

# AFFORDABLE HOUSING BONUS PROGRAM

PROGRAM OVERVIEW — FEBRUARY 2016

[www.sf-planning.org/AHBP](http://www.sf-planning.org/AHBP)

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San Francisco Planning Department

**San Francisco**  
**Planning**

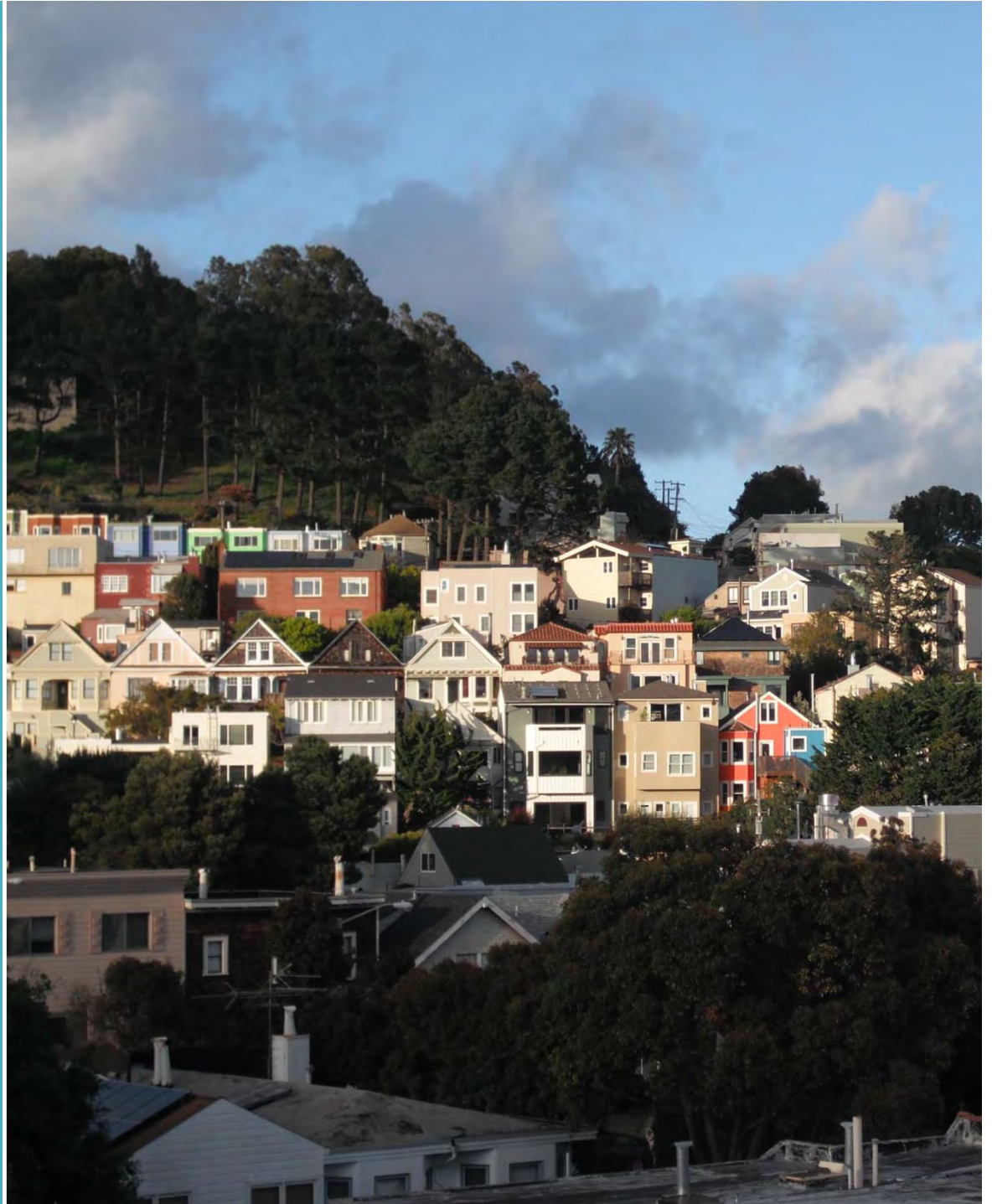
# AGENDA

## Program Overview

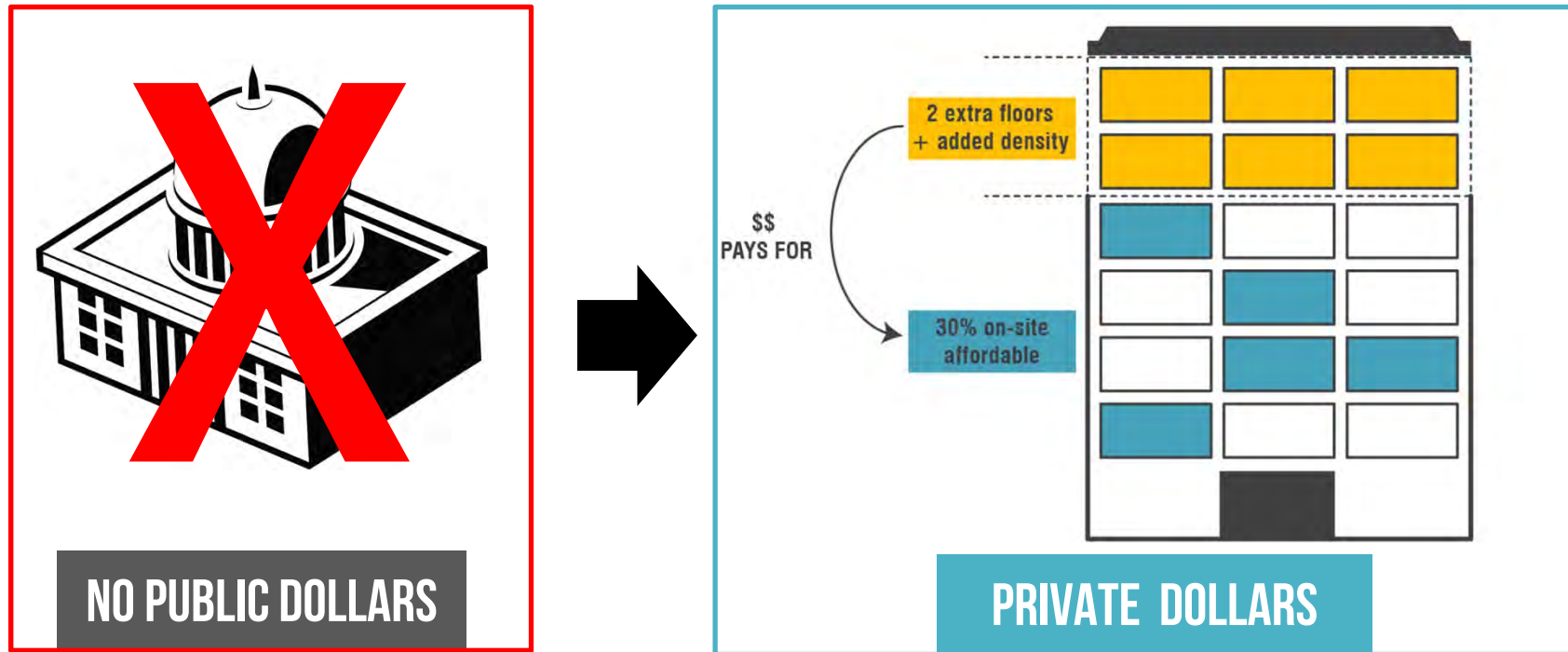
### 6 Topics

- Questions
- Current Proposal
- Amendments and Potential Implications

# PROGRAM OVERVIEW



# AHBP DOES NOT RELY ON PUBLIC SUBSIDIES



- How much public subsidy is needed for 5,000 affordable units?
- Incentivize more affordable housing in private projects

## PROPOSED AFFORDABLE HOUSING BONUS PROGRAM

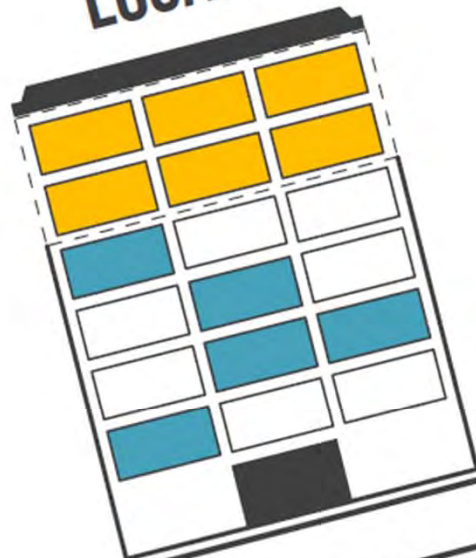
State Analyzed Program	Proposed Local Program	Proposed 100% Affordable
<b>13-20%</b> affordable units onsite	<b>30%</b> affordable units onsite	<b>100%</b> affordable units onsite
<b>Will receive:</b> <ul style="list-style-type: none"> <li>• Up to 2 stories</li> <li>• Increase in the total number of units onsite</li> </ul>	<b>Will receive:</b> <ul style="list-style-type: none"> <li>• Up to 2 stories</li> <li>• Increase in the total number of units onsite</li> </ul>	<b>Will receive:</b> <ul style="list-style-type: none"> <li>• Up to 3 stories</li> </ul>
Low/Mod – 1,500 Middle - 0	Low/Mod – 2,000 Middle – 3,000	



