

BOARD of SUPERVISORS



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MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

A handwritten signature in black ink that reads "Victor Young".

DATE: July 13, 2022

SUBJECT: CHARTER AMENDMENT INTRODUCED
November 8, 2022, Election

The Board of Supervisors' amended the following Charter Amendment for the November 8, 2022, Election. This matter is being **referred** to you in accordance with Rules of Order 2.22.3.

**File No. 220631 Charter Amendment, Initiative Ordinance, and Policy
Declaration - Affordable Housing Production Act**

Charter Amendment (Fourth Draft) to amend the Charter of the City and County of San Francisco to provide for accelerated review and approval of eligible 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; to amend the Administrative Code to provide for an Annual Affordable Housing Allocation Report as part of the City's budget deliberation process; and to declare as City policy the need to accelerate approval of 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability; to make findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302; and affirming the Planning Department's determination under the California Environmental Quality Act; at an election to be held on November 8, 2022.

Please review and prepare a financial analysis of the proposed measure prior to the first Rules Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or forward to me at the

Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller
Peg Stevenson, City Performance Director
Natasha Mihal, City Services Auditor

1 [Charter Amendment, Initiative Ordinance, and Policy Declaration - Affordable Housing
2 Production Act]

3 **Describing and setting forth a proposal to the voters at an election to be held on November**
4 **8, 2022, to amend the Charter of the City and County of San Francisco to provide for**
5 **accelerated review and approval of eligible 100% affordable housing projects, educator**
6 **housing projects, and market-rate projects that provide significant increased affordability,**
7 **and providing for Planning Department ministerial review in lieu of approvals by or**
8 **certain appeals to City boards and commissions; to make corresponding amendments to**
9 **the Planning Code and the Business and Tax Regulations Code; to amend the**
10 **Administrative Code to provide for an Annual Affordable Housing Allocation Report as**
11 **part of the City’s budget deliberation process; and to declare as City policy the need to**
12 **accelerate approval of 100% affordable housing projects, educator housing projects, and**
13 **market-rate projects that provide significant increased affordability; to make findings of**
14 **compliance with the General Plan and Planning Code, Section 101.1 and findings of public**
15 **necessity, convenience, and welfare under Planning Code, Section 302; and affirming the**
16 **Planning Department’s determination under the California Environmental Quality Act.**

17
18 Section 1. CEQA FINDINGS. The Planning Department has determined that the actions
19 contemplated in this proposed Charter Amendment and ordinance comply with the California
20 Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said
21 determination is on file with the Clerk of the Board of Supervisors in File No. ____ and is
22 incorporated herein by reference. The Board affirms this determination.

23
24 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City
25 and County, at an election to be held on November 8, 2022, a proposal to amend the Charter of

1 the City and County, the Planning Code, and the Business and Tax Regulations Code, and to
2 declare a City policy, as follows:

3 NOTE: **Unchanged Charter and Code text and uncodified text** are in
4 plain font.
5 **Additions to Charter and Code text** are single-underline italics
6 Times New Roman font.
7 **Deletions of Charter and Code text** are ~~strike-through italics~~
8 ~~Times New Roman font~~.
9 **Asterisks (* * * *)** indicate the omission of unchanged Charter and
10 Code text.

11 Section 1. TITLE. This measure shall be known and may be cited as the “Affordable
12 Housing Production Act” (the “Initiative”).

13 Section 2. PURPOSE AND FINDINGS. The People of the City and County of San
14 Francisco hereby find as follows:

15 (a) San Francisco is exceeding its market-rate housing goals and continues to fall far
16 behind on its goals to build affordable housing, as set forth in the Housing Element of the City’s
17 General Plan. The lack of affordable housing has led to the displacement and outmigration of
18 low- and middle-income families and individuals, and communities of color. There is a need to
19 accelerate affordable housing production in the City, to keep our city diverse and provide
20 housing for healthcare workers, firefighters, teachers, janitors, construction workers, hospitality
21 workers, small business owners, retail and non-profit workers, and transit operators. Teachers,
22 staff, and faculty at public schools in San Francisco are struggling to remain in the city, citing
23 high rent costs and the ever-increasing cost of living. Our educators need to be able to afford to
24 live in the district they work in to ensure our city can provide high-quality public education for
25 our students. Likewise, it is important that our first responders and essential workers be able to
live in the city they serve to ensure fast response times to an emergency and provide quality
healthcare and other vital services. Many essential workers including service providers,

1 restaurant workers, and grocery workers cannot afford to live in San Francisco, leading to
2 staffing shortages in the city. To provide a solid foundation for the local economy, the City and
3 County of San Francisco recognizes the need to create the land use policies, planning and
4 permitting processes, affordability standards, and financing that will contribute to the production
5 of ample amounts of housing and economic security for the low- and middle-income resident-
6 workers upon whom the City’s economy depends. It is therefore incumbent on the City to
7 immediately remove barriers to building housing for low- and middle-income residents and
8 working families.

9 (b) According to the San Francisco Housing Inventory Report published by the Planning
10 Department in April 2021, production of new unrestricted units targeted to above-moderate-
11 income households was on track to exceed the 2015-2022 Regional Housing Needs Allocation
12 (RHNA) at 150% of the goal set by the state of California, while there has been a severe
13 underproduction of units for moderate-, low-, and very- low- income households, reaching only
14 49% of the target for affordable housing.

