

File No. 160588

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date July 14, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Charter Amendment (Second Draft) |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Derek Evans Date July 8, 2016

Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Charter Amendment - Housing and Development Commission]

2

3 **Describing and setting forth a proposal to the voters, at an election to be held on November**

4 **8, 2016, to amend the Charter of the City and County of San Francisco, to create the**

5 **Housing and Development Commission to oversee the Department of Economic and**

6 **Workforce Development and the Department of Housing and Community Development; to**

7 **require the Commission to review and make recommendations regarding proposed**

8 **development agreements and conveyance of certain surplus City property before the Board**

9 **of Supervisors considers such proposals; to require the Commission to hold hearings and**

10 **make recommendations regarding proposals to adopt or change inclusionary housing**

11 **requirements for housing developments; to require the Commission to adopt rules creating**

12 **competitive selection processes for the Department of Housing and Community**

13 **Development's expenditure of affordable housing funds and for the development of**

14 **affordable housing on City-owned property under the jurisdiction of the Department of**

15 **Housing and Community Development; and to provide that ordinances regarding**

16 **inclusionary housing requirements and rules regarding competitive selection for affordable**

17 **housing adopted under the processes set forth in the Charter may supersede ordinances**

18 **and rules adopted by the Board of Supervisors or the voters prior to March 1, 2017.**

19

20 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City

21 and County, at an election to be held on November 8, 2016, a proposal to amend the Charter of

22 the City and County by adding Section 4.133 and revising Sections 15.105 and 16.110, to read as

23 follows:

24 NOTE: **Unchanged Charter text and uncodified text** are in plain font.

25 **Additions** are *single-underline italics Times New Roman font*.

Deletions are *strike-through italics Times New Roman font*.

Asterisks (* * * *) indicate the omission of unchanged Charter subsections.

1
2 **SEC. 4.133. HOUSING AND DEVELOPMENT COMMISSION**

3 *(a) Membership and Terms of Office.*

4 *_____ (1) The Housing and Development Commission shall consist of five members,*
5 *appointed as follows:*

6 *_____ (A) Seats 1 and 2 shall be appointed by the Mayor. Seat 1 shall be held*
7 *by a person with significant experience in the field of affordable housing development or*
8 *community development. Seat 2 shall have no required qualifications in addition to those set*
9 *forth in Section 4.101.*

10 *_____ (B) Seats 3 and 4 shall be appointed by the Board of Supervisors. Seat 3*
11 *shall be held by a person with significant experience in the field of affordable housing*
12 *development or community development. Seat 4 shall have no required qualifications in addition*
13 *to those set forth in Section 4.101.*

14 *_____ (C) Seat 5 shall be appointed by the Controller, and shall be a person*
15 *with significant experience in the field of finance.*

16 *_____ (2) Commissioners shall serve four-year terms, beginning at noon on March 1,*
17 *2017; provided, however, the term of the initial appointees in Seats 2 and 4 shall expire at noon*
18 *on March 1, 2019, and the term of the initial appointees in Seats 1, 3, and 5 shall expire at noon*
19 *on March 1, 2021.*

20 *_____ (3) No person may serve more than two successive terms as a Commissioner. No*
21 *person having served two successive terms may serve as a Commissioner until at least four years*
22 *after the expiration of the second successive term. For purposes of this subsection (a)(3), service*
23 *for a part of a term that is more than half the period of the term shall count as a full term, and*
24 *service that is half or less than half the period of a term shall not count as a full term; further,*
25 *this subsection makes no distinction between two-year terms and four-year terms.*

1 (4) Commissioners may be removed from office only for official misconduct
2 under Article XV.

3 (b) Powers and Duties.

4 (1) With regard to the two departments described in subsection (c), and subject
5 to the transition provision in subsection (d)(3), the Commission shall exercise all the powers and
6 duties of boards and commissions set forth in Sections 4.102, 4.103, and 4.104, except that the
7 Commission shall have the exclusive power to appoint, evaluate, and remove the department
8 heads of the two departments.

9 (2) In addition to any other process or approvals required by law, including but
10 not limited to review by the Planning Commission, the Commission shall review and recommend
11 to the Board of Supervisors whether to approve a development agreement that the Department of
12 Economic and Workforce Development participated in negotiating under California Government
13 Code Section 65864 et seq. or any successor State legislation, before the Board of Supervisors
14 considers whether to approve the development agreement. The Commission may recommend
15 that the Board of Supervisors approve or reject the development agreement, and may also
16 recommend specific changes to the development agreement for consideration by the Board of
17 Supervisors. If the Board of Supervisors approves changes to a development agreement after the
18 Commission's hearing, the Board of Supervisors is not required to refer the development
19 agreement back to the Commission for further review or recommendations.

20 (3) In addition to any other process or approvals required by law, and except as
21 set forth in subsection (f) below, the Commission shall review and recommend to the Board of
22 Supervisors whether to approve any fee simple absolute conveyance of surplus real property
23 owned by the City, before the Board of Supervisors considers whether to approve the
24 conveyance. For the purpose of this Section 4.133, "surplus real property" shall mean any real
25 property that is not required to fulfill the mission of the City department, commission, or agency

1 with jurisdiction or control of such property, and that is not required to fulfill the mission of
2 another City department, commission or agency or other governmental entity, as determined by
3 the Board of Supervisors by resolution, and shall not include any real property that is sold or
4 exchanged for purposes other than housing development. The Commission may recommend that
5 the Board of Supervisors approve or reject a proposed fee simple absolute conveyance, and may
6 also recommend specific changes for consideration by the Board of Supervisors. If the Board of
7 Supervisors approves changes to a proposed fee simple absolute conveyance after the
8 Commission's hearing, the Board of Supervisors shall not be required to refer the matter back to
9 the Commission for further review or recommendations.

10 (4) The Commission shall adopt rules to create competitive selection processes
11 for (A) the development of affordable housing on City-owned real property under the jurisdiction
12 of the Department of Housing and Community Development, and (B) the Department of Housing
13 and Community Development's expenditure of the City's affordable housing funds. Such rules
14 may include exceptions and limitations as deemed appropriate by the Commission to maximize
15 and expedite the creation of affordable housing and leverage the City's affordable housing
16 funds, maintain existing affordable housing, increase funding to previously selected projects,
17 provide funding availability on a rolling basis, and provide emergency funding. The rules may
18 also recognize affordable housing projects with federal or state funding sources, and exempt
19 such projects from the competitive bid process. Any such rules adopted by the Commission shall
20 supersede any ordinance, rule, process or regulation enacted by the City or adopted by the
21 voters before March 1, 2017, relating to a competitive bid process for the City's development of
22 affordable housing. The Commission shall transmit to the Board of Supervisors any rules
23 adopted by the Commission under this subsection (b)(4) within 24 hours of their adoption. The
24 rules adopted by the Commission shall become effective 60 days after the date of adoption unless
25

1 two-thirds of all members of the Board of Supervisors vote by motion to veto the rules before the
2 expiration of this 60-day period.

3 (5) In addition to any other process or approvals required by law, including but not
4 limited to review by the Planning Commission, the Commission shall review any proposed
5 ordinance that would set or change the minimum or maximum inclusionary or affordable
6 housing obligations for housing development projects. The Board of Supervisors and its
7 committees shall not hold any hearings on such a proposed ordinance until the Commission has
8 held a hearing to review the proposal, unless the Commission fails to hold a hearing within 90
9 days after the Clerk of the Board of Supervisors forwards the proposed ordinance to the
10 Commission for its consideration. The Commission may recommend that the Board of
11 Supervisors approve, reject, or specifically modify the proposed ordinance. If the Board of
12 Supervisors approves changes to such a proposed ordinance after the Commission's hearing, the
13 Board of Supervisors is not required to refer the proposed ordinance back to the Commission for
14 further review or recommendations. Any ordinance adopted by the Board of Supervisors
15 following the process set forth in this subsection (b)(5) shall supersede conflicting provisions in
16 any ordinance enacted by the City or adopted by the voters before March 1, 2017, setting or
17 changing the minimum or maximum inclusionary or affordable housing obligations for housing
18 development projects.

19 (c) Departments. The Commission shall oversee the following two departments, which
20 shall come into existence as stated in subsection (d)(3):

21 (1) Department of Economic and Workforce Development. Except as otherwise
22 provided for in this Charter, the Department of Economic and Workforce Development shall
23 oversee City programs related to private workforce development and job training; business
24 attraction and retention, including international businesses; real estate development projects
25 involving the City and other public or private property owners; commercial corridors

1 revitalization; community business districts; infrastructure financing districts; and any other
2 related responsibilities prescribed by ordinance. The Department of Economic and Workforce
3 Development may assist other departments, including the Planning Department, in negotiating
4 development agreements with private property owners.

5 (2) Department of Housing and Community Development. Except as otherwise
6 provided for in this Charter, the Department of Housing and Community Development shall
7 provide financing for the development, rehabilitation, and purchase of affordable housing in the
8 City; administer programs to finance the development of affordable housing; administer
9 programs to finance housing rehabilitation for low-income and moderate-income homeowners;
10 administer the City's below-market-rate inclusionary housing program; administer grants
11 programs to support community development and economic infrastructure; and undertake any
12 other responsibilities prescribed in Section 16.110 or by ordinance.

13 (d) Transition provisions.

14 (1) The Mayor, the Board of Supervisors, and the Controller shall make initial
15 appointments to the Commission by no later than noon, March 1, 2017, when the Commission
16 shall come into existence.

17 (2) The Commission shall have its inaugural meeting by no later than April 1,
18 2017.

