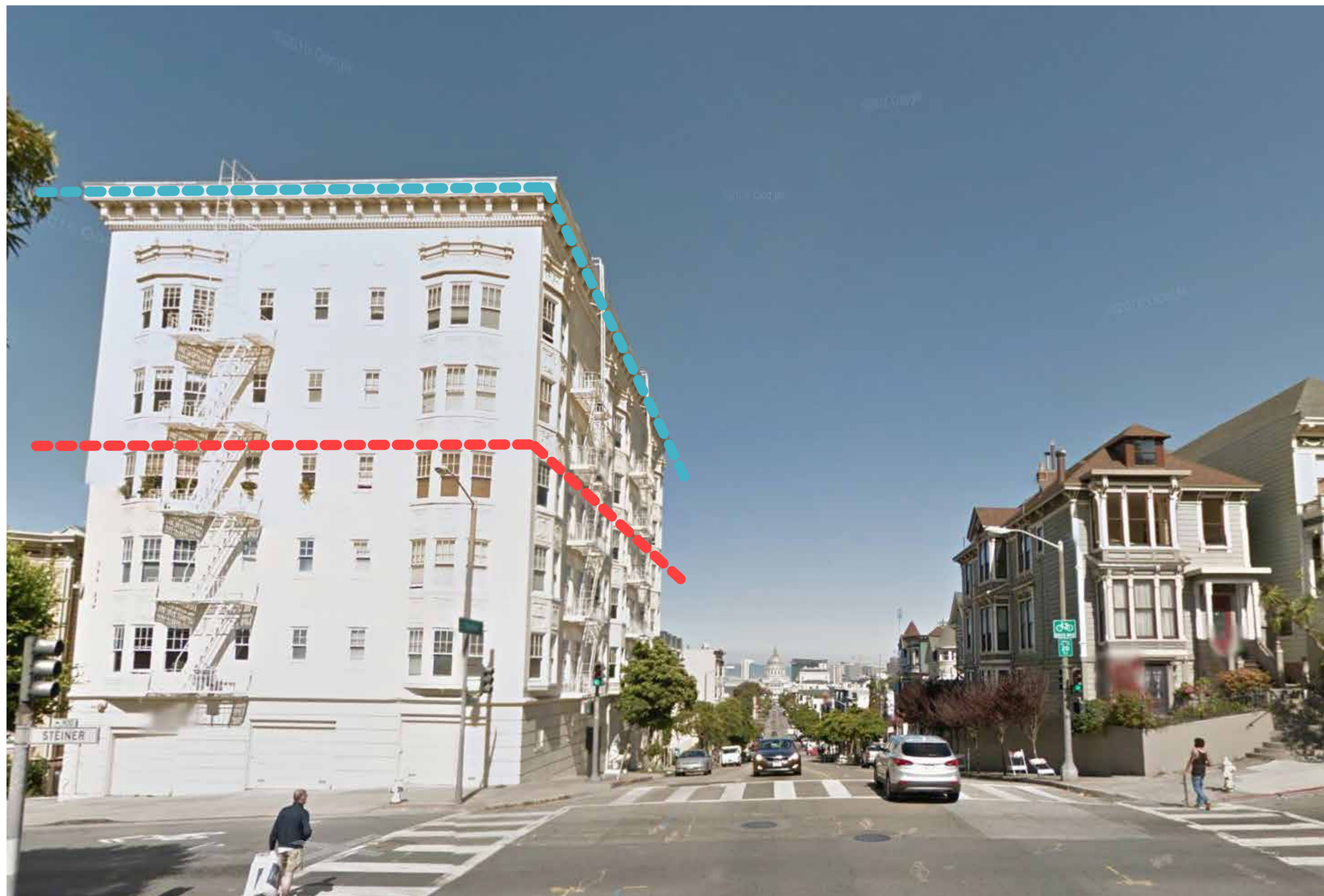
Buildings in this area are currently allowed 40' in height, but this 1911 apartment building is about 65', similar to a new AHBP building with 35% affordable homes.



