



SAN FRANCISCO PLANNING DEPARTMENT

November 22, 2013

Ms. Angela Calvillo, Clerk
Honorable Supervisor Avalos
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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**Re: Transmittal of Planning Department Case Number 2013.1468T:
Ellis Act Displaced Emergency Assistance Ordinance
Board File No. 13-0968
Planning Commission Recommendation: Approval with a modification**

Dear Ms. Calvillo and Supervisor Chiu,

On November 21, 2013, the Planning Commission conducted a duly noticed public hearing at its regularly scheduled meeting to consider the proposed amendments to the Administrative Code and to Article 4 of the Planning Code introduced by Supervisor David Chiu and co-sponsored by Supervisors Breed, Campos, Kim, and Mar. At the hearing, the Planning Commission voted 6-0 to recommend approval of the draft Ordinance with one modification.

The proposed amendments have been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c)(2). Pursuant to San Francisco's Administrative Code Section 8.12.5 "Electronic Distribution of Multi-page Documents", the Department is sending electronic documents and one hard copy. Additional hard copies may be requested by contacting Sophie Hayward at (415) 558-6372.

Please find attached documents relating to the action of the Planning Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Sophie Hayward for AnMarie Rodgers".

AnMarie Rodgers
Manager of Legislative Affairs

cc:
Supervisors Chiu, Breed, Campos, Kim, and Mar

Jon Givner, Deputy City Attorney
Evan Gross, Deputy City Attorney
Jason Elliot, Mayor's Director of Legislative & Government Affairs

Attachments (two hard copies of the following):

Planning Commission Resolution
Planning Department Executive Summary



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19029

HEARING DATE NOVEMBER 21, 2013

Project Name: **Ellis Act-Displaced Emergency Assistance Ordinance**
Case Number: 2013.1468T [Board File No. 13-0968]
Initiated by: Supervisors Chiu, Campos, Kim, and Mar / Introduced October 1, 2013
Staff Contact: Kimia Haddadan and Sophie Hayward, Legislative Affairs
Kimia.haddadan@sfgov.org Sophie.hayward@sfgov.org, 415-558-6372
Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395
Recommendation: **Recommend Approval with Modifications**

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT WITH MODIFICATIONS A PROPOSED ORDINANCE THAT WOULD AMEND PLANNING CODE SECTIONS 413.10, 415.5, 415.6, AND 415.7 TO DEFINE AND ESTABLISH A PREFERENCE IN ALL AFFORDABLE HOUSING PROGRAMS ADMINISTERED OR FUNDED BY THE CITY TO CERTAIN TENANTS EVICTED UNDER THE ELLIS ACT; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on October 1, 2013, Supervisors Chiu, Campos, Kim, Mar, and Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 13-0968, which would amend Sections 413.10, 415.5, 415.6, and 415.7 of the Planning Code to establish a preference in all affordable housing programs funded or administered by the City for certain tenants displaced under the Ellis Act;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on November 21, 2013; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); 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 with a modification** the proposed ordinance. Specifically, the Commission recommends the following modification:

1. Require that the preference system be reviewed before a committee of the Board three years after the effective date of the Ordinance, including a report by the Mayor's Office of Housing and the Rent Board on the demographics and income levels of beneficiaries of the new preference system. Based on this review and report, the Board could decide to extend, modify, or cancel this system.

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:

1. All types of evictions increased from 1,242 in Rent Board Year 2010 to 1,716 in Rent Board Year 2013, an increase of 38.2 percent. Ellis Act evictions, however, increased by 169.8 percent from 43 in Rent Board Year 2010 to 116 in Rent Board year 2013.
2. The existing inclusionary housing program runs on a lottery system but also provide a Certificate of Preference which is tied to displacement by the Redevelopment Agency in the Western Addition and in Hunters Point, and applies to the head of households displaced by the Agency, eligible family members residing in the household at the time of displacement, and to households displaced by the Agency after 2008.
3. As of November 5, 2013, MOHCD has conducted 7 lotteries in 2013, including three rental lotteries and four ownership lotteries, with 3,048 applicants, among which only 17 were COP holders, all for rental units. Therefore, The existing inclusionary housing allocation program functions as a nearly pure lottery system
4. Conditions that have caused the surge in evictions in the last year can change again in the very near future. Proposed solutions to such emergency issue should allow for a timely response to the current eviction climate without creating a permanent preference for one vulnerable class of residents among others.
5. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are, *on balance*, consistent with the Objectives and Policies of the General Plan (Staff discussion is added in *italic font* below):