19 (3) Beginning May 15, 2017, the Department of Economic and Workforce
20 Development and the Department of Housing and Community Development shall come into
21 existence, and shall succeed to the powers and duties of the previously existing Office of
22 Economic and Workforce Development and Office of Housing and Community Development
23 under the Mayor, respectively, and those offices shall cease to exist.

24 (e) Existing Contracts. Nothing in this Section 4.133 shall be interpreted to impair the
25 obligations of any existing contract entered into by the City before May 15, 2017, or require the

1 City to abandon a competitive bid or contractor selection process that started before May 15,
2 2017.

3 (f) Non-applicability. The requirements of this Section 4.133 shall not apply to any other
4 governmental entity, such as the Successor Agency to the Redevelopment Agency of the City and
5 County of San Francisco, or to any department, commission or agency of the City that has
6 exclusive jurisdiction over its real property, and shall not be interpreted to interfere with a
7 department's ability to carry out its core functions under this Charter. Without limiting the
8 foregoing, nothing in this Section is intended to amend or limit the rights and powers granted to
9 City commissions under Sections 4.112, 4.113, 4.114, 4.115, B3.581, Article V, or Article VIIIA
10 of this Charter.

11
12 **SEC. 15.105. SUSPENSION AND REMOVAL.**

13 (a) ELECTIVE AND CERTAIN APPOINTED OFFICERS. Any elective officer, and
14 any member of the Airport Commission, Asian Art Commission, Civil Service Commission,
15 Commission on the Status of Women, Golden Gate Concourse Authority Board of Directors,
16 Health Commission, Human Services Commission, Juvenile Probation Commission, Municipal
17 Transportation Agency Board of Directors, Port Commission, Public Utilities Commission,
18 Recreation and Park Commission, Fine Arts Museums Board of Trustees, ~~Taxi Commission~~, War
19 Memorial and Performing Art Center Board of Trustees, Board of Education or Community
20 College Board is subject to suspension and removal for official misconduct as provided in this
21 section. Such officer may be suspended by the Mayor and the Mayor shall appoint a qualified
22 person to discharge the duties of the office during the period of suspension. Upon such
23 suspension, the Mayor shall immediately notify the Ethics Commission and Board of
24 Supervisors thereof in writing and the cause thereof, and shall present written charges against
25 such suspended officer to the Ethics Commission and Board of Supervisors at or prior to their

1 next regular meetings following such suspension, and shall immediately furnish a copy of the
2 same to such officer, who shall have the right to appear with counsel before the Ethics
3 Commission in his or her defense. The Ethics Commission shall hold a hearing not less than five
4 days after the filing of written charges. After the hearing, the Ethics Commission shall transmit
5 the full record of the hearing to the Board of Supervisors with a recommendation as to whether
6 the charges should be sustained. If, after reviewing the complete record, the charges are
7 sustained by not less than a three-fourths vote of all members of the Board of Supervisors, the
8 suspended officer shall be removed from office; if not so sustained, or if not acted on by the
9 Board of Supervisors within 30 days after the receipt of the record from the Ethics Commission,
10 the suspended officer shall thereby be reinstated.

11 (b) BUILDING INSPECTION COMMISSION, PLANNING COMMISSION, BOARD
12 OF APPEALS, ELECTIONS COMMISSION, ETHICS COMMISSION, HOUSING AND
13 DEVELOPMENT COMMISSION, AND ENTERTAINMENT COMMISSION. Members of the
14 Building Inspection Commission, the Planning Commission, the Board of Appeals, the Elections
15 Commission, the Ethics Commission, the Housing and Development Commission, and the
16 Entertainment Commission may be suspended and removed pursuant to the provisions of
17 subsection (a) of this section except that the Mayor may initiate removal only of the Mayor's
18 appointees and the appointing authority shall act in place of the Mayor for all other appointees.

19 * * * *

20
21 **SEC. 16.110. HOUSING TRUST FUND.**

22 (a) **Creation of Fund.** There is hereby established a Housing Trust Fund to support
23 creating, acquiring and rehabilitating affordable housing and promoting affordable home
24 ownership programs in the City, as provided in this Section.

25 (b) **Definitions.** For purposes of this Section:

1 "First Responder" shall mean a City employee who responds first in cases of
2 natural disaster or emergencies, including, but not limited to, all active uniformed, sworn
3 members of the San Francisco Police and Fire Departments.

4 "General Fund Discretionary Revenues" shall mean revenues that the City
5 receives and deposits in its treasury, that are unrestricted, and that the City may appropriate for
6 any lawful City purpose.

7 "Household" shall mean any person or persons who reside or intend to reside in
8 the same housing unit.

9 ~~"Mayor's Office of Housing" shall mean the Mayor's Office of Housing and~~
10 ~~Community Development or any successor City agency.~~

11 **(c) Funding.**

12 (1) In the Fiscal Year 2013-2014 budget, the City shall appropriate to the
13 Housing Trust Fund \$20 million.

14 (2) For the next 11 fiscal years, in each of the annual budgets for Fiscal Year
15 2014-2015 through Fiscal Year 2024-2025, the City shall appropriate to the Housing Trust Fund
16 an amount increasing by \$2.8 million per year, until the annual appropriation required by this
17 Section reaches \$50.8 million in the Fiscal Year 2024-2025 budget.

18 (3) In the annual budgets for Fiscal Year 2025-2026 through Fiscal Year 2042-
19 43, the City shall appropriate to the Housing Trust Fund an amount equal to the prior year's
20 appropriation, adjusted by the percentage increase or decrease in General Fund Discretionary
21 Revenues budgeted for the year compared to the prior year's original budgeted amount of
22 General Fund Discretionary Revenues.

23 (4) Should the City adopt a fixed two-year budget under Charter Section 9.101,
24 the adjustment for the Housing Trust Fund appropriation for the two years of the two-year
25

1 budget shall be based on the amount of General Fund Discretionary Revenues estimated for the
2 two-year period included in the budget.

3 (5) During Fiscal Years 2025-2026 through 2042-2043, if the Controller submits
4 a revised estimate of General Fund Discretionary Revenues for a given Fiscal Year or two-year
5 budget period that is lower than the amount originally budgeted for that period, then the Board
6 may, by ordinance, reduce the appropriation to the Housing Trust Fund for that budget period in
7 an amount that does not exceed the amount proportionate to the percentage shortfall in the
8 discretionary revenue projection.

9 (6) The Controller's method of calculating the amount of and changes in General
10 Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the
11 Controller's method for calculating those figures under Charter Sections 8A.105, 16.108, and
12 16.109. The Controller shall treat General Fund appropriations to the Housing Trust Fund as
13 reductions in General Fund Discretionary Revenues when calculating other funding allocations
14 that are tied to General Fund Discretionary Revenues, including funding allocations under
15 Charter Sections 8A.105, 16.108, and 16.109. The Controller shall correct errors in the estimate
16 of discretionary revenues for a fiscal year through an adjustment to the next fiscal year's
17 estimate.

18 (7) In any year during the term of this Section, the City may, in its discretion,
19 reduce its annual contribution to the Housing Trust Fund for that year by an amount equal to or
20 less than 56.7% of the annual debt service required to service any SB2113 Affordable Housing
21 Bonds issued after January 1, 2013. "SB2113 Affordable Housing Bonds" are bonds issued by
22 the City to support the acquisition and creation of replacement affordable housing citywide using
23 property tax increment from former Redevelopment project areas under California Health and
24 Safety Code Section 33333.7
25

1 (8) The Controller shall set aside and maintain the amounts appropriated to the
2 Housing Trust Fund under this Section, together with any interest earned thereon, and any
3 amount unexpended or uncommitted at the end of the fiscal year shall be carried forward to the
4 next fiscal year and, subject to the budgetary and fiscal limitations of this Charter, shall be
5 appropriated for the purposes specified in this Section.

6 (d) **Uses of the Housing Trust Fund.** The City may disburse monies from the Housing
7 Trust Fund through loans, grants or other types of payments, on terms determined by the ~~Mayor's~~
8 ~~Office of Housing~~ Department of Housing and Community Development in its sole discretion.
9 Any repayment of a loan or grant from the Fund that the City receives, or any interest from a
10 loan from the Fund that the City receives, will be returned to the Housing Trust Fund. The City,
11 acting through the ~~Mayor's Office of Housing~~ Department of Housing and Community
12 Development, shall disburse the monies from the Housing Trust Fund for the following eligible
13 expenditures:

14 (1) The creation, acquisition, and rehabilitation of rental and ownership housing
15 affordable to Households earning up to 120% of the Area Median Income, including, without
16 limitation, the acquisition of land for such purpose.

17 (2) No later than July 1, 2018, the City shall appropriate \$15 million from the
18 Housing Trust Fund to a program that provides loans to Households earning up to 120% of the
19 Area Median Income and to Households including a First Responder (subject to Area Median
20 Income limits designated by the ~~Mayor's Office of Housing~~ Department of Housing and
21 Community Development) for use as a down payment on the purchase of a housing unit ("the
22 Down Payment Assistance Loan Program"). As soon as is practical, the ~~Mayor's Office of~~
23 ~~Housing~~ Department of Housing and Community Development shall develop and implement a
24 manual for the Down Payment Assistance Loan Program.
25

1 (3) No later than July 1, 2018, the City shall appropriate up to \$15 million from
2 the Housing Trust Fund to a program that provides funds to Households earning up to 120% of
3 Area Median Income for use as assistance to reduce the risk to current occupants of a loss of
4 housing and/or to help current occupants make their homes safer, more accessible, more energy
5 efficient, and more sustainable (the "Housing Stabilization Program"). As soon as is practical,
6 the ~~Mayor's Office of Housing~~ Department of Housing and Community Development shall
7 implement and develop a manual for the Housing Stabilization Program.

