



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Change

HEARING DATE: JUNE 12, 2014

Project Name: Board of Supervisors File No. 140036; Revisions to Rules for Calculating Dwelling Unit Densities
Case Number: 2014.0348T [Board File No. 140036]
Initiated by: Supervisor Weiner / Introduced January 14, 2014
Staff Contact: Kearstin Dischinger
Kearstin.Dischinger@sfgov.org, 415-558-6284
Reviewed by: Aaron Starr, Acting Manager Legislative Affairs
Aaron.starr@sfgov.org, 415.558.6362
Recommendation: **Recommend Approval**

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PLANNING & ADMINISTRATIVE CODE AMENDMENTS

The proposed legislation, introduced by Supervisor Wiener on January 14, 2014, would amend the San Francisco Planning Code to exclude Affordable Housing Units (AHUs)¹ from density calculations for projects that provide at least 20 percent of their units as AHUs in districts with density maximums except RH-1 and RH-2 and would amend density calculations under certain other scenarios.

The Way It Is Now:

1. For many districts in the City, housing density standards are established in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy the unit or the *level of affordability of the unit*. There are many districts, in various areas of the city that, do not have numeric density limits, rather they regulate density indirectly by setting limits on building based on height and bulk.

¹ For purposes of this legislation, AHUs are defined as units where affordability is regulated through existing programs, specifically units that meet (1) the criteria of Section 406(b),¹ (2) the requirements of Section 415 (Inclusionary Affordance Housing Ordinance), or (3) restricted units in a project using California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing and 4 percent tax credits under the Tax Credit Allocation Committee (TCAC).

2. When calculating the number of residential units permitted in districts which establish a maximum dwelling unit density, the remaining fraction of one-half or more of the minimum amount of lot area per dwelling unit is rounded downward to the next whole number of dwelling units.
3. In NC Districts, the density limit is specified in the zoning control table for the district, or that of the nearest Residential or Residential-Commercial District, whichever permits the greater density. The distance to each Residential or Residential-Commercial District is currently measured from the midpoint of a lot or from a point directly across the street therefrom, whichever permits the greater density.

The Way It Would Be:

1. For many districts in the City, housing density standards are established in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This legislation would exempt affordable units from the maximum density calculation. This legislation would not apply to RH-1, RH-2, nor to districts that do not have numeric maximum densities, such as RTO and NCT. This legislation does not provide exemptions from other Planning Code requirements that limit a site's development potential such as height, bulk, or open space requirements.
2. In districts which establish a maximum dwelling unit density, , the remaining fraction of one-half or more of the minimum amount of lot area per dwelling unit would be rounded upward to the next whole number of dwelling units.
3. In NC Districts, the density limit would be retained in the manner currently specified in the zoning control table for the district, or that of the nearest Residential or Residential-Commercial District, whichever permits the greater density; however, the proposed Ordinance would change the way the number was calculated such that the distance to each Residential or Residential-Commercial District would be measured from any portion of a lot or from a point directly across the street therefrom, whichever permits the greater density.

BACKGROUND

Other Efforts to Address San Francisco's Housing Crisis

San Francisco has a shortage of housing, particularly affordable housing. Policy makers are working to address this housing shortage, and particularly the affordable housing shortage, by pursuing numerous policies, funding mechanisms, and programs. This past winter Mayor Lee issued an Executive Directive which enacted a number of short term policies and identified

potential long term programs and policies to address the affordable housing issue. The Mayor has also established a number of working groups to develop implementable solutions to achieve a 30,000 housing unit production goal, which includes a 10,000 affordable housing unit production goal. In recent months the Planning Commission reviewed and endorsed a number of Board of Supervisor initiated Planning Code amendments in this vein. Additionally, the City recently established strong local funding tools for affordable housing through the voter supported Proposition C, which established the City's Housing Trust Fund.

