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 Current zoning regulations within the Program area are outdated.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

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

* AHBP provides new affordable housing units for these residents.

Source: San Francisco Mayor’s Office of Housing & Community Development, 2015
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

<table>
<thead>
<tr>
<th>Current</th>
<th>Density Bonus – Within Building Envelope</th>
<th>Density Bonus – Height Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Rate Units</td>
<td>Affordable Units</td>
<td>Market Rate Units</td>
</tr>
<tr>
<td>23 Units</td>
<td>12% Affordable (Required)</td>
<td>31 Units</td>
</tr>
</tbody>
</table>

Height Limit
4 stories (45 feet)

Bonus Height + 2 stories (65 feet)
HOW WE DEVELOPED THE PROGRAM

PROGRAM DEVELOPMENT (2 YEARS)

AHBP TEAM
(San Francisco Planning and Mayor’s Office of Housing and Community Development)

RESEARCH AND ANALYSIS
- Density Bonus Study
- Financial Analysis
(David Baker Architects and Seifel Consulting)

PROPOSED PROGRAM

KEY STAKEHOLDERS AND COMMUNITY GROUPS

LEGISLATIVE PROCESS

PLANNING COMMISSION*

LAND USE COMMITTEE

BOARD OF SUPERVISORS

MAYOR SIGNS LEGISLATION
(Anticipated Winter 2015/2016)

*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

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 financers, 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

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

30,850
Parcels in Study Area

Muni Rapid Network

www.sf-planning.org/AHBP
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 ¼ mile of transit (5 minute walk), so we are encouraging housing near transit.
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

- **CURRENT DENSITY BONUS – HEIGHT INCREASE**
  - Height Limit: 4 stories (45 feet)
  - Bonus Height: + 2 stories (65 feet)

- **DENSITY BONUS – WITHIN BUILDING ENVELOPE**
  - LOCAL AHBP PARTICIPANT*
    - Affordable on-site units
      - Affordable Units to Low or Moderate-Incomes: 12%
      - Affordable Units to Middle-Incomes: 18%
  
* There is no minimum unit threshold.

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

[Diagram showing current and local AHBP participant density bonus]

[Table showing density bonus details]
Under the Local AHBP, project sponsors that provide 100 percent affordable units on-site will be offered incentives.

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
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

The diagram illustrates the current density bonus height increase limits and the increased limits for State AHBP participants. The following formulas apply:

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

**CURRENT**

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

**STATE AHBP PARTICIPANT**

- 12% Affordable Units to Low or Moderate-Incomes (Required)
- 1-8% Affordable Units to Very Low, Low, or Moderate Incomes

**DENSITY BONUS – HEIGHT INCREASE**

- 2 stories above existing height limit

**12% + 1-8% = 13-20% Affordable on-site units**

*Project must include 5 units or more.*
DESIGN GUIDELINES

AHBP BUILDINGS HAVE GREAT GROUND FLOORS
GENEROUS CEILING HEIGHTS, FRIENDLY STOOPS, AND TRANSPARENCY
AHBP BUILDINGS ARE CONSIDERATE NEIGHBORS

ACTIVATE WALLS WITH WINDOWS, ART, PLANTS, AND SETBACKS

PLANTED VINES

LIVING WALL

TALLER APARTMENT BUILDING FACES ADJACENT NEIGHBORS WITH SETBACK AND WINDOWS

OPPORTUNITIES FOR ART

SETBACK AND WINDOWS FACE ADJACENT NEIGHBORS

TALLER APARTMENT BUILDING FACES ADJACENT NEIGHBORS WITH SETBACK AND WINDOWS

OPPORTUNITIES FOR ART
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.
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
WHAT COULD NEW AHBP BUILDINGS LOOK LIKE?

THEY MAY LOOK A LOT LIKE WHAT ALREADY EXISTS

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.

This apartment building (circa 1928) exceeds the existing 65’ height limit by at least 7 stories.

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

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.

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

CURRENT HEIGHT LIMIT
OPPORTUNITIES WITHIN SMALL SITES

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

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.

Current Practice
Without the AHBP, there is a potential of:
» 7,400 new housing units.
» with a maximum of 900 affordable.

State Program
Through the State Program, there is a potential of:
» 10,000 new housing units,
» with a maximum of 1,500 affordable.

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.

NEW HOUSING UNITS BY 2036:

<table>
<thead>
<tr>
<th></th>
<th>TOTAL NEW HOUSING UNITS</th>
<th>MAXIMUM AFFORDABLE UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Practice</td>
<td>7,400</td>
<td>900</td>
</tr>
<tr>
<td>State Program</td>
<td>10,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Local Program</td>
<td>16,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

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

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