# CURRENT PROGRAM DESIGN

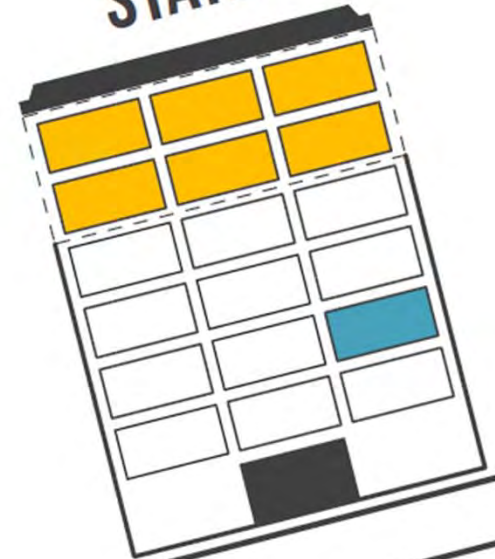
30% ON-SITE

LOCAL



13-20% ON-SITE

STATE

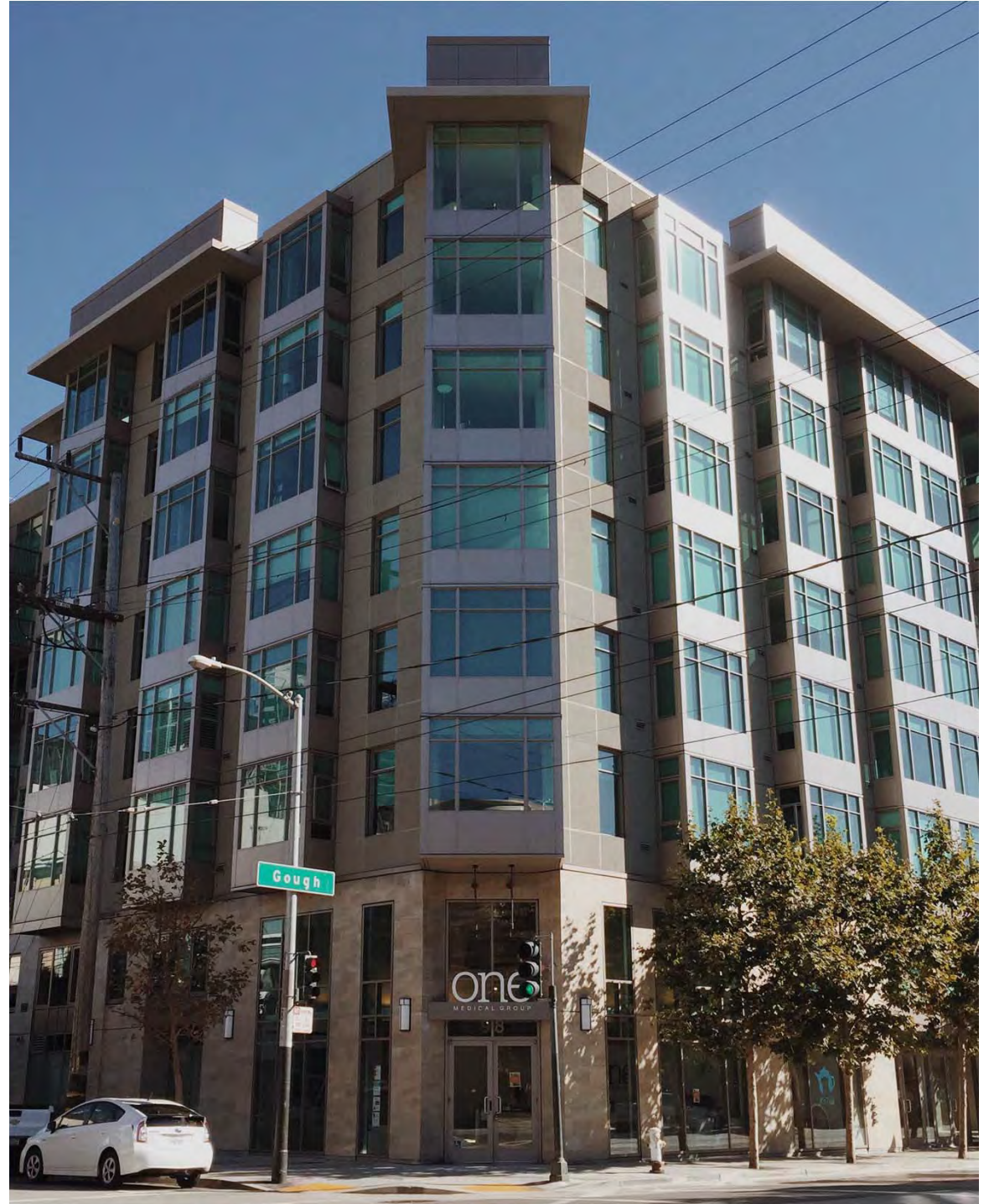


## TOPICS

1. Program Eligibility
2. Transportation and Public Infrastructure
3. Urban Design
4. Public Review and Commission Approval
5. Interface with Small Business
6. Who are we building housing for?

# TOPIC 1

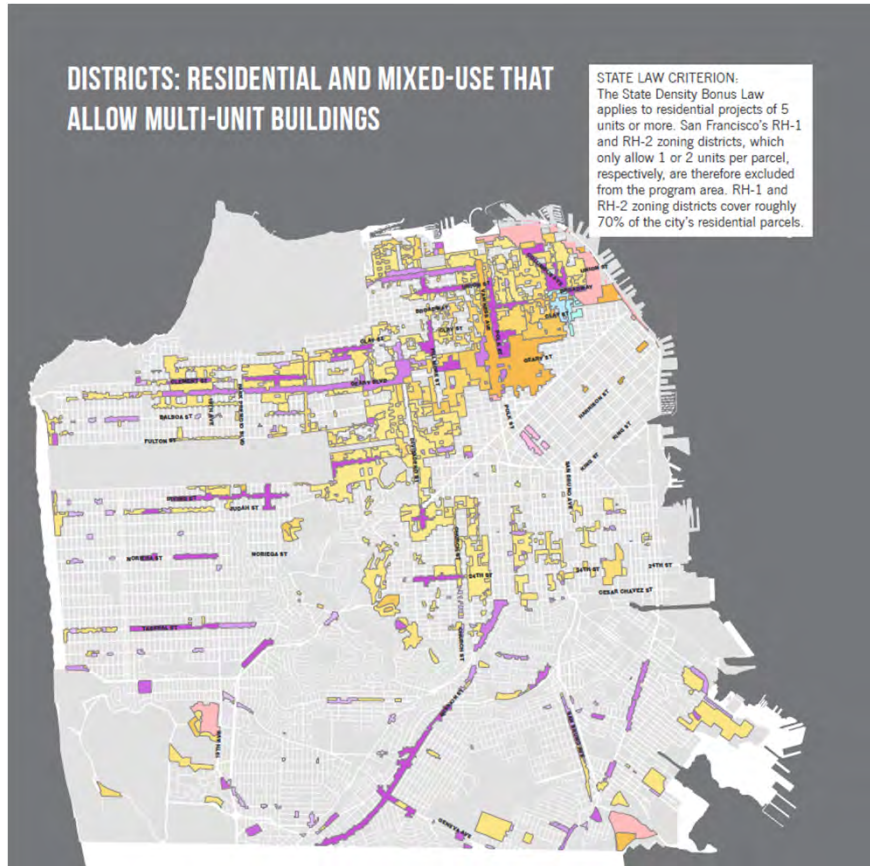
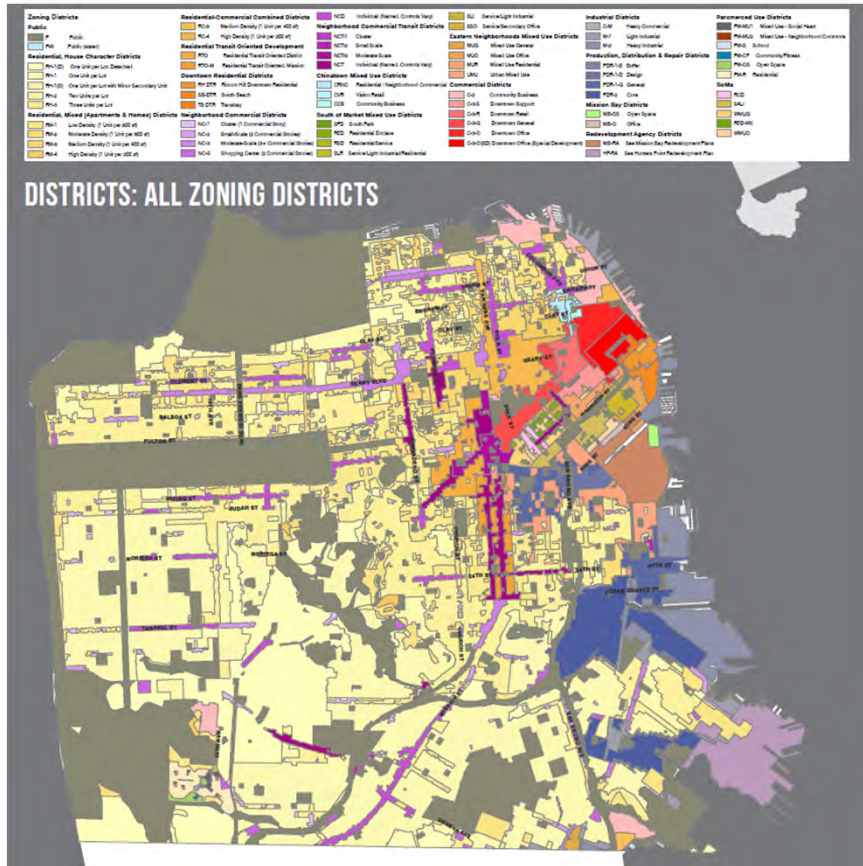
## PROGRAM ELIGIBILITY