No single legislation, policy, or program will solve the affordable housing issues in San Francisco; however, a series of programs, together will enable the city to work towards improving the supply of housing. This legislation is a Board of Supervisor initiated effort to contribute to the ongoing set of solutions to the affordable housing crisis. Specifically, this legislation could potentially result in greater on-site affordable unit production, slightly greater housing production overall, and could potentially encourage development on marginally feasible development sites.

Similar Work Now Underway: Mayor's Housing Working Group

The Planning Department and the Mayor's Housing Working Group, are currently working to develop a *revised housing density bonus program* that will establish the City's preferences, priorities, and procedures for projects seeking a density bonus through the State Density Bonus Law. The *revised housing density bonus program* developed through this work will supersede the City's existing process, which includes granting density bonuses consistent with State law through a Special Use District (SUD). The *revised housing density bonus program* is currently under development with input from the Mayor's Working Group; also the Department is working with architecture and financial consultants to inform the *revised program*.

The Supervisor's proposed legislation, which is before you today, excludes any projects that are seeking a density bonus through the State program (Government Code Section 65915). The *revised Housing Density Program* could afford greater flexibility for projects than the legislation before you today, as the State Density Bonus Law requires, under certain circumstances, that in addition to proscribed relief from density limits, a Project receives concessions and incentives to accommodate onsite affordable housing. This legislation generally has similar policy intent as the *revised housing density bonus program*.

ISSUES AND CONCERNS

Coordination with the Ongoing Mayor's Working Group Initiative.

This legislation is related to the Mayor's working group initiative around a *revised housing density bonus program*, which is currently under development. In some instances, such as with Formula Retail and Medical Cannabis Dispensaries, the Department has recommended that the Board of Supervisors coordinate their proposed legislation with related ongoing Department studies and initiatives. In this case, however, the Board legislation was introduced before the Mayor's working group was initiated. Additionally, this proposed legislation, is not in conflict with the ongoing *revised housing density bonus program*. Also, the Supervisor added language indicating

that the City will revisit this legislation while considering the proposal generated through the Mayor's Working Group.

The Mayor's working group *revised housing density bonus program* proposal will go further to incentivize affordable housing development in accordance with the State Density Bonus Law. Specifically, it will offer additional exceptions and incentives to support new affordable housing development, as required by State Law. However, there may be some projects that can benefit from this proposal, thus generating additional affordable housing units for the City, in the interim period. To date, the Department is not aware of any projects that intend to seek a density exception through this legislation. The legislation would not allow a project seeking a bonus through the State Density Bonus law to obtain the bonus under the legislation.

There are some limitations on the legislation's ability to incentivize a large number of additional housing units as described below.

Anticipated Impact on the Construction of New Affordable Housing.

The Department projects that this legislation could facilitate some new affordable and market rate housing production. First, the potential density benefit could encourage projects to provide 20% affordable units onsite. This is a net gain in affordable units from the required 12% onsite requirement. Also, this program could incentivize projects that might otherwise elect to pay the inclusionary housing fee to elect to build the affordable housing units on site, in order to receive the density bonus. This legislation could also benefit parcels, in a limited number of districts in the City, which are zoned for residential use yet their total development capacity is constrained by density limits, rather than the other Planning Code requirements that are discussed in the next section. This legislation offers some relief from density constraints for these parcels.

However, the Department projects that the total number of development projects that will elect to take advantage of this program will be limited based on a few factors. To start, most parcels in the City are not eligible to participate in this program. The proposed legislation would not apply to RH-1 and RH-2 districts, which make up approximately 72² percent of all existing land parcels, and 50³ percent of the City's developable acreage (meaning non-open space or land that is not federally owned). Combined, these two districts regulate the vast majority of residential parcels. It also would not apply in any areas subject to a redevelopment plan, such as Mission Bay and Transbay redevelopment areas. Finally, a number of zoning districts do not have numeric density limits, so there is no incentive for a project to participate in a density bonus program based on the

2 As of March 2014 there are 110,720 parcels zoned RH-1 or RH-2; there are 153,827 parcels in the city (this does not include multiple condos mapped to a single parcel). Source: SF Planning Department Zoning Map.

