

LEGISLATIVE DIGEST

[Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing]

Describing and setting forth a proposal to the voters at an election to be held on June 7, 2022, to amend the Charter of the City and County of San Francisco to provide for streamlined review of eligible affordable housing projects by limiting discretionary review by City boards and commissions, 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; affirming the Planning Department's determination under the California Environmental Quality Act; and making 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.

Existing Law

Currently, under the San Francisco Charter, San Francisco Planning Code and other municipal codes, permits for housing development projects require discretionary approval or approvals by various agencies such as the Board of Supervisors, Planning Commission, Board of Appeals, Historic Preservation Commission, and Arts Commission. Housing development projects with 10 units or more must comply with Planning Code section 415, the Inclusionary Housing Ordinance, and may provide affordable units on-site, off-site or may pay the inclusionary housing fee. A certain percentage of on-site inclusionary units must be affordable to households earning no more than 110% of area median income (AMI) if the units are rental units or 130% of AMI if owned units; the remaining on-site units must be affordable to households earning 80% AMI if rental or 105% AMI if owned. Projects must comply with Planning Code development standards, but in some circumstances may seek exceptions to those standards if the project provides on-site affordable units. There is no requirement that housing development projects pay prevailing wages or use skilled and trained workers.

Amendments to Current Law

This proposal would amend the Charter to create a streamlined, ministerial approval process for housing projects with 25 or more residential units. To be eligible, a project would need to set aside a percentage of units on-site as affordable to households earning no more than 140% of AMI, in an amount higher than what is otherwise required by the Planning Code, or provide 100% affordable housing. During construction of projects, sponsors would be required to pay prevailing wages, and use a skilled and trained workforce. Projects could not be located on sites under the jurisdiction of the Recreation and Parks Department or in a zoning district that does not allow dwelling units. Projects could not cause the demolition of an

existing dwelling unit, or a national, state, or local historical landmark or contributory building in an historic district.

The proposal would amend the Charter to limit review of eligible projects by the Planning Commission, Board of Supervisors, Board of Appeals, Historic Preservation Commission and Arts Commission. The proposal would make other conforming amendments to the Planning Code and Business and Tax Code. The proposal would allow eligible projects to receive certain modifications to the Planning Code, would allow limited design review by the Planning Department, and would require ministerial approval within 180 days of submittal of a complete development application. Conditional use approval would continue to be required if necessary to allow on-site parking, approval of non-residential uses, modifications to applicable dwelling unit mix requirements, or the location of curb cuts.

The Board of Supervisors may, by ordinance, apply the streamlined approval process to other forms of housing. Finally, the City would be required to adopt an ordinance to allowing the Office of Labor Standards Enforcement to enforce the prevailing wage and skilled and trained workforce requirements.

Background Information

CEQA requires environmental review of approved discretionary permits. The San Francisco Charter and other municipal codes require discretionary review of most permits for housing development projects.

The Second Draft amended the definition of Affordable Housing from units affordable to households making 140% of AMI to units affordable to households making 120% of AMI; required the Office of Labor Standards Enforcement to enforce the prevailing wage provisions; deleted the requirement that penalties collected by OLSE be used to fund City Build or other construction training program; allowed projects to comply with the skilled and trained workforce and prevailing wage provisions by entering into a project labor agreement; and required that any other forms of housing later added to the streamlined approval process also require skilled and trained workers and prevailing wages.

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