BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

RULES COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Norman Yee, Chair
Rules Committee

FROM: Alisa Miller, Clerk, Rules Committee

DATE: July 28, 2014

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, July 29, 2014

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, July 29, 2014. This item was **AMENDED** at a Special Committee Meeting on Thursday, July 24, 2014, at 2:00 p.m., and acted upon at the Special Committee Meeting on Monday, July 28, 2014, at 10:00 a.m., by the votes indicated.

Item No. 56 **File No. 140740**

Motion ordering submitted to the voters a policy declaration making findings, defining goals, and declaring policies that affirm the City's commitment to: 1) address the current housing affordability crisis; 2) support production of 30,000 units of new housing in San Francisco, including at least one-third of those affordable to low and moderate income households, and over 50% within financial reach of working middle class San Franciscans by 2020; 3) create a Housing Action and Neighborhood Stabilization Plan, including funding strategies; 4) ensure financial support of public housing; and 5) review the ratio of affordable to market rate housing, at an election to be held on November 4, 2014.

RECOMMENDED AS A COMMITTEE REPORT
Vote: Supervisor Norman Yee - Aye
Supervisor Katy Tang - Aye
Supervisor David Campos - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Rick Caldeira, Deputy Legislative Clerk
Jon Givner, Deputy City Attorney

File No. 140740 Committee Item No. 1
Board Item No. 50

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules **Date** July 28, 2014

Board of Supervisors Meeting **Date** July 29, 2014

Cmte	Board	
☒	☒	Motion
☐	☐	Resolution
☐	☐	Ordinance
☐	☐	Legislative Digest
☐	☐	Budget and Legislative Analyst Report
☐	☐	Youth Commission Report
☒	☒	Introduction Form
☒	☒	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☐	☐	Grant Information Form
☐	☐	Grant Budget
☐	☐	Subcontract Budget
☐	☐	Contract/Agreement
☐	☐	Form 126 – Ethics Commission
☐	☐	Award Letter
☐	☐	Application
☒	☒	Public Correspondence

OTHER **(Use back side if additional space is needed)**

☒	☒	CEQA Determination
☐	☐	
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☐	☐	
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Completed by: Alisa Miller **Date** July 25, 2014
Completed by: Alisa Miller **Date** July 29, 2014

[Declaration of Policy - Affordable Housing Goals]

Motion ordering submitted to the voters a policy declaration making findings, defining goals, and declaring policies that affirm the City's commitment to: 1) address the current housing affordability crisis; 2) support production of 30,000 units of new housing in San Francisco, including at least one-third of those affordable to low and moderate income households, and over 50% within financial reach of working middle class San Franciscans by 2020; 3) create a Housing Action and Neighborhood Stabilization Plan, including funding strategies; 4) ensure financial support of public housing; and 5) review the ratio of affordable to market rate housing, at an election to be held on November 4, 2014.

MOVED, That the Board of Supervisors hereby submits the following declaration of policy to the voters of the City and County of San Francisco, at an election to be held on November 4, 2014.

Declaration of Policy declaring official policy of the City and County of San Francisco by making findings, defining goals, and declaring policies that affirm the City's commitment to: 1) address the current housing affordability crisis; 2) support production of 30,000 units of new housing in San Francisco, including at least one-third of those affordable to low and moderate income households, and over 50% within financial reach of working middle class San Franciscans by 2020; 3) create a Housing Action and Neighborhood Stabilization Plan, including funding strategies; 4) ensure financial support of public housing; and 5) review the ratio of affordable to market rate housing.

The People of the City and County of San Francisco hereby find and declare as follows:

Section 1. Findings.

(a) San Francisco is suffering from a crisis of housing affordability and displacement affecting the City's families and seniors. This destabilization to neighborhood diversity requires immediate action.

(b) In January, 2014 Mayor Lee set forth a proposal to construct or rehabilitate 30,000 homes throughout the City by 2020, with at least one-third of those permanently affordable to low and moderate income households, and over 50% within financial reach of working middle class San Franciscans, which will have a positive impact on the City's housing shortage, and will contribute to curbing the price escalation that has resulted from it.

(c) While San Francisco's median income has grown over time, the City's middle-class population has declined by almost 10% since 1990, and their ability to attain affordable housing in the City has decreased.

(d) Given the severe decline in federal public housing funding, and the severely deteriorating physical conditions in many of San Francisco's public housing projects, the City has developed a plan for their rehabilitation.

Section 2. It shall be the official policy of the City and County of San Francisco:

(a) To confirm the City's commitment to construct or rehabilitate no less than 30,000 new units by 2020 with at least one-third (33%) of those permanently affordable to low and moderate income households, and over 50% within financial reach of working middle class San Franciscans. The voters urge the Mayor and the Board of Supervisors to formalize and implement a Housing Action and Neighborhood Stabilization Plan to realize the 30,000 unit goal including at least one-third of those affordable to low and moderate income households.

(b) That the Housing Action and Neighborhood Stabilization Plan shall implement:

(1) A Funding Strategy sufficient to support a range of housing both rental and homeownership housing affordable to low, moderate and middle income households.

(2) Funding for a Neighborhood Stabilization Trust for the purpose of preserving the affordability of existing rental units and stabilizing neighborhoods with historically high levels of evictions.

(3) A land acquisition strategy to purchase sites appropriate for affordable housing.

(4) Funding for public housing rehabilitation.

(c) That the City shall strive to achieve thirty-three percent of residential units affordable to low and moderate income households in new Area Plans and Special Use Districts with significantly increased development potential or those amended to significantly increase development potential.

(d) That by January 1, 2015, the Mayor's Office of Housing and the Planning Department and a lead sponsor from the Board of Supervisors will develop and introduce legislation requiring the City to review the cumulative ratio of affordable and inclusionary housing to market rate housing every year through an annual housing production calculation.

(e) That the Board of Supervisors shall hold an annual hearing on progress towards the City's housing goals, including the goal of one-third affordable to low and moderate income households; and if the City's housing goals as stated in this measure are not progressing, the Mayor shall propose a strategy to achieve those goals, and the Board of Supervisors shall review this strategy. This shall not be construed to require a specific housing project to achieve one-third affordability.

