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Submittal Form
For Proposed Initiative Measure(s)
Prior to the Submittal
to the
Department of Elections

By 4 or more Board of Supervisors or the Mayor

I, hereby submit the following proposed initiative measure(s) for hearing before the Board of Supervisors, Rules Committee prior to the submittal of the proposed initiative measure to the Department of Elections. (Prop C. Nov. 2007)

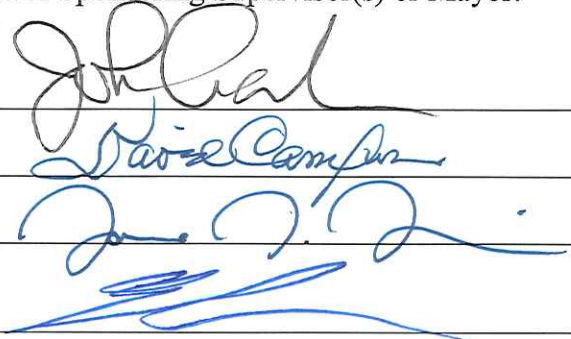
This matter is for the November 3, 2015 Election.

Sponsor(s): Supervisors Kim, Avalos, Campos, Mar

SUBJECT: Surplus Public Lands

The text is listed below or attached:

Signature of Sponsoring Supervisor(s) or Mayor:



Time Stamp by Clerk's Office:

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2015 JUN 16 PM 4:49

PROPOSED INITIATIVE ORDINANCE TO BE SUBMITTED BY FOUR OR MORE SUPERVISORS TO THE VOTERS AT THE NOVEMBER 3, 2015 ELECTION.

[Under Charter Section 2.113(b), this measure must be submitted to the Board of Supervisors and filed with the Department of Elections no less than *45 days prior* to deadline for submission of such initiatives to the Department of Elections set in Municipal Elections Code Section 300(b).]

[Initiative Ordinance - Administrative Code - Surplus Public Lands]

Ordinance amending the Administrative Code to update and expand the applicability of provisions of the Surplus City Property Ordinance and the public process around its implementation, expand the affordability criteria for housing developed on property acquired for affordable housing under the Ordinance, restrict for 120 days any other disposition of surplus City property being considered for transfer to the Mayor's Office of Housing and Community Development for development of affordable housing under the Ordinance, provide for implementation of the State Surplus Property Statute, and provide for amendment of the initiative ordinance by the Board of Supervisors.

NOTE: **Unchanged Code text and uncodified text** are in plain font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. The Administrative Code is hereby amended by revising Sections 23A.1, 23A.2, 23A.3, 23A.4, 23A.5, 23A.6, 23A.7, 23A.8, 23A.10, and 23A.11, and adding Section 23A.12, to read as follows:

SEC. 23A.1. TITLE.

This ordinance may be cited as the "Surplus Public Lands ~~City Property~~ Ordinance."

SAN FRANCISCO
FILED
2015 JUN 16 PM 4:49
DEPARTMENT OF ELECTIONS

SEC. 23A.2. FINDINGS.

The Board of Supervisors of the City and County of San Francisco hereby finds:

(a) Homelessness in San Francisco is a crisis. The Mayor's Offices of Community Development and Housing estimate that there are 3,125 homeless families and 9,375 homeless individuals in San Francisco.

(b) The main causes of homelessness are high cost of living, lack of affordable housing units, welfare reform, de-institutionalization of the mentally ill, substance abuse and San Francisco's unique place as a destination point. These causes are identified by the Mayor's Offices of Community Development and Housing in the 2000 Consolidated Plan.

(c) For homeless individuals and families, there is an unmet need of 3,187 housing slots for individuals and 2,025 slots for families.

(d) Surplus City property could be utilized to provide housing to homeless men, women and children.

(e) Surplus City property that is unsuitable for housing could be sold to generate income for permanent housing for people who are homeless.

(f) San Francisco's housing stock is unaffordable for many residents. The average rent for a two-bedroom apartment increased by 110% from 1980 to 1990, while the overall cost of living increased by 64%. At \$1,940, the average two-bedroom unit is out of reach to households earning less than \$77,600 per year, based on the Department of Housing and Urban Development's standards.

(g) San Francisco is experiencing a severe shortage of housing resulting in a negligible vacancy rate for habitable housing for persons earning less than half of the area median income.

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:49
DEPARTMENT OF ELECTIONS

(h) Many renters are unable to locate rental housing of any kind. These persons are increasingly seeking shelter in already overcrowded emergency shelters and, when such shelters are full, finding themselves on the City's streets.

(i) Existing rental housing constitutes much of the remaining affordable housing in the City. The number of such units is diminishing as a result of increased pressures for more development both downtown and in many neighborhoods.

(j) Frequently, real estate speculation results in the premature closure of existing habitable buildings and the withdrawal of existing rental units from the market long before such closure would be needed for any physical redevelopment of such sites.

(k) The Board of Supervisors and the Mayor have concurred with the findings of the City's Health Commission that there exists a health and housing emergency, as enumerated in Board Resolution 537-01, adopted by the Board of Supervisors on June 25, 2001 and approved by the Mayor on July 6, 2001.