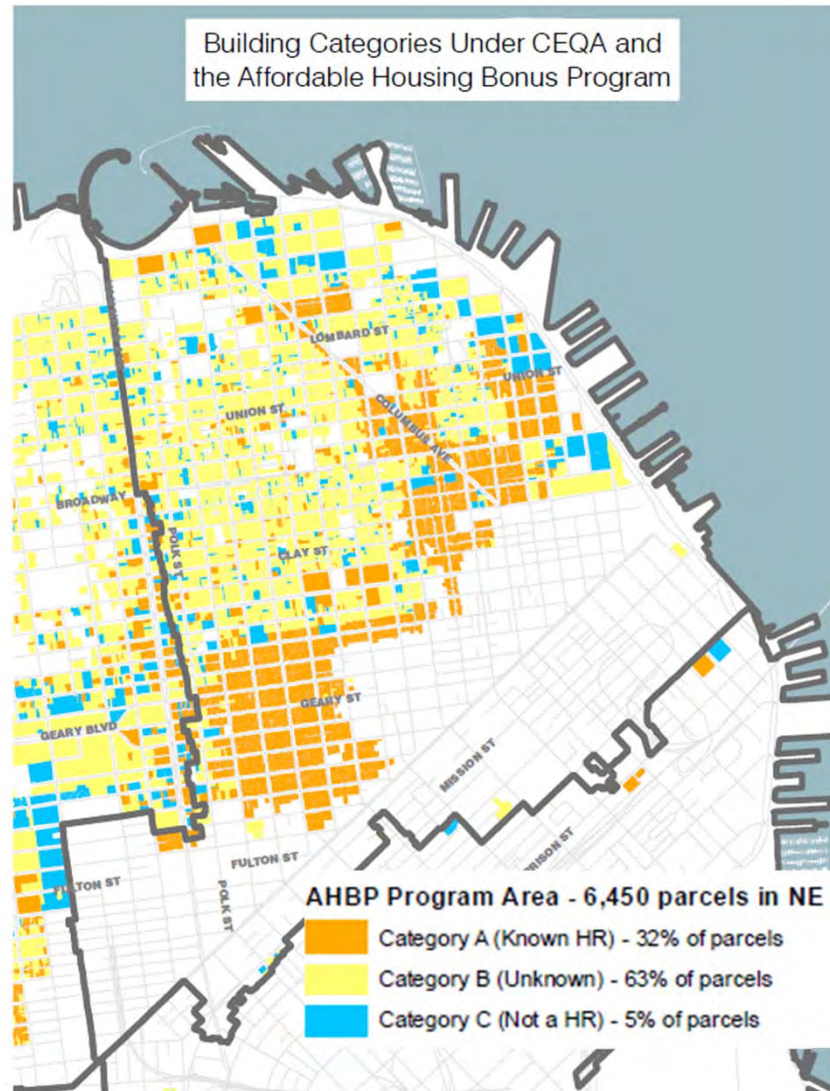


## CURRENT TOPIC 1: PROGRAM ELIGIBILITY

## ONLY IN ELIGIBLE ZONING DISTRICTS

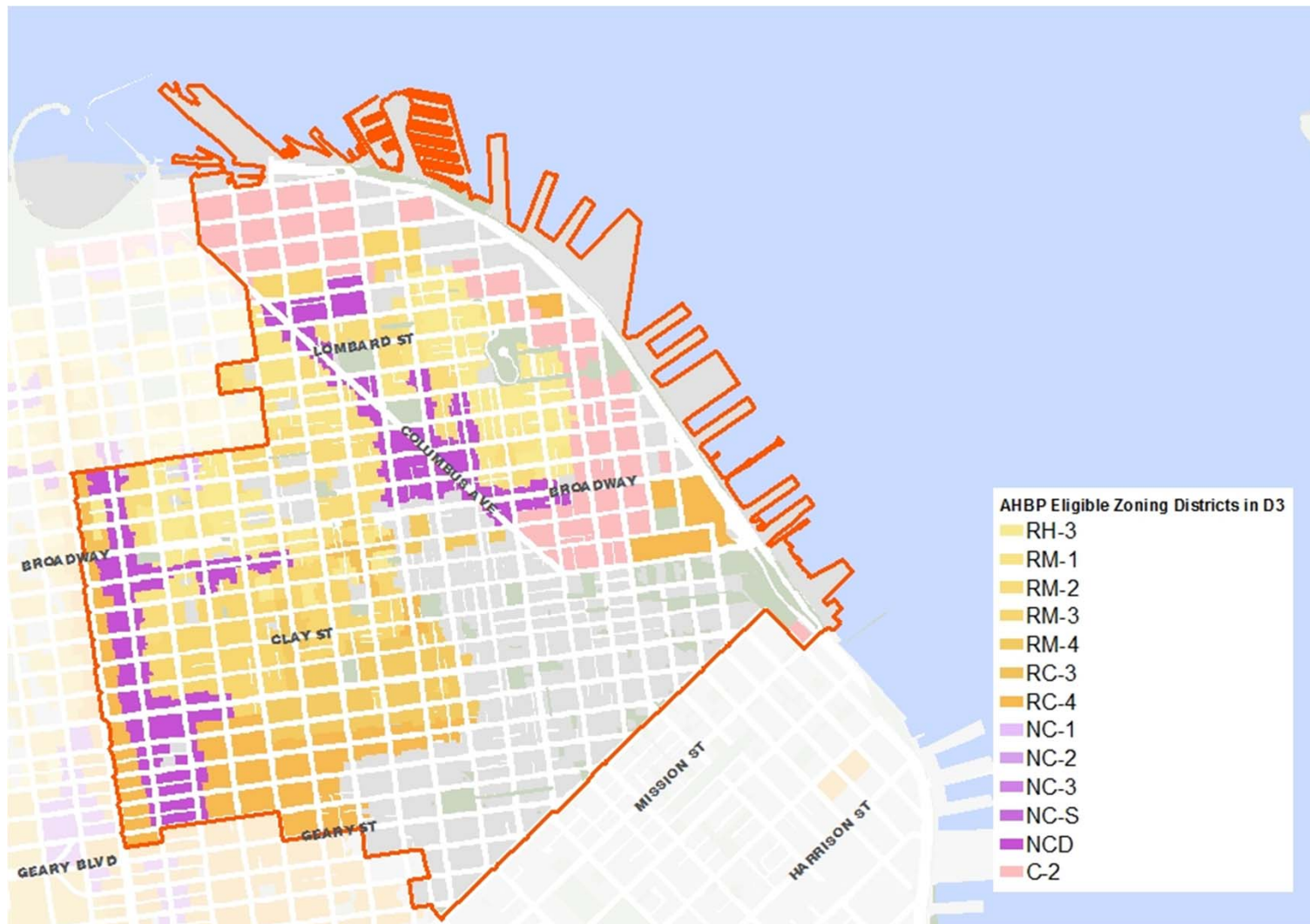


## NO DEMOLITION OF KNOWN HISTORIC RESOURCES (CEQA CAT. A)

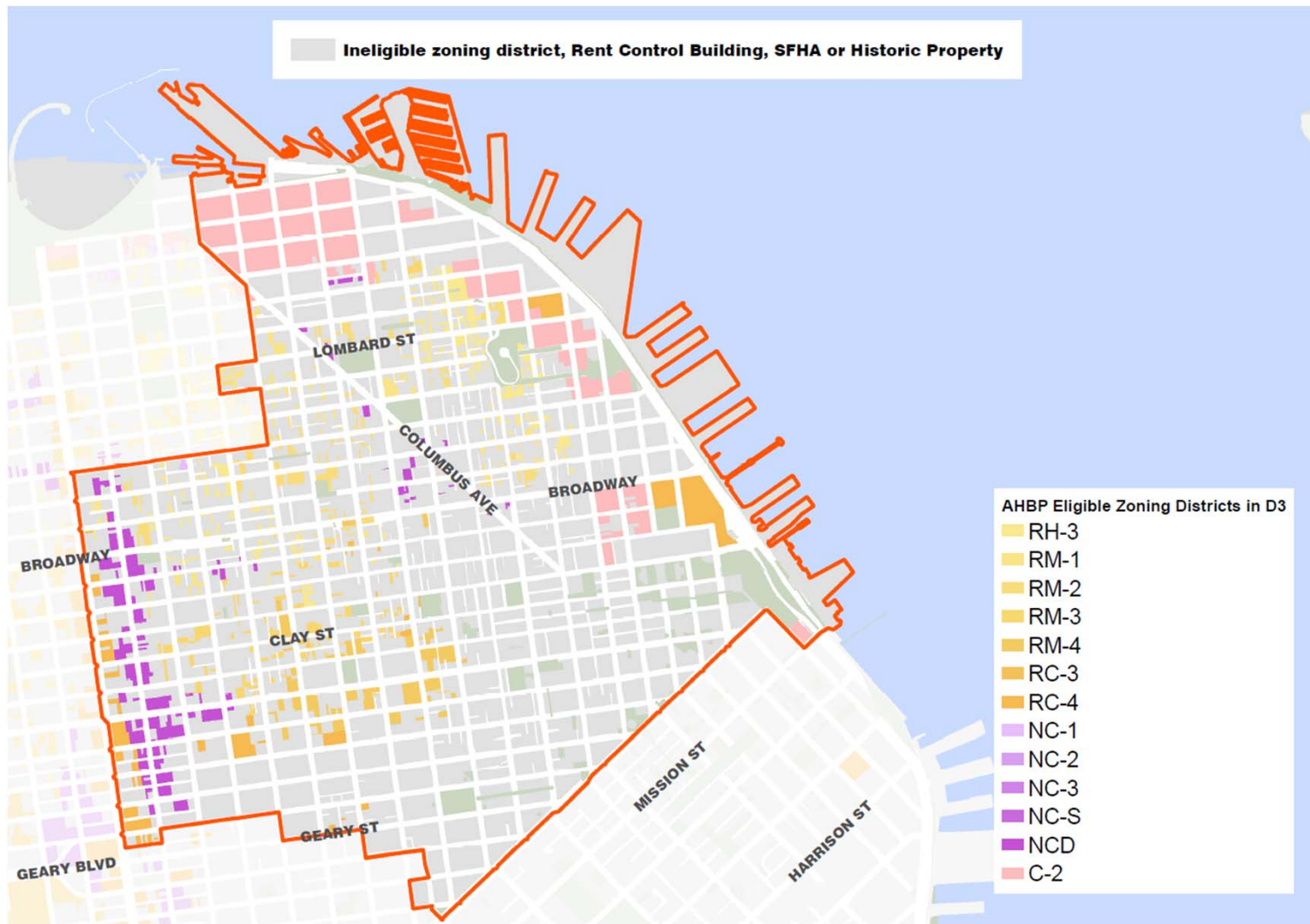




## NO DEMOLITION OF A RENT CONTROL UNIT



## NO DEMOLITION OF A RENT CONTROL UNIT





## ADDITIONAL LIMITING FACTORS

- No significant shadow or wind impacts to public parks
- Would have to gain Commission approval required to demolish any existing units (Sec. 317)
- Privately owned sites
- Would need to be financially feasible

## PROGRAM ELIGIBILITY

- PROJECTS THAT PROPOSE TO DEMOLISH ANY RESIDENTIAL UNITS SHALL NOT BE ELIGIBLE FOR AHBP

## POTENTIAL IMPACTS OF AMENDMENT

- Department's analysis assumed no development on parcels with existing residential units, as existing restrictions on demolishing housing in San Francisco are strong.
- 5,000 affordable units can still be produced.