3 As of March 2014 8113 acres of land is zoned RH-1 or RH-2; less than 17,000 acres of land in San Francisco has other a zoning designation other than RH-1 or RH-2. Of the 17,000 some smaller parks, public lands, and zoning districts that do not allow housing have been included. For this reason, the ratio is presented as an approximate number to frame the relative ratio of land. Source: SF Planning Department Zoning Map.

calculation set forth in Section 207.1. See Exhibit A for a map of zoning districts which could potentially benefit from the legislation.

Other Limiting Factors

Within the geographies that could benefit from the legislation, only some projects will elect to pursue the density exemptions allowed through this legislation. First, there are considerable financial factors; projects that elect to participate in the program receive a limited level of relief from existing controls (density exemptions for affordable units only), however they must elect to provide 20% of their units as affordable. Given the existing 12% requirement under Planning Code Section 415 – this legislation nearly doubles the total number of required affordable units. The additional costs of providing a greater number of affordable units could exceed the potential density benefit permitted within the existing building envelope. In some cases, such as projects that intend to provide 20% or higher inclusionary housing under the California Debt Limit Allocation Committee (“CDLAC”) financing or are otherwise 100% affordable housing projects, projects could benefit from this legislation without considerable additional financial burdens.

Since this legislation does not offer any concessions or incentives that increase the total buildable area, some projects may not benefit from this legislation. In some cases, there are physical constraints that will not allow a project to achieve a 20% density bonus within the allowed building envelope. Other Planning Code requirements such as height, exposure, rear yard requirements, useable open space requirements, and parking requirements could limit the number of additional units that a given site could accommodate regardless of relief from the density limits made available through this legislation. These constraints will reduce the number of projects that are able to benefit from this potential density bonus.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

RECOMMENDATION AND BASIS FOR RECOMMENDATION

The Department recommends that the Commission recommend *approval* of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

- The legislation could enable and facilitate additional construction of affordable housing units, including higher rates of affordable units in mixed income market rate housing developments.
- The legislation could encourage projects to select the onsite option to meet the requirements of Planning Code Section 415.
- The legislation includes a clause directing the Board of Supervisors to revisit this legislation, especially section 207.1(f), should the 2014 Mayor’s Housing Working Group advance a broader legislative density bonus proposal for consideration.

ENVIRONMENTAL REVIEW

The proposed Ordinance is covered under Case No. **2014.0348E**, and is exempt from environmental review under the General Rule Exclusion (GRE), pursuant to CEQA Guidelines Section 15061(b)(3).

PUBLIC COMMENT

The Planning Department received one public comment from the Council of Community Housing (CCHO) suggesting that the legislation “should be part of the Mayor’s Housing Task Force process. . . . and part of a package that builds political consensus through the Mayor’s big tent process.” Additionally the commenter questioned the relationship between this legislation, micro unit developments and the price of Below Market Rate Units.

RECOMMENDATION: Recommendation of Approval
--

Attachments:

- Exhibit A: Map of Districts that could potentially benefit from legislation
- Exhibit B: Draft Planning Commission Resolution
- Exhibit C: Draft Ordinance [Board of Supervisors File No. **140036**]



SAN FRANCISCO
 Potential Locations of Bonus Units Under Dwelling Unit Density Legislation



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Draft Resolution Planning Code Text Change HEARING DATE: JUNE 12, 2014

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Project Name: Board of Supervisors File No. 140036; Revisions to Rules for Calculating Dwelling Unit Densities

Case Number: 2014.0348T [Board File No. 14-0036]

Initiated by: Supervisor Weiner / Introduced January 14, 2014

Staff Contact: Kearstin Dischinger
Kearstin.Dischinger@sfgov.org, 415-558-6284

Reviewed by: Aaron Starr, Acting Manager Legislative Affairs
Aaron.starr@sfgov.org, 415.558.6362