8 (4) The City may use monies in the Housing Trust Fund to operate and
9 administer the Infrastructure Grant Program as described in subsection (e). The City may not
10 allocate to the Infrastructure Grant Program in any fiscal year an amount exceeding the greater of
11 \$2 million or 10% of the amount appropriated to the Housing Trust Fund for that fiscal year
12 under subsection (c).

13 (5) In any fiscal year, the City may allocate a sufficient amount from the
14 Housing Trust Fund to pay for all legally permissible administrative costs of the Fund, including,
15 without limitation, legal costs, associated with any use of the Housing Trust Fund.

16 (e) **Complete Neighborhoods Infrastructure Grant Program.** After conferring with
17 the Director of Planning, the Director of the ~~Mayor's Office of Housing~~ Department of Housing
18 and Community Development shall design and administer a Complete Neighborhoods
19 Infrastructure Grant Program ("Infrastructure Grant Program"). The purpose of the Infrastructure
20 Grant Program is to accelerate the build-out of the public realm infrastructure needed to support
21 increased residential density in the City's neighborhoods. The City may use monies from the
22 Infrastructure Grant Program only for public facilities identified in the Community Facilities
23 District law (Cal. Govt. Code §§ 53311 et seq., as amended), and shall give priority to the use of
24 such monies by residential development project sponsors, community-based organizations, and
25

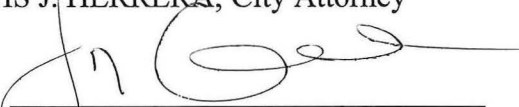
1 City departments for public realm improvements associated with proposed residential
2 development projects.

3 (f) **Bonding Authority.** Notwithstanding the limitations set forth in Sections
4 9.107, 9.108, and 9.109 of this Charter, upon recommendation of the Mayor, the Board of
5 Supervisors may authorize the issuance, without limitation, of revenue bonds, lease financing,
6 notes, or other evidences of indebtedness or other obligations ("Debt Obligations"), the proceeds
7 of which are to be used for creating, acquiring, and rehabilitating rental and ownership housing
8 affordable to Households earning up to 120% of the Area Median Income, including, without
9 limitation, the acquisition of land for such purpose. Such Debt Obligations shall be secured by
10 and/or repaid from any available funds pledged or appropriated by Board of Supervisors
11 ordinance for such purpose, which amount may include funds in the Housing Trust Fund
12 allocated under subsection (c). Debt Obligations authorized hereby shall be issued in accordance
13 with the ~~Mayor's Office of Housing~~ Department of Housing and Community Development
14 policies, and upon the terms and conditions as the Board of Supervisors shall approve. Funds
15 appropriated to pay debt service on the Debt Obligations in such fiscal year under the terms of
16 this Section shall be set aside in an account for such use until such payment is made.

17 * * * *

18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA, City Attorney

20
21 By:



22 JON GIVNER
Deputy City Attorney

23 n:\legana\as2016\1600771\01117804.docx

FILE NO.

LEGISLATIVE DIGEST

[Charter Amendment - Housing and Development Commission]

Describing and setting forth a proposal to the voters, at an election to be held on November 8, 2016, to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development and the Department of Housing and Community Development; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; to require the Commission to hold hearings and make recommendations regarding proposals to adopt or change inclusionary housing requirements for housing developments; to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development; and to provide that ordinances regarding inclusionary housing requirements and rules regarding competitive selection for affordable housing adopted under the processes set forth in the Charter may supersede ordinances and rules adopted by the Board of Supervisors or the voters prior to March 1, 2017.

Existing Law

The Office of Economic and Workforce Development generally oversees programs related to coordinating private workforce development and job training, attracting and retaining businesses in the City, including international businesses, managing public-private development projects, and facilitating the revitalization of commercial corridors in economically disadvantaged neighborhoods. The Mayor appoints and may remove the head of the Office.

The Mayor's Office of Housing and Community Development provides financing for the development, rehabilitation, and purchase of affordable housing in the City; administers programs to finance the development of affordable housing; administers programs to finance housing rehabilitation costs for low-income homeowners; administers the City's below-market-rate inclusionary housing program; and administers grants programs to support community development and economic infrastructure. The Mayor appoints and may remove the head of the Office.

Neither of these offices are subject to direct oversight by a City commission.

FILE NO.

Amendments to Current Law

The proposed Charter amendment would create the Housing and Development Commission. The Commission would have five members, two appointed by the Mayor, two appointed by the Board of Supervisors, and one appointed by the Controller. One of the Mayor's appointees and one of the Board's appointees would be required to have significant experience in the field of affordable housing or community development, and the Controller's appointee would be required to have significant experience in the field of finance. The appointing authorities could remove commissioners only for official misconduct through the process provided in the Charter for removal of members of other commissions. Commissioners would serve four-year terms (except for two commissioners serving initial two-year terms) and would be subject to a term limit of two successive terms.

The Commission would oversee two newly formed departments—the Department of Economic and Workforce Development and the Department of Housing and Community Development—which would generally take over the powers and duties of the two existing offices described above. The Commission would have the power to appoint, review, and remove the department heads of the three departments.

The Charter Amendment would require the Commission to hold a hearing and provide recommendations to the Board of Supervisors before the Board approves a conveyance of surplus real property or a development agreement that the Department of Economic and Workforce Development participated in negotiating.

The Charter Amendment would also require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development. These rules would be subject to rejection by a two-thirds vote of the Board of Supervisors within 60 days. The rules would supersede any ordinance, rule, process or regulation enacted by the City or adopted by the voters before March 1, 2017, relating to a competitive bid process for the City's development of affordable housing.

The Charter Amendment would also give the Commission 90 days to hold a hearing and provide recommendations to the Board of Supervisors before the Board approves any ordinance setting or changing inclusionary housing requirements for housing developments. Any ordinance adopted following this new process would supersede any conflicting provisions in ordinances enacted by the City or adopted by the voters before March 1, 2017, relating to inclusionary housing requirements.

Background Information

This Legislative Digest reflects amendments adopted by the Board of Supervisors' Rules Committee on June 30, 2016. The amendments eliminated provisions that would have

FILE NO.

created a new Department of Real Estate under the jurisdiction of the Commission. Though the Commission will not oversee the Department of Real Estate or the existing Real Estate Division, the Commission will continue to play a role regarding surplus property conveyances and affordable housing transactions involving the Department of Housing and Community Development. The amendments also added the requirement that the Commission shall have an opportunity to consider any proposed ordinances setting or changing inclusionary housing requirements.

n:\legana\as2016\1600771\01117809.docx

[Charter Amendment - Housing and Development Commission]

Describing and setting forth a proposal to the voters, at an election to be held on November 8, 2016, to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, and the Department of Housing and Community Development, ~~and the Department of Real Estate~~; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; to require the Commission to hold hearings and make recommendations regarding proposals to adopt or change inclusionary housing requirements for housing developments; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development’s expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development.

Section 1. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 8, 2016, a proposal to amend the Charter of the City and County by adding Section 4.133 and revising Sections ~~4.129~~, 15.105, and 16.110, to read as follows:

NOTE: **Unchanged Charter text and uncodified text** are in plain font. **Additions** are *single-underline italics Times New Roman font*. **Deletions** are *strike-through italics Times New Roman font*. **Asterisks (* * * *)** indicate the omission of unchanged Charter subsections.

SEC. 4.133. HOUSING AND DEVELOPMENT COMMISSION

(a) Membership and Terms of Office.

1 (1) The Housing and Development Commission shall consist of five members,
2 appointed as follows:

3 (A) Seats 1 and 2 shall be appointed by the Mayor. Seat 1 shall be held
4 by a person with significant experience in the field of affordable housing development or
5 community development. Seat 2 shall have no required qualifications in addition to those set
6 forth in Section 4.101.

7 (B) Seats 3 and 4 shall be appointed by the Board of Supervisors. Seat 3
8 shall be held by a person with significant experience in the field of affordable housing
9 development or community development. Seat 4 shall have no required qualifications in addition
10 to those set forth in Section 4.101.

11 (C) Seat 5 shall be appointed by the Controller, and shall be a person
12 with significant experience in the field of finance.

13 (2) Commissioners shall serve four-year terms, beginning at noon on March 1,
14 2017; provided, however, the term of the initial appointees in Seats 2 and 4 shall expire at noon
15 on March 1, 2019, and the term of the initial appointees in Seats 1, 3, and 5 shall expire at noon
16 on March 1, 2021.

17 (3) No person may serve more than two successive terms as a Commissioner. No
18 person having served two successive terms may serve as a Commissioner until at least four years
19 after the expiration of the second successive term. For purposes of this subsection (c), service
20 for a part of a term that is more than half the period of the term shall count as a full term, and
21 service that is half or less than half the period of a term shall not count as a full term; further,
22 this subsection makes no distinction between two-year terms and four-year terms.

23 (4) Commissioners may be removed from office only for official misconduct
24 under Article XV.

25 (b) Powers and Duties.

1 (1) With regard to the ~~three-two~~ departments described in subsection (c), and
2 subject to the transition provision in subsection (d)(3), the Commission shall exercise all the
3 powers and duties of boards and commissions set forth in Sections 4.102, 4.103, and 4.104,
4 except that the Commission shall have the exclusive power to appoint, evaluate, and remove the
5 department heads of the ~~three-two~~ departments.