## POTENTIAL IMPACTS OF AMENDMENT

- 1681 Fulton Street



Zoning: RH-3  
Height: 40-X  
1-unit Residential



## POTENTIAL IMPACTS OF AMENDMENT

- 1681 Fulton Street



3 market rate units  
Avg unit size: 1,460 sf  
Unit sold for \$1.48m last year  
Required a variance

## TOPIC 2

# INFRASTRUCTURE TO SUPPORT NEW GROWTH

## TRANSPORTATION

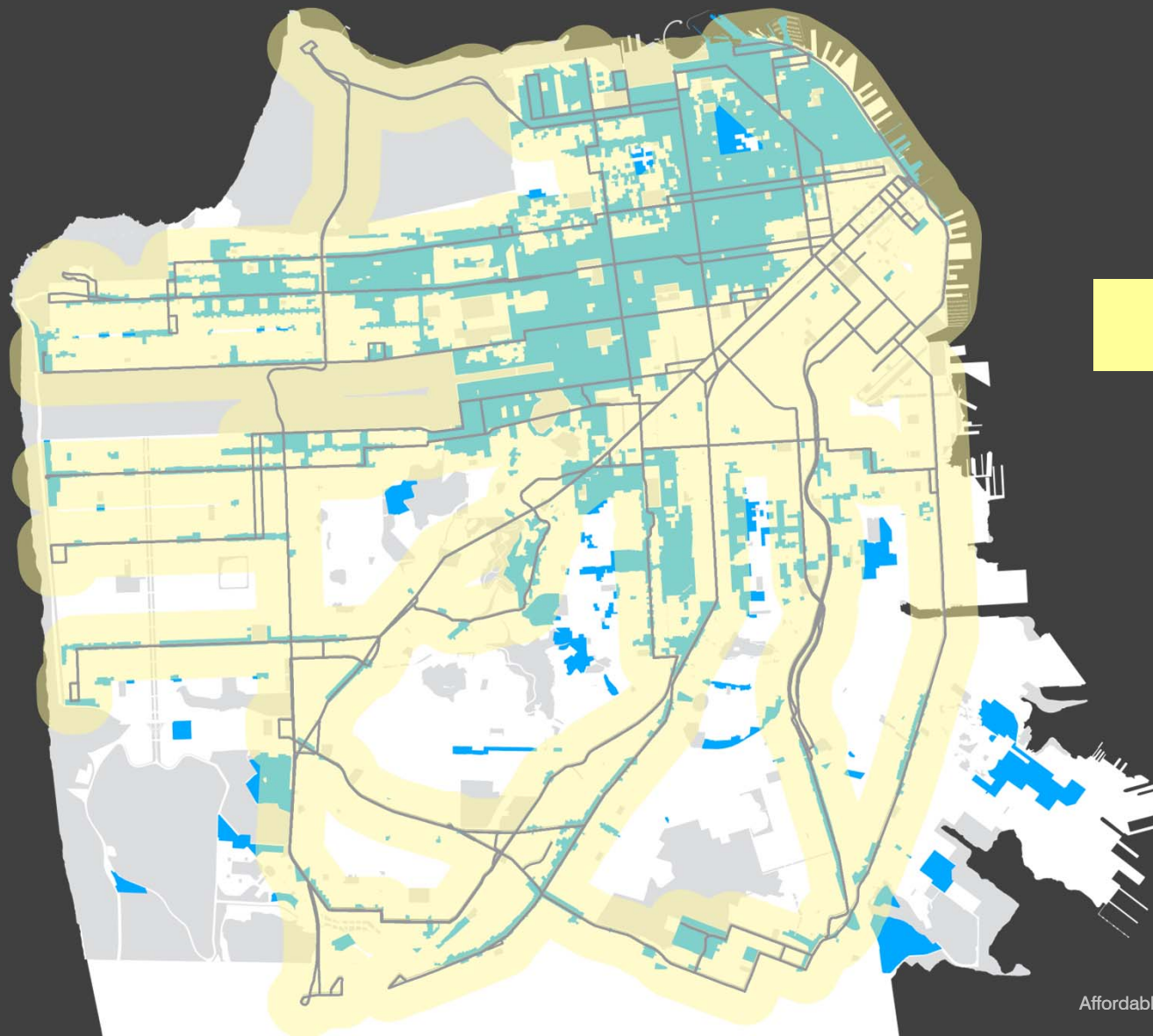


**AHBP PROJECTS SUBJECT TO IMPACT FEES:**

- Sewer and Water - PUC
- School
- Childcare
- Transportation

*THE AHBP COULD GENERATE UPWARDS  
OF 99 MILLION DOLLARS IN NEW  
TRANSPORTATION FUNDING.*





*Walking distance  
to Muni Rapid*





# Long Range Transportation Planning



Fiscal Year 2015 - Fiscal Year 2034

DRAFT FOR SFMTA BOARD APPROVAL AUGUST 18, 2015





## Urgent Funding Needs

### EXISTING PLANS/ PROJECTS/POLICIES

Facilities Vision	Bicycle Strategy	SF Area Plans	SF County Transportation Plan
Ped Strategy	Muni Fleet Plan	SF Capital Plan	
MTA Capital Plan	MTA Strategic Plan	Regional Transportation Growth	
ADA Plan	TEP	Neighborhood Transportation Plans	

**\$10 BILLION** TRANSPORTATION FUNDING NEED TO 2030

**\$3.7 BILLION** IN  
EXISTING FUNDING

**\$3 BILLION** IN TTF FUNDING

**\$3.3 BILLION**  
UNFUNDED





## Project Planning & Delivery Underway

**MUNI**FORWARD







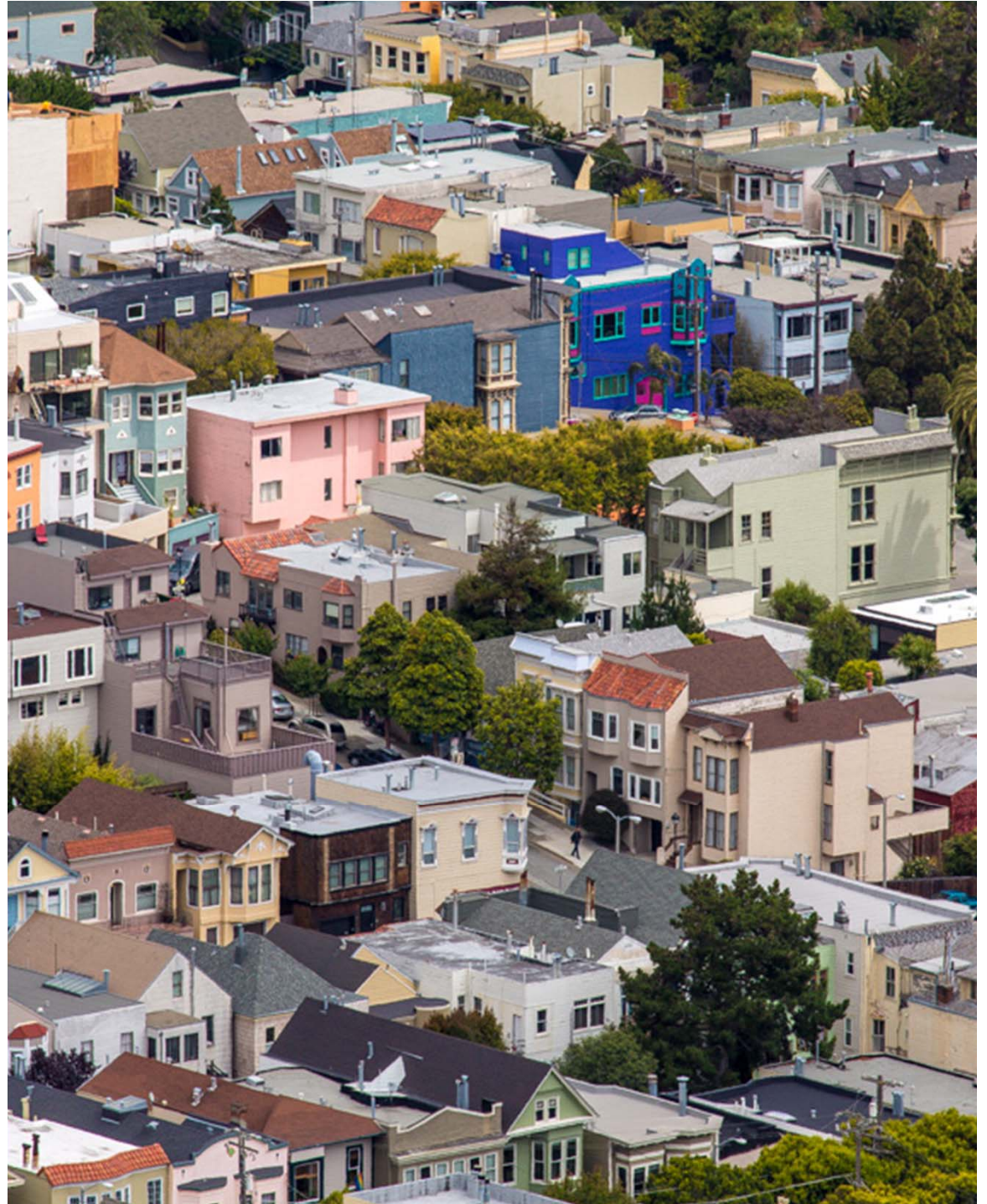
## Project Planning & Delivery Underway





## TOPIC 3

# URBAN DESIGN





# POSSIBLE UNDER CURRENT ZONING



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

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

# POSSIBLE UNDER AHBP



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

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

14 affordable homes-6 low/moderate, 8 middle income

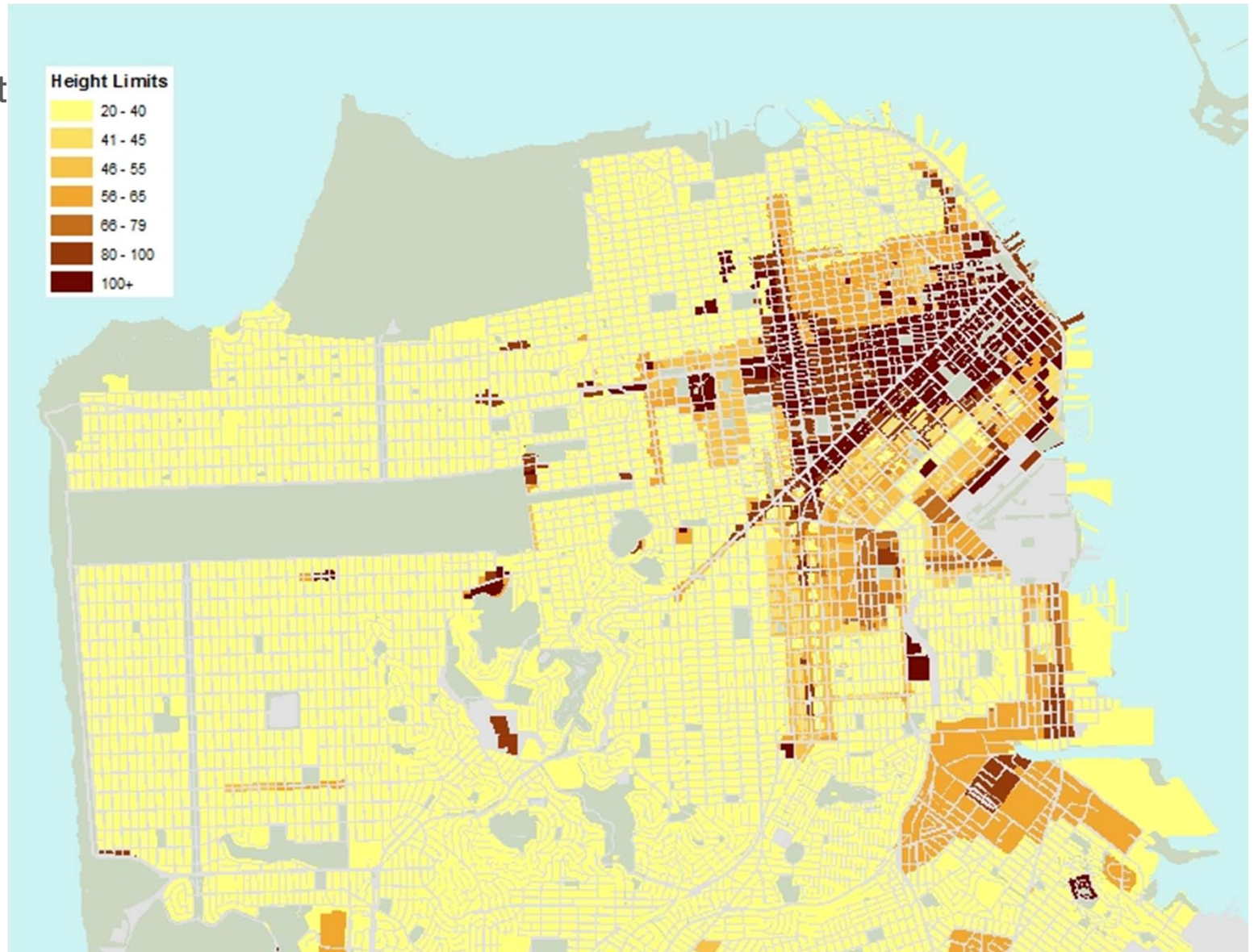


## DESIGN GUIDELINES

- T1. Sculpt tops of buildings to contribute to neighborhood quality (page 6 of the AHBP Design Guidelines).
- T3. Express Exceptional and Complementary Architectural Character (page 7 of the AHBP Design Guidelines).
- B3. The façades of new buildings should extend patterns (page 10 of the AHBP Design Guidelines).