15 (c) Affordable housing is an especially predominant concern in San Francisco. San
16 Francisco’s Housing Element 2022 Update of the General Plan will need to show that the City
17 can accommodate the creation of 82,069 total units in San Francisco by 2031, of which 57% (or
18 46,598 homes) need to be below-market-rate units affordable for very low- to moderate-income
19 San Franciscans, a target set by State and Regional agencies that is triple the City’s current
20 target. This translates to an average of about 10,260 new units per year, of which 5,825 units per
21 year need to be below-market-rate affordable homes. The City’s Housing Element will include
22 goals and policies that are designed to allow San Francisco to meet these regional targets.

23 (d) The current lengthy permit approval process favors larger developers who are able to
24 hire lawyers and expeditors to navigate the City’s bureaucracy, translating into a higher cost of
25 housing and less transparency in the approval process.

1 (e) Policies that incentivize unrestricted market-rate development without consideration
2 of vulnerable communities result in additional concentrations of development marketed to
3 higher-wage households that is unaffordable and inaccessible to existing lower-income and
4 Black, Indigenous, and people of color (BIPOC) communities and exclusionary to new lower-
5 income and BIPOC households, and can lead to increased gentrification and displacement.
6 Researchers at UC Berkeley’s Urban Displacement Project have found that development of
7 affordable housing in the Bay Area can have more than double the impact of market-rate units at
8 reducing displacement pressures.

9 (f) In January 2021, Mayor Breed and Supervisors Ronen, Mar, and Mandelman wrote to
10 the Association of Bay Area Governments (ABAG) expressing the concern of San Francisco's
11 elected leadership that “one of the main drivers of economic inequality has been the decades
12 long push to focus housing production to limited areas most often occupied by communities of
13 color.”

14 (g) There is a long history in California and San Francisco of racial covenants, banking
15 practices, and zoning laws being used to maintain high real estate values and exclude
16 immigrants, people of color, and low-income residents. Even after explicit racial covenants were
17 outlawed, the combination of systemic exclusionary policies such as blockbusting, redlining, and
18 zoning that maintained or increased land values were often used to legally segregate the nation’s
19 housing stock by creating barriers for low-income communities and communities of color to
20 enjoy certain housing opportunities and privileges. Their plight compounded by decades of
21 disinvestment from public schools and infrastructure, and from the disparate impact of
22 environmental racism, these same communities today bear the brunt of evictions, gentrification,
23 and displacement pressures, and are often the target for unrestricted market-rate luxury
24 development that is unaffordable to them. Unlike more resourced neighborhoods, lower-income
25 and BIPOC communities, after decades of disenfranchisement on development decisions that

1 affect their neighborhoods, are still fighting to claim the right to community planning and self-
2 determination.

3 (h) San Francisco has long benefited from the public’s participation in the design and
4 creation of programs designed to assist tenants, particularly tenants with limited incomes,
5 including the protection of tenants in subsidized housing, the creation of standards for relocation
6 benefits, the right to counsel in eviction proceedings, neighborhood preference and certificates of
7 preference for households displaced by urban renewal, community land trusts and cooperatives,
8 and residents’ active participation in the design of affordable housing projects and related
9 programs and services. Without civic participation and transparency, the public and City policy-
10 makers have limited ability to measure the efficacy of these programs, thus undermining the
11 public trust.

12 (i) San Francisco residents who work in the City need adequate levels of affordable
13 housing to maintain their economic security, and would benefit from greater transparent and
14 collaborative policy-making and budgetary decision making, public input and oversight of
15 affordable housing programming and financing within the Mayor’s Office of Housing and
16 Community Development, the Department of Homelessness and Supportive Housing, the Human
17 Services Agency, the Department of Public Health, and other City agencies responsible for the
18 planning and financing of affordable housing projects and related programs.

19 (j) Policies incentivizing increased development in any part of the City should also
20 specifically preserve at-risk existing housing, which provides long-term stability to existing
21 communities. State law provisions that provide displacement mitigations for redevelopment of
22 existing multifamily housing, prohibit demolition of price restricted or rent-controlled housing
23 without one-for-one replacement at the same affordability level or rent-controlled status, require
24 resident relocation for the length of construction and a right to return, restrict development on
25

1 sites where evictions have occurred in the last five years, and prohibit short-term rentals should
2 be strengthened.

3 (k) The barriers to production in high-demand market areas are primarily high land costs,
4 high construction costs, and heightened investor risk relating to the viability of large, high-
5 density projects. Upzoning and streamlining housing in hot markets results in increased land
6 values, which can exacerbate the instability of residents in those communities with increased
7 market rate development and impact the ability of the City and affordable housing developers to
8 compete for land.

9 (l) To attain the City's housing production goals, housing developments must promote
10 skilled construction workforce development and retention through utilization of state-approved
11 apprenticeships, payment of area-standard wages, and increased construction worker access to
12 employment-based fringe benefit plans. The employment of skilled and trained labor is critical to
13 ensuring wages and benefits are competitive to attract and retain enough qualified workers.
14 According to the Bureau of Labor Standards, productivity per unit of labor in the construction
15 industry declined across the United States 13% between 1987–2016, while productivity in other
16 business sectors increased by 31%, dramatizing the need for a skilled and trained residential
17 construction workforce. Additionally, the need for safe, high-quality installation and construction
18 practices will only continue to grow amidst increasing demand and requirements for the
19 installation and retrofit of technologies and building practices necessary to lower greenhouse gas
20 emissions.