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July 8, 2014

File No. 140740

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On June 24, 2014, Supervisor Kim introduced the following proposed Initiative Ordinance for the November 4, 2014 Election:

File No. 140740 Initiative Ordinance - Planning Code - City Housing Balance Requirement

Motion ordering submitted to the voters an Ordinance amending the Planning Code to establish in the approval and construction of new housing, a balance of 70%-30% between market rate housing and affordable housing; and to require a conditional use permit for new market rate housing if the balance of affordable housing is not maintained, at an election to be held on November 4, 2014; and making environmental findings.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board
Alisa Miller
By: Alisa Miller, Committee Clerk
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner
Jeanie Poling, Environmental Planner

Not defined as a project under CEQA Guidelines Section 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Joy Navarrete
JOY NAVARRETE

Subject: PRESS RELEASE: Housing Balance & $15 Min Wage Shore Up Progressive Agenda for November
Date: Thursday, July 17, 2014 at 11:48:03 AM Pacific Daylight Time
From: Angulo, Sunny (BOS)
To: KimStaff (BOS)
CC: Veneracion, April (BOS), Lee, Ivy (BOS)

File Nos. 140714 & 140740
7/17/14 Received in Committee

For Immediate Release

July 17th, 2014
Contact: Sunny Angulo, 415.554.7969
Contact: Angelica Cabande (Housing Balance Coalition), 415.946.9904
Contact: Josue Arguelles (CFE), 415.699.2011

Supervisor Kim and Broad Coalition Seize Progressive Moment

Housing Balance & $15 Minimum Wage Seek To Create Equity in SF

-

San Francisco – As the City faces increasing pressure to address a nationally publicized housing crisis, accelerated gentrification and widespread displacement, a re-energized coalition of community organizations are seizing on solutions that voters will see on the November ballot. A recent poll confirmed that 64% of likely City voters want at least 30% of all new housing in San Francisco to be affordable, and that 59% don't feel that the City has done enough to address the crisis on the ground.

Supervisor Kim is a lead sponsor of two measures that voters have already overwhelmingly telegraphed support for: the Housing Balance Act and a $15 minimum wage increase.

"The country is looking at San Francisco to set the stage for solutions to these issues," said Supervisor Jane Kim. "I represent a district where 22% of the population is living below the poverty line – in one of the wealthiest cities in one of the wealthiest countries in the world. As policy makers, we have a responsibility to our residents to ensure the City is affordable, safe and livable. The time is absolutely now for a comprehensive package to ensure living wage jobs and a diversity of affordable housing in San Francisco. We cannot afford to fail."

Both measures are on the agenda for the Rules Committee meeting today. The $15 minimum wage increase negotiated by Supervisor Jane Kim, the Mayor's Office and the Campaign for a Fair Economy is the most robust and progressive minimum wage increase in the country. It would effectively provide every San Francisco worker, with few exceptions, with a net take-home of $15/hour by 2018.

Gui Fang is a San Francisco worker who juggles three part-time service jobs. She struggles to pay her rent and other bills, even though she lives in a tiny, one-room SRO. "My rent is going up in July. With the cost of living rising, how can people afford to live in San Francisco?" she asks. "Who will clean your homes and bus your tables when no one can afford to live anywhere near San Francisco?"

The same recent poll revealed a desire by respondents to see the City take some accountability for a lack of affordable housing production and to create smart urban planning tools to help bring more balance to San Francisco's housing landscape. An overwhelming 59% of respondents stressed that the City should continue to build and welcome new residents, but only with minimum requirements for affordable housing in place.

"Of course we support more density and growth," said Angelica Cabande, Executive Director of the South of Market Community Action Network. "We want the City to build – but they have to build the right way. It is a bare minimum that the City should have a requirement that 30% of all new housing be affordable for 60% of our population. Housing Balance provides a long-term anti-gentrification tool for our community by prioritizing affordability in the city's Planning Code. We issue conditional use permits for everything from height to design – why not based on who it will house?"

The Minimum Wage Ordinance is sponsored by the Mayor and 10 members of the Board of Supervisors. Housing Balance is sponsored by Supervisors Jane Kim, John Avalos, David Campos, Eric Mar and Norman Yee.

File Nos. 140714
140740
7/17/14 Received
in Committee

TODCO Group Research Poll Results: July 17, 2014
How Voters Feel About Their Changing City

LIKELY SAN FRANCISCO VOTERS ARE NOT SATISFIED WITH CITY EFFORTS TO COUNTER THE CITY'S RUNAWAY HOUSING MARKET – ESPECIALLY ITS IMPACT ON FAMILIES, WORKERS, AND ARTISTS – AND WANT STONGER CITY ACTION TO PROVIDE MUCH MORE AFFORDABLE HOUSING.

DEEP CONCERNS ABOUT THE CURRENT TRENDS OF CHANGE IN THE CITY AND ITS NEIGHBORHOODS ARE WIDESPREAD ACROSS ALL AGE GROUPS AND INCOME LEVELS.

YOUNG/RECENTLY-ARRIVED VOTERS AND HIGHER INCOME VOTERS ARE GENERALLY THE MOST OPTIMISTIC ABOUT THE CITY'S OVERALL DIRECTION, WHILE MIDDLE-AGED AND MIDDLE-INCOME VOTERS ARE GENERALLY THE MOST CONCERNED.