6 (2) In addition to any other process or approvals required by law, including but
7 not limited to review by the Planning Commission, the Commission shall review and recommend
8 to the Board of Supervisors whether to approve a development agreement that the Department of
9 Economic and Workforce Development participated in negotiating under California Government
10 Code Section 65864 et seq. or any successor State legislation, before the Board of Supervisors
11 considers whether to approve the development agreement. The Commission may recommend
12 that the Board of Supervisors approve or reject the development agreement, and may also
13 recommend specific changes to the development agreement for consideration by the Board of
14 Supervisors. If the Board of Supervisors approves changes to a development agreement after the
15 Commission’s hearing, the Board of Supervisors shall not be required to refer the development
16 agreement back to the Commission for further review or recommendations.

17 (3) In addition to any other process or approvals required by law, and except as
18 set forth in subsection (f) below, the Commission shall review and recommend to the Board of
19 Supervisors whether to approve any fee simple absolute conveyance of surplus real property
20 owned by the City, before the Board of Supervisors considers whether to approve the
21 conveyance. For the purpose of this Section 4.133, “surplus real property” shall mean any real
22 property that is not required to fulfill the mission of the City department, commission, or agency
23 with jurisdiction or control of such property, and that is not required to fulfill the mission of
24 another City department, commission or agency or other governmental entity, as determined by
25 the Board of Supervisors by resolution, and shall not include any real property that is sold or

1 exchanged for purposes other than housing development. The Commission may recommend that
2 the Board of Supervisors approve or reject a proposed fee simple absolute conveyance, and may
3 also recommend specific changes for consideration by the Board of Supervisors. If the Board of
4 Supervisors approves changes to a proposed fee simple absolute conveyance after the
5 Commission's hearing, the Board of Supervisors shall not be required to refer the matter back to
6 the Commission for further review or recommendations.

7 (4) The Commission shall adopt rules to create competitive selection processes
8 for (A) the development of affordable housing on City-owned real property under the jurisdiction
9 of the Department of Housing and Community Development, and (B) the Department of Housing
10 and Community Development's expenditure of the City's affordable housing funds. Such rules
11 may include exceptions and limitations as deemed appropriate by the Commission to maximize
12 and expedite the creation of affordable housing and leverage the City's affordable housing
13 funds, maintain existing affordable housing, increase funding to previously selected projects,
14 provide funding availability on a rolling basis, and provide emergency funding. The rules may
15 also recognize affordable housing projects with federal or state funding sources, and exempt
16 such projects from the competitive bid process. Any such rules adopted by the Commission shall
17 supersede any ordinance, rule, process or regulation enacted by the City or adopted by the
18 voters before March 1, 2017, relating to a competitive bid process for the City's development of
19 affordable housing. The Commission shall transmit to the Board of Supervisors any rules
20 adopted by the Commission under this subsection (b)(4) within 24 hours of their adoption. The
21 rules adopted by the Commission shall become effective 60 days after the date of adoption unless
22 two-thirds of all members of the Board of Supervisors vote by motion to veto the rules before the
23 expiration of this 60-day period.

24 (5) In addition to any other process or approvals required by law, including but not
25 limited to review by the Planning Commission, the Commission shall review any proposed

1 ordinance that would set or change the minimum or maximum inclusionary or affordable
2 housing obligations for housing development projects. The Board of Supervisors and its
3 committees shall not hold any hearings on such a proposed ordinance until the Commission has
4 held a hearing to review the proposal, unless the Commission fails to hold a hearing within 90
5 days after the Clerk of the Board of Supervisors forwards the proposed ordinance to the
6 Commission for its consideration. The Commission may recommend that the Board of
7 Supervisors approve or reject the proposed ordinance, and may also recommend specific
8 changes to the proposed ordinance for consideration by the Board of Supervisors. If the Board
9 of Supervisors approves changes to such a proposed ordinance after the Commission's hearing,
10 the Board of Supervisors shall not be required to refer the proposed ordinance back to the
11 Commission for further review or recommendations. Any ordinance adopted by the Board of
12 Supervisors following the process set forth in this subsection (b)(5) shall supersede any ordinance
13 enacted by the City or adopted by the voters before March 1, 2017, setting or changing the
14 minimum or maximum inclusionary or affordable housing obligations for housing development
15 projects.

16 (c) Departments. The Commission shall oversee the following ~~three~~two departments,
17 which shall come into existence as stated in subsection (d)(3):

18 (1) Department of Economic and Workforce Development. Except as otherwise
19 provided for in this Charter, the Department of Economic and Workforce Development shall
20 oversee City programs related to private workforce development and job training; business
21 attraction and retention, including international businesses; real estate development projects
22 involving the City and other public or private property owners; commercial corridors
23 revitalization; community business districts; infrastructure financing districts; and any other
24 related responsibilities prescribed by ordinance. The Department of Economic and Workforce
25

1 Development may assist other departments, including the Planning Department, in negotiating
2 development agreements with private property owners.

3 (2) Department of Housing and Community Development. Except as otherwise
4 provided for in this Charter, the Department of Housing and Community Development shall
5 provide financing for the development, rehabilitation, and purchase of affordable housing in the
6 City; administer programs to finance the development of affordable housing; administer
7 programs to finance housing rehabilitation for low-income and moderate-income homeowners;
8 administer the City's below-market-rate inclusionary housing program; administer grants
9 programs to support community development and economic infrastructure; and undertake any
10 other responsibilities prescribed in Section 16.110 or by ordinance.

11 ~~(3) Department of Real Estate. Except as otherwise provided for in this Charter,~~
12 ~~and subject to Board of Supervisors approval under Section 9.118 and any such other limits on~~
13 ~~the delegation as the Board of Supervisors may adopt by ordinance, the Department of Real~~
14 ~~Estate shall manage all real estate of the City including its public buildings; acquire real~~
15 ~~property required for City purposes; sell or transfer surplus real property owned by the City;~~
16 ~~lease property by and for City departments; appraise real property and enter into appraisal~~
17 ~~services contracts with qualified appraisers; and undertake any other related responsibilities~~
18 ~~prescribed by ordinance.~~

19 (d) Transition provisions.

20 (1) The Mayor, the Board of Supervisors, and the Controller shall make initial
21 appointments to the Commission by no later than noon, March 1, 2017, when the Commission
22 shall come into existence.

23 (2) The Commission shall have its inaugural meeting by no later than April 1,
24 2017.

1 (3) Beginning May 15, 2017, the Department of Economic and Workforce
2 Development ~~and~~; the Department of Housing and Community Development; ~~and the~~
3 ~~Department of Real Estate~~ shall come into existence, and shall succeed to the powers and duties
4 of the previously existing Office of Economic and Workforce Development and Office of Housing
5 and Community Development under the Mayor, ~~and the existing Real Estate Division under the~~
6 ~~City Administrator~~, respectively, and those offices ~~and division~~ shall cease to exist.

7 (e) Existing Contracts. Nothing in this Section 4.133 shall be interpreted to impair the
8 obligations of any existing contract entered into by the City before May 15, 2017, or require the
9 City to abandon a competitive bid or contractor selection process that started before May 15,
10 2017.

11 (f) Non-applicability. The requirements of this Section 4.133 shall not apply to any other
12 governmental entity, such as the Successor Agency to the Redevelopment Agency of the City and
13 County of San Francisco, or to any department, commission or agency of the City that has
14 exclusive jurisdiction over its real property, and shall not be interpreted to interfere with a
15 department's ability to carry out its core functions under this Charter. Without limiting the
16 foregoing, nothing in this Section is intended to amend or limit the rights and powers granted to
17 City commissions under Sections 4.112, 4.113, 4.114, 4.115, B3.581, Article V, or Article VIII A
18 of this Charter.

19
20 **~~SEC. 4.129. DEPARTMENT OF ADMINISTRATIVE SERVICES.~~**

21 ~~The director of the Department of Administrative Services shall purchase all supplies;~~
22 ~~equipment, and contractual services required by the several departments and offices of the City~~
23 ~~and County, except as otherwise provided in the Administrative Code. Except in cases of~~
24 ~~emergency, the director shall not enter into any contract or issue any purchase order unless the~~
25 ~~Controller shall certify thereon that sufficient unencumbered balances are available in the proper~~

1 ~~fund to meet the payments under such purchase order or contract as these become due. The~~
2 ~~director shall have charge of the central warehouses, central storerooms, central garage and shop.~~

3 ~~The director shall by rules and regulations approved by the Controller, designate and~~
4 ~~authorize appropriate personnel within the Department of Administrative Services to exercise the~~
5 ~~director's signature powers for purchase orders and contract.~~

6 ~~The director shall have authority to exchange used materials, supplies, and equipment to~~
7 ~~the advantage of the City and County, advertise for bids, and to sell and otherwise dispose of~~
8 ~~personal property belonging to the City and County. The director shall have authority to require~~
9 ~~the transfer of surplus personal property in any department to stores or to other departments.~~

10 ~~The director shall manage all public buildings, facilities and real estate of the City and~~
11 ~~County, unless otherwise provided for in this Charter.~~

12 ~~—Additional duties and functions of the Department of Administrative Services shall be~~
13 ~~assigned the City Administrator, by ordinance or pursuant to Section 4.132.~~

14
15 **SEC. 15.105. SUSPENSION AND REMOVAL.**

16 (a) ELECTIVE AND CERTAIN APPOINTED OFFICERS. Any elective officer, and
17 any member of the Airport Commission, Asian Art Commission, Civil Service Commission,
18 Commission on the Status of Women, Golden Gate Concourse Authority Board of Directors,
19 Health Commission, Human Services Commission, Juvenile Probation Commission, Municipal
20 Transportation Agency Board of Directors, Port Commission, Public Utilities Commission,
21 Recreation and Park Commission, Fine Arts Museums Board of Trustees, ~~Taxi Commission~~, War
22 Memorial and Performing Art Center Board of Trustees, Board of Education or Community
23 College Board is subject to suspension and removal for official misconduct as provided in this
24 section. Such officer may be suspended by the Mayor and the Mayor shall appoint a qualified
25 person to discharge the duties of the office during the period of suspension. Upon such

1 suspension, the Mayor shall immediately notify the Ethics Commission and Board of
2 Supervisors thereof in writing and the cause thereof, and shall present written charges against
3 such suspended officer to the Ethics Commission and Board of Supervisors at or prior to their
4 next regular meetings following such suspension, and shall immediately furnish a copy of the
5 same to such officer, who shall have the right to appear with counsel before the Ethics
6 Commission in his or her defense. The Ethics Commission shall hold a hearing not less than five
7 days after the filing of written charges. After the hearing, the Ethics Commission shall transmit
8 the full record of the hearing to the Board of Supervisors with a recommendation as to whether
9 the charges should be sustained. If, after reviewing the complete record, the charges are
10 sustained by not less than a three-fourths vote of all members of the Board of Supervisors, the
11 suspended officer shall be removed from office; if not so sustained, or if not acted on by the
12 Board of Supervisors within 30 days after the receipt of the record from the Ethics Commission,
13 the suspended officer shall thereby be reinstated.