HOUSING ELEMENT

OBJECTIVE 4

Foster a housing stock that meets the needs of all residents across lifecycles.

POLICY 4.2

Provide a range of housing options for residents with special needs for housing support and services.

The proposed legislation would offer an affordable housing option long-term residents evicted from rent controlled housing. The current housing market and surge in evictions put such residents at special need for housing assistance.

OBJECTIVE 5

Ensure that all residents have equal access to available units.

The proposed legislation would preference one group of residents to address a recent increase in Ellis Act evictions. There are additional groups who are vulnerable and will not have the first preference for available affordable housing units. As drafted, the legislation would cap the percentage of newly available affordable housing units allocated to the new preference group. With the proposed modifications, that 20% cap on the allocation of units to the preference group would be extended to apply to units available for re-sale and re-rental in addition to newly developed units. Further, the proposed modifications would ensure that the preference program be evaluated in three years to determine whether the eviction climate has changed and the program remains necessary.

POLICY 5.1

Ensure all residents of San Francisco have equal access to subsidized housing units.

The proposed legislation would preference one group of residents to address a recent increase in Ellis Act evictions. As noted above, there groups in addition to those evicted by the Ellis Act who are vulnerable and are eligible for affordable housing. The proposed modifications would ensure that the preference program be evaluated in three years to determine whether the eviction climate has changed and the program remains necessary.

POLICY 5.2

Increase access to housing, particularly for households who might not be aware of their housing choices.

Residents losing their rent-controlled housing due to Ellis Act have a narrow range of options affordable to their income in the existing market. The proposed legislation would provide priority to these residents for affordable housing to help them in an emergency crisis.

OBJECTIVE 6

Reduce homelessness and the risk of homelessness.

POLICY 6.2

Prioritize the highest incidences of homelessness, as well as those most in need, including families and immigrants.

As long time residents of rent-controlled units, residents recently evicted due to Ellis Act will be at risk of homelessness. The proposed legislation will help keep these residents from facing homelessness due to a sudden increase in housing costs which they would not afford. However, without demographic information, it is difficult to determine whether those evicted with the Ellis Act are those "most in need," or most likely to become homeless. The draft Ordinance does not specifically address families and immigrants, but focuses instead on the type of eviction invoked to displace the tenants.

8. **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 amendments will 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 amendments will not impact existing housing and neighborhood character.

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

The proposed amendments will not affect the supply of affordable housing.

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

The proposed amendments will 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 amendments 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 negatively impact preparedness in the case of an earthquake.

7. That the landmarks and historic buildings be preserved;

Landmarks and historic buildings would not be negatively impacted by the proposed amendments.

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

The City's parks and open space and their access to sunlight and vistas would be unaffected by the proposed amendments.

- 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 the modification as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on November 21, 2013.

Jonas P. Ionin
Commission Secretary

AYES: Commissioners Antonini, Borden, Fong, Hillis, Moore, and Wu

NOES: None

ABSENT: Commissioner Sugaya

ADOPTED: November 21, 2013



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Change

HEARING DATE: NOVEMBER 21, 2013

Project Name: **Ellis Act-Displaced Emergency Assistance Ordinance**
Case Number: 2013.1468T [Board File No. 13-0968]
Initiated by: Supervisors Chiu, Campos, Kim, and Mar / Introduced October 1, 2013
Staff Contact: Kimia Haddadan and Sophie Hayward, Legislative Affairs
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Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415-558-6395
Recommendation: **Recommend Approval with Modifications**

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PLANNING CODE AMENDMENT

The proposed Ordinance would amend Sections 24.8, 10.100-110, 10.100-370, and 43.3.4 of the Administrative Code and Planning Code Sections 413.10 (Citywide Affordable Housing Fund), 415.5 (Affordable Housing Fee), 415.6 (On-Site Affordable Housing Alternative), and 415.7 (Off-Site Affordable Housing Alternative), to define and establish a preference in all affordable housing programs administered or funded by the City, to certain tenants evicted under the Ellis Act as defined in California Government Code Section 101.1.