Recommendation: **Recommend Approval**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND PLANNING CODE SECTIONS 207.1 AND 207.4 TO EXCLUDE AFFORDABLE HOUSING UNITS (AHUS)¹ FROM DENSITY CALCULATIONS FOR PROJECTS THAT PROVIDE AT LEAST 20 PERCENT OF THEIR UNITS AS AHUS AND WOULD AMEND DENSITY CALCULATIONS UNDER CERTAIN OTHER SCENARIOS AND AMENDING DENSITY CALCULATIONS UNDER CERTAIN SCENARIOS; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

WHEREAS, on January 14, 2014 and later on substituted on June 3, 2014, Supervisors Weiner introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 14-0036, which would amend Sections 207.1 and 207.4 to exclude Affordable Housing Units (AHUs)² from density calculations for projects that provide at least 20 percent of their units as AHUs and would amend density calculations under certain other scenarios;

¹ For purposes of this legislation, AHUs are defined as units where affordability is regulated through existing programs, specifically units that meet (1) the criteria of Section 406(b),1 (2) the requirements of Section 415 (Inclusionary Affordance Housing Ordinance), or (3) restricted units in a project using California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing and 4 percent tax credits under the Tax Credit Allocation Committee (TCAC).

² For purposes of this legislation, AHUs are defined as units where affordability is regulated through existing programs, specifically units that meet (1) the criteria of Section 406(b),2 (2) the requirements of Section 415 (Inclusionary Affordance Housing Ordinance), or (3) restricted units in a project using California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing and 4 percent tax credits under the Tax Credit Allocation Committee (TCAC).

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on June 12, 2014; and,

1. WHEREAS, The Commission will revisit this ordinance while considering the proposal generated through the Mayor's Working Group around the *revised Housing Density Bonus Program*; and,

WHEREAS, the proposed Ordinance has been determined to be exempt from environmental review under the General Rule Exclusion (GRE), pursuant to CEQA Guidelines Section 15061(b)(3); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approve** the proposed ordinance.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

2. San Francisco is currently working to identify a series of policies and programs to facilitate the development of affordable housing.
3. The proposed Ordinance aims to introduce more affordable housing to the current unaffordable market of housing in San Francisco. The value of density waivers would be recaptured by an increase in stock of affordable housing.
4. This ordinance directs the Board of Supervisors to revisit this ordinance while considering the proposal generated through the Mayor's Working Group around the *revised Housing Density Bonus Program*.
5. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the Objectives and Policies of the General Plan:

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

The proposed Ordinance could facilitate additional affordable housing development, specifically, the ordinance could encourage project sponsors to pursue on-site affordable housing development in properties that otherwise are unlikely to host affordable housing.

OBJECTIVE 7

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL.

The proposed Ordinance aims to support additional affordable housing without the need for further public subsidy. Offering an exception to density for affordable housing units does not rely on traditional mechanisms or Capital to produce affordable housing.

1. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative impact on neighborhood serving retail uses and will not impact opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character. The new units would be built within the existing building envelope and therefore would impose minimal impact on the existing housing and neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance could enhance the City's supply of affordable housing and aims to create additional affordable units within the allowable building envelope by offering exceptions to density for affordable units that comprise more than 20% of the project.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an impact on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have a negative impact on the City's Landmarks and historic buildings as the new units would be added under the guidance of local law and policy protecting historic resources, when appropriate.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an impact on the City's parks and open space and their access to sunlight and vistas.

- 8. Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with modifications as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on June 12, 2014.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED:

1 [Planning Code—Dwelling Unit Density]

2

3 **Ordinance amending the Planning Code to exclude Affordable Housing Units as**
 4 **defined from density calculations for projects that provide at least twenty (20) percent**
 5 **of their units as Affordable Units and amending density calculations under certain**
 6 **scenarios; adopting findings, including environmental findings, Section 302 findings,**
 7 **and findings of consistency with the General Plan and the Priority Policies of Planning**
 8 **Code Section 101.1.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 11 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 12 **Board amendment additions** are in double-underlined Arial font.
 13 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 14 **Asterisks (* * * *)** indicate the omission of unchanged Code
 15 subsections or parts of tables.