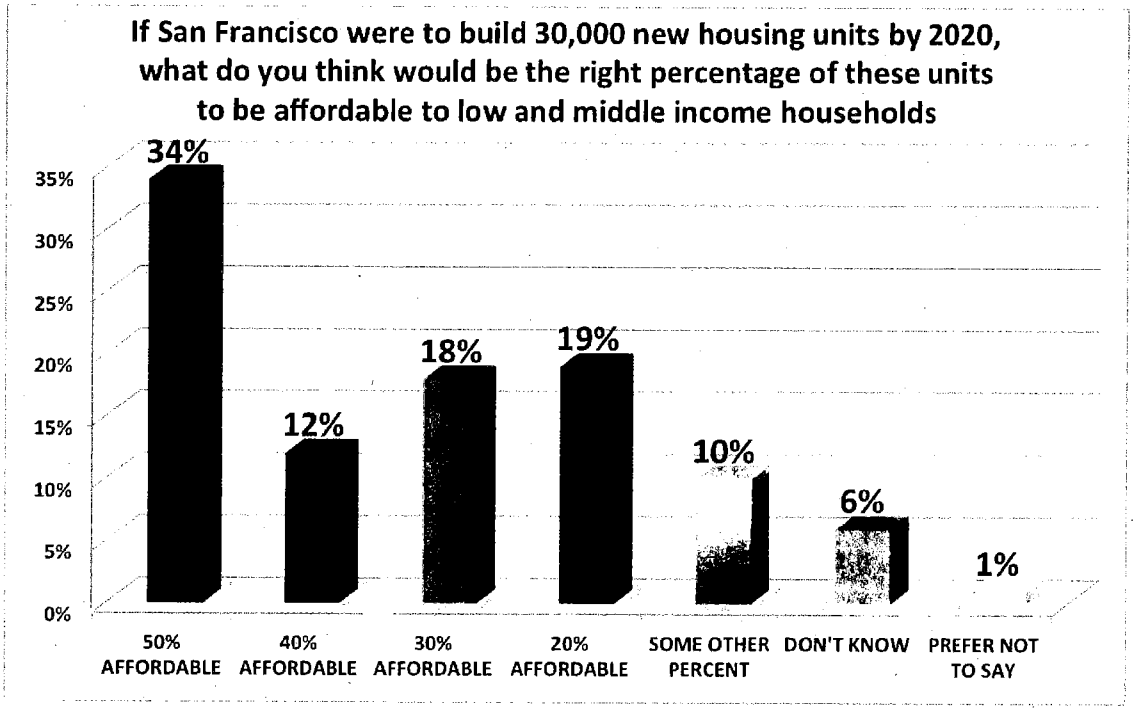
A poll of 400 likely San Francisco registered voters conducted for the TODCO Group by David Binder and Associates during the week of July 7-11 documents the deep levels of concern among San Franciscans about impacts of the City's current Technology Boom upon the City's housing market and special character.

The poll's key findings and most salient details are presented below. Most notably, **64% of likely City voters want at least 30% of all future City housing development to be affordable, and 59% disapprove of the job City Hall is doing now to address the rising costs of housing**.

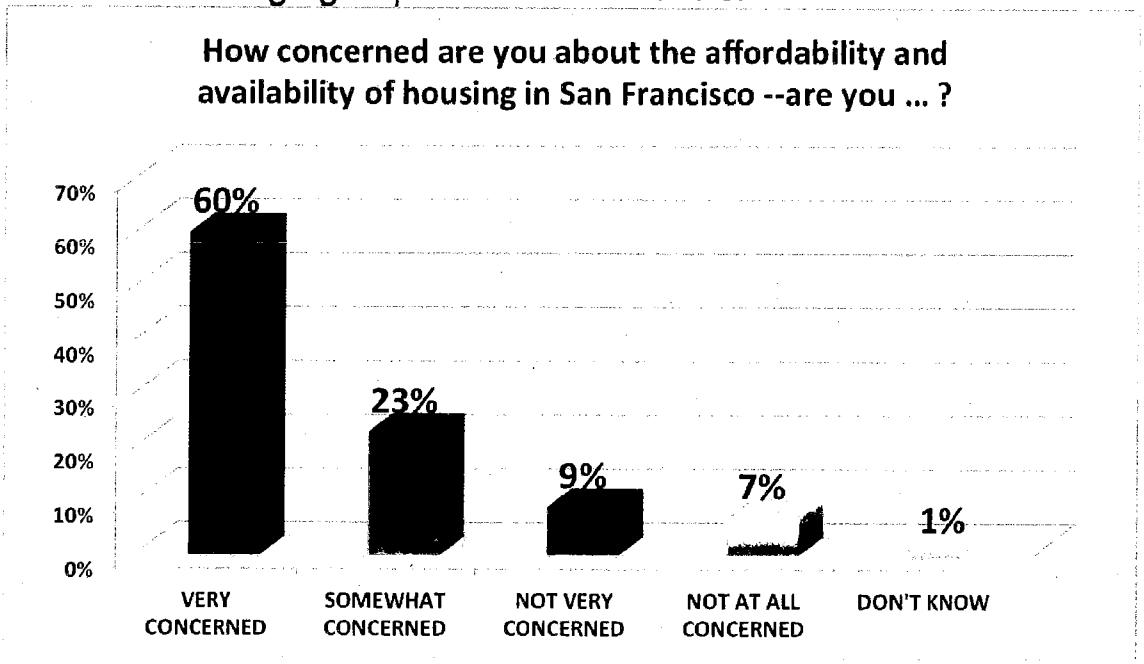
The TODCO Group is the community-based South of Market nonprofit community/housing development company that since 1978 built and now operates 956 affordable housing units in 8 properties with extensive community facilities in SOMA's Yerba Buena and Sixth Street Neighborhoods. Its Mission Statement is *South of Market Neighborhood Builders*. For information contact John Elberling, President/CEO at 415-896-1882 or johne@todco.org. Report graphics by Alice Light, TODCO's Director of Community Planning.

FINDINGS

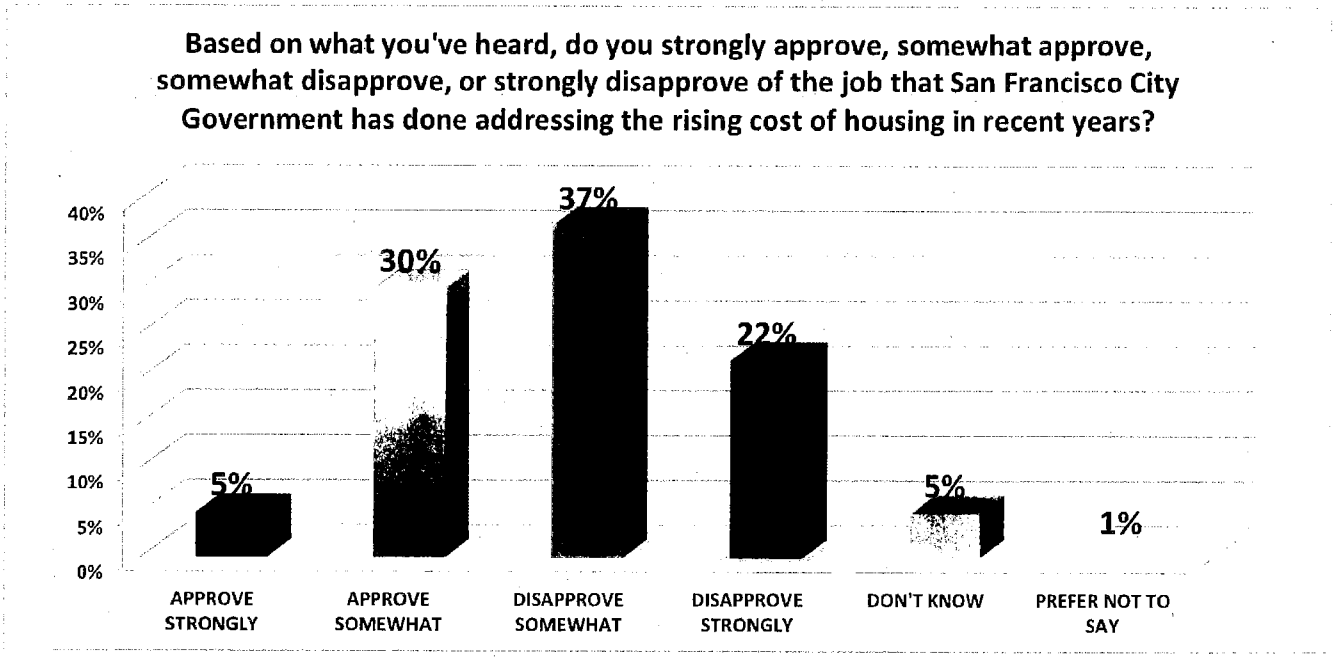
1. 64% of likely SF voters want at least 30% of all future new housing in SF to affordable. A full one-third, 34%, of the respondents believe as much as 50% should be affordable!