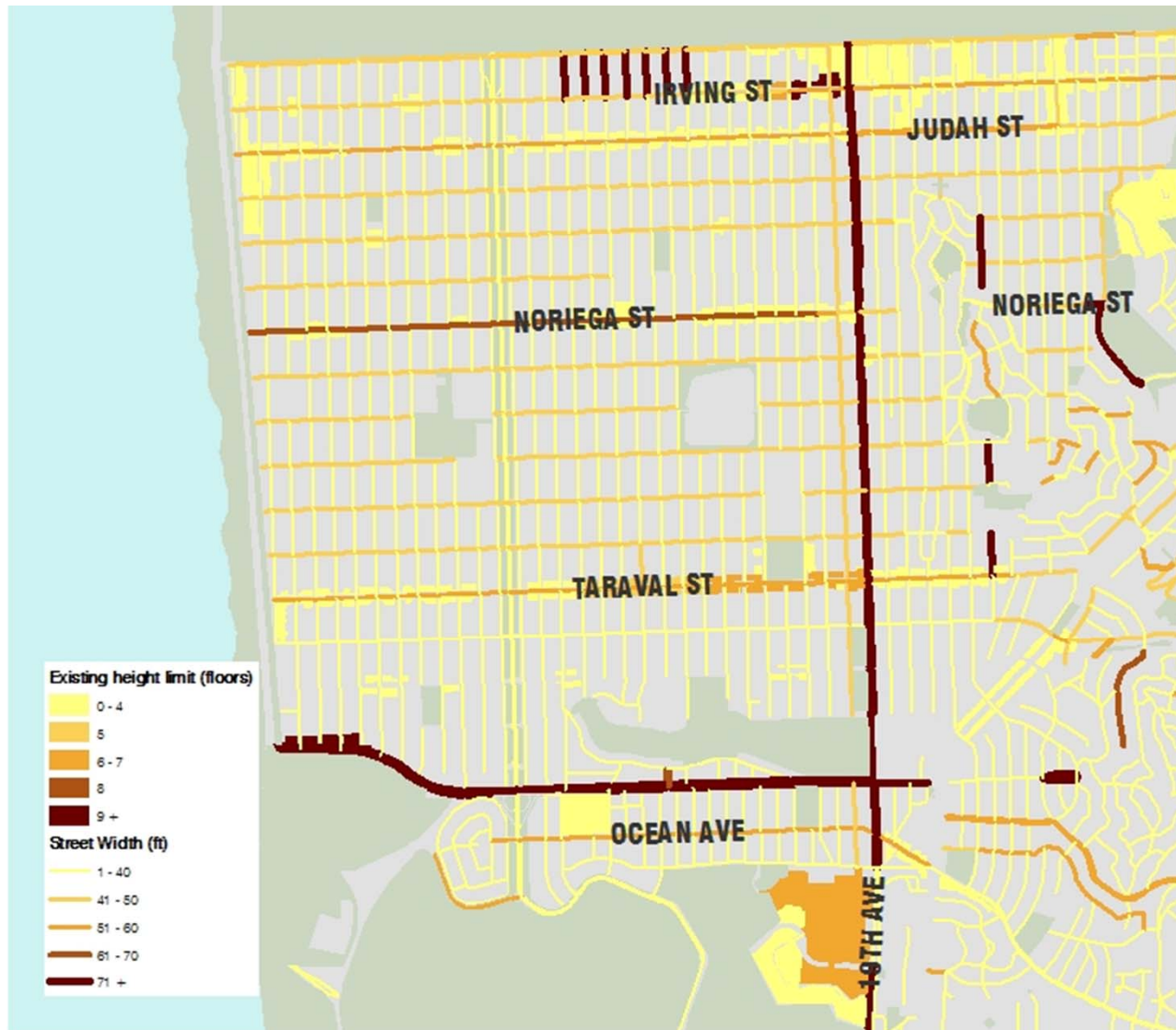
## HEIGHTS VARY IN THE AHBP PROGRAM AREA

Height

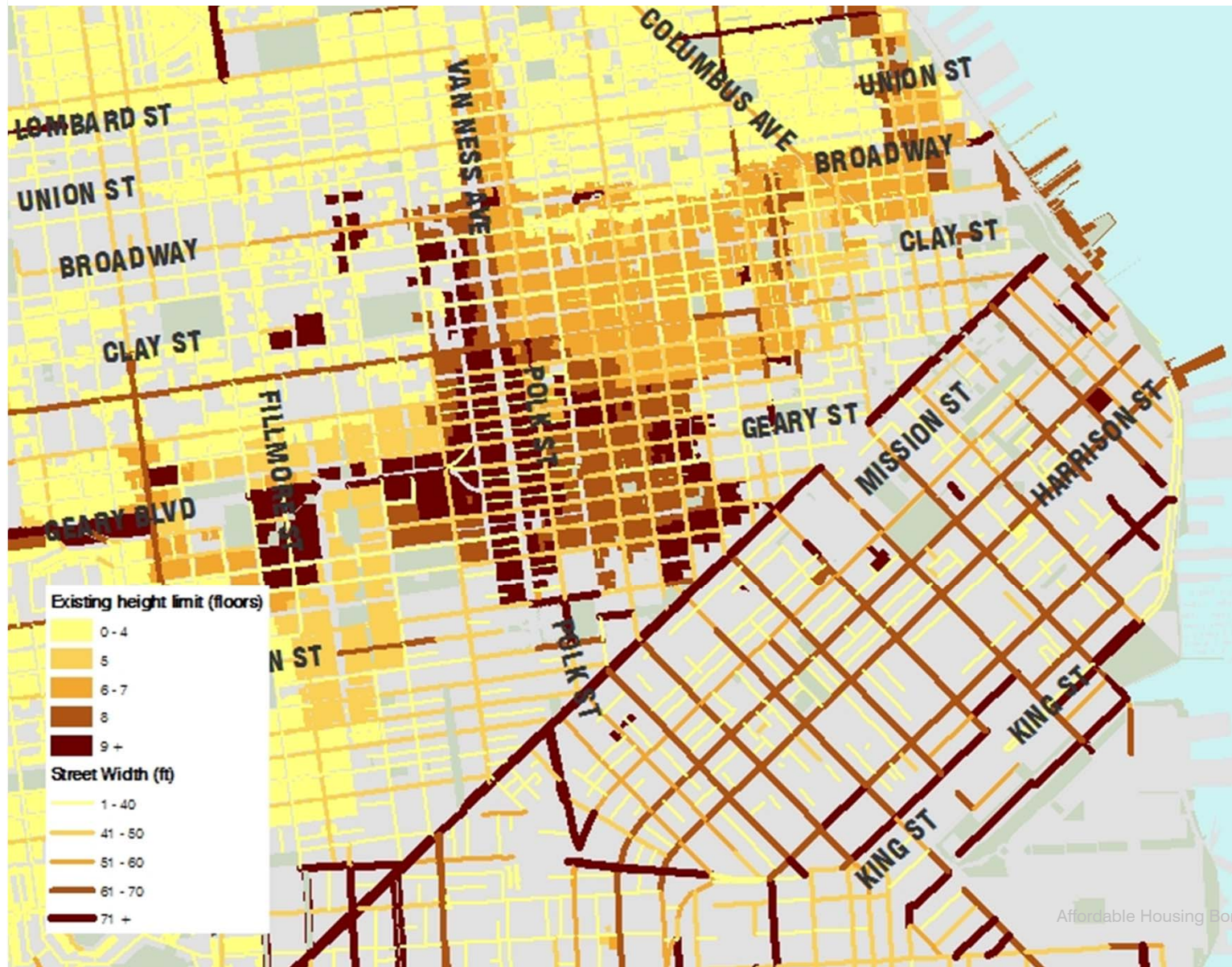




## STREET WIDTHS AND PERMITTED HEIGHTS



## STREET WIDTHS AND PERMITTED HEIGHTS



## INFILL IN HISTORIC DISTRICTS

- H2. Strengthen the primary characteristics of the district through infill construction by referencing and relating to the historic design, landscape, use, and cultural expressions found within the district (page 18 of the AHBP Design Guidelines).
- H6. Design to be identifiable as contemporary and harmonious with the historic district in terms of general site characteristics, materials, and features (page 18 of the AHBP Design Guidelines).