(l) Under the City's Charter, a number of City Commissions and Departments, including the Port, the Airport, the Public Utilities Commission, the Municipal Transportation Agency, the Recreation and Parks Commission and the Fine Arts Museums Board of Trustees have jurisdiction and control of their respective Property, and, thus, the provisions of this Chapter regarding declaring Property surplus or conveying Property shall operate only as recommendations of policy to such departments and Commissions.

(m) State law includes a number of statutes that potentially govern the disposition of surplus City Property, including Government Code Section 54220 et seq. (the "State Surplus Property Statute"). Under the State Surplus Property Statute, State agencies and subdivisions of the State, including cities or counties, disposing of surplus real property must first send a written offer to sell surplus property to and negotiate in good faith the

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:49

DEPARTMENT OF ELECTIONS

conveyance of such surplus property with certain local agencies designated by the State for affordable housing, recreation, open space and school purposes. Any conveyances of Surplus Property under this Chapter would be subject to and would first need to comply with applicable State law, including the State Surplus Property Statute, and the application of the State Surplus Property Statute may preclude or impair disposing of Surplus Property for the purposes and in the manner set forth in this Chapter.

(n) San Francisco is suffering from an urgent crisis of housing affordability and displacement that requires immediate action;

(o) San Francisco's current policies to solve the housing crisis have been inadequate;

(p) Publicly owned land that is suitable for housing development represents a unique opportunity for San Francisco to meet its affordable housing needs;

(q) Affordable housing is of vital importance to the health, safety, and welfare of the residents of San Francisco and provision of a decent home and a suitable living environment for every San Franciscan is a priority of the highest order;

(r) There is a shortage of sites available for housing for persons and families of low and moderate income, and surplus publicly owned land, prior to disposition, should be made available for that purpose;

(s) There will be no impact on park lands, which are protected from development under the City Charter;

(t) The State of California adopted Assembly Bill 2135 in November 2014, requiring local agencies and school districts to give first priority in disposing of the surplus land to affordable housing;

(u) California Government Code Sections 54220-54232, the "State Surplus Property Statute," applies to any local agency, including any city and county, and district, including school districts of

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:49
DEPARTMENT OF ELECTIONS

any kind or class, and sets out rules for "surplus land" that is determined to be no longer necessary for the agency's use;

(v) The Board of Supervisors approved San Francisco Admin Code Sec 23A "Surplus City Property Ordinance" in November 2002, to identify and use surplus City-owned property for the purpose of providing housing, shelter, and other services for people who are homeless, which resulted in the development of two 100% affordable housing developments;

(w) The sale or lease of surplus land at less than fair market value to facilitate the creation of affordable housing is consistent with goals and objectives of San Francisco's Housing Element.

SEC. 23A.3. PURPOSE.

The ~~purposes~~ ~~purpose~~ of this ordinance are is to:

(a) Prioritize surplus and underutilized public land in San Francisco that is suitable for the construction of housing for the building of 100% permanently affordable housing, including ground floor retail and community facilities and open space.

(b) Establish policy that all housing built on public lands in San Francisco should maximize the amount of permanently affordable housing at extremely low, very low, low and moderate income affordability levels.

(c) Establish policy that state and special-district agencies (other than the City and County of San Francisco) that own surplus and underutilized public lands in San Francisco should also prioritize permanently affordable housing for disposition and development of their sites.

(d) Establish policy that any City department process for planning the disposition and development of any public lands should assume the standards of this ordinance (including City processes for the disposition of state and special-district agencies other than the City and County of San Francisco).

SAN FRANCISCO
FILED
2015 JUN 16 PM 4:49
DEPARTMENT OF ELECTIONS

~~(e) (a)~~ ~~First priority use of Identify and use surplus City-owned property for~~
the purpose of providing housing, shelter, and other services for people who are homeless;

~~(f) (b)~~ Help relieve the crisis of homelessness in the City and County of San Francisco;

~~(g) (e)~~ ~~Potential to provide Provide~~ low or no cost facilities for agencies serving homeless people;

~~(h) (d)~~ ~~Potential to provide Provide~~ "sweat-equity" opportunities for homeless people to create permanent housing opportunities through rehabilitation and repair of the units;

~~(i) (e)~~ Create a centralized mechanism to responsibly dispose of surplus City property in a manner that will help ensure that the property or its proceeds will be used for purposes consistent with this Chapter 23A.

SEC. 23A.4. DEFINITIONS.

For purposes of this Chapter 23A section:

~~(a)~~ "Administrator" shall mean the City Administrator as set forth in Section 3.104 of the City's Charter.

"Affordable Housing" shall mean housing that is deed-restricted as affordable for a period of at least 55 years to households at extremely low, very low, low and moderate income levels up to and not exceeding those required under Planning Code Section 415 et seq., as may be amended or supplanted, and may also include housing for Homeless or formerly Homeless persons.

~~(b)~~ "Citizens' Advisory Committee" shall mean the group of citizens appointed pursuant to Section 23A.9.