21 (m) In recent years, San Francisco voters have approved several measures to create
22 robust funding for the production, preservation, and protection of affordable housing. These
23 measures include the establishment of the Gross Receipts Tax and Affordable Housing Trust
24 Fund in 2012, the Affordable Housing General Obligation Bond of 2015, the Our City Our
25 Home increase to the Gross Receipts Tax in 2018, and the Real Estate Transfer Tax increase

1 accompanied by Proposition K, a policy measure to dedicate the increase for social housing in
2 2020. Despite voters approving these measures, the City has failed to expend these funds under a
3 coherent strategic plan or with a level of transparency to provide the public with programmatic
4 input and oversight. Moreover, the City agencies and departments – the Mayor’s Office of
5 Housing and Community Development, the Department of Homelessness and Supportive
6 Housing, the Human Services Agency, and the Department of Public Health – charged with the
7 delivery of projects from these voter-approved funding streams have failed to provide adequate
8 transparency, oversight, and acceptance of voter-approved guidelines and public input to allocate
9 funding. Instead, many of these departments make programmatic and budgetary decisions
10 without regard to the experiences and recommendations from the public in need of affordable
11 housing.

12 (n) Accelerated review will allow San Francisco to incentivize and accelerate the
13 development of housing projects that specifically expand the city’s affordable housing supply by
14 reducing the time and expense associated with obtaining planning approval.

15 (o) The purpose of the Affordable Housing Production Act is to provide an Annual
16 Affordable Housing Allocation Report as part of the City’s budget deliberation process, and to
17 accelerate the development and construction of affordable housing in San Francisco.

18
19 Section 3. CHARTER AMENDMENT. The Charter of the City and County of San
20 Francisco shall be amended by adding new Section 16.126 and by revising Sections 4.105,
21 4.106, 4.135, and 5.103, to read as follows:

22
23 **SEC. 16.126. ACCELERATED REVIEW OF 100% AFFORDABLE,**
24 **INCREASED AFFORDABILITY, AND EDUCATOR HOUSING PROJECTS.**

25

1 (a) Definitions. For purposes of this Section 16.126 and the accelerated review process
2 contemplated in the Charter Amendment establishing this Section, the following terms shall have
3 the following meanings:

4 “100% Affordable Housing Project.” A project that meets the requirements of Planning
5 Code Section 206.9, as amended from time to time.

6 “Educator Housing Project.” A project that meets the requirements of Planning Code
7 Section 206.9, as amended from time to time.

8 “Increased Affordability Housing Project.” A Multi-Family housing development project
9 that provides on-site Affordable Units, as defined in Planning Code Section 401, required by the
10 City’s Inclusionary Affordable Housing Program, or if applicable, the inclusionary requirements
11 as set forth in Planning Code Section 206.3, as such provisions may be amended from time to
12 time, plus additional on-site Affordable Units in an amount equal to 8% of the total number of
13 units in the Increased Affordability Housing Project, including any units granted under state or
14 local density bonus programs. The additional on-site Affordable Units shall have maximum
15 affordable purchase prices or affordable rents consistent with the range of affordability tiers
16 required by the City’s Inclusionary Affordable Housing Program set forth in Planning Code
17 Section 415 et seq., as such provisions may be amended from time to time. In no case shall studio
18 units have rents or purchase prices set above 80% AMI. The additional on-site Affordable Units
19 shall include at least 30% of units as two-bedroom units and 20% of units as three-bedroom
20 units with minimum unit sizes consistent with the minimum unit sizes set forth by the California
21 Tax Credit Allocation Committee as of December 31, 2021, and no smaller than 300 square feet
22 for studio units.

23 “MOHCD.” The Mayor’s Office of Housing and Community Development or its
24 successor agency.

1 “Multi-Family.” Multi-Family housing shall mean ten or more residential units and
2 shall not include a single-family home.

3 (b) Eligibility. To be eligible for acceleration under this Section 16.126, projects shall
4 meet all the following requirements:

5 (1) The project is (A) an 100% Affordable Housing Project, or (B) an Increased
6 Affordability Housing Project, or (C) an Educator Housing Project; and

7 (2) The project (A) is not located on a site that is under the jurisdiction of the
8 Recreation and Park Department; and (B) is not located in a zoning district that prohibits
9 dwelling units; and (C) does not cause any removal or demolition of a designated state or
10 national landmark, or designated City landmark, or a contributory building in a designated
11 historic district as provided in Planning Code Article 10, or a Significant Building designated
12 Category I or II as provided in Planning Code Article 11; and (D) does not demolish, remove, or
13 convert any residential units, and does not include any other parcel that has any residential units
14 that would be demolished, removed, or converted as part of the project; and (E) contains two or
15 more Residential Units, not including any additional units permitted by a density bonus, and is
16 not a single family house; and

17 (3) All workers employed in the construction of a 100% Affordable Housing
18 Development, an Educator Housing Development, or an Increased Affordable Housing Project
19 of 10 or more units, must be paid at least the general prevailing rate of per diem wages for the
20 type of work and geographic location of the development, as determined by the Director of
21 Industrial Relations pursuant to Sections 1773 and 1773.9 of the California Labor Code, except
22 that apprentices registered in programs approved by the Chief of the Division of Apprenticeship
23 Standards may be paid at least the applicable apprentice prevailing rate. Notwithstanding
24 subdivision (c) of Section 1773.1 of the California Labor Code, the requirement that employer
25 payments not reduce the obligation to pay the hourly straight time or overtime wages found to be

1 prevailing shall not apply if otherwise provided in a bona fide collective bargaining agreement
2 covering the worker. The requirement to pay at least the general prevailing rate of per diem
3 wages does not preclude use of an alternative workweek schedule adopted pursuant to Section
4 511 or 514 of the Labor Code; and

5 (4) The project sponsor of an Increased Affordability Housing Project of 25 or
6 more units, or of an Educator Housing Project, shall certify that a skilled and trained workforce
7 will be used to complete the development if the application is approved. For purposes of this
8 subsection (b)(4), a “skilled and trained workforce” has the same meaning as provided in
9 Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the California Public
10 Contract Code, as amended from time to time.