Buildings in this area are currently allowed 40' in height, but this 1913 building is about 55'.



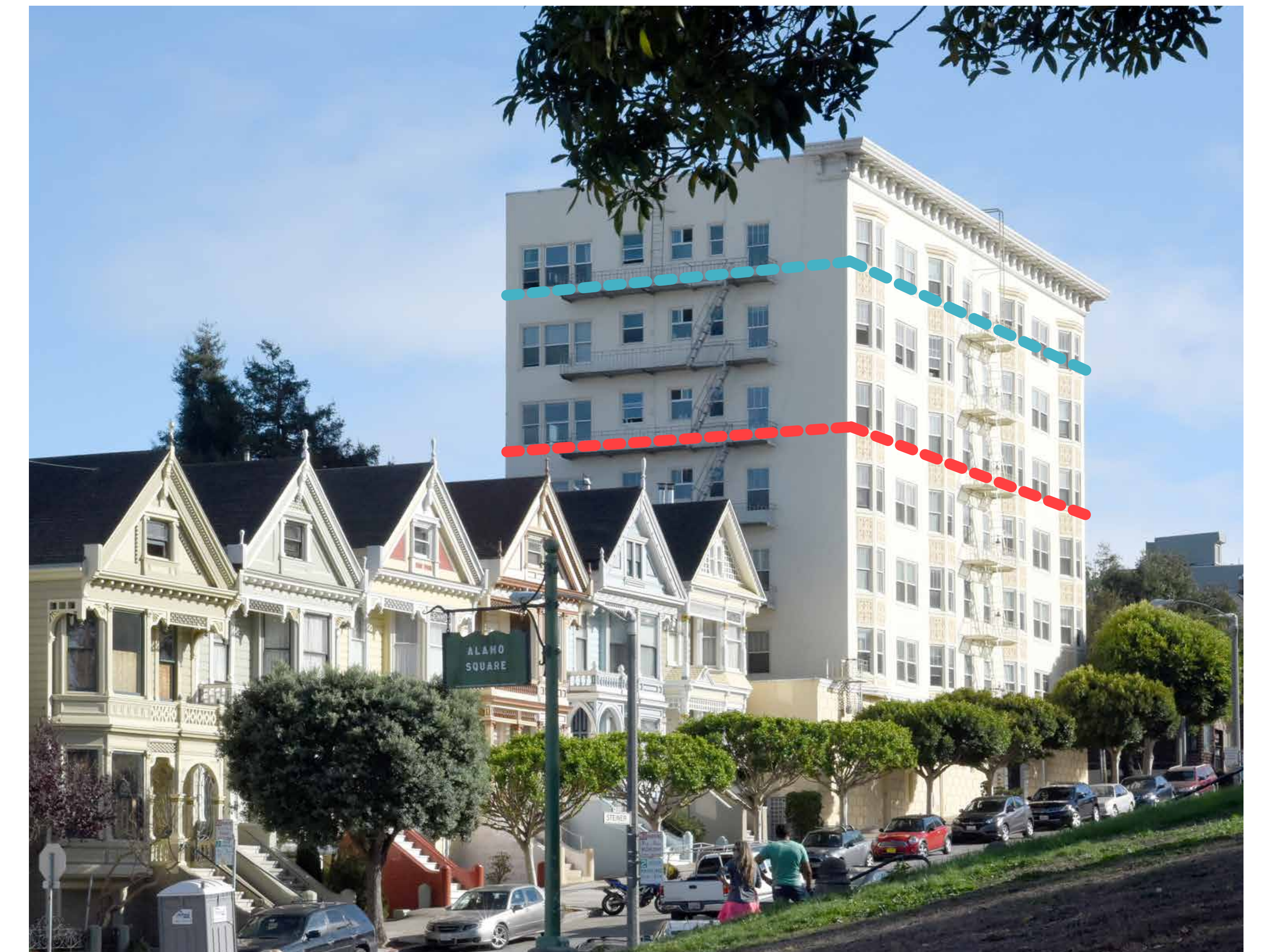
This apartment building (circa 1928) exceeds the existing 40' height limit by at least 3 stories .