"Education Districts" shall mean the San Francisco Unified School District and the San Francisco Community College District.

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:49

DEPARTMENT OF CITY OPERATIONS

(e) "Enterprise Departments" shall mean the following City departments: the Port, the Airport, the Public Utilities Commission, the Municipal Transportation Agency, the Recreation and Parks Commission and the Fine Arts Museums Board of Trustees.

(d) "Executive Director" shall mean the Executive Director of MOHCD ~~the Mayor's Office of Housing~~.

(e) "Homeless" shall mean:

1. an individual or family who lacks a fixed, regular and adequate nighttime residence; or
2. an individual or family who has a primary nighttime residence that is:
 - A. a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or
 - B. an institution that provides a temporary residence for individuals who have been institutionalized; or
 - C. a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

3. Families with children living in single residency occupancy rooms or other overcrowded conditions.

"MOHCD" shall mean the Mayor's Office of Housing and Community Development, and any successor City department.

(f) "Property" shall mean any real property located within and owned by the City and County of San Francisco of one-quarter acre or more, excluding land and buildings reserved for open space or parks purposes, or any land dedicated for public right-of-way purposes, or any land used or reserved for transit lines, or public utility rights-of-way, or any publicly dedicated streets or rights-of-way. "Property" shall not include any real property owned by or on behalf of the Education Districts San Francisco Unified School District.

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:49

DEPARTMENT OF ELECTIONS

"State Surplus Property Statute" shall mean California Government Code Sections 54220 through 54233, as may be amended or supplanted.

~~(e)~~ "Surplus Property" shall mean any Property that is not required to fulfill the mission of the City department, commission or agency with jurisdiction or control of such Property ~~or~~ and that is not required to fulfill the mission of another governmental agency pursuant to an inter-governmental transfer;

~~(f)~~ "Underutilized Property" shall mean an entire Property or portion thereof (including air rights), with or without improvements, that is used by the City only at irregular periods of time or intermittently, or that is used by the City for current purposes that can be satisfied with only a portion of such Property or has a potential for air rights development while maintaining the existing and anticipated City uses of the Property, or that is not currently occupied or used by the City and for which there are no plans by the City to occupy or use such Property within the next fiscal year.

SEC. 23A.5. ANNUAL AGENCY REVIEW OF PROPERTY.

By January 1 April 1st of each year, every each City commission, department or agency, including Enterprise Departments, shall compile and deliver to the Administrator a list of all Property, organized by supervisorial district, that it occupies or is otherwise under its control.

The list shall include at least the following:

(a) The street address of the Property (if there is one), and the Assessor's block and lot number;

(b) A general description of the Property, including the acreage, its dimensions, the topography of the site to the extent known, the current use of the Property or any planned use of the Property within the next fiscal year;

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:49
DEPARTMENT OF ELECTIONS

(c) A general description of any structure(s) on the Property as well as an assessment of their physical condition;

(d) Whether the Property is now vacant or scheduled or anticipated to be vacant within the next fiscal year;

(e) If the Property is vacant or contains vacant structures, whether the commission ~~Commission~~, department or agency deems the Property to be "Surplus," or "Underutilized" or has a potential for air rights development as defined in ~~this~~ Section 23A.4; and

(f) A general summary of the terms and conditions of any gift, trust, deed restriction, bond covenant or other covenants or restrictions, deed of trust, lease, license, easement, use agreement or other agreement applicable to the use or disposition of such Property.

Each City commission, department or agency shall maintain or shall work with the Administrator to maintain adequate inventory and accountability systems for the Property under its control to determine which Properties are Surplus or Underutilized or has a potential for air rights development for purposes of this Chapter 23A, and shall reasonably cooperate with requests for information from the Administrator, the Department of Real Estate, or the Board of Supervisors.

The Administrator shall also request that the San Francisco Unified School District and the San Francisco Community College District similarly provide an annual list of properties that may be surplus or underutilized or has a potential for air rights development, as defined in this Chapter 23A, and potentially suitable for the development of Affordable Housing.

SEC. 23A.6. COMPILATION AND REPORTING OF INFORMATION BY ADMINISTRATOR.

(a) The Administrator shall review the annually submitted list of Property submitted by City departments pursuant to Section 23A.5 ~~above~~ to identify any Property that may be Surplus Property or Underutilized Property under Section 23A.4, and shall strike from this initial list any

SAN FRANCISCO
FILED

2015 JUN 16 PM 4: 50

DEPARTMENT OF ELECTIONS

Property that is under the jurisdiction of the Recreation and Park Department, the Airport or the Port, is part of the public right-of-way, or is subject to deed restrictions or other legal restrictions that would prevent the City from disposing of such Property pursuant to this Chapter 23A. The Administrator shall further consult with other City departments ~~Departments~~, the Mayor, members of the Board of Supervisors and the Citizens' Advisory Committee to identify any Property listed on the initial list for which a City department ~~Department~~ other than the department ~~Department~~ with current jurisdiction has a specific operational need and shall notate ~~remove~~ such Properties on ~~from~~ the Surplus Property Report. The Administrator shall thereafter initiate the transfer of jurisdiction over those identified Properties to the departments ~~Departments~~ that can utilize them. The Administrator shall state in writing the reasons for the removal of each Property from the initial list and shall provide such report to MOHCD ~~the Mayor's Office of Housing~~, the Board of Supervisors, and the Citizens' Advisory Committee.