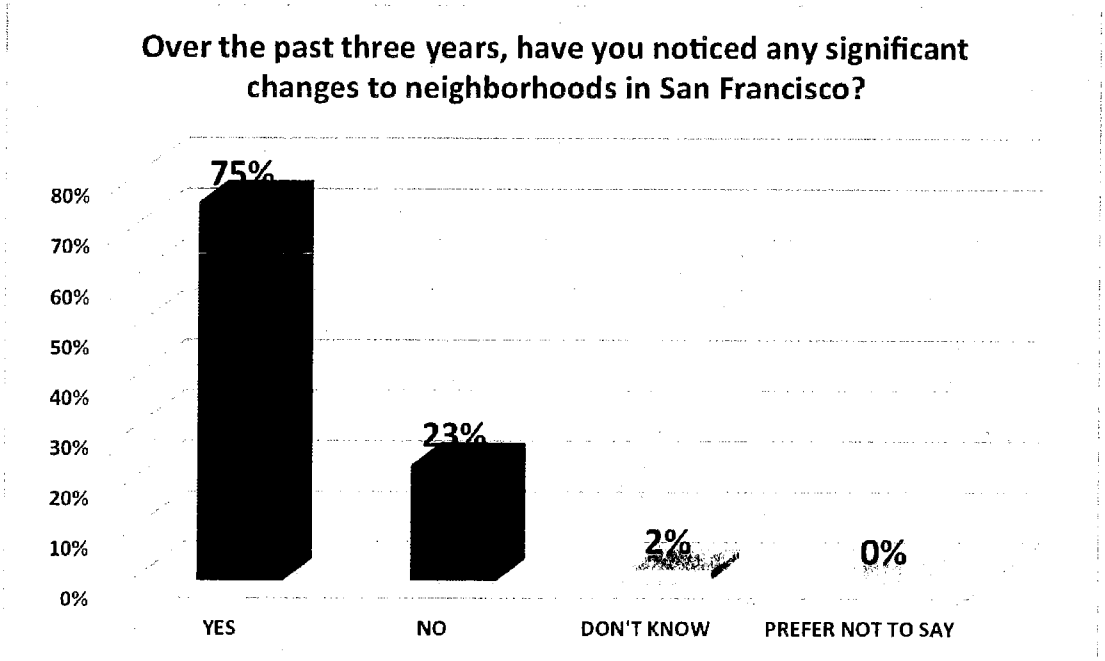
2. 83% of likely SF voters are concerned about the affordability and availability of housing in SF, with 60% very concerned. This is generally true across all age groups and income levels.



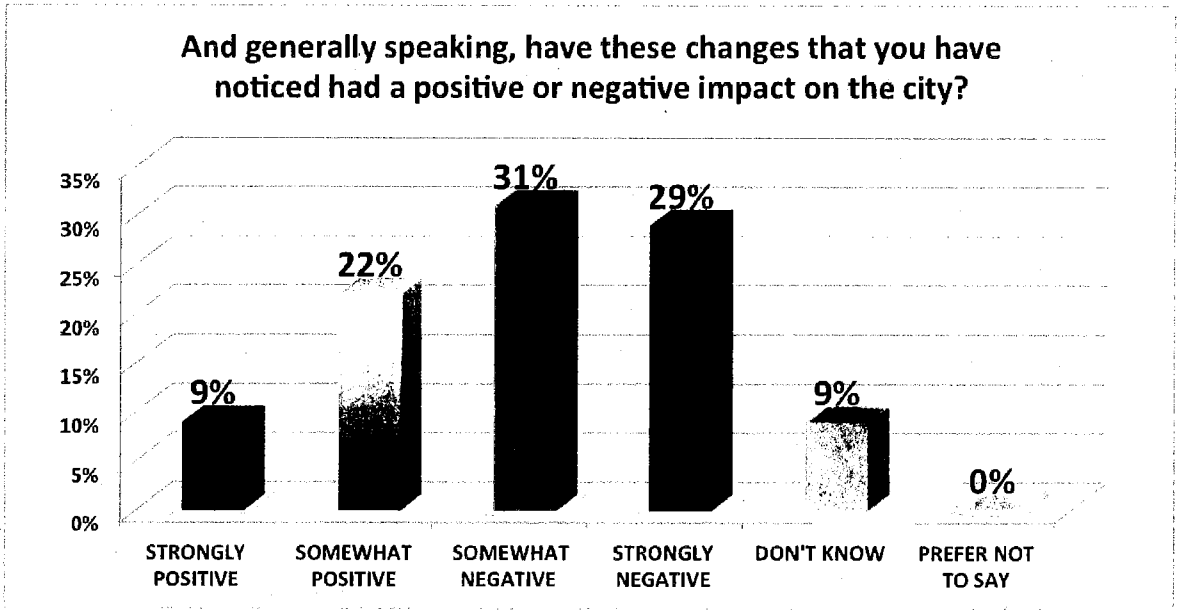
3. 59% of likely SF voters disapprove of the job that City government has done addressing the rising cost of housing in recent years, while only 35% approve. This general disapproval is strongest for the 30-something respondents (30-39 years of age), by an overwhelming 71% negative to 23% positive.



4. 75% of likely SF voters have noticed significant changes to neighborhoods in SF.