13

14 Be it ordained by the People of the City and County of San Francisco:

15

16 Section 1. Findings.

17 (a) The Planning Department has determined that the actions contemplated in this
 18 ordinance comply with the California Environmental Quality Act (California Public Resources
 19 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 20 Supervisors in File No. ____ and is incorporated herein by reference.

21 (b) Pursuant to Planning Code Section 302, this Board finds that these Planning
 22 Code amendments will serve the public necessity, convenience, and welfare for the reasons
 23 set forth in Planning Commission Resolution No. _____ and the Board incorporates
 24 such reasons herein by reference. A copy of Planning Commission Resolution No.
 25 _____ is on file with the Board of Supervisors in File No. _____.

1 (c) On _____, the Planning Commission, in Resolution No. _____, adopted
2 findings that the actions contemplated in this ordinance are consistent, on balance, with the
3 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
4 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
5 Board of Supervisors in File No. _____, and is incorporated herein by reference.

6 (d) The Board re-adopts and incorporates by reference the findings in Planning Code
7 Section 415.1. Specifically the Board re-adopts its findings in Section 415.1, subsection 12
8 related to the Keyser Marston nexus analysis in support of the Inclusionary Affordable
9 Housing Program, or an analysis of the impact of development of market rate housing on
10 affordable housing supply and demand. This study is found in Board of Supervisors File No.
11 _____. The Board finds that a higher on-site inclusionary housing requirement than
12 that required by Planning Code Section 415 et seq. may be justified in the event that a project
13 sponsor seeks and chooses to exempt the affordable units from the density calculations set
14 forth in Section 207.1.

15
16 Section 2. The Planning Code is hereby amended by revising Sections 207.1 and
17 207.4, to read as follows:

18 **SEC. 207.1. RULES FOR CALCULATION OF DWELLING UNIT DENSITIES.**

19 *In districts which establish a maximum dwelling unit density, the ~~The~~ following rules shall*
20 *apply in the calculation of dwelling unit densities under this Code:*

21 (a) The entire amount of lot area per dwelling unit specified *by the Code in Sections*
22 *207.5 or 209.1 of this Code* shall be required for each dwelling unit on the lot. *Fractional numbers*
23 *shall be adjusted downward to the next lower whole number of dwelling units. A remaining fraction of*
24 *one-half or more of the minimum amount of lot area per dwelling unit shall be adjusted upward to the*
25 *next higher whole number of dwelling units.*

1 (b) Where permitted by this Code, ~~the provisions of Sections 207.5, 209.1 and 209.2 of~~
2 ~~this Code~~, two or more of the dwelling and other housing uses specified in the Code said sections
3 may be located on a single lot, either in one structure or in separate structures, provided that
4 the specified density limits are not exceeded by the total of such combined uses. Where
5 dwelling units and group housing are combined, the maximum permitted density for dwelling
6 units and for group housing shall be prorated to the total lot area according to the quantities of
7 these two uses that are combined on the lot.

8 (c) Where any portion of a lot is narrower than five feet, such a portion shall not be
9 counted as part of the lot area for purposes of calculating the permitted dwelling density.

10 (d) No private right-of-way used as the principal vehicular access to two or more lots
11 shall be counted as part of the lot area of any such lot for purposes of calculating the
12 permitted dwelling unit density.

13 (e) Where a lot is divided by a use district boundary line, the dwelling unit density
14 limit for each district shall be applied to the portion of the lot in that district, and none of the
15 dwelling units attributable to the district permitting the greater density shall be located in the
16 district permitting the lesser density.