Buildings in this area are currently allowed 40' in height, but this 1926 apartment building is about 60'—similar to the height allowed under the AHBP.



This apartment building (circa 1928) exceeds the existing 65' height limit by at least 4 stories.



Buildings in this area are currently allowed 40' height, but this building is about 75'—taller than the height allowed under the AHBP.



# OPPORTUNITIES WITHIN SMALL SITES



**AFFORDABLE HOUSING  
BONUS PROGRAM**

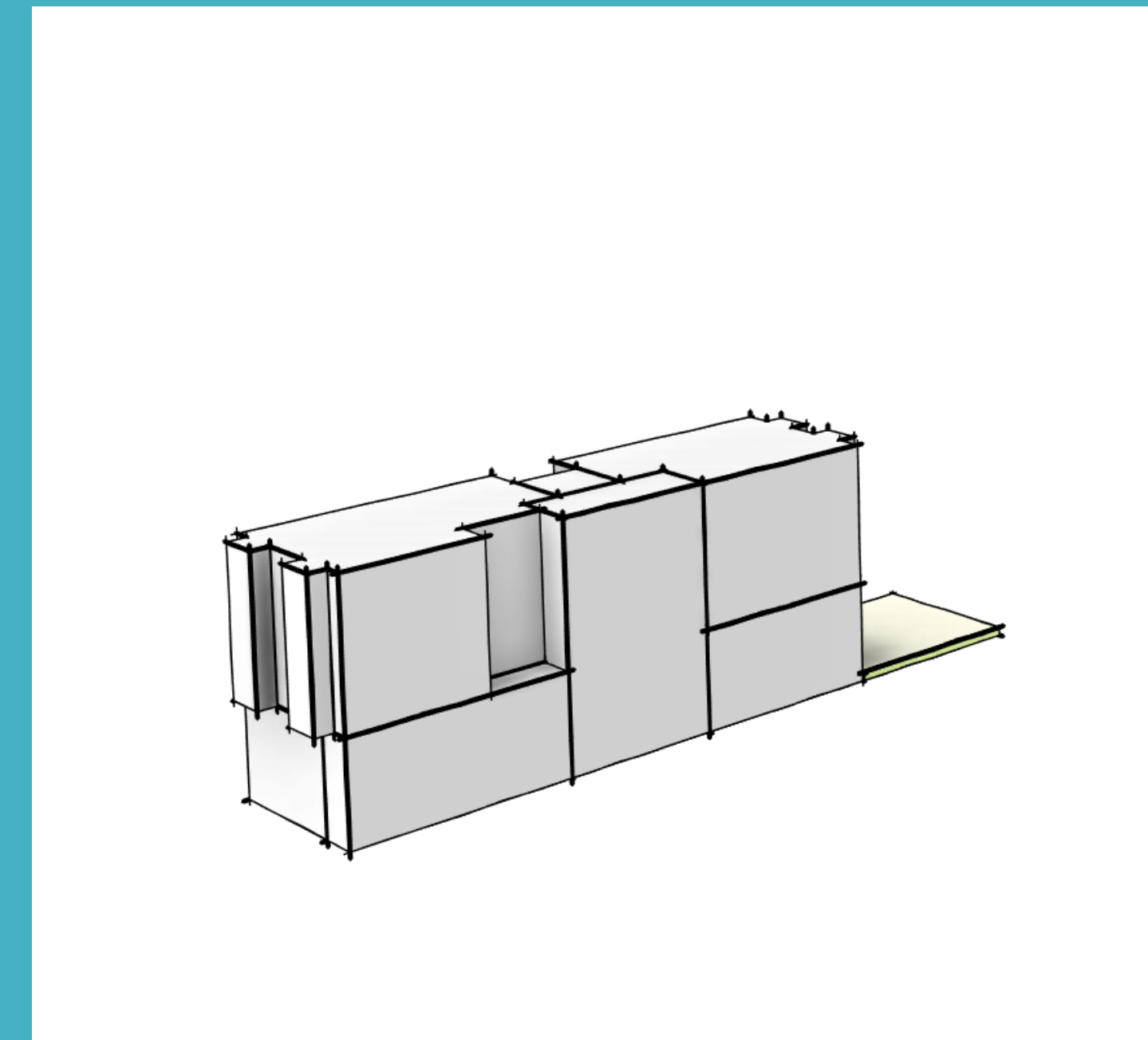