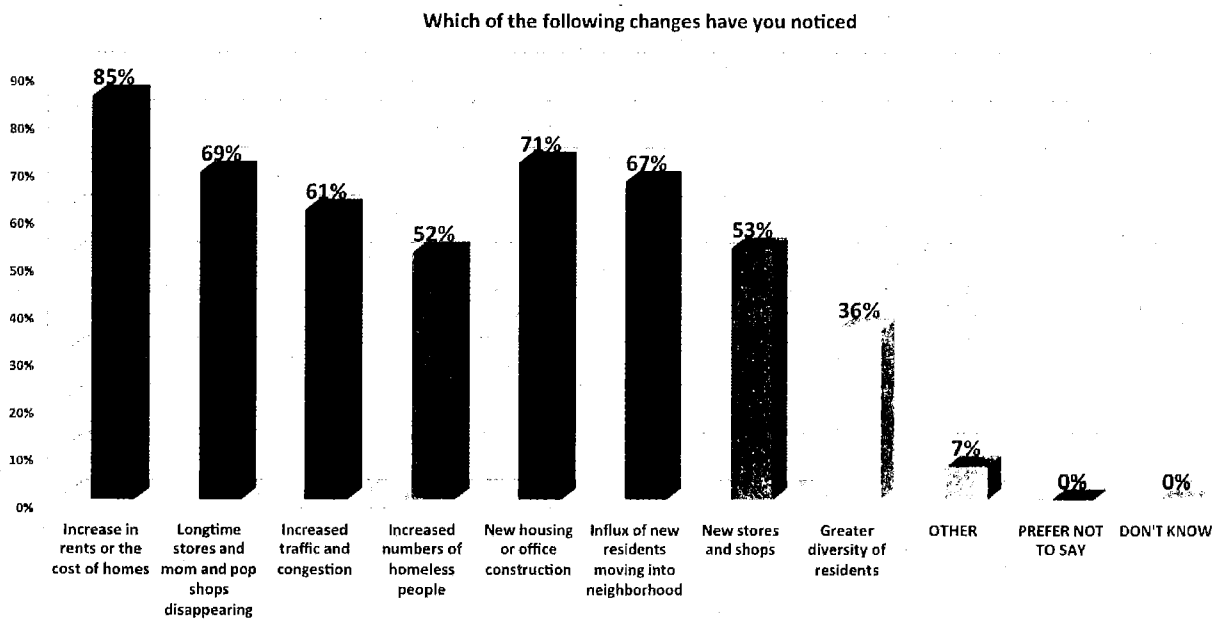


60% of those who responded affirmatively – 45% of all surveyed – feel those changes have a negative impact on the City. While just 31% - half that number and 24% of all surveyed – feel those changes have a positive effect.

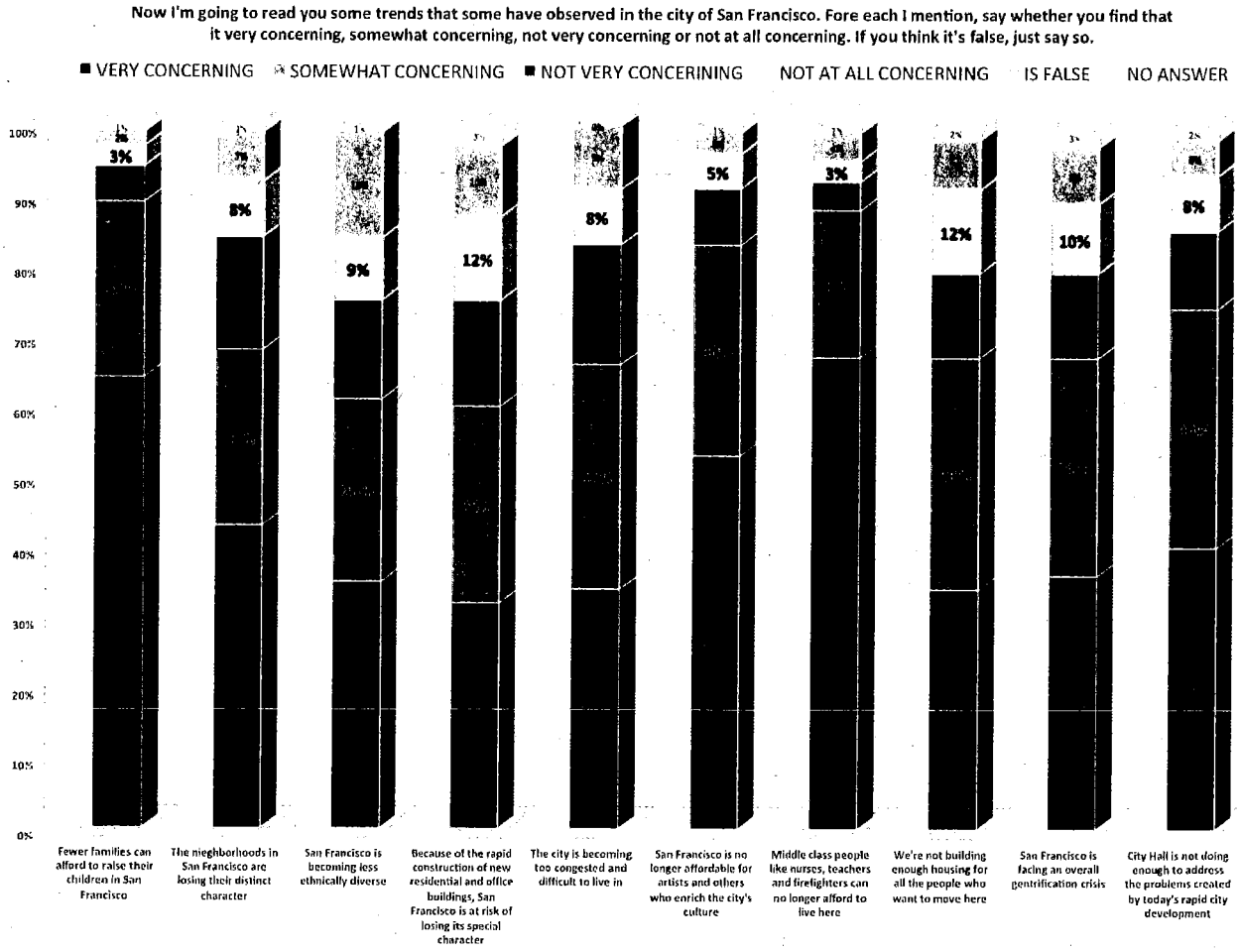


This pattern is generally true for all respondents who have lived in the City more than 5 years. But - those who moved to SF less than 5 years ago instead see these changes are positive by a significant 58% to 42% margin, while the higher income respondents are almost evenly split, 47% negative to 44% positive.