The Way It Is Now:

San Francisco's Affordable Housing programs are defined in both the Administrative Code and the Planning Code. In each Code, preference in occupying units or in receiving assistance is given to Residential Certificate of Preference (COP) holders who meet all of the qualifications for the unit, or for the assistance; in the case of HOPE SF funded projects, first preference is given to occupants of existing housing, and second preference to COP holders.¹

Administrative Code

Section 24.8: Preference in all City Affordable Housing Programs for Certificate Preference Holders. This section of the Administrative Code defines the preference for COP holders in occupying units or receiving assistance in all City affordable housing units or programs.

Section 10.100-110 (Mayor's Housing Affordability Fund), Section 10.100-370 (San Francisco HOPE SF Fund), and Section 43.3.4 (Proposed Use of Bond Proceeds). These three sections of the Administrative Code establish the Mayor's Housing Affordability Fund, the HOPE SF Fund, and the formula for the use of bond proceeds related to affordable housing development and down payment

¹A Certificate of Preference is a document originally issued by the San Francisco Redevelopment Agency to residents displaced by the Agency in the 1960s as a result of federally funded urban renewal programs. With the 2012 dissolution of the Redevelopment Agency, the Mayor's Office of Housing has taken over the administration and management of the COP program. Information is available online at: http://www.sfredevelopment.org/ftp/uploadedfiles/Programs/COP_FAQs-Revised_March_2009.pdf (November 4, 2013)

assistance, and require that projects funded by either fund or the bonds give preference in occupying units or receiving assistance to COP holders and/or to existing residents.

Planning Code

Article 4 of the Planning Code defines and outlines development impact fees and fee programs, including the Jobs-Housing Linkage Program (Section 413) and Housing Requirements for Development Projects (Section 415). As in the Administrative Code, preference in occupying units or in receiving assistance is given to COP holders.

Section 413.10. (Citywide Affordable Housing Fund), Section 415.5 (Affordable Housing Fee), Section 415.6 (On-Site Affordable Housing), and Section 415.7 (Off-Site Affordable Housing). Each of these funds, fees, and programs require that preference in occupying units or in receiving assistance be given to COP holders.

The Way It Would Be:

The **Administrative Code** would be amended to define the term “Displaced Tenant,” to define the duration of the preference, to identify a timeline for implementation, and to add the new preference to each affordable housing program section. The **Planning Code** would be amended to add the preference to each defined affordable housing fund, fee, or alternative identified in Articles 413 and 415. Specific amendments are as follows:

Administrative Code

Section 24.8: Preference in all City Affordable Housing Programs for Certificate Preference Holders. This section would be amended to define “Displaced Tenant,” to create a preference for occupying affordable housing for the new category, to develop a timeline for implementation, to add specific limits to the preference, and to add a one-time report as follows:

- **Definition.** “Displaced Tenant” is defined as any tenant residing in San Francisco who on or after January 1, 2012 has received a notice that the landlord plans to withdraw the tenant’s unit from the rental market pursuant to the Ellis Act, and who has:
 - Resided in the unit for a minimum of ten years; or,
 - Resided in the unit for a minimum of five years if the tenant is suffering life-threatening illness verified by the tenant’s primary care physician.
- **Duration of Preference.** The Displaced Tenant preference may be applied for three years from the date of filing a notice of intent to withdraw the tenant’s unit from the rental market for *existing, currently occupied developments* (emphasis added), or six years for *new developments going through the initial occupancy period* (emphasis added). In new and existing developments, the Displaced Tenant preference applies even if a unit has been offered through the preference and declined; however, the preference terminates when a unit is occupied.
- **Cap on Displaced Tenants Occupying Units in New Development.** The Displaced Tenant preference would apply to a maximum of 20% of units in the initial occupancy period in new developments.
- **Verification.** In order to confirm status as a Displaced Tenant, the following information would be submitted to and verified by MOHCD:
 - Proof that a notice of intent to withdraw the unit from the rental market has been filed with the Rent Board;
 - Proof that the tenant meets the five- or ten-year residency required, as applicable;