## LOT MERGER LIMITATIONS





## URBAN DESIGN

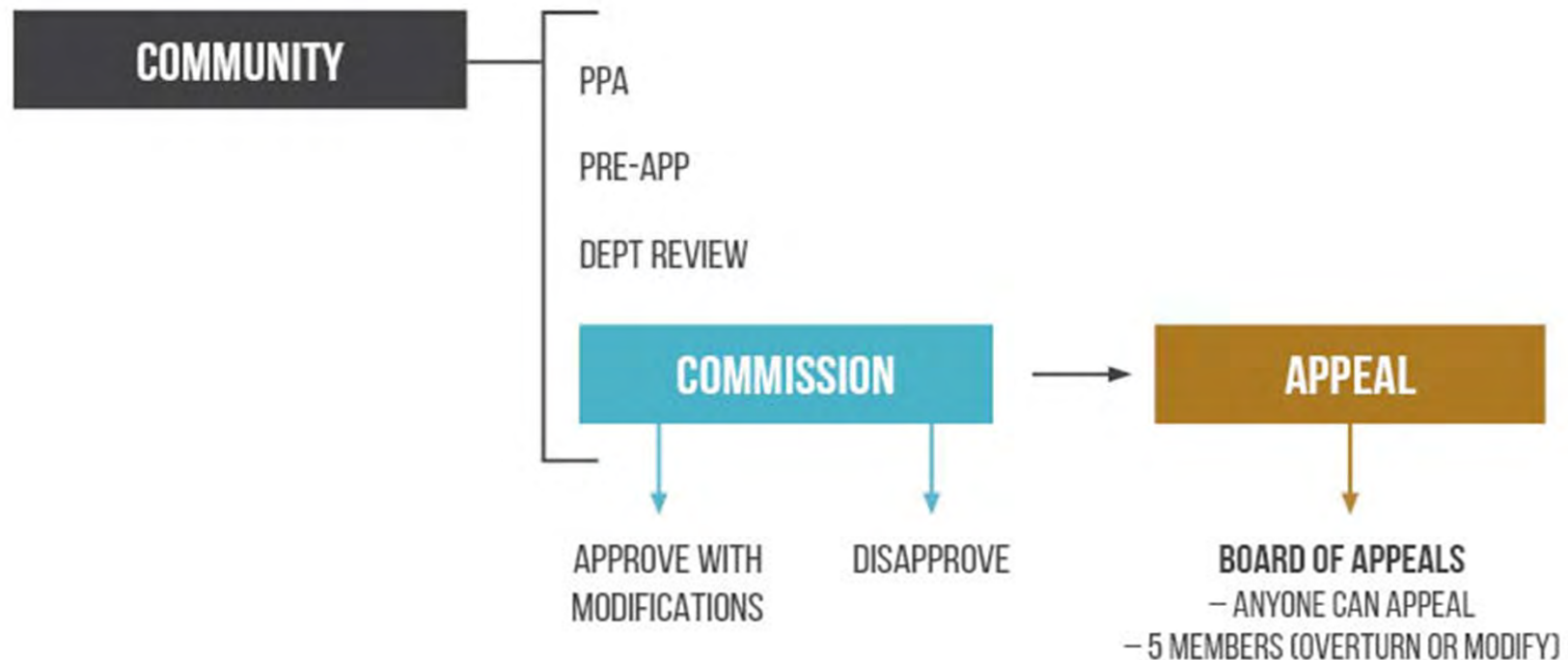
- ADD A DESIGN GUIDELINE TO MAXIMIZE LIGHT AND AIR TO THE SIDEWALKS AND FRONTAGES ALONG THE STREETS, INCLUDING ALLEYWAYS.
- BASE LOT MERGER LIMITATIONS ON **50% OF THE ACTUAL BLOCK LENGTH**, RATHER THAN APPLY A CITYWIDE NUMERICAL CAP.
- DIRECT PLANNING STAFF TO INCLUDE ANALYSIS OF A PROJECT'S CONFORMITY TO DESIGN GUIDELINES IN A PLANNING COMMISSION CASE REPORT.

## TOPIC 4

# PUBLIC REVIEW AND COMMISSION APPROVAL



## CURRENT AHBP PROPOSAL-LOCAL PROGRAM 30% ON-SITE OR MORE AFFORDABLE UNITS



## REVIEW PROCESS SUMMARIZED

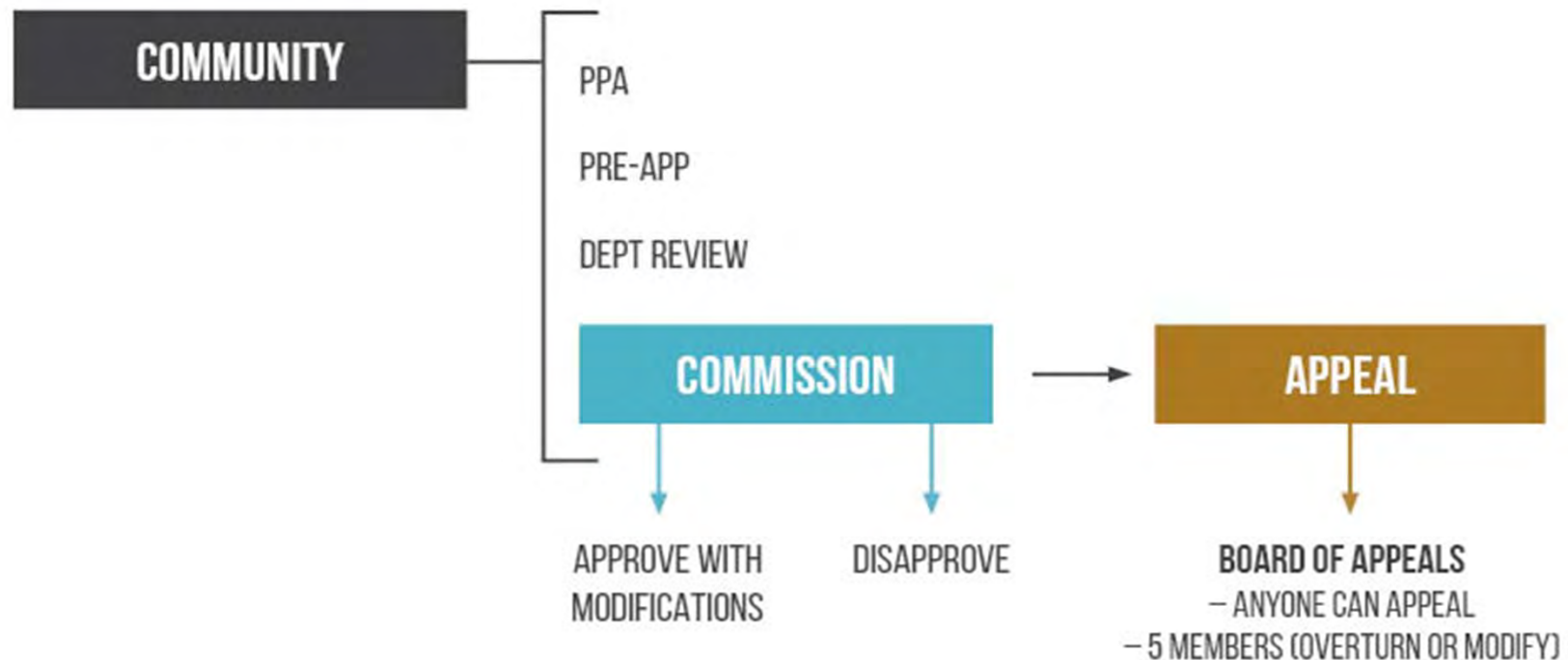
	Current Process	State Analyzed	Local Program, 328 Affordable Housing Benefit Review
Preliminary Project Assessment (PPA)	X	X	X
Environmental Review	X	X	X
Pre-Application Meeting (with neighbors)	X	X	X
Design and Plan Review	X	X	X
Neighborhood notification (Section 311/312), or Planning Commission Hearing Notification	X	X	X
Required Planning Commission Hearing	Sometimes, DR optional	Sometimes, DR optional	X
Entitlement Appeals Body	Board of Appeals, or Board of Supervisors	Board of Appeals, or Board of Supervisors	Board of Appeals



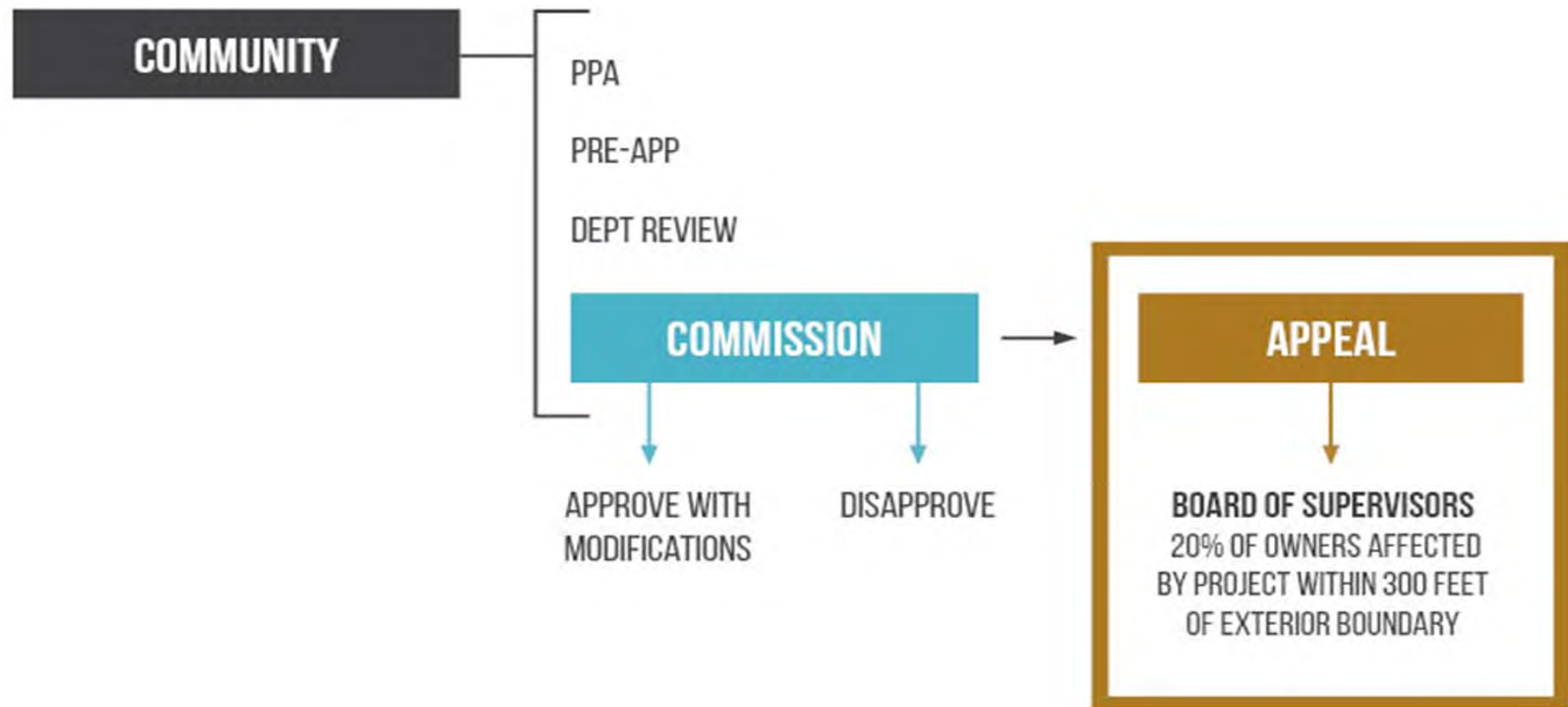
## WHY SEPARATE PROJECT REVIEW

1. Create a single process for projects
2. Enable the Planning Commission to grant exceptions
3. Build on success of LPA

## CURRENT AHBP PROPOSAL-LOCAL PROGRAM 30% ON-SITE OR MORE AFFORDABLE UNITS



## PROPOSED AMENDMENT – CHANGE APPEAL PROCESS





## **PUBLIC REVIEW**

- MODIFY THE APPEALS BODY FOR THE LOCAL AND 100 PERCENT AFFORDABLE HOUSING BONUS PROJECT AUTHORIZATION-SECTION 328-TO BE THE BOARD OF SUPERVISORS