14 (b) BUILDING INSPECTION COMMISSION, PLANNING COMMISSION, BOARD
15 OF APPEALS, ELECTIONS COMMISSION, ETHICS COMMISSION, HOUSING AND
16 DEVELOPMENT COMMISSION, AND ENTERTAINMENT COMMISSION. Members of the
17 Building Inspection Commission, the Planning Commission, the Board of Appeals, the Elections
18 Commission, the Ethics Commission, the Housing and Development Commission, and the
19 Entertainment Commission may be suspended and removed pursuant to the provisions of
20 subsection (a) of this section except that the Mayor may initiate removal only of the Mayor's
21 appointees and the appointing authority shall act in place of the Mayor for all other appointees.

22 * * * *

23
24 **SEC. 16.110. HOUSING TRUST FUND.**
25

1 (a) **Creation of Fund.** There is hereby established a Housing Trust Fund to support
2 creating, acquiring and rehabilitating affordable housing and promoting affordable home
3 ownership programs in the City, as provided in this Section.

4 (b) **Definitions.** For purposes of this Section:

5 ~~—— (1) "Affordable Housing Fee" shall mean a fee calculated by the Mayor's Office~~
6 ~~of Housing Department of Housing and Community Development as the difference between the~~
7 ~~affordable sales price of a housing unit of a certain bedroom size and the cost of developing a~~
8 ~~comparable housing unit. The Mayor's Office of Housing Department of Housing and~~
9 ~~Community Development shall index the fee annually based on the annual percent change in the~~
10 ~~Construction Cost Index for San Francisco as published by Engineering News Record or a~~
11 ~~similar index selected by the Mayor's Office of Housing Department of Housing and Community~~
12 ~~Development.~~

13 ~~—— (2) "Area Median Income" or "AMI" shall mean the unadjusted area median~~
14 ~~income levels as calculated by the Mayor's Office of Housing Department of Housing and~~
15 ~~Community Development using data from the Department of Housing and Urban Development~~
16 ~~on an annual basis for the San Francisco area, adjusted solely for Household size, but not high~~
17 ~~housing cost area.~~

18 ~~—— (3) "Basic On-Site Inclusionary Requirement" shall mean 12% of the units in the~~
19 ~~principal project affordable to a Household whose initial household income does not exceed 90%~~
20 ~~of Area Median Income for ownership units and 55% for rental units, or an on-site requirement~~
21 ~~with an equivalent Inclusionary Housing Cost Obligation.~~

22 (4) "First Responder" shall mean a City employee who responds first in cases of
23 natural disaster or emergencies, including, but not limited to, all active uniformed, sworn
24 members of the San Francisco Police and Fire Departments.
25

1 ~~(5)~~ "General Fund Discretionary Revenues" shall mean revenues that the City
2 receives and deposits in its treasury, that are unrestricted, and that the City may appropriate for
3 any lawful City purpose.

4 ~~———— (6) "Gross floor area" shall have the meaning in Planning Code Section 102.9, or~~
5 ~~any successor section, as amended from time to time.~~

6 ~~(7)~~ "Household" shall mean any person or persons who reside or intend to reside
7 in the same housing unit.

8 ~~———— (8) "Mayor's Office of Housing" shall mean the Mayor's Office of Housing~~
9 ~~and Community Development or any successor City agency.~~

10 ~~———— (98) "Other Affordable Housing Fees" shall mean any fee imposed on residential~~
11 ~~development by the City as a condition of a development approval related to affordable housing,~~
12 ~~which fee shall be adjusted annually by the City using an index selected by the City, or any~~
13 ~~exactions on residential development related to affordable housing imposed by the City,~~
14 ~~excluding fees imposed under Planning Code Section 415.~~

15 ~~———— (109) "Planning Code Section 415" shall mean San Francisco Planning Code~~
16 ~~Section 415 as of July 1, 2012, together with the defined terms in Section 401 as of that same~~
17 ~~date, and any successor legislation adopted consistent with this Section 16.110. Notwithstanding~~
18 ~~the foregoing, the calculation of the applicable affordable housing fee for "buildings of over 120~~
19 ~~feet in height" shall be as set forth in Planning Code Sections 315(a)(1)(B) & (C) and 315.6(b)(1)~~
20 ~~in Ordinance No. 101-07, Board of Supervisors File No. 061529.~~

21 ~~———— (1110) "Inclusionary Housing Cost Obligation" shall mean an obligation equal to~~
22 ~~the applicable percentage of below market rate housing units required under Planning Code~~
23 ~~Sections 415.5, 415.6 or 415.7 multiplied by the then-current Affordable Housing Fee required~~
24 ~~per unit. For purposes of calculating the cost burden of any legislative change, the Mayor's~~
25 ~~Office of Housing Department of Housing and Community Development shall use the average~~

1 ~~citywide unit mix for projects subject to Planning Code Section 415 within the past five years as~~
2 ~~applied to a hypothetical project of 100 units. For purposes of calculating the cost burden~~
3 ~~imposed by a condition of approval for a particular project, the Mayor's Office of Housing~~
4 ~~Department of Housing and Community Development shall use the actual unit mix and unit count~~
5 ~~proposed in the development project subject to the condition of approval.~~

6 **-(c) Funding.**

7 (1) In the Fiscal Year 2013-2014 budget, the City shall appropriate to the
8 Housing Trust Fund \$20 million.

9 (2) For the next 11 fiscal years, in each of the annual budgets for Fiscal Year
10 2014-2015 through Fiscal Year 2024-2025, the City shall appropriate to the Housing Trust Fund
11 an amount increasing by \$2.8 million per year, until the annual appropriation required by this
12 Section reaches \$50.8 million in the Fiscal Year 2024-2025 budget.

13 (3) In the annual budgets for Fiscal Year 2025-2026 through Fiscal Year 2042-
14 43, the City shall appropriate to the Housing Trust Fund an amount equal to the prior year's
15 appropriation, adjusted by the percentage increase or decrease in General Fund Discretionary
16 Revenues budgeted for the year compared to the prior year's original budgeted amount of
17 General Fund Discretionary Revenues.

18 (4) Should the City adopt a fixed two-year budget under Charter Section 9.101,
19 the adjustment for the Housing Trust Fund appropriation for the two years of the two-year
20 budget shall be based on the amount of General Fund Discretionary Revenues estimated for the
21 two-year period included in the budget.

22 (5) During Fiscal Years 2025-2026 through 2042-2043, if the Controller submits
23 a revised estimate of General Fund Discretionary Revenues for a given Fiscal Year or two-year
24 budget period that is lower than the amount originally budgeted for that period, then the Board
25 may, by ordinance, reduce the appropriation to the Housing Trust Fund for that budget period in

1 an amount that does not exceed the amount proportionate to the percentage shortfall in the
2 discretionary revenue projection.

3 (6) The Controller's method of calculating the amount of and changes in General
4 Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the
5 Controller's method for calculating those figures under Charter Sections 8A.105, 16.108, and
6 16.109. The Controller shall treat General Fund appropriations to the Housing Trust Fund as
7 reductions in General Fund Discretionary Revenues when calculating other funding allocations
8 that are tied to General Fund Discretionary Revenues, including funding allocations under
9 Charter Sections 8A.105, 16.108, and 16.109. The Controller shall correct errors in the estimate
10 of discretionary revenues for a fiscal year through an adjustment to the next fiscal year's
11 estimate.

12 (7) In any year during the term of this Section, the City may, in its discretion,
13 reduce its annual contribution to the Housing Trust Fund for that year by an amount equal to or
14 less than 56.7% of the annual debt service required to service any SB2113 Affordable Housing
15 Bonds issued after January 1, 2013. "SB2113 Affordable Housing Bonds" are bonds issued by
16 the City to support the acquisition and creation of replacement affordable housing citywide using
17 property tax increment from former Redevelopment project areas under California Health and
18 Safety Code Section 33333.7

19 (8) The Controller shall set aside and maintain the amounts appropriated to the
20 Housing Trust Fund under this Section, together with any interest earned thereon, and any
21 amount unexpended or uncommitted at the end of the fiscal year shall be carried forward to the
22 next fiscal year and, subject to the budgetary and fiscal limitations of this Charter, shall be
23 appropriated for the purposes specified in this Section.