5. And of those 75% of likely SF voters who have noticed significant changes to City neighborhoods, increased rents/prices for housing are the most apparent changes to 85% of them, along with the disappearance of local stores and 'mom and pop' shops, at 69%, while greater diversity among neighborhood residents is the least observed outcome at only 36%.

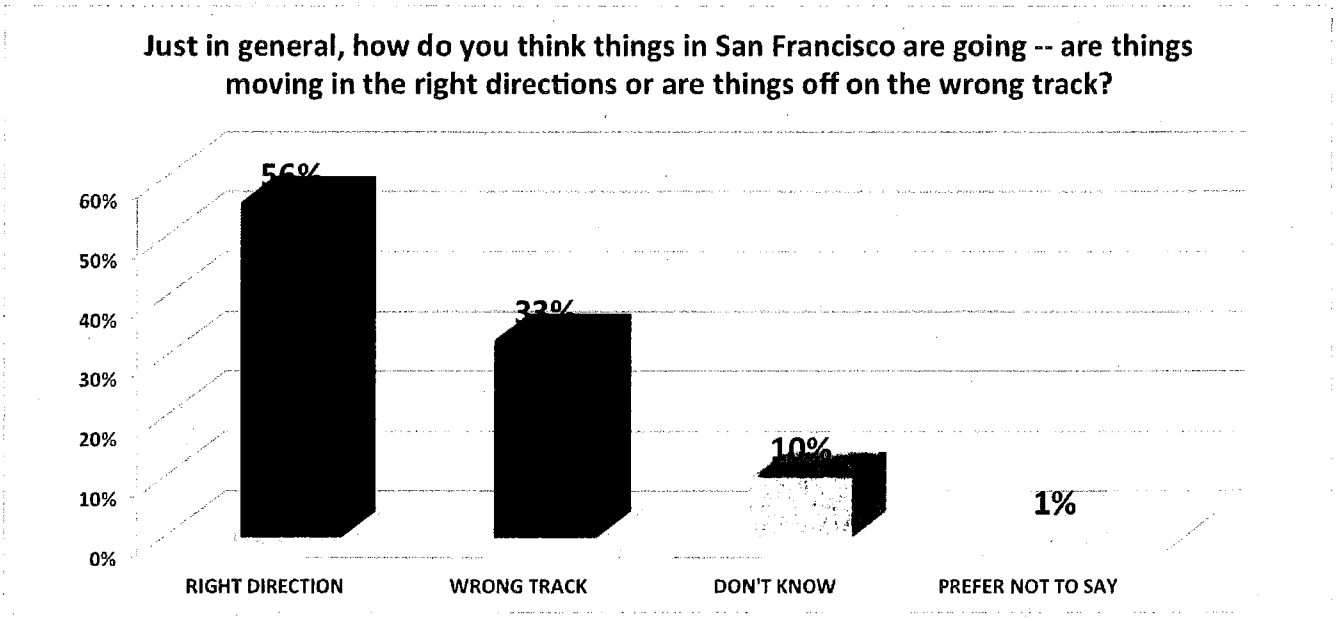


6. When asked about specific trends in the City, strong majorities of likely voters are concerned across the board about the changes that are occurring in the City, and 74% feel that City Hall is not doing enough to address these specific problems. All these trends were of concern to 60% of respondents or more! Three stood out with exceptional concerns by over 80% of those surveyed: 89% that SF is becoming unaffordable for families; 88% that middle-class people can no longer afford to live here; and 83% that artists and creative people can no longer afford to live here.



One notable detail that stand outs is that African Americans and Latinos respondents are the most concerned about the City becoming less ethnically diverse – 75% and 79% respectively – and believe most strongly that the City is facing a gentrification crisis – 86% and 90% respectively. On the other hand, only 47% of higher income voters (over $100,000 annual income) are concerned about an ongoing loss of the City's diversity, and only 48% believe that there is a gentrification crisis.

7. Overall, reflecting the City's current prosperity, 56% of likely SF voters think things in SF are moving in the right direction - but a significant group of 33% feel they are on the wrong track.



8. But when these responses are broken down by age, income groups, and SF tenure striking disparities are revealed:

- Respondents under 30 years of age are very positive about the direction of the City by an overwhelming margin – 76% right direction to just 10% wrong track.

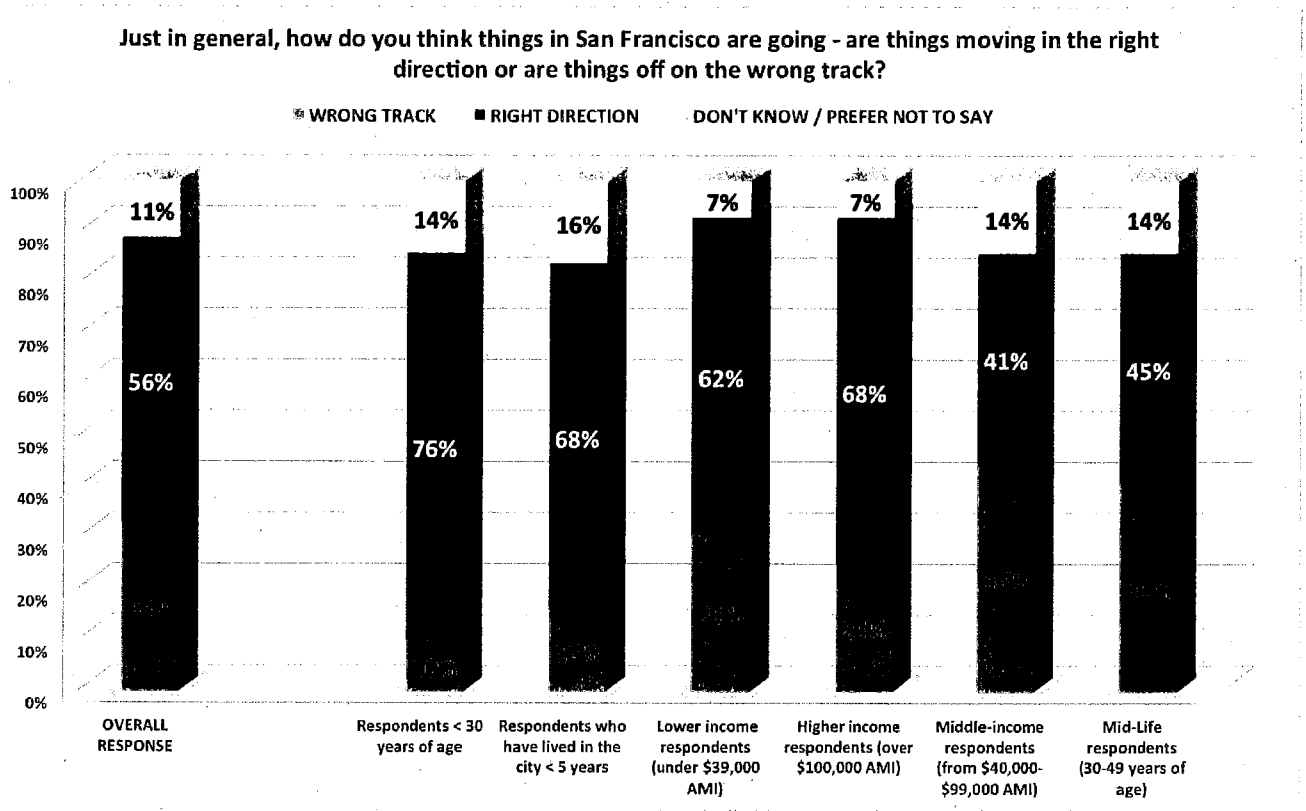
- Likewise, respondents who have lived in the City 5 years or less are very positive, by an overwhelming margin of 68% to 16%.