11 (A) The Project Sponsor shall provide a report to the Office of Labor
12 Standards Enforcement on a monthly basis while the project or contract is being performed,
13 demonstrating compliance with the skilled and trained workforce and prevailing wage
14 requirements.

15 (B) Within 30 days of the effective date of this Section 16.126, the City
16 Administrator shall introduce at the Board of Supervisors, and within 180 days of the effective
17 date of this Charter provision the City shall enact, an ordinance to establish civil penalties for
18 failure to comply with the requirement to use a skilled and trained workforce, including a civil
19 penalty for each month for which the report referenced in subsection (b)(4)(A) has not been
20 provided, and a civil penalty per day for each worker employed in contravention of the skilled
21 and trained workforce requirement. The Office of Labor Standards Enforcement shall collect
22 such penalties, which shall be used to fund the San Francisco City Build program, or a similar
23 successor program that provides construction training.

24 (c) **Discretionary Approvals.** It is the intent of this Section 16.126 to exempt eligible
25 100% Affordable Housing Projects, Increased Affordability Housing Projects, and Educator

1 Housing Projects from any requirements for discretionary review or approvals by the City,
2 including but not limited to the Planning Commission, Historic Preservation Commission, Arts
3 Commission, Board of Supervisors, and Board of Appeals, except for approval required by the
4 provisions of Charter Section 9.118.

5 **(d) Implementation and Application.**

6 (1) The Planning Department and Department of Building Inspection, in
7 consultation with MOHCD, may each adopt regulations to implement this Section 16.126.

8 (2) The City shall not enact or adopt any regulations or requirements that are
9 applicable solely to 100% Affordable Housing Projects, Increased Affordability Housing
10 Projects, and Educator Housing Projects and that are greater or more burdensome than City
11 regulations and requirements that are broadly applicable to other housing developments in the
12 City.

13
14 **SEC. 4.105. PLANNING COMMISSION.**

15 * * * *

16 REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by
17 the Board of Supervisors, be submitted for written report by the Planning Department regarding
18 conformity with the General Plan:

- 19 1. Proposed ordinances and resolutions concerning the acquisition or vacation of
20 property by, or a change in the use or title of property owned by, the City and County;
- 21 2. Subdivisions of land within the City and County;
- 22 3. Projects for the construction or improvement of public buildings or structures
23 within the City and County;
- 24 4. Project plans for public housing, or publicly assisted private housing in the
25 City and County;

- 1 5. Redevelopment project plans within the City and County; and
2 6. Such other matters as may be prescribed by ordinance.

3 Notwithstanding the foregoing list of matters requiring a report regarding General Plan
4 conformity, any eligible 100% Affordable Housing Project, Increased Affordability Housing
5 Project, or Educator Housing Project, as defined in Charter Section 16.126, that the Planning
6 Department determines to be consistent with the applicable zoning as set forth in the Planning
7 Code shall be deemed to be consistent with the General Plan and shall not require referral for a
8 separate report of conformity by the Planning Department for the foregoing matters.

9 The Commission shall disapprove any proposed action referred to it upon a finding that
10 such action does not conform to the General Plan. Such a finding may be reversed by a vote of
11 two-thirds of the Board of Supervisors.

12 All such reports and recommendations shall be issued in a manner and within a time
13 period to be determined by ordinance.

14 PERMITS AND LICENSES. All permits and licenses dependent on, or affected by, the
15 City Planning Code administered by the Planning Department shall be approved by the
16 Commission prior to issuance except that permits, licenses, or other approvals for an eligible
17 100% Affordable Housing Project, Increased Affordability Housing Project, or an Educator
18 Housing Project, as defined in Charter Section 16.126, do not require approval by the
19 Commission prior to issuance. The Commission may delegate this approval function to the
20 Planning Department. Notwithstanding the foregoing, certificates of appropriateness for work to
21 designated landmarks and historic districts and applications for alterations to significant or
22 contributory buildings or properties in designated conservation districts that have been approved,
23 disapproved, or modified by the Historic Preservation Commission shall not require approval by
24 the Commission prior to issuance.

25 * * * *

1 **SEC. 4.106. BOARD OF APPEALS.**

2 * * * *

3 (b) The Board shall hear and determine appeals with respect to any person who has been
4 denied a permit or license, or whose permit or license has been suspended, revoked, or
5 withdrawn, or who believes that his or her interest or the public interest will be adversely
6 affected by the grant, denial, suspension, or revocation of a license or permit, except for a permit
7 or license under the jurisdiction of the Recreation and Park Commission or Department, or the
8 Port Commission, or a building or demolition permit for a project that has received a permit or
9 license pursuant to a conditional use authorization, or any permit or license for an eligible 100%
10 Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing
11 Project, as defined in Charter Section 16.126; provided that the Board shall hear and determine
12 appeals of building permits for an eligible 100% Affordable Housing Project, Increased
13 Affordability Housing Project, or Educator Housing Project solely to consider whether such
14 permits comply with the objective standards set forth in the Building Code, including the
15 Electrical, Housing, Mechanical, and Plumbing Codes.

16 * * * *

17
18 **SEC. 4.135. HISTORIC PRESERVATION COMMISSION.**

19 * * * *

20 LANDMARK AND HISTORIC DISTRICT DESIGNATIONS. The Historic Preservation
21 Commission shall have the authority to recommend approval, disapproval, or modification of
22 landmark designations and historic district designations under the Planning Code to the Board of
23 Supervisors. Any recommendation of approval, disapproval, or modification of landmark
24 designations and historic district designations under the Planning Code shall include a finding
25 that the Historic Preservation Commission has considered the effect of such approval,

1 disapproval, or modification on affordable housing. The Historic Preservation Commission shall
2 send recommendations regarding landmarks designations to the Board of Supervisors without
3 referral or recommendation of the Planning Commission. The Historic Preservation Commission
4 shall refer recommendations regarding historic district designations to the Planning Commission,
5 which shall have 45 days to review and comment on the proposed designation, which comments,
6 if any, shall be forwarded to the Board of Supervisors together with the Historic Preservation
7 Commission's recommendation. Decisions of the Historic Preservation Commission to
8 disapprove designation of a landmark or historic district shall be final unless appealed to the
9 Board of Supervisors.

