PLANNING DEPARTMENT

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SUMMARY OF RECENT CHANGES TO THE INCLUSIONARY HOUSING PROGRAM

Adopted by the City in Summer 2006, Ordinance Numbers 213-06 and 219-06 amended the requirements of the Residential Inclusionary Affordable Housing Program contained in Sections 315 of the Planning Code. The Amendments modify requirements for below market rate (BMR) housing in new residential projects.

The Planning Department has prepared the chart below to summarize selected changes to the Program as they pertain to the Planning Department. This summary does not supercede or reinterpret any portion of the amendments or existing Code provisions; it is provided only as a brief orientation to the Amendments. Developers of residential housing should seek their own legal counsel or refer directly to the amendments when making decisions about particular projects.

Further to the modifications discussed below, the Ordinances also included amendments relating to the marketing of affordable units, the use of state monies for affordable units, and additional monitoring, implementation, and enforcement.

	New Requirement	Old Requirement	Comment	Application Date
Program Threshold	Projects involving 5 or more new dwelling units are included in the Program.	Only projects of 10 or more units were included.	Projects containing between 5 and 9 units are eligible to make a fractional in-lieu payment.	Applies to projects which submit a first application (such as EE) after July 18, 2006.
Number of BMR Units Required	Project must: (a) provide on-site BMR units equal to 15% of the total number of units, (b) provide off-site BMR units equal to 20% of the total number of units, or (c) pay an in-lieu fee equivalent to 20% of the total number of units	Depending on Conditional Use authorization, units equal to 10% or 12% of the total number of units if provided on-site; and 15% or 17% if provided off-site or via in-lieu fee, was required.	A distinction between as-of-right projects and those which required Conditional Use Authorization has been eliminated.	Applies to projects which submit a first application (such as EE) after July 18, 2006 and to projects which require a rezoning to result in an increase in buildable residential units or square footage.
BMR Affordability	Area Median Income (AMI) is calculated using City and County of San Francisco data, resulting in changes to (a) eligibility for Program participation, and (b) rental and sales prices for BMR units.	AMI was previously based on five-county Primary Metropolitan Statistical Area (PMSA)statistics.	BMR units must be rented or sold at rates in effect at time of first occupancy.	Applies to projects that receive a first site or building permit after September 9, 2006.
Timing of Compliance	A decision to pay in-lieu fees or build off-site BMR housing must be confirmed prior to first project approval; off-site BMR units must be ready for occupancy no later than market-rate units.	An in-lieu fee was required prior to the issuance of a first building permit; off-site BMR units were required to be ready for occupancy no later than market-rate units	Selection of means of compliance will be a condition of project approval.	Applies to projects that receive a Planning Commission or Planning Department approval after September 9, 2006.
Off-Site Housing Location	Off-site BMR units must be located within 1 mile of the principal project.	Off-site housing was required in either a 'high need area' or within 'close proximity' to the project.	N/A	Applies to projects that receive a Planning Commission or Planning Department approval after September 9, 2006.
Off-Site Housing Affordability	Off-site units must either be (a) provided as rental units, or (b) made available as home ownership units affordable at 80% of AMI	Off-site home ownership BMR units were affordable at 100% of median AMI.	Off-site housing was not subject to affordability levels which differed from on-site requirements.	Applies to projects that receive a Planning Commission or Planning Department approval after September 9, 2006.