## SUMMARY

There are small 25' and 50' wide sites in key residential and commercial corridors that could easily accommodate more housing units within the program area. Many are currently underutilized parking lots or vacant one story retail spaces. New housing on these sites would put residents within walking distance of neighborhood amenities and public transit.

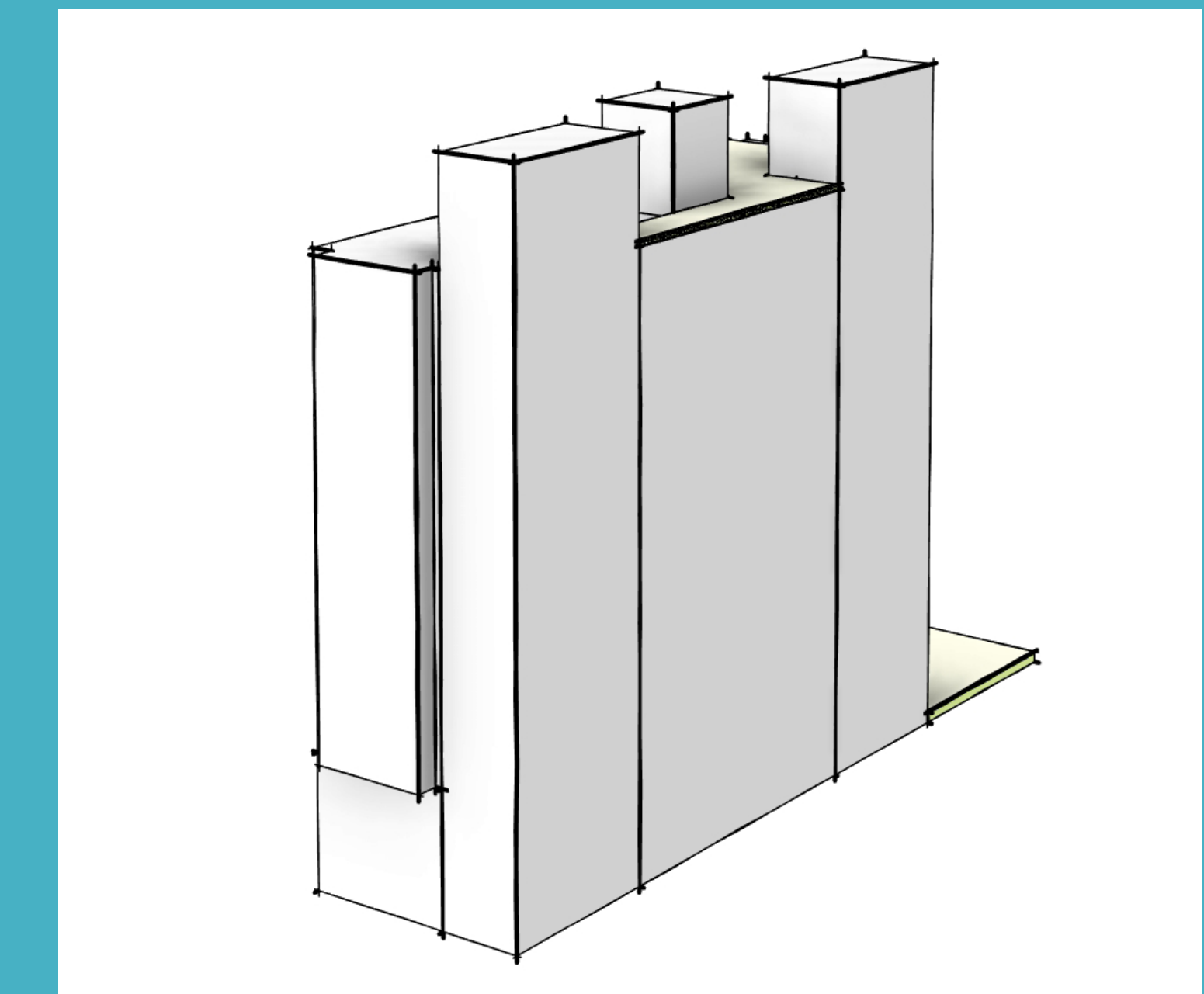
The form that these buildings could take vary thanks to a flexible set of rules. There is an opportunity to create new middle-income housing to help keep families in San Francisco while enhancing commercial corridors in the city's neighborhoods.