(b) By February 1 ~~June 1st~~ of each year, the Administrator shall compile a comprehensive report for the remaining Property listed that includes, at a minimum, the following information: the street address, if any, and the block and lot number for each Property; the City department ~~Department~~ with jurisdiction over each Property; a description of the zoning applicable to ~~and surrounding~~ such Properties; all information required in Section 23A.5, and any additional information relevant to the potential development of the Property for Affordable Housing, including a plat map for each Property; the area in square footage for each Property; a description of the surrounding properties and neighborhood; any legal restrictions or limitations on the development of the Property; and pictures of the Property (the "Surplus Property Report"). The Surplus Property Report shall also include a list of any and all City-owned properties that are adjacent to each listed Property and appear to be vacant or underutilized, along with the identification of the City department ~~Department~~ with jurisdiction over such adjacent property. The Surplus Property Report shall include all properties identified by

SAN FRANCISCO
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~~the Education Districts as surplus or underutilized for information purposes only.~~ No later than ~~February 15~~ ~~June 30th~~ of each year, the Administrator shall transmit the completed Surplus Property Report to MOHCD ~~the Mayor's Office of Housing~~ and to the Board of Supervisors. If the Administrator determines that there is Surplus Property or Underutilized Property potentially suitable for the development or air rights development of Affordable Housing, the Administrator shall notify the Board of Supervisors of this determination in its transmittal. The Administrator shall maintain and release written records of all information compiled under this Chapter 23A in conformance with all state and local laws governing the retention and disclosure of public records.

(c) No later than March 1 of each year, the Board of Supervisors or a committee thereof shall hold a public hearing on the Surplus Property Report and request MOHCD to review identified Surplus and Underutilized properties for potential development or air rights development as Affordable Housing and/or determine if any Property should be transferred to MOHCD under Section 23A.7. The Board of Supervisors may also change the determination of the Administrator as to whether a property is Surplus or Underutilized under Section 23A.4 for purposes of MOHCD's review of that property for feasibility of development as Affordable Housing. With respect to the Enterprise Departments, the Board of Supervisors may make a recommendation of surplus and transfer, but the Enterprise Departments shall each have the right to determine whether property is surplus and to dispose of property in a particular manner in conformity with the applicable requirements of the City's Charter and California law, including the State Surplus Property Statute. With respect to the Education Districts, the Board of Supervisors may make a recommendation of surplus and transfer, but the Education Districts shall each have the right to determine whether real property under its jurisdiction is surplus or underutilized or has a potential for air rights development and whether to dispose of property in a particular manner subject to the applicable requirements of the City's Charter and

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:50

California law, including the State Surplus Property Statute as it applies to school districts of any kind or class.

(d) For a period of 120 days following the public hearing held under subsection (c) above, the City shall not initiate a request for bids or proposals or enter into contracts designed to facilitate the sale of Property (including brokerage and appraisal contracts) that the Board intends to transfer to MOHCD for any purpose other than the development of Affordable Housing, without the prior approval of the Board of Supervisors.

SEC. 23A.7. REVIEW OF TRANSFER OF JURISDICTION OVER SURPLUS AND UNDERUTILIZED PROPERTIES BY TO THE MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT FOR POTENTIAL AFFORDABLE HOUSING USE.

(a) Following the Board of Supervisors hearing under Section 23A.6(c) and no later than March 15 By July 15th of each year, the Administrator, working with the Executive Director and the City Attorney's Office, shall submit to the Mayor and Board of Supervisors legislation transferring jurisdiction over the Surplus and Underutilized Properties to MOHCD, as determined and directed by the Board of Supervisors in accordance, save and except for those Properties that are under the jurisdiction of Enterprise Departments, on the Surplus Property Report completed in accord with Section 23A.6 above to the Mayor's Office of Housing ("MOH") provide for the purpose of MOHCD's MOH's assessment of each Surplus and Underutilized Property for development as Affordable Housing affordable housing consistent with this Chapter 23A. MOHCD shall evaluate the feasibility for use of each property for affordable housing based on typical development standards of site planning and constructability.