## TOPIC 5

# SMALL BUSINESS RETENTION



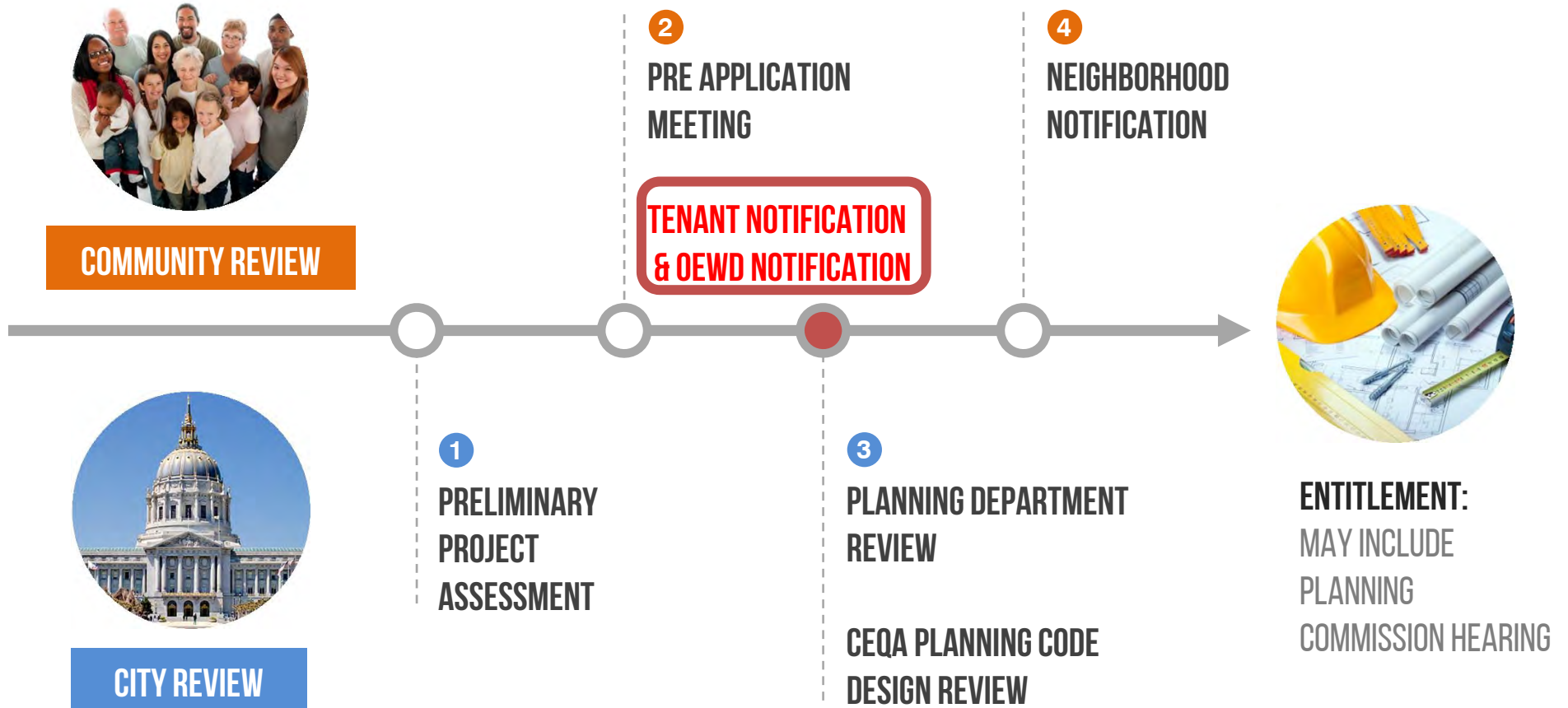
## SMALL BUSINESSES

- Developer notification early in the process
- Priority processing for qualifying businesses (CB3P)
- Support from Mayor's Office of Economic and Workforce Development small business assistance programs



## DESIGN REVIEW PROCESS AND PUBLIC INPUT

PROCESS FOR AFFORDABLE BONUS PROJECTS IS CONSISTENT WITH CURRENT PRACTICE





# **Small Business Retention and Relocation Services and Programs**

**Planning Commission Hearing  
February 25<sup>th</sup>, 2016**



## OEWD Existing Services and Programs

- **Small Business Consulting**
- **Legal/Lease Negotiation Assistance**
- **City Department Assistance (Permitting, DPW, DPH etc.)**
- **Small Business Loans**
- **ADA CASP Inspections**
- **SF Shines-Façade Program**
- **IIN Corridor Initiative**
- **Production, Distribution and Repair Relocation and Broker Services**





# NEW

## Services and Programs

- **Retention and Relocation Program**
  - Small Business Consulting and Case Management
  - Real Estate Readiness Assessment
  - Relocation Assistance/Broker Services
  - Real Estate Acquisition Assistance
  - Space-sharing/Pop-up Matchmaking
  - Succession Planning
- **Legacy Registry and Business Grants**
- **Restaurant Acceleration Program**

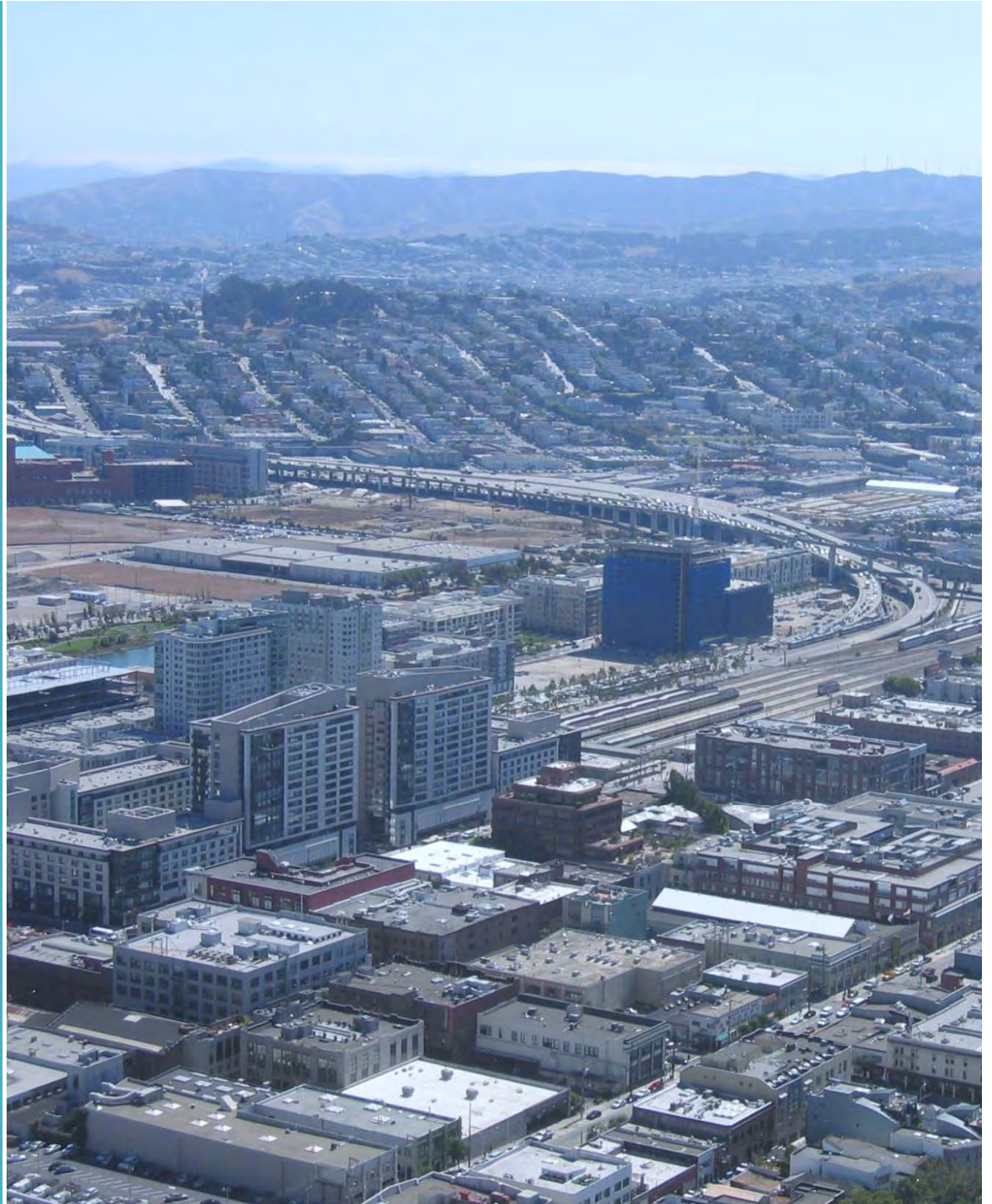


## **SMALL BUSINESS**

- RIGHT OF FIRST REFUSAL TO RETURN TO NEW SPACE
- SMALL BUSINESS RELOCATION FEE (CONSISTENT WITH THE FEDERAL UNIFORM RELOCATION ACT)
- MINIMUM 18 MONTHS NOTIFICATION, ALSO NOTIFY OEWD
- COMMISSION CAN REQUIRE COMMERCIAL USE AND OR REDUCE SIZES TO PROTECT NEIGHBORHOOD SERVING BUSINESSES

## TOPIC 6

# AFFORDABILITY WHO ARE WE BUILDING HOUSING FOR?





## AFFORDABILITY AND THE AHBP

1. Why doesn't the AHBP address the lowest income households?
2. Are middle income households served by market rate housing?
3. Should there be neighborhood specific elements of the program?