17 (f) For projects that are not located in any RH-1 or RH-2 zoning district, or are not seeking
18 and receiving a density bonus under the provisions of California Government Code Section 65915,
19 where 20% or more of the dwelling units on-site are "Affordable Units," the on-site Affordable Units
20 shall not count towards the calculation of dwelling unit density. This Planning Code Section does not
21 provide exceptions to any other Planning Code requirements such as height or bulk. For purposes of
22 Section 207.1, "Affordable Units" shall be defined as meeting (1) the criteria of Section 406(b), (2) the
23 requirements of Section 415 et seq. for on-site units, or (3) restricted units in a project using California
24 Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing and 4 percent tax credits under
25 the Tax Credit Allocation Committee (TCAC). If a project sponsor proposes to provide "Affordable

1 Units” that are not restricted by any other program, the Mayor’s Office of Economic and Community
2 Development, through its Director, may enter into a written agreement with a project sponsor who has
3 a project utilizing this subsection (f) or subsection (g) to restrict the units as affordable under Planning
4 Code Section 415 up to a maximum of 20 percent of the units in the principal project. Any such
5 agreement shall be executed by the project sponsor prior to approval by the Planning Commission or
6 Planning Department staff. If a project sponsor obtains the exemption from the density calculation for
7 Affordable Units provided in this subsection, the exemption shall be recorded against the property.
8 Any later request to decrease the number of Affordable Units shall require the project to go back to the
9 Planning Commission or Planning Department, whichever entity approved the project as a whole.

10 (g) ~~In the RTO Districts,~~ on-site dwelling units that are “Affordable Units,” as defined in
11 subsection (f) affordable (meeting the criteria of Section 406(b) or the requirements of Section 415)
12 shall not count toward density calculations or be limited by lot area.

13
14 **SEC. 207.4. DENSITY OF DWELLING UNITS IN NEIGHBORHOOD COMMERCIAL**
15 **DISTRICTS.**

16 The density of dwelling units in Neighborhood Commercial Districts shall be as stated
17 in the following subsections:

18 (a) The rules for calculation of dwelling unit densities set forth in Section 207.1 of
19 this Code shall apply in Neighborhood Commercial Districts, except that any remaining
20 fraction of ½ or more of the minimum amount of lot area per dwelling unit shall be adjusted
21 upward to the next higher whole number of dwelling units.

22 The dwelling unit density in Neighborhood Commercial Districts shall be at a
23 density ratio not exceeding the number of dwelling units permitted in the nearest Residential
24 District, provided that the maximum density ratio shall in no case be less than the amount set
25 forth in the zoning control table for the district. The distance to each Residential District shall

1 be measured from ~~the midpoint of the front lot line~~ any portion of the lot or from a point directly
2 across the street therefrom, whichever permits the greater density.

3 (b) The dwelling unit density for dwellings specifically designed for and occupied by
4 senior citizens or persons with physical disabilities shall be at a density ratio not exceeding
5 twice the number of dwelling units permitted by the limits set forth in Subsection (a).

6 (c) The dwelling unit density in the RCD District and NCT Districts, as listed in
7 Section 702.1(b), shall not be limited by lot area, but by the applicable requirements and
8 limitations elsewhere in this Code, including but not limited to height, bulk, setbacks, open
9 space, exposure, and unit mix, as well as by applicable design guidelines, applicable
10 elements and area plans of the General Plan, and design review by the Planning Department.

11
12 Section 3. In enacting this ordinance, the Board of Supervisors intends to revisit its
13 provisions, especially section 207.1(f), should the 2014 Mayor's Housing Working Group
14 advance a broader legislative density bonus proposal for consideration.

15
16 Section 4. Effective Date. This ordinance shall become effective 30 days after
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
19 of Supervisors overrides the Mayor's veto of the ordinance.

20
21 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
22 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
23 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
24 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
25

1 additions, and Board amendment deletions in accordance with the "Note" that appears under
2 the official title of the ordinance.

3

4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 Susan Cleveland-Knowles
8 Deputy City Attorney

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
n:\legana\as2014\1400328\00896291.doc