(b) For those Surplus and Underutilized Properties transferred to MOH that MOHCD MOH does not deem suitable for development or air rights development for Affordable Housing such development, the Executive Director shall prepare a report to notify the Administrator explaining

SAN FRANCISCO
FILED

2015 JUN 16 PM 4: 50

DEPARTMENT OF ELECTIONS

~~MOHCD's analysis and conclusion. The Administrator shall then provide notification to the Board of Supervisors and Interested Parties that have notified the Administrator in advance to be placed on a notification list for this process, who may request the report. The Administrator who shall prepare and submit to the Mayor and Board of Supervisors legislation either transferring jurisdiction over such Surplus Properties from MOHCD MOH to another City department Department for such department's use or seeking to sell or lease such properties, as determined by the Administrator. It shall be City policy to encourage the sale or lease of such Surplus Property in accordance with the requirements of Administrative Code Section 23.3 and other applicable laws and to designate use of the net proceeds of such sales or lease for public purposes in accordance with the City Charter including for the purpose of financing Affordable Housing affordable housing in San Francisco.~~

(c) For those Surplus and Underutilized Properties ~~MOHCD MOH~~ deems suitable for such development, the Executive Director shall publicize the availability of the Surplus and Underutilized Properties and seek applications for development of the Surplus and Underutilized Properties in keeping with MOHCD's standard practices as described further in Section 23.A8 below. The Executive Director also shall take all steps necessary to comply with the State Surplus Property Statute. With respect to real property Surplus Property under the jurisdiction of Enterprise Departments or the Education Districts, the Board of Supervisors may, by separate legislation, urge the ~~Commissions or Boards~~ commissions or boards of such Enterprise Departments or the Education Districts to consider approving a transfer of jurisdiction such property to MOHCD for Affordable Housing over the Properties to MOH for uses consistent with this Chapter consistent with this Chapter 23A and with the State Surplus Property Statute. If an In the event any Commissions or Boards of Enterprise Department Departments or an Education District takes take such action, the Administrator shall then prepare and submit to the Mayor and Board

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:50

DEPARTMENT OF ELECTIONS

of Supervisors the appropriate legislation to transfer the property to MOHCD for the development of Affordable Housing jurisdiction over that Enterprise Department's Surplus Property.

SEC. 23A.8. DEVELOPMENT OF PROPERTY.

(a) All real property transferred to MOHCD under this Chapter 23A shall be used to create Affordable Housing for extremely low, very low, low and moderate income households consistent with the affordability levels under Planning Code Section 415 et seq., and may include housing designed for Homeless or formerly Homeless individuals. The Executive Director shall seek to maximize the amount of Affordable Housing, subject to the availability of funds, and nothing in this Chapter shall limit the total number of Affordable Housing units that can be developed on any real property. MOHCD shall solicit development proposals and impose income restrictions on all housing created under this Chapter in accordance with MOHCD's standard procedures and practices and guided by the priorities set forth below and in accordance with housing needs and performance measures identified in the City's Consolidated Plan, including target populations for affordable housing production over the previous two years.

Subject to any disposition priority required by State law and other limitations expressly set forth herein, the development of Surplus and Underutilized Property should be guided by the following priorities:

(1) First, for the development of affordable housing for people who are Homeless and persons earning less than 20% of the Area Median Income for the San Francisco PMSA as established by the United States Department of Housing and Urban Development and reported by the Mayor's Office of Housing. Provided that:

(A) The housing shall remain affordable for the useful life of the Property;

(B) Housing costs in such housing shall not exceed 30% of the resident's

income:

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:50

DEPARTMENT OF ELECTIONS

(C) Projects in which persons who are homeless rehabilitate and renovate property in exchange for their tenancy or "sweat equity" in the property shall be encouraged.

(2) Second, for the development of very low and low income affordable housing for persons earning no more than 60% of the Area Median Income for the San Francisco PMSA as established by the United States Department of Housing and Urban Development and reported by the Mayor's Office of Housing, provided that the housing shall remain affordable for the useful life of the Property.

(3) Third, for the development of mixed income housing projects for extremely low, very low, low and moderate income Affordable Housing as defined in Section 23A.4.

(4) Fourth, and exclusively for sites larger than (2) acres the Executive Director of MOHCD may propose to use the property for a mixed housing project by a qualified Affordable Housing developer, however consistent with Section 23A.10(c) of this chapter not less than 33% of the residential units developed on the property must be Affordable Housing with at least 15% of the residential units developed on the property affordable to extremely low, very low and low income households and at least 50% of the residential units developed on the property affordable in furtherance of the 2014 Proposition K affordable housing goals. ~~The Executive Director shall solicit applications from non-profit agencies serving the Homeless to lease or acquire Property that is listed as Surplus or Underutilized in any Surplus Property Report for use to assist the Homeless in accordance with the priorities set forth below in Section 23A.10(i) and (ii). The Executive Director shall require that all applications describe in detail (i) the type of conveyance the applicant seeks (i.e., a lease for a specific term or transfer of fee title) and the legal consideration, if any, the applicant proposes to pay for such conveyance, (ii) the intended use of the Property, including how it relates to the priorities of uses set forth in Section 23A.10 below; (iii) a specific plan and schedule for the development or improvement of the Property, including compliance with all applicable federal, state and local laws, including, without limitation, laws regarding disabled access, health, building and~~

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:51

DEPARTMENT OF ELECTIONS

~~safety codes, and environmental compliance with the California Environmental Quality Act (CEQA), California Public Resources Code Sections 21000 et seq., and San Francisco Administrative Code Chapter 31; and (iv) a plan to secure adequate financial resources to develop, improve, insure, manage and maintain the Property. The Executive Director shall make available to all interested non-profit agencies contact information: (a) identifying any independent organizations working on behalf of homeless people that can assist homeless service providers in resolving any problems that may arise in the application processes; and (b) City staff persons who are available to assist in the application process. The Executive Director shall require submission of applications by September 30th of each year, but may, in its sole discretion, grant extensions of the deadline, provided in no event shall such extensions exceed thirty (30) days.~~