10 CERTIFICATES OF APPROPRIATENESS. The Historic Preservation Commission shall
11 approve, disapprove, or modify certificates of appropriateness for work to designated landmarks
12 or within historic districts. For minor alterations, the Historic Preservation Commission may
13 delegate this function to staff, whose decision may be appealed to the Historic Preservation
14 Commission. A Certificate of Appropriateness shall not be required for construction of an
15 eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator
16 Housing Project, as defined in Charter Section 16.126, in a historic district.

17 For projects that require multiple planning approvals, the Historic Preservation
18 Commission must review and act on any Certificate of Appropriateness before any other
19 planning approval action. For projects that (1) require a conditional use permit or permit review
20 under Section 309, et seq., of the Planning Code and (2) do not concern an individually
21 landmarked property, the Planning Commission may modify any decision on a Certificate of
22 Appropriateness by a 2/3 vote, provided that the Planning Commission shall apply all applicable
23 historic resources provisions of the Planning Code.

24 * * * *

1 ALTERATION OF SIGNIFICANT OR CONTRIBUTORY BUILDINGS OR BUILDINGS IN
2 CONSERVATION DISTRICTS IN THE C-3 DISTRICTS. The Historic Preservation
3 Commission shall have the authority to determine if a proposed alteration is a Major Alteration
4 or a Minor Alteration. The Historic Preservation Commission shall have the authority to
5 approve, disapprove, or modify applications for permits to alter or demolish designated
6 Significant or Contributory buildings or buildings within Conservation Districts. The Historic
7 Preservation Commission shall not have the authority to approve, disapprove, or modify
8 applications for permits to alter buildings for an eligible 100% Affordable Housing Project, an
9 Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter
10 Section 16.126. For Minor Alterations, the Historic Preservation Commission may delegate this
11 function to staff, whose decision may be appealed to the Historic Preservation Commission.

12 * * * *

13 REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by the
14 Board of Supervisors, be submitted for written report by the Historic Preservation Commission
15 regarding effects upon historic or cultural resources: ordinances and resolutions concerning
16 historic preservation issues and historic resources; redevelopment project plans; waterfront land
17 use and project plans; and such other matters as may be prescribed by ordinance. An eligible
18 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator
19 Housing Project, as defined in Charter Section 16.126, shall not require review by the Historic
20 Preservation Commission under this paragraph. If the Planning Commission is required to take
21 action on the matter, the Historic Preservation Commission shall submit any report to the
22 Planning Commission as well as to the Board of Supervisors; otherwise, the Historic
23 Preservation Commission shall submit any report to the Board of Supervisors.

24 * * * *

1 **SEC. 5.103. ARTS COMMISSION.**

2 * * * *

3 In furtherance of the foregoing the Arts Commission shall:

4 1. Approve the designs for all public structures, any private structure which extends over
5 or upon any public property and any yards, courts, set-backs, or usable open spaces which are an
6 integral part of any such structures, except that an eligible 100% Affordable Housing Project,
7 Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter
8 Section 16.126, is not subject to design approval by the Arts Commission;

9 2. Approve the design and location of all works of art before they are acquired,
10 transferred, or sold by the City and County, or are placed upon or removed from City and County
11 property, or are altered in any way; maintain and keep an inventory of works of art owned by the
12 City and County; and maintain the works of art owned by the City and County;

13 3. Promote a neighborhood arts program to encourage and support an active interest in
14 the arts on a local and neighborhood level, assure that the City and County-owned community
15 cultural centers remain open, accessible and vital contributors to the cultural life of the City and
16 County, establish liaison between community groups, and develop support for neighborhood
17 artists and arts organizations; and

18 4. Supervise and control the expenditure of all appropriations made by the Board of
19 Supervisors for the advancement of the visual, performing, or literary arts.

20 Nothing in this ~~§~~Section 5.103 shall be construed to limit or abridge the powers or
21 exclusive jurisdiction of the charitable trust departments or the California Academy of Sciences
22 or the Library Commission over their activities; the land and buildings set aside for their use; or
23 over the other assets entrusted to their care.

1 SECTION 4. PLANNING CODE AMENDMENTS. The Planning Code is hereby
2 amended by adding Section 344, and revising Section 101.1, to read as follows:

3 **SEC. 344. ACCELERATED REVIEW OF 100% AFFORDABLE HOUSING**
4 **PROJECTS, INCREASED AFFORDABILITY HOUSING PROJECTS, AND EDUCATOR**
5 **HOUSING PROJECTS.**

6 **(a) Purpose and Amendment.** *It is the intent of this Section 344 to exempt 100%*
7 *Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing*
8 *Projects, as defined in Charter Section 16.126, from any requirements for discretionary review*
9 *or approval by the Planning Commission, Historic Preservation Commission, Board of*
10 *Supervisors, or Board of Appeals consistent with the Charter. The Board of Supervisors may by*
11 *ordinance amend any part of this Section 344 if the amendment is technical and non-substantive*
12 *in nature, is consistent with the intent of this Section 344, and is initiated by the Planning*
13 *Commission.*