24 (d) **Uses of the Housing Trust Fund.** The City may disburse monies from the Housing
25 Trust Fund through loans, grants or other types of payments, on terms determined by the ~~Mayor's~~

1 *Office of Housing Department of Housing and Community Development* in its sole discretion.

2 Any repayment of a loan or grant from the Fund that the City receives, or any interest from a
3 loan from the Fund that the City receives, will be returned to the Housing Trust Fund. The City,
4 acting through the *Mayor's Office of Housing Department of Housing and Community*
5 *Development*, shall disburse the monies from the Housing Trust Fund for the following eligible
6 expenditures:

7 (1) The creation, acquisition, and rehabilitation of rental and ownership housing
8 affordable to Households earning up to 120% of the Area Median Income, including, without
9 limitation, the acquisition of land for such purpose.

10 (2) No later than July 1, 2018, the City shall appropriate \$15 million from the
11 Housing Trust Fund to a program that provides loans to Households earning up to 120% of the
12 Area Median Income and to Households including a First Responder (subject to Area Median
13 Income limits designated by the *Mayor's Office of Housing Department of Housing and*
14 *Community Development*) for use as a down payment on the purchase of a housing unit ("the
15 Down Payment Assistance Loan Program"). As soon as is practical, the *Mayor's Office of*
16 *Housing Department of Housing and Community Development* shall develop and implement a
17 manual for the Down Payment Assistance Loan Program.

18 (3) No later than July 1, 2018, the City shall appropriate up to \$15 million from
19 the Housing Trust Fund to a program that provides funds to Households earning up to 120% of
20 Area Median Income for use as assistance to reduce the risk to current occupants of a loss of
21 housing and/or to help current occupants make their homes safer, more accessible, more energy
22 efficient, and more sustainable (the "Housing Stabilization Program"). As soon as is practical,
23 the *Mayor's Office of Housing Department of Housing and Community Development* shall
24 implement and develop a manual for the Housing Stabilization Program.

1 (4) The City may use monies in the Housing Trust Fund to operate and
2 administer the Infrastructure Grant Program as described in subsection (e). The City may not
3 allocate to the Infrastructure Grant Program in any fiscal year an amount exceeding the greater of
4 \$2 million or 10% of the amount appropriated to the Housing Trust Fund for that fiscal year
5 under subsection (c).

6 (5) In any fiscal year, the City may allocate a sufficient amount from the
7 Housing Trust Fund to pay for all legally permissible administrative costs of the Fund, including,
8 without limitation, legal costs, associated with any use of the Housing Trust Fund.

9 (e) **Complete Neighborhoods Infrastructure Grant Program.** After conferring with
10 the Director of Planning, the Director of the ~~Mayor's Office of Housing~~ Department of Housing
11 and Community Development shall design and administer a Complete Neighborhoods
12 Infrastructure Grant Program ("Infrastructure Grant Program"). The purpose of the Infrastructure
13 Grant Program is to accelerate the build-out of the public realm infrastructure needed to support
14 increased residential density in the City's neighborhoods. The City may use monies from the
15 Infrastructure Grant Program only for public facilities identified in the Community Facilities
16 District law (Cal. Govt. Code §§ 53311 et seq., as amended), and shall give priority to the use of
17 such monies by residential development project sponsors, community-based organizations, and
18 City departments for public realm improvements associated with proposed residential
19 development projects.

20 (f) **Bonding Authority.** Notwithstanding the limitations set forth in Sections
21 9.107, 9.108, and 9.109 of this Charter, upon recommendation of the Mayor, the Board of
22 Supervisors may authorize the issuance, without limitation, of revenue bonds, lease financing,
23 notes, or other evidences of indebtedness or other obligations ("Debt Obligations"), the proceeds
24 of which are to be used for creating, acquiring, and rehabilitating rental and ownership housing
25 affordable to Households earning up to 120% of the Area Median Income, including, without

1 limitation, the acquisition of land for such purpose. Such Debt Obligations shall be secured by
2 and/or repaid from any available funds pledged or appropriated by Board of Supervisors
3 ordinance for such purpose, which amount may include funds in the Housing Trust Fund
4 allocated under subsection (c). Debt Obligations authorized hereby shall be issued in accordance
5 with the *Mayor's Office of Housing Department of Housing and Community Development*
6 policies, and upon the terms and conditions as the Board of Supervisors shall approve. Funds
7 appropriated to pay debt service on the Debt Obligations in such fiscal year under the terms of
8 this Section shall be set aside in an account for such use until such payment is made.

9 ~~(g) On-Site Inclusionary Affordable Housing Requirements.~~

10 ~~—— (1) Application. This subsection (g) shall not apply to: any residential projects~~
11 ~~subject to a development agreement approved by the City under California Government Code~~
12 ~~Section 65864 et seq.; any project exempt from the provisions of Section 415 et seq. under~~
13 ~~Section 415.3 as it existed on July 1, 2012; the requirements of a redevelopment plan for a~~
14 ~~redevelopment project area; or any project in which the City has a proprietary interest.~~

15 ~~—— (2) Reduction of Current On-Site Inclusionary Affordable Housing~~
16 ~~Requirement. Beginning on January 1, 2013, the City shall reduce by 20% the on-site~~
17 ~~inclusionary housing obligation for all projects subject to the on-site Inclusionary affordable~~
18 ~~housing requirements of Planning Code Section 415 et seq., including any onsite requirements~~
19 ~~found in other sections of the Planning Code including, but not limited to, Planning Code~~
20 ~~Sections 415.6, 419, 424, 249.33, 827(b)(1) and any other Municipal Code sections that refer to~~
21 ~~Planning Code Section 415 et seq. or its predecessor, from the requirements of Section 415 and~~
22 ~~other related sections as they exist as of July 1, 2012. Notwithstanding the foregoing, in no event~~
23 ~~shall the on-site inclusionary housing obligation for any project be reduced below the Basic~~
24 ~~Inclusionary Housing Requirement.~~

25 ~~—— (3) Application to Previously Approved Projects.~~

1 ~~_____ (A) This subsection (g)(3) does not apply to projects that received a~~
2 ~~reduction in on-site inclusionary housing requirements through subsection (g)(2) above.~~

3 ~~_____ (B) Sponsors of projects that already have received their first~~
4 ~~construction document as defined in Section 107A.13.1 of the San Francisco Building Code as of~~
5 ~~January 1, 2013 may not receive a reduction in any on-site below market rate requirement~~
6 ~~applicable to the subject property under this subsection (g).~~

7 ~~_____ (C) Sponsors of projects that have not received their first construction~~
8 ~~document as defined in Section 107A.13.1 of the San Francisco Building Code by January 1,~~
9 ~~2013 may apply once to the Planning Commission for a modification of their existing conditions~~
10 ~~of approval to reduce any on-site below market rate inclusionary requirements by 20% consistent~~
11 ~~with subsection (g)(2), or change their election so that they will provide on-site rather than off-~~
12 ~~site below market rate units or Affordable Housing Fee payments. Project sponsors seeking to~~
13 ~~amend their conditions of approval to benefit from the 20% reduction must demonstrate to the~~
14 ~~Planning Commission that the proposed reduction will enable the project to obtain financing and~~
15 ~~commence construction within a one-year time period following Planning Commission's~~
16 ~~approval of the proposed reduction. The Planning Commission shall include a condition of~~
17 ~~approval to require that the project sponsor obtain its first construction document within one year~~
18 ~~of the approval. If the project sponsor does not obtain its first construction document within one~~
19 ~~year, then the conditions of approval existing before the modification shall apply unless the~~
20 ~~Zoning Administrator, after a duly noticed hearing, determines that the project sponsor has made~~
21 ~~good-faith efforts to obtain its first construction document but for reasons beyond the project~~
22 ~~sponsor's control including, but not limited to, the filing of a lawsuit or delay on the part of the~~
23 ~~City or another public entity, has been unable to obtain its first construction document. In such a~~
24 ~~case, the Zoning Administrator may extend the time once, and for up to 1-year, for obtaining the~~
25 ~~first construction document. Any further extensions of time may only be granted by the Planning~~

1 Commission using the same inquiry as to whether the project sponsor has made good faith
2 efforts to obtain its first construction document. The Planning Commission may not make
3 modifications under this subsection (g)(3)(C) after January 1, 2016.