~~(b) Upon receipt of all applications for development of housing or other on-site services for the Homeless, the Executive Director shall work with the City Attorney's Office to prepare legislation containing the Executive Director's recommendations as to the terms of disposition and development of each Surplus Property for submission for the Board of Supervisors' approval in accord with the policies and procedures set forth in this Chapter. The Clerk of the Board of Supervisors shall calendar a hearing before a committee of the Board of Supervisors no later than January 30 of each year to review the status of applications and the recommendations of the Surplus Property Citizens' Advisory Committee made pursuant to Section 23A.9(e) below.~~

~~(e) In the event the Executive Director does not receive any acceptable applications for certain of the Surplus Properties for development of housing or other on-site services for the Homeless, then the Executive Director may solicit applications from developers for the development of affordable housing other than solely housing for the Homeless, provided that the Executive Director first obtains the agreement of the Surplus Property Citizens' Advisory Committee that such solicitation of applications is warranted. The Executive Director shall require that any proposed affordable housing development under this subsection (e) shall serve persons earning no more than 60% of the Area~~

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:51

DEPARTMENT OF ELECTIONS

Median Income for the San Francisco PMSA and, in preparing recommendations as to the applications received, shall give priority to projects that include the highest percentage of extremely low-income persons.

~~*(d) Upon receipt of all applications for development of affordable housing, the Executive Director shall work with the City Attorney's Office to prepare legislation containing the Executive Director's recommendations as to the terms of disposition and development of each Surplus Property for submission for the Board of Supervisor's approval in accord with the policies and procedures set forth in this Chapter.*~~

~~*(b) (e) The Executive Director shall prepare and submit a report to the Administrator explaining MOHCD's analysis and conclusion regarding the feasibility of developing the first priority above, for affordable housing for people who are Homeless, and the subsequent priorities outlined above. If the Executive Director determines that any real property reviewed by MOHCD under this Chapter 23A cannot be developed and used for Affordable Housing, the Executive Director shall prepare and submit a report to the Administrator explaining MOHCD's analysis and conclusion. The Administrator shall then provide notification to the Board of Supervisors and Interested Parties that have notified the Administrator in advance to be placed on a notification list for this process, who may request the report for review. The Board of Supervisors or a committee thereof may also hold a public hearing to receive information from MOHCD on its review of the property for suitability for Affordable Housing and feasibility of acquisition. If, after solicitations of applications pursuant to both subsections (a) and (c), the Executive Director determines that further efforts to solicit applications would likely be futile, the Executive Director shall notify the Administrator, who shall The Administrator shall prepare and submit to the Mayor and Board of Supervisors legislation either transferring jurisdiction over such properties Properties from MOHCD MOH to another City department Department for such department's use or seeking to sell or lease such properties, as determined by the Administrator. It shall be City policy to encourage the sale or lease of such*~~

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:51

DEPARTMENT OF ELECTIONS

~~property Surplus Property in accordance with the requirements of Administrative Code 23.3 and other applicable laws and to designate use of the net proceeds of such sales or lease for public purposes in accordance with the City Charter, including the purpose of financing Affordable Housing affordable housing in San Francisco.~~

(c) For any Property that is not transferred to MOHCD under this Chapter 23A but that the City sells for the development of 10 or more residential units, then: (1) City and County commissions, departments and agencies that are not Enterprise Agencies or Education Districts shall require that not less than 33% of the residential units developed on the property be Affordable Housing, and require that at least 15% of the residential units developed on the property affordable to extremely low, very low and low income households, and require that at least 50% of the residential units developed on the property be affordable in furtherance of the 2014 Proposition K affordable housing goals; and (2) rental units shall remain affordable for a period of at least 55 years.

SEC. 23A.10. CITY POLICY REGARDING USING PUBLIC LANDS FOR AFFORDABLE HOUSING BOARD OF SUPERVISORS REVIEW AND CRITERIA.

The ~~City Board of Supervisors~~ shall be guided by the following policy regarding the disposition of Surplus and Underutilized Property, which policy shall be the official policy of the City. This policy applies to Surplus and Underutilized Property regardless of whether such Property has been included ~~in~~ an annual Surplus Property Report.

(a) In furtherance of the State Surplus Property Statute, the City expects all local agencies that own real property within the City and County of San Francisco (including the Education Districts, the Bay Area Rapid Transit District, and other local agencies as defined by Government Code Section 54221(a)) and that intend to dispose of real property located in the City consisting of one-quarter acre or larger, to give the Executive Director of MOHCD advance notice of the proposed disposition together with an opportunity to negotiate for the acquisition of such real property for a

SAN FRANCISCO
FILED

2015 JUN 16 PM 4: 51

period of not less than 120 days, and to give advance notice of the proposed disposition to the Board of Supervisors and Interested Parties that have notified the Administrator in advance to be placed on a notification list for this process. The Board of Supervisors or a committee thereof may hold a public hearing to receive information from MOHCD on its review of the property for suitability for Affordable Housing and feasibility of acquisition.