- Surprisingly, lower income likely voters (under $39,000 annual income), are substantially positive as well, by a significant margin of 62% to 31%.

- And not surprisingly, higher income respondents (over $100,000 annual income) are even more positive, by a margin of 68% to 25%.

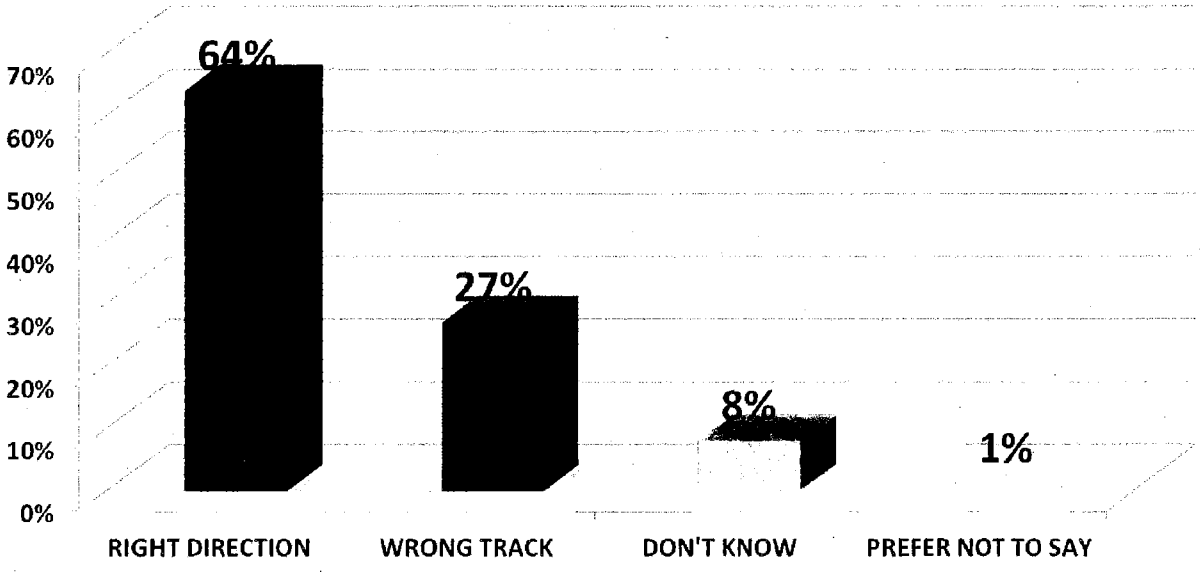
- But! Middle-income respondents (from $40,000 to $99,000 annual income are much more concerned, with 45% responding that the City is on the wrong track compared to 41% who believe it is in the right direction.

- And likewise, mid-life respondents (from 30 to 49 years of age) are significantly less positive, almost evenly split with 45% seeing the City on the right direction versus 41% feeling it is on the wrong track.