14 **(b) Definitions and Eligibility.**

15 **(1) Definitions.**

16 **“100% Affordable Housing Project.”** *An 100% Affordable Housing Project shall*
17 *have the meaning set forth in Charter Section 16.126(a).*

18 **“Educator Housing Project.”** *An Educator Housing Project shall have the*
19 *meaning set forth in Charter Section 16.126(a).*

20 **“Increased Affordability Housing Project.”** *An Increased Affordability Housing*
21 *Project shall have the meaning set forth in Charter Section 16.126(a).*

22 **“MOHCD.”** *The Mayor’s Office of Housing and Community Development or its*
23 *successor agency.*

24 **(2) Eligibility.** *To be eligible for accelerating under this Section 344, projects*
25 *(A) shall meet the eligibility requirements of Charter Section 16.126(b), and (B) shall not include*

1 non-residential uses that require conditional use approval by the Planning Commission under
2 the Planning Code. Within 60 days of submittal of a complete development application, the
3 Planning Department shall determine whether an application is eligible to use the accelerated
4 process set forth in this Section 344. Prior to submitting a development application, the project
5 applicant shall place a poster at the subject property for 30 days, describing the project and
6 informing the public that the project is expected to be subject to the accelerated review process
7 under Planning Code Section 344. The poster shall be placed in a manner to be determined by
8 the Zoning Administrator that is visible and legible from the sidewalk or nearest public right-of-
9 way.

10 (c) **Ministerial Review.** Notwithstanding any other provisions of the Municipal Code,
11 including but not limited to Business and Tax Regulations Code Section 26, and Sections 311
12 and 317 of this Code, an eligible 100% Affordable Housing Project, Increased Affordability
13 Housing Project, or Educator Housing Project that complies with the Zoning Maps, Height and
14 Bulk Maps, and objective standards of the Planning Code or state law, including but not limited
15 to the modifications permitted by Planning Code Section 344(d), shall be deemed consistent with
16 the Planning Code. Review and approval of such projects shall be considered ministerial
17 actions, as defined by California Code of Regulations, Title 14, Section 15369.

18 (1) No conditional use authorization shall be required except where other
19 sections of the Planning Code require conditional use authorization for inclusion of on-site
20 parking, approval of non-residential uses, modifications to a dwelling unit mix requirement, or
21 the location of curb cuts.

22 (2) Notwithstanding any other provision of this Code, cannabis retail uses shall
23 not be permitted ministerially as part of this Section 344.

24 (3) Eligible 100% Affordable Housing Projects, Increased Affordability Housing
25 Projects, or Educator Housing Projects shall not require authorization by the Historic

1 Preservation Commission or the Planning Commission that otherwise may be required by the
2 Planning Code, including any requirement for a Certificate of Appropriateness under Planning
3 Code Article 10 or a Permit to Alter under Planning Code Article 11.

4 (4) No requests for discretionary review shall be accepted by the Planning
5 Department or heard by the Planning Commission for eligible 100% Affordable Housing
6 Projects, Increased Affordability Housing Projects, or Educator Housing Projects.

7 (d) **Modifications.** 100% Affordable Housing Projects, Increased Affordability Housing
8 Projects, or Educator Housing Projects may, at the project sponsor's request, use any of the
9 bonus programs listed in Planning Code Sections 206 et seq., including modifications listed
10 therein, and any exceptions listed in Planning Code Section 328(d), and shall be considered
11 compliant with objective standards. If a project does not elect to use the bonus programs listed
12 in Planning Code Section 206, the project may receive any of the following modifications, and
13 Planning Commission or Zoning Administrator discretionary approval shall not be required:

14 (1) any of the zoning modifications set forth in Section 206.3(d)(1), (3), and (4);

15 (2) modifications to dwelling unit exposure requirements under Section
16 206.3(d)(4)(B) may be satisfied by an unobstructed open area that is no less than 15 feet in every
17 horizontal direction; and,

18 (3) a minimum lot coverage percentage of 80% at all residential levels except on
19 levels in which all residential units face a public right-of-way in lieu of the rear yard
20 requirements of Section 134.

21 (e) **Design Review.** The Planning Department shall conduct a review of the aesthetic
22 elements of 100% Affordable Housing Projects, Increased Affordability Housing Projects, and
23 Educator Housing Projects within 60 days of the submission of a complete development
24 application from the sponsor of an 100% Affordable Housing Project, an Increased Affordability
25 Housing Project or an Educator Housing Project. Design review shall be limited to the aesthetic

1 aspects and design of the 100% Affordable Housing Project, Increased Affordability Housing
2 Project, or Educator Housing Project, and shall not include review of the uses, density, height,
3 zoning modifications, or any other approval or disapproval of the proposed eligible project.

4 (f) **Compliance with Planning Code Article 4.** An 100% Affordable Housing Project,
5 Increased Affordability Housing Project, or Educator Housing Project shall comply with the
6 requirements of Article 4, “Development Impact Fees and Project Requirements that Authorize
7 the Payment of In-Lieu Fees,” except as such projects or any portion of such projects may
8 otherwise be exempt from such requirements, or in the event such requirements are reduced,
9 adjusted, or waived as provided in Planning Code Article 4.

10 (g) **Approval.** Building permit applications for eligible 100% Affordable Housing
11 Projects, Increased Affordability Housing Projects, or Educator Housing Projects that comply
12 with the controls set forth in this Section 344 shall be ministerially approved by the Planning
13 Department within 180 days of submittal of a complete development application. Building
14 permits shall be issued by the Department of Building Inspection and shall not be subject to
15 Business and Tax Regulations Code Section 26 or an appeal to the Board of Appeals, except as
16 specifically provided in Charter Section 4.106. Notwithstanding any contrary provision in the
17 Municipal Code, such projects shall not require a Planning Code Article 3 authorization,
18 discretionary review hearing, or any other Planning Commission or Historic Preservation
19 Commission hearing.