## 25' WIDE LOTS



*A. 3 story building with 6 units*

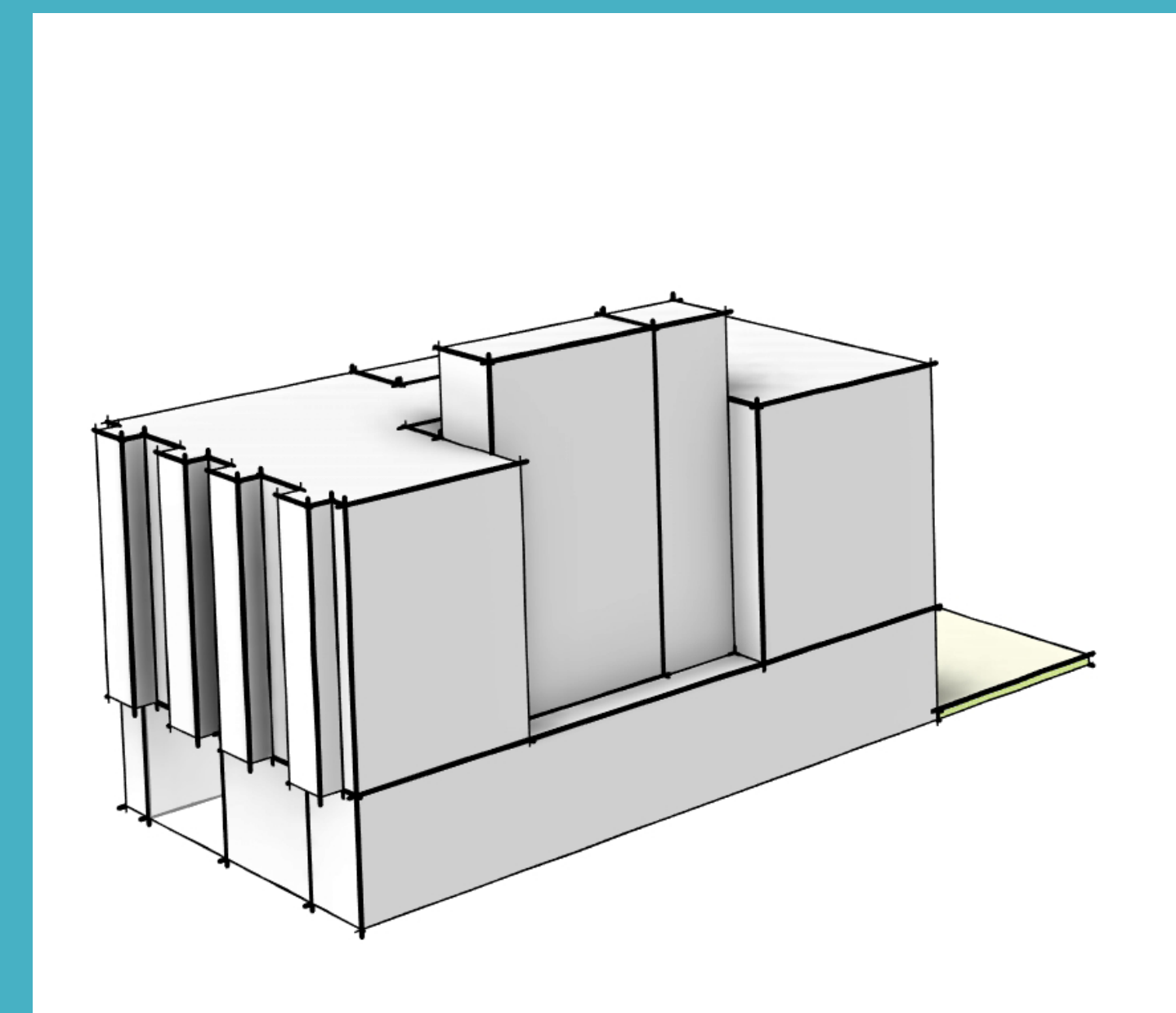
Shorter buildings provide lower overall building heights, but smaller unit sizes. Open space can be entirely accommodated in the rear yard.