## AFFORDABILITY AND THE AHBP

50/55% AMI



80/90% AMI



120% AMI



140% AMI



## WHAT IS 'AFFORDABLE'?

Income Level	One-Person Household Income per Year	Four-Person Household Income per Year
Very-Low (50% AMI)	\$36,000	\$51,000
Low-Income (80% AMI)	\$57,000	\$82,000
Moderate-Income (120% AMI)	\$85,000	\$122,000
Middle-Income (140% AMI)	\$100,000	\$143,000



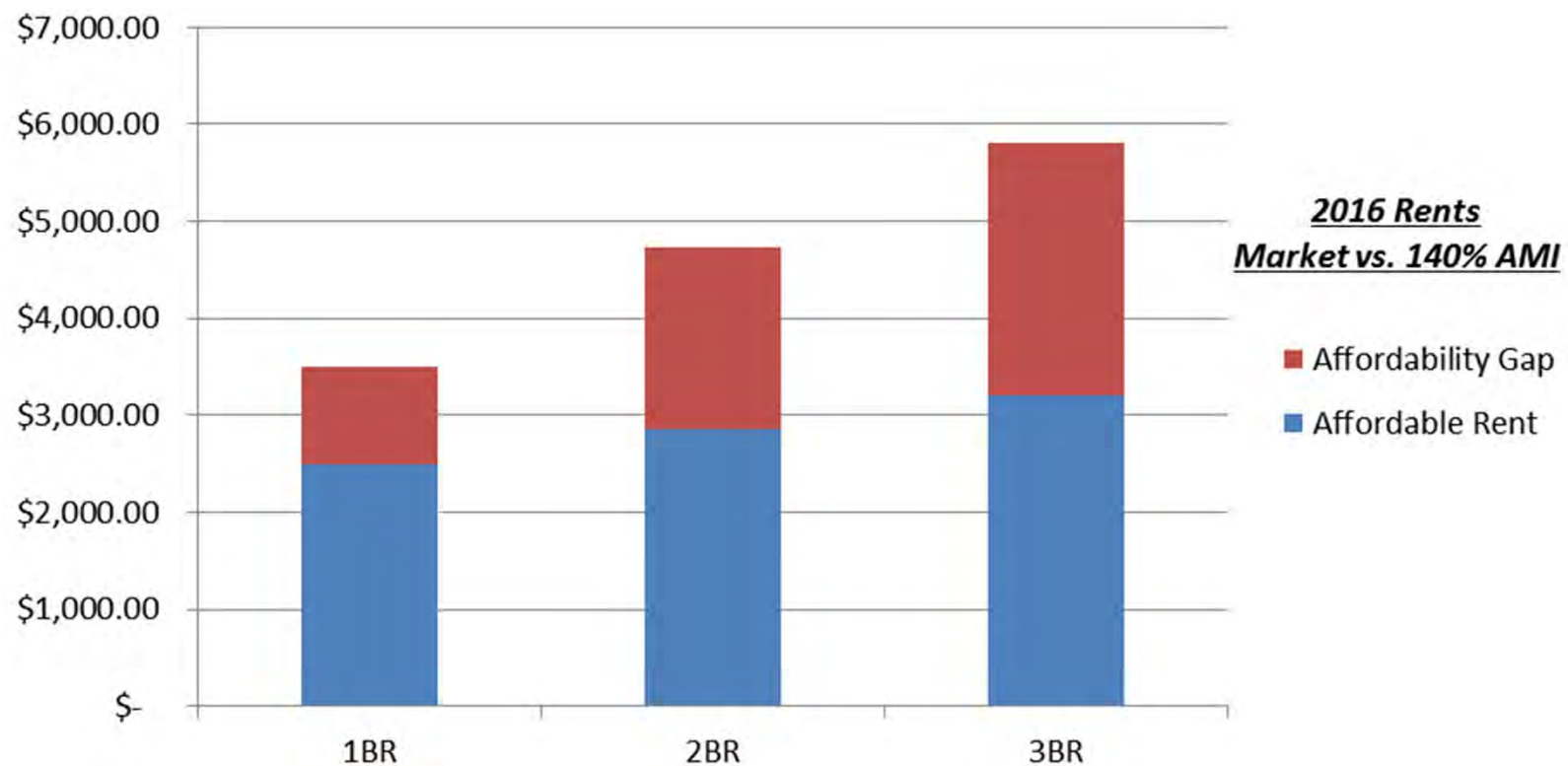
## AFFORDABLE HOUSING PROGRAMS

Affordability Level	Existing Permanently Affordable Units	MOHCD/OCII Housing Pipeline (10 Years)	AHBP Affordable Units (20 Years)	Projected Total Affordable Units With MOHCD/OCII known pipeline and AHBP	
Very Low, Low and Moderate Income	36,259	7,187	2,000	45,446	86%
Low to Moderate 61%-120% AMI	3,286	959		4,245	8%
Middle Income	0	0	3,000	3,000	6%
<b>Total</b>	<b>39,545</b>	<b>8,146</b>	<b>5,000</b>	<b>52,691</b>	<b>100%</b>

<sup>[1]</sup> Roughly 13,180 of these units will service households earning 30% of the AMI or below.

<sup>[2]</sup> Most of the existing units for 120% AMI and below are affordable to households earning no more than 80% AMI.

## AFFORDABILITY GAP — 140% AFFORDABLE RENTS VS. MARKET-RATE RENTS



## LOCAL INVESTMENT IN HIGHLY IMPACTED NEIGHBORHOODS 2015-2020

- Bayview/HP/Visitation Valley:  
\$200,000,000
- Mission: \$182,000,000



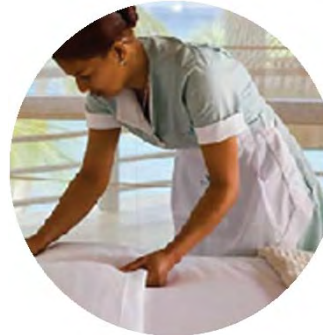
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CURRENT

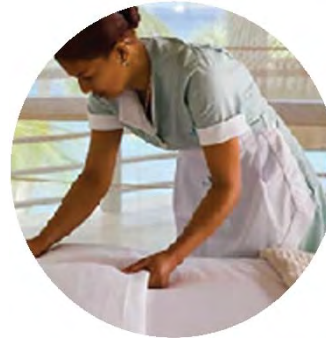
TOPIC 6: AFFORDABILITY

## AFFORDABLE HOUSING BONUS PROGRAM



CURRENT

TOPIC 6: AFFORDABILITY



2,000 UNITS





**AVERAGE RENT FOR A  
ONE-BEDROOM APARTMENT  
IN SF: \$3,490\***

**AVERAGE RENT FOR A  
TWO-BEDROOM APARTMENT  
IN SF: \$4,630\***

Middle Income	Affordable Monthly Rent*	Median Rents in San Francisco, 2015	Affordable Sales Price**
1-person HH (studio)	\$2,500	\$3,490	\$398,295
3-person households (2 bedroom unit)	\$2,689	\$4,630 (two bedroom)	\$518,737

\*MOHCD. 2015 Maximum Monthly Rent by Unit Type; Studio and 2-bedroom unit “without utilities” figure.

\*\*MOHCD. 2015 Sample Sales Prices for the San Francisco Inclusionary Housing Program.

## WHAT IS 'AFFORDABLE'?

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CURRENT

TOPIC 6: AFFORDABILITY

## AFFORDABLE HOUSING BONUS PROGRAM





CURRENT

TOPIC 6: AFFORDABILITY



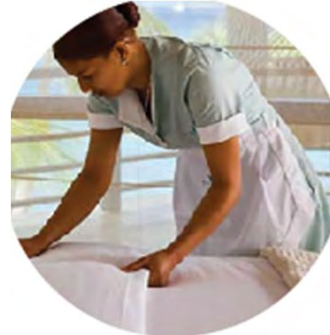
3,000 UNITS



CURRENT

TOPIC 6: AFFORDABILITY

# 5,000 UNITS



## EXISTING RESIDENTS AND BELOW MARKET RATE HOUSING

### 1. Neighborhood Preference

- 40% of all affordable inclusionary units to existing neighborhood residents\*

### 2. AHBP Units must be 20% below a particular neighborhood's market housing costs.

\*Neighborhood is defined as Supervisorial District

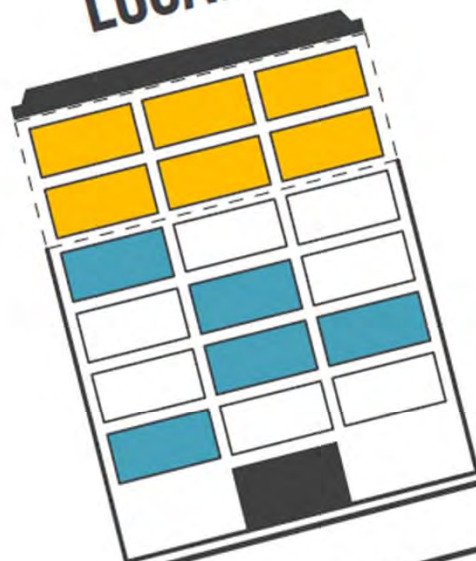
WITHIN CONSTRAINTS OF FEASIBILITY  
**CONVERT SOME OF THE 18%**  
**MIDDLE INCOME (120%/140%)**  
**UNITS TO 100%/120% AMI**



## CURRENT PROGRAM DESIGN

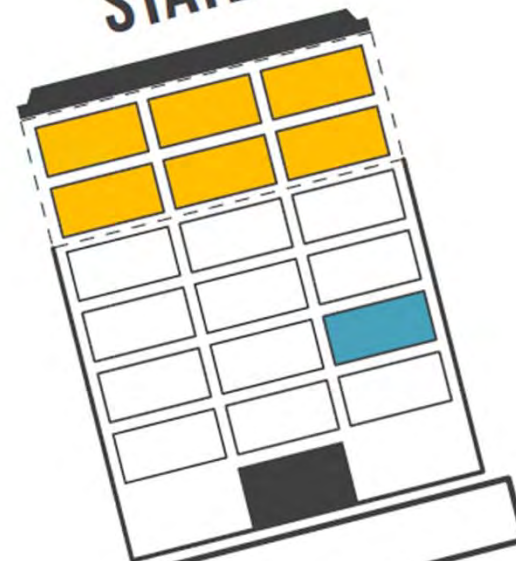
30% ON-SITE

LOCAL



13-20% ON-SITE

STATE



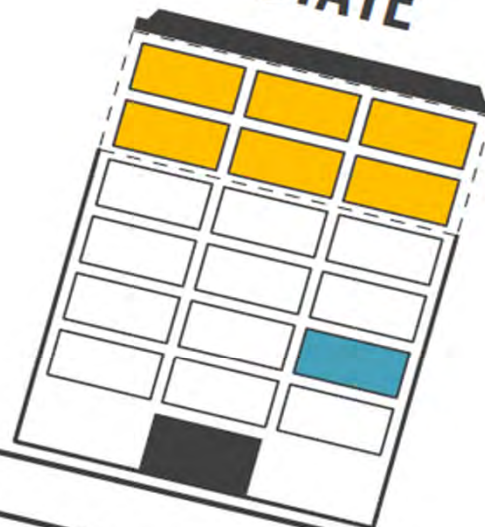
30% ON-SITE

LOCAL



13-20% ON-SITE

STATE



“TO ENCOURAGE GREATER LEVELS OF AFFORDABILITY ON-SITE, THE CITY MAY ADOPT AFFORDABLE HOUSING POLICIES TO PERMIT HEIGHTS THAT ARE SEVERAL STORIES TALLER AND BUILDING MASS THAT IS LARGER THAN DESCRIBED HERE.”

# THANK YOU!

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