20 (h) **Expiration of Permit.** Planning Department approval of an Increased Affordability
21 Housing Project shall automatically expire by operation of law 24 months after the date of the
22 Planning Department approval, except that it shall remain valid so long as a site permit has
23 been issued by the Department of Building Inspection and construction of the development has
24 begun and is in progress.

1 **SEC. 101.1. GENERAL PLAN CONSISTENCY AND IMPLEMENTATION.**

2 (a) The General Plan shall be an integrated, internally consistent, and compatible
3 statement of policies for San Francisco. To fulfill this requirement, after extensive public
4 participation and hearings, the Planning Commission shall in one action amend the General Plan
5 by January 1, 1988.

6 (b) The following Priority Policies are hereby established. They shall be included in the
7 preamble to the General Plan and shall be the basis upon which inconsistencies in the General
8 Plan are resolved:

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

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

13 (3) That the City's supply of affordable housing be preserved and enhanced, and
14 that new housing for households of all income levels in accordance with San Francisco's
15 Regional Housing Needs Allocations by household-income levels be produced to meet the needs
16 of City residents now and in the future;

17 (4) That commuter traffic not impede Muni transit service or overburden our
18 streets or neighborhood parking;

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

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

24 (7) That landmarks and historic buildings be preserved; and,
25

1 (8) That our parks and open space and their access to sunlight and vistas be
2 protected from development.

3 (c) The City may not adopt any zoning ordinance or development agreement authorized
4 pursuant to California Government Code Section 65865 after November 4, 1986, unless prior to
5 that adoption it has specifically found that the ordinance or development agreement is consistent
6 with the Priority Policies established above.

7 (d) The City may not adopt any zoning ordinance or development agreement authorized
8 pursuant to California Government Code Section 65865 after January 1, 1988, unless prior to
9 that adoption it has specifically found that the ordinance or development agreement is consistent
10 with the General Plan.

11 (e) Prior to issuing a permit for any project or adopting any legislation which requires an
12 initial study under the California Environmental Quality Act, and prior to issuing a permit for
13 any demolition, conversion, or change of use, and prior to taking any action which requires a
14 finding of consistency with the General Plan, the City shall find that the proposed project or
15 legislation is consistent with the Priority Policies established above. For any such permit issued
16 or legislation adopted after January 1, 1988, the City shall also find that the project is consistent
17 with the General Plan.

18 (f) Notwithstanding anything to the contrary in this Section 101.1, an eligible 100%
19 Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing
20 Project, as defined in Charter Section 16.126, shall be deemed to be consistent with this Section
21 101.1 and shall not require a separate finding of consistency with this Section 101.1.

22
23 SECTION 5. BUSINESS AND TAX REGULATIONS CODE AMENDMENTS. The
24 Business and Tax Regulations Code is hereby amended by revising Section 26 of Article 1, to
25 read as follows:

1 **SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.**

2 (a) Subject to ~~s~~ubsection (b), in the granting or denying of any permit, or the revoking
3 or the refusing to revoke any permit, except for permits associated with an eligible 100%
4 Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing
5 Project, as defined in Charter Section 16.126, the granting or revoking power may take into
6 consideration the effect of the proposed business or calling upon surrounding property and upon
7 its residents, and inhabitants thereof; and in granting or denying said permit, or revoking or
8 refusing to revoke a permit, may exercise its sound discretion as to whether said permit should
9 be granted, transferred, denied, or revoked.

10 * * * *

11
12 SECTION 6. ADMINISTRATIVE CODE AMENDMENTS. The Administrative Code
13 is hereby amended by revising section 120.5 of Chapter 120, to read as follows.

14
15 **SEC. 120.5. ANNUAL AFFORDABLE HOUSING ALLOCATION REPORTS**
16 **REPORTS TO THE BOARD.**

17 (a) Director's Annual Report. The Director shall submit an annual report to the Board,
18 within 180 days following the end of each fiscal year, with a summary of all Loans and Grants
19 from all sources made under this Chapter 120 for the prior fiscal year. The Director's report shall
20 include the primary purpose of the Loan, principal amount, term, and interest rates, income levels
21 served, and other information, if any, regarding this Chapter that the Director chooses to include
22 in the report. The Director's report may be combined with any other reporting obligations.

23 (b) Mayor's Budget Submission. No later than June 1 of each year, the Mayor shall
24 submit an Annual Affordable Housing Allocation Report ("Allocation Report") to be included
25 with the Mayor's proposed budget presented to the Board of Supervisors. The Allocation Report

1 shall follow the budget process as set forth in Chapter 3 of the Administrative Code. The
2 Allocation Report shall include all sources and proposed allocations of funds that are
3 specifically earmarked for, or could potentially be allocated to, affordable housing, including
4 but not limited to affordable housing production, affordable housing preservation, such as small
5 site acquisition, affordable housing and supportive housing rehabilitation, and capital
6 maintenance, and operating subsidies, as recommended by the Board of Supervisors or any
7 advisory boards appointed in whole or in part by the Board of Supervisors. The Allocation
8 Report shall provide a target projection of the number, size, and type of sites (including
9 improved or vacant) to be acquired; the scope of rehabilitation work for improved sites; the
10 number of units to be developed or to be funded by MOHCD and the Department of
11 Homelessness and Supportive Housing (HSH); the neighborhood/geography of projects funded;
12 the impact on racial, disability, and aging equity; and overall program implementation goals
13 and priorities broken down by income levels served for the next fiscal year. Upon receipt of the
14 Allocation Report, the Board may modify the proposed allocation(s) that shall be included in the
15 annual city budget, consistent with Charter Section 9.103.