(b) Upon receipt of any such notice under subsection (a) above, if the Executive Director determines that the real property is feasible for Affordable Housing, the Executive Director shall negotiate in good faith to acquire the property and, if successful, shall seek an appropriation and any required approvals for such acquisition. If the Executive Director determines that the real property is suitable for Affordable Housing but that the City cannot acquire the property for financial or other reasons, the Executive Director shall notify Affordable Housing developers of the proposed disposition so that they may seek to acquire the property. The Executive Director shall maintain a list of qualified nonprofit Affordable Housing developers that are active in the City for purposes of this notification.

(c) In furtherance of the State Surplus Property Statute and the 2014 Proposition K affordable housing goals, if the Executive Director and the local agency negotiate in good faith but cannot reach agreement on the terms for the MOHCD's acquisition of the real property, and the local agency then disposes of the property to another person or entity for the development of 10 or more residential units, then: (1) the local agency (that are not Enterprise Departments or Education Districts) shall require that not less than 33% of the residential units developed on the property be Affordable Housing, and at least 50% of the residential units developed on the property affordable in furtherance of the 2014 Proposition K affordable housing goals to the extent permitted by applicable law; and (2) rental units shall remain affordable for a period of at least 55 years; each as determined in accordance with the State Surplus Property Statute. These requirements shall be contained in a covenant or restriction recorded against the real property at the time of disposition and be enforceable by the local agency against any subsequent owner.

SAN FRANCISCO
FILED

2015 JUN 16 PM 4:51

(d) The Board of Supervisors encourages all local agencies that own real property within the City and County of San Francisco (including the Enterprise Departments, Education Districts, the Bay Area Rapid Transit District, and other local agencies) that intend to dispose of real property in the City to determine the fair market value of that real property assuming that not less than 33% of the residential units developed on the property will be affordable housing for extremely low, very low, low and moderate income households and at least 50% of the residential units developed on the property affordable in furtherance of the 2014 Proposition K affordable housing goals to the extent permitted by applicable law. Any local agency selling or leasing real property to the City for affordable housing may provide for an extended payment period equal to the period during which the property will be restricted as affordable housing.

(e) Nothing in this Section 23A.10 shall be interpreted to limit the power of any local agency to sell or lease real property at fair market value or at less than fair market value, consistent with applicable law.

~~Subject to any disposition priority required by State law and other limitations expressly set forth herein, Surplus and Underutilized Property shall be used in the following order of priority:~~

~~(i) First, for the development of affordable housing for people who are Homeless and persons earning less than 20% of the Area Median Income for the San Francisco PMSA as established by the United States Department of Housing and Urban Development and reported by the Mayor's Office of Housing. Provided that:~~

- ~~1. The housing shall remain affordable for the useful life of the Property;~~
- ~~2. Housing costs in such housing shall not exceed 30% of the resident's income;~~
- ~~3. Projects in which people who are homeless rehabilitate and renovate property in exchange for their tenancy or "sweat equity" in the property shall be encouraged.~~

SAN FRANCISCO
FILED

2015 JUN 16 PM 4: 51

DEPARTMENT OF ELECTIONS

~~(ii) Second, for other on-site services for people who are Homeless or for non-profit agencies serving people who are Homeless, including not limited to job training, senior services, healthcare and childcare for people who are homeless.~~

~~(iii) Third, for the development of affordable housing for persons earning no more than 60% of the Area Median Income for the San Francisco PMSA as established by the United States Department of Housing and Urban Development and reported by the Mayor's Office of Housing, provided that the housing shall remain affordable for the useful life of the Property.~~

~~When the Executive Director determines Surplus Property is unsuitable for the uses described in subsections (i), (ii), and (iii) above because it is unsafe, inconveniently located or located in an area inappropriate for housing, or otherwise cannot meet the purposes of this Chapter, or when the Executive Director receives no acceptable applications pursuant to Section 23A.8, it shall be City policy to encourage the sale of such Surplus Property in accordance with the requirements of Administrative Code Section 23.3 and other applicable laws and to designate use of the net proceeds of such sales and/or leases for the purpose of financing affordable housing in San Francisco that meets the criteria set forth in subsection (i) above.~~

SEC. 23A.11. DISPOSITION AND UTILIZATION OF SURPLUS, AND UNDERUTILIZED AND UNUTILIZED PROPERTY.