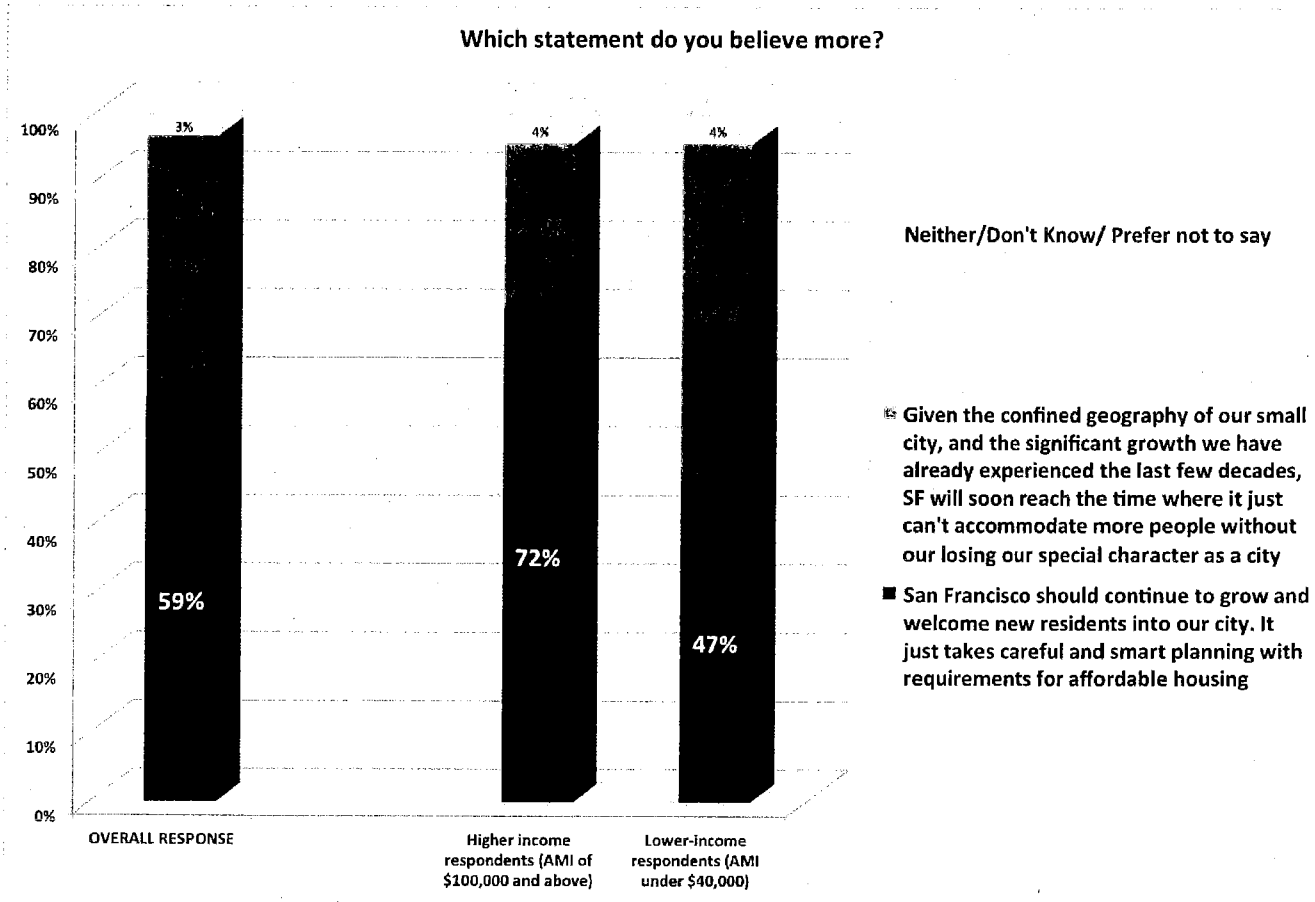
9. Similarly, reflecting the City's special quality of life, a substantial majority of 64% of likely SF voters think things in their own neighborhoods are moving in the right direction, while only 27% feel they are on the wrong track.

Now, thinking about your neighborhood -- are things moving in the right direction or are things of on the wrong track?



And when these responses are broken down by income groups, that generally reflects the positive feelings of all income levels with one striking exception – a majority of moderate income residents ($40,000 -$49,000 annual income), 42%, believe their neighborhoods are moving in the wrong direction compared to 39% who are positive.

10. Finally, looking ahead, 59% of likely SF voters believe the City should continue to grow and welcome new residents, but that this will require careful and smart planning with requirements for affordable housing. But still, a significant group – 38%, feel instead that this growth will result in losing the City's special character.



When broken down by income group, it is clear that higher-income respondents (annual income of $100,000 and above) are much more optimistic about City change, by a margin of 72% to 24%, compared to lower-income respondents (annual income under $40,000) who are evenly split, with 49% more concerned than the 47% who are optimistic.

NB: *This poll was limited to likely San Francisco voters, not a statistical cross section of all City residents. Voters were specifically polled because they will be the ultimate civic decision-makers for the City's future. The statistical margin of error is 5%.*

BOARD of SUPERVISORS

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MEMORANDUM

TO: Ben Rosenfield, City Controller

FROM: Alisa Miller, Clerk, Rules Committee
Board of Supervisors

DATE: July 8, 2014

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 4, 2014 Election

The Board of Supervisors' Rules Committee has received the following Initiative Ordinance for the November 4, 2014 Election, introduced by Supervisor Kim on June 24, 2014. This matter is being referred to you in accordance with Elections Code, Section 305(B)(2) and Rules of Order 2.22.3.

File No. 140740 Initiative Ordinance - Planning Code - City Housing Balance Requirement

Motion ordering submitted to the voters an Ordinance amending the Planning Code to establish in the approval and construction of new housing, a balance of 70%-30% between market rate housing and affordable housing; and to require a conditional use permit for new market rate housing if the balance of affordable housing is not maintained, at an election to be held on November 4, 2014; and making environmental findings.

Please review immediately 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) 554-4447 or email: alisa.miller@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Monique Zmuda, Office of the City Controller
Peg Stevenson, Office of the City Controller

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July 8, 2014

File No. 140740

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On June 24, 2014, Supervisor Kim introduced the following proposed Initiative Ordinance for the November 4, 2014 Election:

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This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board
By: Alisa Miller, Committee Clerk
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner
Jeanie Poling, Environmental Planner

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MEMORANDUM

TO: Jason Elliott, Mayor's Office
Jon Givner, Office of the City Attorney
Naomi Kelly, City Administrator
John St. Croix, Executive Director, Ethics Commission
John Arntz, Director, Department of Elections
Harvey Rose, Budget and Legislative Analyst
John Rahaim, Director, Planning Department
Olson Lee, Director, Mayor's Office of Housing and Community Development
Tom Hui, Director, Department of Building Inspection
Delene Wolf, Executive Director, Rent Board

FROM: Alisa Miller, Clerk, Rules Committee
Board of Supervisors

DATE: July 8, 2014

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 4, 2014 Election

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File No. 140740 **Initiative Ordinance - Planning Code - City Housing Balance Requirement**

Motion ordering submitted to the voters an Ordinance amending the Planning Code to establish in the approval and construction of new housing, a balance of 70%-30% between market rate housing and affordable housing; and to require a conditional use permit for new market rate housing if the balance of affordable housing is not maintained, at an election to be held on November 4, 2014; and making environmental findings.

Please review immediately and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-4447 or email: alisa.miller@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Jermain Jones, Mayor's Office
Scott Sanchez, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Sophie Hayward, Office of Housing and Community Development
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
Debra Newman, Office of the Budget and Legislative Analyst
Severin Campbell, Office of the Budget and Legislative Analyst
Gabriela Loeza, Office of the Budget and Legislative Analyst

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)

☐ 2. Request for next printed agenda Without Reference to Committee.

☐ 3. Request for hearing on a subject matter at Committee.

☐ 4. Request for letter beginning "Supervisor _____ inquires"

☐ 5. City Attorney request.

☐ 6. Call File No. _____ from Committee.

☐ 7. Budget Analyst request (attach written motion).

☐ 8. Substitute Legislation File No. _____

☐ 9. Reactivate File No. _____

☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on _____

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Kim

Subject:

Initiative Ordinance - Planning Code - City Housing Balance Requirement

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: _____

For Clerk's Use Only:

140740