- Proof that the tenant is listed on the notice to withdrawal, on the lease for the unit in question, or other information that establishes residency in the unit for the duration required.
- **Timeline for Implementation.** The Mayor's Office of Housing and Community Development (MOHCD) would develop procedures for implementing the COP preference and the Displaced Tenant preference within 90 days of the effective date of the Ordinance.
- **Reporting.** The Board of Supervisors would hold a hearing to assess the impact of the Displaced Tenant preference within one year of the effective date of the Ordinance.

Section 10.100-110 (Mayor's Housing Affordability Fund), and Section 43.3.4 (Proposed Use of Bond Proceeds). These sections are each amended to add a preference, second to the existing COP preference, for Displaced Tenants to occupy units in projects receiving MOHCD funds for affordable housing or for down payment assistance, subject to the limits and cap described above.

Section 10.100-370 (San Francisco HOPE SF Fund). This section is amended to add a third preference, after the existing first preference to current occupants of a housing development receiving HOPE SF Funds and the existing second preference to COP holders, for Displaced Tenants to occupy units in projects receiving HOPE SF Funds, subject to the limits and the cap described above.

Planning Code

Section 413.10 (Citywide Affordable Housing Fund), Section 415.5 (Affordable Housing Fee), Section 415.6 (On-Site Affordable Housing), and Section 415.7 (Off-Site Affordable Housing). Each of these sections would be revised to add a second preference, after the existing preference of COP holders, to Displaced Tenants (as defined above) in occupying units or in receiving assistance from any of the funds, fees, or alternatives associated with affordable housing.

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

The Department recommends that the Commission recommend *approval with modifications* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department recommends the following specific modifications to the draft Ordinance:

1. Reduce the eligibility for the preference in new developments to from six years to three years, which is consistent with the proposed eligibility period for existing units that are available for re-sale or re-rental;
2. For existing units that become available for re-sale or re-rental, cap the total number of units reserved for the new preference holders at 20% of the previous year's total number of available re-sale and re-rental units. This cap would be adjusted annually;
3. Require that the preference system be reviewed before a committee of the Board three years after the effective date of the Ordinance, including a report by the Mayor's Office of Housing and the Rent Board on the demographics and income levels of beneficiaries of the new preference

system. Based on this review and report, the Board would decide to extend, modify, or cancel this system.

BASIS FOR RECOMMENDATION

The Department is supportive of efforts to support tenants who have faced residential evictions, which have increased across categories in the last year. The three proposed modifications recommended by the Department are intended to balance the clear need for assistance and support for tenants displaced through the Ellis Act, with the ongoing needs of other vulnerable groups who participate in the affordable housing lottery system.

In order to better understand implications of the proposed legislation, staff has examined both the current eviction landscape in San Francisco and the existing lottery process for San Francisco's affordable housing programs.

Increase in Eviction Rates of All Types: No-Fault and For-Cause Evictions

The focus of the draft Ordinance is on ameliorating the displacement impacts caused by one form of no-fault eviction: the Ellis Act. However, it is important to note that displacement through eviction can and does occur through other processes, including other categories of **no-fault eviction**, such as owner move-ins, demolition, and condominium conversion, as well as so-called "**just-causes**," or tenant defaults, including breach of rental agreement, non-payment or habitual late payment of rent, and committing a nuisance.