*B. 6 story building with 9 units*

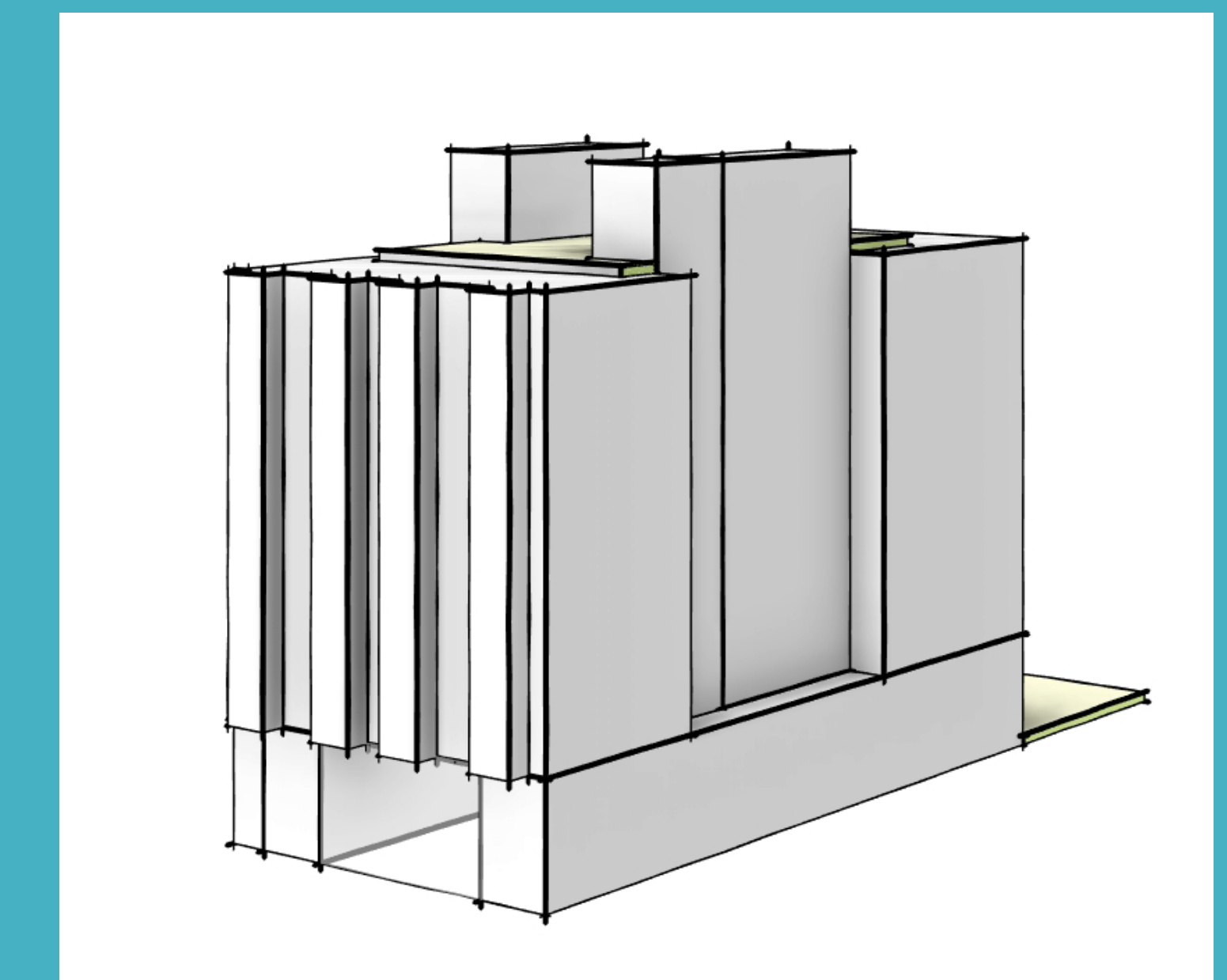
By enlarging the building to six stories, this option provides larger units that may be more suited to families. Open space is split between a roof deck and the rear yard.

