

BOARD of SUPERVISORS



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M E M O R A N D U M

TO: Greg Wagner, City Controller, Office of the Controller

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

Victor Young

DATE: June 18, 2026

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 3, 2026, Election

The Board of Supervisors' Rules Committee has received the following Initiative Ordinance for the November 3, 2026, Election. This matter is being **referred** to you in accordance with Rules of Order 2.22.3.

File No. 260694 (ver1)

Initiative Ordinance - Administrative Code - Affordable Grocery Fund

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Administrative Code to create a fund to receive and expend monies appropriated and any gifts, grants, or donations to be used to expand access to affordable, nutritious food for City residents.

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

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: ChiaYu Ma, Office of the Controller
Natasha Mihal, Office of the Controller
Janice Levy, Office of the Controller
Hannah Kohanzedeh, Office of the Controller
Claire Stone, Office of the Controller

[Initiative Ordinance - Administrative Code - Affordable Grocery Fund]

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MOVED, That the Board of Supervisors hereby submits the following ordinance to the voters of the City and County of San Francisco, at an election to be held on November 3, 2026.

Ordinance amending the Administrative Code to create a fund to receive and expend monies appropriated and any gifts, grants, or donations to be used to expand access to affordable, nutritious food for City residents.

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. Findings.

(a) San Francisco has experienced a significant and accelerating loss of chain grocery stores and pharmacies in recent years, leaving neighborhoods without essential food and pharmacy access and exacerbating food insecurity across the City.

1 (b) Rising food costs have made it increasingly difficult for residents at all income
2 levels to access affordable, nutritious food. The City does not currently have a dedicated
3 revenue source to address this Citywide challenge.

4 (c) It is the intent of the voters in adopting this Ordinance to establish the Affordable
5 Grocery Fund as the dedicated vehicle through which public resources are deployed to
6 expand access to affordable, nutritious food for all San Franciscans.

7 (d) It is further the intent of the voters that the Affordable Grocery Fund be funded
8 primarily through revenues generated by the Abandoned Pharmacy and Grocery Tax, if the
9 voters approve such tax, which is being submitted to the voters concurrently with this
10 measure. Nothing in this Ordinance shall be construed to limit the sources of revenue
11 available to the Fund or to require the Board of Supervisors to appropriate any of the
12 Abandoned Pharmacy and Grocery Tax or any other specific funds or minimum amount to the
13 Fund in any fiscal year.

14
15 Section 2. Article XIII of Chapter 10 of the Administrative Code is hereby amended by
16 adding Section 10.100-9.5, to read as follows:

17
18 **SEC. 10.100-9.5. AFFORDABLE GROCERY FUND.**

19 (a) Establishment of Fund. The Affordable Grocery Fund ("Fund") is established as a
20 category four fund to receive all monies appropriated, and any gifts, grants, or donations from any
21 public or private source to be used to expand access to affordable, nutritious food for all City residents.

22 (b) Use of Fund. Moneys in the Fund shall be used for grants, loans, contracts, and other
23 expenditures that expand access to affordable and nutritious food. This includes, but is not limited to:

24 (1) Establishment and operation of grocery stores or food retail programs, including
25 costs for capital improvements, leases, property acquisition, staffing, inventory, and operations;

1 (2) Grants, subsidies, forgivable loans, or contracts with nonprofit organizations,
2 community land trusts, and worker-owned cooperatives to establish or maintain affordable grocery
3 stores;

4 (3) Acquisition by the City of real property for the purpose of leasing at below-market
5 rates to grocery operators committed to pricing that is affordable to City residents;

6 (4) Capital improvements, equipment grants, or technical assistance to support the
7 establishment or rehabilitation of affordable grocery stores and food retail programs; and

8 (5) Other programs, initiatives, or investments that advance affordable food access, as
9 determined by the administering department in accordance with guidelines established by ordinance.

10 (c) **Funding Conditions.** All programs, operators, and entities receiving monies from the Fund
11 shall satisfy the following conditions:

12 (1) **Affordability.** Programs, operators, and entities shall offer food and grocery
13 products at prices that are affordable to all City residents.

14 (2) **Labor Peace.** Programs, operators, and entities shall maintain a Labor Peace
15 Agreement with any bona fide labor organization that represents, or is actively seeking to represent,
16 employees of the program, operator, or entity. This requirement shall apply only at program, operator,
17 and entity locations within the City that provide services using Fund monies, and only during the time
18 period that such services are being paid for, in whole or in part, by Fund monies. For purposes of this
19 subsection (c)(2), “Labor Peace Agreement” includes any agreement that demonstrates a commitment
20 to avoid the interruption by either employers or labor organizations of the services being provided
21 using Fund monies.

22 (3) **Prevailing Wage.** Any monies expended from the Fund shall comply with
23 applicable prevailing wage requirements under state and local law.

24 (d) **Administration of Fund.** The Board of Supervisors shall, by ordinance, designate a
25 department or departments to administer the Fund. The designated department or departments shall

1 have authority to promulgate rules or regulations concerning the use of monies from the Fund
2 consistent with this Section 10.100-9.5, including the criteria, priorities, and procedures for use of
3 Fund monies.

4 (e) **Amendment.** The Board of Supervisors may amend or repeal this Section 10.100-9.5 by
5 majority vote.

6 APPROVED AS TO FORM:

7 DAVID CHIU, City Attorney

8
9 By: /s/ Bradley A. Russi
10 BRADLEY A. RUSSI
Deputy City Attorney

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LEGISLATIVE DIGEST

[Initiative Ordinance - Administrative Code - Affordable Grocery Fund]

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Existing Law

The City does not currently have a specific fund into which the Board of Supervisors and the Mayor can appropriate money, or receive gifts, grants, or donations for purposes of expanding access to affordable, nutritious food.

Amendments to Current Law

The proposed initiative ordinance would establish the Affordable Grocery Fund. The Board of Supervisors and Mayor could appropriate money into the Fund in the future, and the City could accept gifts, grants, or donations to the Fund. The Fund would be used for grants, loans, contracts, and other expenditures that expand access to affordable and nutritious food, including establishment and operation of affordable grocery stores or retail food programs. Recipients of moneys from the Fund would be required to maintain a labor peace agreement under certain circumstances and comply with applicable prevailing wage requirements. The City would designate a department or departments to administer the Fund by future legislation.