The Annual Statistical Report 2012-2013 from the Rent Board states, "Total eviction notices filed with the Board increased by 36% from 1,421 to 1,934, while the number of tenant reports of alleged wrongful eviction decreased by 13% from 570 to 497. The number of units withdrawn from the rental market under the Ellis Act increased from 121 to 192 units."²

This Table highlights statistics from the Rent Board Fiscal Year 2012-2013³:

Eviction Type	Petitions by Building Owners	Units Impacted
Ellis Act	57	192
Development Agreements		232
Owner Move-Ins		234
Nuisance		350
Breach of Lease		510
Other Eviction Types		416
Total Eviction Notices		1934

² San Francisco Residential Rent Stabilization and Arbitration Board Annual Statistical Report 2012-2013. Available online at <http://www.sfrb.org/modules/showdocument.aspx?documentid=2660> (November 12, 2013).

³ Ibid.

As has been widely reported, the total number of evictions in San Francisco – both for-cause and no-fault – have increased not only in the last year, but also significantly since 2010. The recently released report “Analysis of Tenant Displacement in San Francisco,” by the Budget and Legislative Analyst notes a 38.2% increase in all types of evictions while Ellis Act evictions increased by a dramatic 169.8%. This report further highlights that there are specific neighborhoods in which evictions have been especially prevalent: in the five years between 2009-2013, the Inner Mission and Russian Hill/Polk Gulch neighborhoods had among the highest numbers of Ellis Act evictions (117) and among the highest numbers of for-cause evictions (825).⁴

Inclusionary Housing Lotteries

The Mayor’s Office of Housing and Community Development manages the San Francisco Inclusionary Housing Program, and uses a lottery system to allocate opportunities to apply for available units in rental or in ownership properties developed with or supported by funds from one of the city’s affordable housing programs, including project-based inclusionary housing fees or alternatives. MOHCD conducts lotteries for available units in both newly developed properties in their initial occupancy phase, as well as units in existing buildings as units are vacated.

MOHCD’s procedures require that tenants who were displaced in the 1960s by the San Francisco Redevelopment Agency (“Agency”) when it implemented its federally funded urban renewal program receive first preference to apply for affordable housing units. This existing preference, called the Certificate of Preference Program, is tied to displacement by the Redevelopment Agency in the Western Addition and in Hunters Point, and applies to the head of households displaced by the Agency, eligible family members residing in the household at the time of displacement, and to households displaced by the Agency after 2008. The Certificate of Preference Program is scheduled to expire in 2016, unless the Board of Supervisors renews it with an Ordinance.⁵

As of November 5, 2013, MOHCD has conducted 7 lotteries in 2013, including three rental lotteries and four ownership lotteries, with 3,048 applicants, among which only 17 were COP holders, all for rental units.

Data related to the inclusionary housing lottery indicates that the impact of the proposed new preference program would be most significant on re-rental and resale units: only 29 resale ownership units and 10 re-rental units have become available in the last year (and 105 resale units and 50 re-rental units in the last five years) – the low available inventory combined with the increased Ellis Act evictions means that most, if not all, existing re-rental and re-sale units would go to the new Displaced Tenant preference holders. This would likely be the case whether the Ellis Act evictions numbers are relatively high, such as in 2001 when there are 318 Ellis evictions, or whether the numbers are relatively low, such as in 2010, when there were 43 Ellis evictions.

Basis for Recommendation #1: Create a Consistent Three-Year Period of Eligibility

As proposed, the draft Ordinance would create two separate eligibility periods for preference holders: one for new development in the initial occupancy stage, and a second, shorter period, applicable to units

⁴ Pages 14-25, “Memo to Supervisor Campos: Analysis of Tenant Displacement in San Francisco,” Budget and Legislative Analyst, October 30, 2013. Available online at: <http://www.sfbos.org/Modules/ShowDocument.aspx?documentid=47040> (November 5, 2013). Please note that the difference in reported percent increase in evictions between the Rent Board’s Annual Report and the Budget Analyst’s report is due to the difference in their respective reporting calendars.