## 50' WIDE LOTS



*A. 4 story building with 9 units*

This is a four story building that has nine units on a site previously limited to six. Open space is located in a rear yard and there is a small retail space on the ground floor.



*B. 6 story building with 15 units*

A six story building adds a roof deck for additional open space. This would be at a similar scale to many of San Francisco's older apartment buildings.



# POSSIBLE OUTCOMES AND NEXT STEPS



**AFFORDABLE HOUSING  
BONUS PROGRAM**

## POSSIBLE OUTCOMES

Soft sites can generally be described as underutilized sites or vacant lots. There are 240 soft sites within the Program area that can benefit from the AHBP through either the State or Local Program.

Below show three scenarios of potential housing units by the end of 2036.

### New housing units by 2036:

**7,400**

TOTAL NEW HOUSING UNITS

**900**

MAXIMUM AFFORDABLE UNITS

#### Current Practice

Without the AHBP, there is a potential of:

- » 7,400 new housing units.
- » with a maximum of 900 affordable.

**10,000**

TOTAL NEW HOUSING UNITS

**1,500**

MAXIMUM AFFORDABLE UNITS

#### State Program

Through the State Program, there is a potential of:

- » 10,000 new housing units,
- » with a maximum of 1,500 affordable.

**16,000**

TOTAL NEW HOUSING UNITS

**5,000**

TOTAL AFFORDABLE UNITS

#### Local Program

Through the Local Program, there is a potential of 16,000 new housing units. Of these 16,000:

- » 2,000 would be for low and moderate incomes, 3,000 for middle-income,
- » for a total of 5,000 units of affordable housing.

## NEXT STEPS

WINTER 2015/2016

- » Planning Commission review\*
- » Planning Commission adoption hearing\*\*
- » Land Use Committee review
- » Board of Supervisors review
- » Mayor signs legislation
- » AHBP implemented!

**\*Informational Hearing:**  
**November 5 at 12PM**  
Legislative Chamber  
Room 250, City Hall

**\*\*Adoption Hearing:**  
**December 3 at 12PM**  
Legislative Chamber  
Room 250, City Hall