(a) Subject to (1) ~~(i)~~ the terms and conditions of any gift, trust, deed restriction, bond covenant or other covenants or restrictions, mortgage, deed of trust, lease, license, use agreement or other agreement applicable to such Property, (2) ~~(ii)~~ state or federal laws related to the disposition of surplus property ~~City Property~~, including, without limitation, the State Surplus Property Statute ~~California Government Code Section 54220 et seq.~~, and (3) ~~(iii)~~ the jurisdictional authority over ~~City~~ Property granted to certain commissions ~~Commissions~~ under the City's Charter, including, without limitation, as set forth in Charter Sections 4.112, 4.113,

SAN FRANCISCO
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2015 JUN 16 PM 4: 51

DEPARTMENT OF ELECTIONS

4.114, 4.115, 5.101, and 8A.102, the Board of Supervisors may by resolution approve the dispositions recommended by the Executive Director in accordance with this Chapter 23A or approve dispositions different from those recommended by the Executive Director consistent with Section 23A.10 and other applicable provisions of this Chapter. Upon approval of such a resolution, it shall be the duty of the Executive Director to take all steps necessary to implement the resolution.

(b) Any final declaration that Property is Surplus or Underutilized and any final conveyance of Property under this Chapter 23A shall be in accordance with and subject to all applicable laws, including (1) (i) the terms and conditions of any gift, trust, deed restriction, bond covenant or other covenants or restrictions, mortgage, deed of trust, lease, license, use agreement or other agreement applicable to such Property, (2) (ii) state or federal laws related to the disposition of surplus property ~~Surplus City Property~~, including, without limitation, the State Surplus Property Statute Government Code Section 54220 et seq., (3iii) the jurisdictional authority over ~~City~~ Property granted to certain commissions ~~Commissions~~ under the City's Charter, including, without limitation, as set forth in Charter Sections 4.112, 4.113, 4.114, 4.115, 5.101, and 8A.102, and (4) (iv) the requirements set forth in Administrative Code Section ~~Sec.~~ 23.3 of further Board of Supervisors approval by resolution or ordinance of final transaction documents after the completion of all required environmental review under the California Environmental Quality Act (Cal. Pub. Res. Code Secs. 21000 et seq.) CEQA, provided, however, that the requirements set forth in ~~Administrative Code~~ Section 23.3 of sale by public auction or competitive bidding and a sales price of at least 100% ~~100 percent~~ of appraised fair market value shall not apply to dispositions pursuant to this Chapter. Any such duly approved conveyance may be at no cost or less than fair market value as a conveyance that furthers a proper public purpose.

SAN FRANCISCO
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2015 JUN 16 PM 4:51

DEPARTMENT OF ELECTIONS

(c) Any conveyance of Property at less than fair market value ~~or for homeless uses~~ *Affordable Housing* under this ~~section~~ Section 23A.11 shall include covenants that require that the Property be used *for Affordable Housing* in conformance with this Chapter 23A and prohibit any developer of Property from reselling, transferring or subleasing Property at a profit, or such other "anti-speculation" requirements as the Executive Director may approve. *In the case of home ownership development, the limited equity is subject to the Property remaining available to the Homeless population in the calculation of any resale price.*

(d) Any City department other than an Enterprise Department wishing to dispose of Surplus or Underutilized Property under such department's jurisdiction in a manner other than pursuant to this Chapter 23A, regardless of whether such Surplus or Underutilized Property is listed on the then current Surplus Property Report, shall notify the Administrator, the Executive Director, the Board of Supervisors, Interested Parties that have notified the Administrator in advance to be placed on a notification list for this process, and the Surplus Property Citizens' Advisory Committee prior to seeking any approvals of any proposed disposition. The notice shall include the same information about the Surplus or Underutilized Property required under Section 23A.5. The Administrator, the Executive Director and the Surplus Property Citizens' Advisory Committee shall review such information and, within 90 ~~45~~ days after submission, make recommendations to the Board of Supervisors regarding the disposition of the Surplus or Underutilized Property ~~and~~ consistent with the policy set forth in Section 23A.10. The Board of Supervisors or a committee thereof may also hold a public hearing to request information from MOHCD on the potential suitability of the property for Affordable Housing. The Board of Supervisors may by resolution approve a disposition consistent with such recommendations and this Chapter or approve a different disposition. Upon approval of such a resolution, it shall be the duty of the Administrator, the Executive Director and other City officials, as appropriate, to take all steps necessary to implement the resolution.

SAN FRANCISCO
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2015 JUN 16 PM 4: 51

DEPARTMENT OF ELECTIONS

(e) The failure by any City department to comply with this Chapter 23A shall not invalidate the transfer or conveyance of any real property to a purchaser or encumbrancer for value.

SEC. 23A.12. AMENDMENT.

The Board of Supervisors may by ordinance amend the provisions of this Chapter 23A, including those provisions adopted by the voters, to further increase the use of surplus and underutilized property and other public lands for Affordable Housing and to revise the process for the identification and disposition of Surplus and Underutilized Property.

Section 2. Scope of Ordinance. In enacting this ordinance, the People of the City and County of San Francisco intend to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions or deletions, in accordance with the "Note" that appears under the official title of the ordinance.

Section 3. Undertaking for the General Welfare. In enacting and implementing this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

* * *

SUBMITTED.



Date: 6/16/15

Member, Board of Supervisors



Date: 6-16-15

Member, Board of Supervisors



Date: 6-16-15

Member, Board of Supervisors



Date: 6-16-15

Member, Board of Supervisors

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DEPARTMENT OF ELECTIONS
2015 JUN 16 PM 4:52
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