⁵ <http://www.sf-moh.org/index.aspx?page=268> (November 13, 2013).

that exist and become available for re-sale and re-rental. New development represents the overwhelming majority of units available for the inclusionary program: in the past year, there have been 175 units made available through new development, as compared to 39 units that have become available for re-sale or re-rental. The Department believes that creating a separate eligibility period for a relatively small number of potentially available units would create unnecessary complexity for implementation. In addition, the Department views the program as an emergency response to a volatile housing situation that may change dramatically, again, over the course of three years. The Department recommends a three-year eligibility period for both existing units and for new units that come online through new development.

Basis for Recommendation #2: Cap the Re-sale and Re-rental Units Available to New Preference Holders

The current inclusionary program lotteries are popular: 3,048 applicants have participated in the last year. As drafted, the Ordinance limits the application of the preference to 20% of all units available through new construction. The Department recommends extending a similar limit to units made available for re-sale or re-rental, specifically to limit the preference to 20% of the previous year's total number of available existing units. In the last year, there have been re-rental opportunities for ten units and 29 units available for re-sale. Using the 20% preference limit methodology proposed by the Department, the first year's preference would be limited to 2 re-rental units and six units for re-sale. This cap would serve to preserve opportunities to occupy existing units for other vulnerable groups, while ensuring a preference for tenants evicted through the Ellis Act.

Basis for Recommendation #3: Review of the Preference Program by the Board in Three Years

The existing inclusionary housing allocation program functions as a nearly pure lottery system, given the very low impact of the existing COP program (as noted above, there have been only 17 COP applicants in the last five years, all of which were for rental units). The proposed legislation would transform the lottery system to a ranking system, giving preference to one particularly vulnerable group: long term tenants evicted from rent controlled buildings by the Ellis Act.

As proposed, the draft Ordinance is supported by several General Plan Policies and Objectives that aim to protect and increase access to housing, to provide a range of housing for residents who need support, and to reduce the risk of homelessness. However, it is important to note that there are also General Plan Objectives and Policies that specifically call for equal access among groups for subsidized housing and available units. The draft Ordinance conflicts with these policies, in that it creates a ranking system that gives preference to one vulnerable group (tenants evicted by the Ellis Act), over others (such as the elderly, rent-challenged, disabled, and victims of disasters such as earthquake or fire). General Plan Objectives and Policies that **support** the draft Ordinance include Objective 4, Policy 4.2 ("Provide a range of housing options for residents with special needs for housing support and services"), Objective 5, Policy 5.2 ("Increase access to housing, particularly for households who might not be aware of their housing choices"), and, to some extent, Objective 6, Policy 6.2 (Prioritize the highest incidences of homelessness, as well as those most in need, including families and immigrants"). General Plan Objectives and Policies that appear to **conflict** with the draft Ordinance are Objective 5, Policy 5.1 ("Ensure all residents of San Francisco have equal access to subsidized housing"), and, to some extent, Objective 6, Policy 6.2 ("Prioritize the highest incidences of homelessness, as well as those most in need, including families and immigrants").

This tension between General Plan Objectives and Policies is the basis of the Department's recommendation that the Board of Supervisors evaluate the preference program and its impacts in three years. The proposed modification is intended to allow for a timely response to the current eviction

climate without creating a permanent preference for one vulnerable class of tenants among others and to provide a means to rescind the program in three years if the crisis has subsided. Further, the provision would mirror the sunset provision of the existing COP program.

While the Rent Board does not typically report demographic data related to eviction filings, the Department recommends that MOHCD provide demographic information related to the preference program in its report to the Board of Supervisors.

ENVIRONMENTAL REVIEW

The proposal would result in no physical impact on the environment. The proposed amendments described in the draft Ordinance are exempt from environmental review under Section 15060(c)(2) of the CEQA Guidelines, as determined on October 10, 2013.

PUBLIC COMMENT

As of the date of this report, the Planning Department has no public comment on this item.

RECOMMENDATION: Recommendation of Approval with Modifications