4 ~~(h) Stabilizing the Cost Obligation of Future Inclusionary or Affordable Housing~~
5 ~~Requirements.~~

6 ~~_____ (1) Application.~~ This subsection (h) shall apply as follows:

7 ~~_____ (A) This subsection shall apply only to private residential projects or the~~
8 ~~private residential portion of a mixed-use project, and not commercial projects; and~~

9 ~~_____ (B) This subsection shall not apply to any of the following:~~

10 ~~_____ (i) A project located in an area subject to a development~~
11 ~~agreement under California Government Code Sections 65864 et seq., as amended, or any~~
12 ~~successor legislation;~~

13 ~~_____ (ii) A project located in a redevelopment project area, an~~
14 ~~infrastructure financing district, or any other area that the City designates under State law in~~
15 ~~which property tax increment is allocated to fund affordable housing;~~

16 ~~_____ (iii) A project that, through a Special Use District or other local~~
17 ~~legislation adopted after November 6, 2012, receives (1) a 20% or greater increase in~~
18 ~~developable residential gross floor area, as measured by a change in height limits, Floor Area~~
19 ~~Ratio limits, or use, over prior zoning, or (2) a 50% or greater increase in residential densities~~
20 ~~over prior zoning. Notwithstanding the foregoing, should a project sponsor seek to develop a~~
21 ~~project in accordance with zoning in place immediately before the establishment of the Special~~
22 ~~Use District, this subsection (h) shall apply;~~

23 ~~_____ (iv) An area subject to a change in zoning enacted after~~
24 ~~November 6, 2012 that affects 40 or more acres or greater and results in a significant increase in~~
25 ~~residential development potential, where the area is not also encompassed by a Special Use~~

1 District adopted after November 6, 2012. The City shall adopt a standard for determining what
2 constitutes "a significant increase in residential development potential" for these purposes as
3 follows: There shall be a Housing Review Committee comprised of the Directors of the *Mayor's*
4 *Office of Housing Department of Housing and Community Development*, the Planning
5 Department, and the *Office Department* of Economic and Workforce Development, *or their*
6 *successor agencies*. No later than March 1, 2013, the Housing Review Committee, after at least
7 one public hearing, shall recommend a standard to the Board of Supervisors in the form of a
8 proposed ordinance. Thereafter, the Housing Review Committee, at regular intervals determined
9 by the Committee, shall review the standard and recommend any necessary updates or
10 modifications to the Board. The Board of Supervisors may reject a proposed ordinance submitted
11 by the Housing Review Committee by a majority vote. If the Board fails to reject the proposed
12 ordinance within 60 days of receiving it from the Housing Review Committee, the proposed
13 ordinance shall be deemed adopted. In subsequently applying the standard established in the
14 ordinance and determining whether to increase affordable housing fees or exactions in the area
15 subject to the change in zoning, the Board of Supervisors shall consider any analysis approved
16 by the Controller's Office regarding the financial feasibility of development subject to the
17 proposed fee or exaction.

18 _____ (v) A project that receives public financing or financial incentives
19 for affordable housing from the California Debt Limit Allocation Committee tax-exempt bond
20 financing or other similar public source; or

21 _____ (vi) A project that receives a density bonus for the development
22 of affordable housing through the State Density Bonus Law or other similar State legislation;

23 _____ (vii) A project in which the City has a proprietary interest.

24 _____ (2) **Inclusionary Housing Cost Obligation.** As of January 1, 2013, the City
25 may not adopt any new land use legislation or administrative regulation, including a Planning

1 Code amendment, or impose any new condition of approval on the issuance of a discretionary
2 permit, that would require an increase in the project sponsor's Inclusionary Housing Cost
3 Obligation beyond that required as of January 1, 2013, including and incorporating the
4 reductions effected by subsection (g).

5 ~~———— (3) **Other Fees Related to Affordable Housing Fee.** As of January 1, 2013, the~~
6 ~~City may not adopt any new land use legislation or administrative regulation, including a~~
7 ~~Planning Code amendment, or impose any new condition of approval on the issuance of a~~
8 ~~discretionary permit, that would increase any Other Affordable Housing Fees beyond that~~
9 ~~required as of July 1, 2012.~~

10 ~~———— (4) **Remedy.** Any challenge to the validity of any legislation or final~~
11 ~~administrative order or decision on the grounds that such legislation, order or decision increases~~
12 ~~the project sponsor's Inclusionary Housing Cost Obligation or imposes Other Affordable~~
13 ~~Housing Fees will be subject to the requirements of California Code of Civil Procedure Sections~~
14 ~~1085 and 1094.5, respectively. Any such challenge may be brought only after a project sponsor~~
15 ~~has exhausted all available administrative remedies, and shall be subject to all applicable statutes~~
16 ~~of limitations, including without limitation those set forth in California Code of Civil Procedure~~
17 ~~Section 1094.5 and California Government Code Sections 65009 and 66499.37.~~

18 ~~(i) **Legislation.** The City shall enact any legislation necessary to implement subsections~~
19 ~~(g) and (h) as soon as practicable after the effective date of this Section, but no later than January~~
20 ~~1, 2014. Before the adoption of such legislation, the *Mayor's Office of Housing Department of*~~
21 ~~*Housing and Community Development*, with consultation as necessary with the Planning~~
22 ~~Department, shall implement the provisions of subsections (g) and (h) administratively and shall~~
23 ~~issue any necessary guidance. * * * *~~

24 ~~(j) **Disclaimer.** Nothing in this Section shall be construed to limit or restrict the ability~~
25 ~~of the City to adopt any fees or exactions related to public benefits other than affordable housing,~~

1 including, but not limited to, transit infrastructure, streetscape, public realm improvement, or
2 child care fees.

3 ~~(k) **Term.** Except as provided in subsection (l) below, this Section shall become~~
4 ~~inoperative on July 1, 2043, and after such date shall have no further force or effect and shall be~~
5 ~~repealed.~~

6 ~~(l) **Early Termination.** At any time before January 1, 2013, the Mayor, after consulting~~
7 ~~with his or her Budget Director and the Controller, and after taking into account the City's~~
8 ~~projected revenues and expenditures in the City's financial plans, may terminate implementation~~
9 ~~of this Section by issuing a written notice to the Board of Supervisors and the Controller. The~~
10 ~~termination shall be irrevocable and apply to the entire Section 16.110. Upon the Mayor's~~
11 ~~signing of the notice, this Section shall become inoperative and after such date shall have no~~
12 ~~force or effect and shall be repealed.~~

13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15
16 By: _____
17 JON GIVNER
18 Deputy City Attorney

19 <n:\legana\as2016\1600771\01117422.docx;n:\legana\as2016\1600771\01108599.docx>



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

July 6, 2016

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 160588 – Charter amendment creating a Housing and Development Commission
(second draft)

Dear Ms. Calvillo,

Should the proposed charter amendment be approved by the voters, in my opinion, it would have a minimal impact on the cost of government.

The proposed amendment would increase the cost of government by approximately \$190,000 annually to fund the cost of a new city commission which would have oversight over the Department of Economic and Workforce Development and the Department of Housing and Community Development. These funds would provide for a commission secretary, commissioner compensation, and costs such as preparing public materials.

The proposed amendment establishes the Housing and Development Commission consisting of five members, two appointed by the Mayor, two by the Board of Supervisors, and one by the Controller. Commission members must have significant affordable housing development or community development experience. The commission would have the authority to appoint, evaluate, and remove the department heads of the three departments.

The commission would be required to review and make recommendations to the Board of Supervisors regarding proposed development agreements and conveyance of certain surplus City property. The commission would adopt rules to create competitive selection processes for development of affordable housing on City property and expenditure of the City's affordable housing funds. Additionally, the commission would review any proposed ordinance that would set or change the minimum or maximum inclusionary or affordable housing obligations for housing development projects, prior to any Board of Supervisors hearings.

Sincerely,

fr
Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

June 28, 2016

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 160588 – Charter amendment creating a Housing and Development Commission

Dear Ms. Calvillo,

Should the proposed charter amendment be approved by the voters, in my opinion, it would have a minimal impact on the cost of government.

The proposed amendment would increase the cost of government by approximately \$190,000 annually to fund the cost of a new city commission which would have oversight over the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate. These funds would provide for a commission secretary, commissioner compensation, and costs such as preparing public materials.

The proposed amendment establishes the Housing and Development Commission consisting of five members, two appointed by the Mayor, two by the Board of Supervisors, and one by the Controller. Commission members must have significant affordable housing development or community development experience. The commission would have the authority to appoint, evaluate, and remove the department heads of the three departments.

The commission would be required to review and make recommendations to the Board of Supervisors regarding proposed development agreements and conveyance of certain surplus City property. The commission would also adopt rules to create competitive selection processes for development of affordable housing on City property and expenditure of the City's affordable housing funds.

Sincerely,

BR
Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

BOARD of SUPERVISORS



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

June 3, 2016

File No. 160588

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

Dear Ms. Jones:

On May 24, 2016, Supervisor Avalos introduced legislation for the following proposed Charter Amendment for the November 8, 2016, Election:

File No. 160588 Charter Amendment - Housing and Development Commission

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink, appearing to read "Derek Evans".

By: Derek Evans, Assistant Clerk
Rules Committee

Attachment

c: John Rahaim, Director, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Environmental Planner
Jeanie Poling, Environmental Planner

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

BOARD of SUPERVISORS



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

June 3, 2016

File No. 160588

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

Dear Ms. Jones:

On May 24, 2016, Supervisor Avalos introduced legislation for the following proposed Charter Amendment for the November 8, 2016, Election:

File No. 160588 Charter Amendment - Housing and Development Commission

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink, appearing to read "Derek Evans".

By: Derek Evans, Assistant Clerk
Rules Committee

Attachment

c: John Rahaim, Director, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Environmental Planner
Jeanie Poling, Environmental Planner


BOARD of SUPERVISORS



City Hall
1 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

TO: Ben Rosenfield, City Controller

FROM:  Derek Evans, Clerk, Rules Committee
Board of Supervisors

DATE: June 3, 2016

SUBJECT: LEGISLATION INTRODUCED - CHARTER AMENDMENT

The Board of Supervisors Rules Committee has received the following legislation, introduced by Supervisor Peskin on May 24, 2016. This matter is being referred to you in accordance with Rules of Order 2.22.3.

File No. 160588 Charter Amendment - Housing and Development Commission

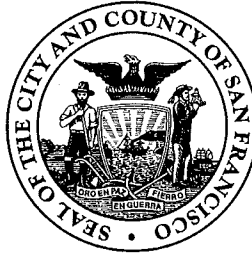
Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

Please review and submit your written statement pursuant to the Charter to be included with the legislative file.