16 (c) **Affordable Housing Allocation Progress Report.** MOHCD, or any successor agency,
17 in consultation with HSH, or any successor agency, shall compile a combined Annual Affordable
18 Housing Allocation Progress Report (“Progress Report”). The Progress Report shall discuss
19 progress on all affordable housing and supportive housing efforts from MOHCD, HSH, and
20 other departments and agencies that design or plan affordable housing and supportive housing
21 programs, including the Human Services Agency and the Department of Public Health. MOHCD
22 shall submit the Progress Report on or before February 15 of each year to the Board of
23 Supervisors to be presented at a public meeting, as set forth in Chapter 3, Section 3.3 of the
24 Administrative Code, as may be amended from time to time, on the progress of expenditures from
25 the preceding year and the proposed allocation of monies from all possible sources of funds that

1 are specifically allocated for, or could potentially be allocated to, affordable housing, for the
2 development of affordable housing within the City during the next two fiscal years, with a
3 detailed projection for the next fiscal year. The Progress Report shall include but need not be
4 limited to: what income levels are being served on a per project and per unit basis; the total
5 amounts approved for disbursement to affordable housing and supportive housing, including
6 housing preservation, small sites acquisition projects, operating subsidies, and affordable
7 housing and supportive rehabilitation; the number and size of sites acquired and type (including
8 improved or vacant); the scope of rehabilitation work for improved sites; the number of units
9 developed or funded by MOHCD and HSH; the neighborhoods/geography of projects funded;
10 the impact on racial, disability, and aging equity; the difference between funding needed to meet
11 the City's Regional Housing Needs Allocation for below-moderate income households and the
12 actual funding allocated and expended; and overall program implementation goals for the
13 current fiscal year and proposed priorities for the next fiscal year. The Progress Report shall
14 include an assessment from the Budget and Legislative Analyst of potential new revenue
15 strategies for the City to fund any difference between the funding needed to meet the Regional
16 Housing Needs Allocation for below-market income households and the actual funding allocated
17 and expended, and all the sources of funding allocated to these affordable housing and
18 supportive housing programs, and shall guide the Mayor's Office and Board of Supervisors in
19 the approval of the annual budget. The Progress Report shall be accompanied by a draft motion
20 for the Board to accept the report.

21 (d) **Advisory Committee.** By subsequent ordinance, the Board of Supervisors may create
22 an advisory committee that would be composed of, but not limited to, members of the Housing
23 Stability Fund Oversight Board, members of organizations whose members are affordable
24 housing residents, individuals who are housing insecure, and individuals with experience as
25 affordable housing providers. The committee would advise MOHCD and HSH in preparation of

1 the Affordable Housing Allocation Progress Report and provide guidelines on MOHCD's annual
2 budget submission.

3
4 SECTION 7. ADDITIONAL FINDINGS. The People of the City and County of San
5 Francisco specifically find that, for the reasons set forth in Section 2, this ordinance is consistent
6 with the San Francisco General Plan and the Priority Policies set forth in Planning Code Section
7 101.1, and the actions in this ordinance will serve the public necessity, convenience, and welfare
8 pursuant to Planning Code Section 302.

9
10 SECTION 8. AMENDMENT. The provisions of this Initiative amending the Charter
11 and the Municipal Code may only be amended by the voters of the City and County of San
12 Francisco except as specifically provided in the terms of the Initiative.

13
14 SECTION 9. POLICY. It is the Policy of the City that the City shall encourage the
15 timely development of 100% Affordable Housing Projects, Increased Affordability Housing
16 Projects, and Educator Housing Projects, so that the City and its residents can obtain the benefits
17 that such projects will provide. To that end, the People of the City encourage the City, its
18 officers, employees, and consultants to take all appropriate steps to expeditiously assist the
19 construction of 100% Affordable Housing Projects, Increased Affordability Housing Projects,
20 and Educator Housing Projects.

21
22 SECTION 10. SEVERABILITY. If any provision of this Initiative or any application
23 thereof to any person or circumstance is held invalid, such invalidity shall not affect any
24 provision or application of this Initiative that can be given effect without the invalid provision or
25 application. To this end, the provisions of this Initiative are severable.

1 SECTION 11. CONFLICTS WITH OTHER MEASURES. This Initiative is intended to
2 regulate housing development in the City. The Initiative shall be deemed to conflict with any
3 other measure appearing on the same ballot if such other measure addresses planning or zoning
4 controls, project approval processes, or the standard of review that would be applicable to 100%
5 Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing
6 Projects, individually or collectively, as defined in Charter Section 16.126 or as defined in the
7 other measures, whether the measure does so by specific application or as a more general
8 enactment that could otherwise be applied to affordable housing projects, housing for educators,
9 or housing with additional on-site inclusionary housing above that required by City codes, or
10 addresses review of such projects pursuant to Charter Section 9.118. In the event this Initiative
11 and any other measure as described above appearing on the same ballot are approved by the
12 voters at the same election, and this Initiative receives a greater number of affirmative votes than
13 the conflicting measure, this Initiative shall control in its entirety and the other measure shall be
14 rendered void and without any legal effect. If this Initiative is approved by a majority of the
15 voters but does not receive a greater number of affirmative votes than any other conflicting
16 measure, this Initiative shall take effect to the extent permitted by law.

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18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

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21 By: /s/
22 AUDREY WILLIAMS PEARSON
23 Deputy City Attorney

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Supervisors Chan; Walton, Peskin, Preston, Ronen