If you have any questions or concerns please call me at (415) 554-7702 or email derek.evans@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: Todd Rydstrom, Office of the City Controller
Maura Lane, Office of the City Controller
Natasha Mihal, Office of the City Controller


BOARD of SUPERVISORS



City Hall
1 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

TO: Nicole Elliott, Mayor's Office
Jon Givner, Office of the City Attorney
John Arntz, Director, Department of Elections
John Updike, Real Estate Division
Todd Ruffo, Office of Economic and Workforce Development
Olson Lee, Office of Housing and Community Development

FROM:  Derek Evans, Clerk, Rules Committee
Board of Supervisors

DATE: June 3, 2016

SUBJECT: CHARTER AMENDMENT INTRODUCED
November 8, 2016, Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the November 8, 2016, Election, introduced by Supervisor Peskin on May 24, 2016. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 160588 Charter Amendment - Housing and Development Commission

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

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

If you have any questions or concerns, please call me at (415) 554-7702 or email: derek.evans@sfbgov.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: Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Sophie Hayward, Office of Housing and Community Development
Eugene Flannery, Office of Housing and Community Development



3401 Cesar Chavez Street, Suite A
San Francisco CA 94110
C: (415) 206-1936 F: (415) 206-1934
www.andreabakerconsulting.com

Dear Committee,

Good Morning Members,

I wish to voice my concern regarding the proposed rule.

San Francisco has an amazing team of dedicated visionaries who are working hard at empowering communities to thrive under very challenging conditions, in a city where disparities can be quite stark.

This additional layer of oversight represents bureaucracy that is not necessary, and will slow down the delivery of projects in what is already a difficult and often cumbersome process. Putting this process in place will only make it more difficult to get resources to communities and organizations that benefit from the grants and resources provided by the Mayor's Office of Economic & Workforce Development. These grants allow service providers to meet the growing needs of disenfranchised communities; many of which would otherwise lose the constant battle to keep their doors open to provide opportunity to communities that need it most. More so, it can obliterate these community organizations, which often run on tight margins.

We need the City of San Francisco to speedily process grant requests in order to support communities who are experiencing continued hardship in a city that says it values diversity, even as it provides diminished opportunities for us.

San Francisco **must** continue to assist disenfranchised communities who belong here and are important to the fabric of the City of San Francisco. Community organizations will not benefit from the additional costs, logistics, processes, meetings, and hearings that this commission adds to the process.

We believe that the additional layers created by the proposed Housing and Development Commission will greatly impair the ability of service providers to efficiently and effectively meet the needs of our communities that need it most.

Thank you

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Thursday, June 30, 2016 8:14 AM
To: BOS-Supervisors; Evans, Derek
Subject: FW: 6/30/16 Rules Committee Agenda Item #1 Charter Amendment - Housing and Development Commission, File #160588

From: Tammy Scott-Wigens [mailto:tammy@sanmarco-sf.com]
Sent: Wednesday, June 29, 2016 9:18 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: 6/30/16 Rules Committee Agenda Item #1 Charter Amendment - Housing and Development Commission, File #160588

Dear Board Of Supervisors, Rules Committee,

My husband and I are small business owners in the West Portal area of San Francisco. The demands of our business don't allow either of us to attend the public hearing tomorrow addressing the Charter Amendment proposing that a commission be created to provide oversight for the Housing and Development Offices.

Our business district is in the process of being revitalized and this long process has relied significantly on the programs, grants, and personnel resources of the Office of Economic and Workforce Development (OWED) over the past few years. I have served as a Board Member of the West Portal Merchant Association since opening our business and my role within our organization has required me to be the primary liaison with OWED for utilizing the departments programs and facilitating any awarded grants.

While I agree that reforms are needed to address the real estate crisis in San Francisco there is no such emergency within OWED. In my opinion, to group these two departments together within this same Charter Amendment proposal is unwarranted. While San Francisco is at a crossroads with our housing situation which would benefit from oversight, there is not a critical demand for overseeing OWED. To add another layer of bureaucracy to OWED would be ill-advised and would slow the department's programs and funding process which is already longer than most business districts require.

In short, please do not group OWED with this reform charter as it will result in a disservice to all levels of business in San Francisco.

Sincerely,

Tammy Scott-Wigens

Tammy Scott-Wigens
tammy@sanmarco-sf.com
(415) 571-8989 - Store
(310) 266-7261 - Mobile

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Thursday, June 30, 2016 8:15 AM
To: BOS-Supervisors; Evans, Derek
Subject: FW: Charter Amendment - Housing and Development Commission, File # 160588
Attachments: Letter Opposing Housing and Development Commission_EAG.pdf

From: stephanie cajina [mailto:scajina@eagsf.org]
Sent: Thursday, June 30, 2016 12:53 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Charter Amendment - Housing and Development Commission, File # 160588

Dear Board of Supervisors,

Please find attached the Excelsior Action Group's letter opposing the proposed Charter Amendment - Housing and Development Commission, File # 160588 which is being heard on June 30th.

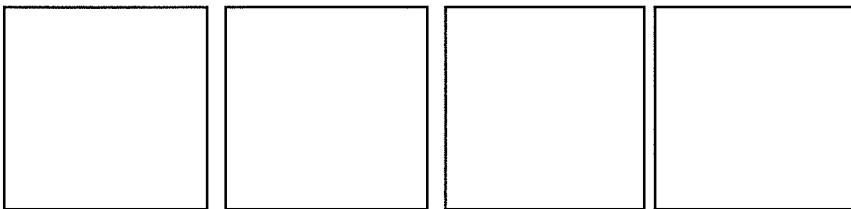
Thank you in advance for your consideration of our concerns.

Kind regards,

Stephanie Cajina
Executive Director
Excelsior Action Group

35 San Juan Avenue
San Francisco, CA 94112
(415) 585-0110
www.eagsf.org

Check out EAG's website, Facebook, Twitter, and LinkedIn to learn more about our work!





35 San Juan Avenue | San Francisco CA 94112 | Telephone 415.585.0110 | Fax 415.585.0170 | www.eagsf.org

June 29, 2016

Board of Supervisors
Rules Committee
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: 6.30.16 Rules Commission Agenda Item #1 Charter Amendment – Housing and Development Commission, File # 160588

To the Board of Supervisors Rules Committee:

I am writing on behalf of the Excelsior Action Group (EAG) to express our opposition to the proposed Charter Amendment for the creation of a Housing and Development Commission.

As a partner of the Mayor's Office of Economic and Workforce Development in their Invest in Neighborhoods initiative, we work closely with this office and can attest to the great support OEWD's grants and staff have given our organization in helping us uplift our commercial corridor. Given this close relationship, we are deeply concerned about the overall impact this Charter Amendment will have OEWD's ability to effectively address community needs in a timely way if more processes are involved in funding projects on the ground. Projects and initiatives are often created as calls to action for immediate corridor concerns. The proposed oversight delineated in the Charter Amendment poses a risk of diluting the response to these needs, which can have great potential negative impacts to communities of need.

The EAG has been committed to revitalizing the Excelsior's commercial corridor through economic development efforts namely small business development and abatement of blight through place making. Examples of this work include an ADA grant program to help finance costly ADA upgrades for merchants, the Ever Upward sculpture on Geneva and Mission, Hot Spot Reports to track and address corridor safety concerns, and the Safer Business Safer Community Grant- a program aimed at financing much needed safety improvements for local entrepreneurs after merchants and the Ingleside Station voiced concern over merchant safety and poor reporting. All the abovementioned projects and initiatives were put into place thanks the support of OEWD.

We ask that the Rules Committee take heed of our concern. Thank you in advance for your consideration. Please feel free to reach out to me at 415-585-0110 or scajina@eagsf.org should you have any further questions.

Kind regards,

A handwritten signature in black ink, appearing to read 'SCAJINA', written in a cursive style.

Stephanie Cajina
Executive Director
Excelsior Action Group

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Thursday, June 30, 2016 10:08 AM
To: BOS-Supervisors; Evans, Derek
Subject: FW: 6.30.16 Rules Committee Agenda Item #1 Charter Amendment - Housing and Development Commission, File # 160588

From: Ben Delaney [mailto:bdelaney@scrap-sf.org]
Sent: Thursday, June 30, 2016 9:53 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: re: 6.30.16 Rules Committee Agenda Item #1 Charter Amendment - Housing and Development Commission, File # 160588

Dear Supervisors,

As a long-tenured nonprofit working in SF, SCRAP urges you not to adopt these proposed regulations.

We feel that these new rules would add to our already difficult burden of complying with the many layers of rules and regulations that control our business with the city. We cannot afford a staff position to ensure compliance, and if the regulatory burden become much greater we would have to stop doing business with the city, as we would not be able to be certain we were in compliance.

While I see the logic in adding an oversight function in the Housing and Development Commission, consolidating agencies and their required paperwork would be far more efficient than adding a new layer of bureaucracy and regulation. These agencies are already heavily overseen, adding another agency will reduce their efficiency, increase the time it takes them to do their work, and make it even harder for small businesses and nonprofits to feel confident in their compliance efforts. I realize we need to create jobs, but this is the wrong way to do it.

Thank you for your hard work on behalf of the City.

Best regards,

Ben Delaney
Executive Director



415 647-1746, M: 917 862-6572
BDelaney@SCRAP-SF.org, <http://www.SCRAP-SF.org>

Please don't print this e-mail unless you really need to.

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Wednesday, June 29, 2016 3:42 PM
To: BOS-Supervisors; Evans, Derek
Subject: FW: 6.30.16 Rules Committee Agenda Item #1 Charter Amendment - Housing and Development Commission, File # 160588

From: don [mailto:dcf2001@yahoo.com]
Sent: Wednesday, June 29, 2016 3:32 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: mlam@sfgoodwill.org; occexp@aol.com; yumisam@allstate.com; yumisam@allstate.com; Sithounnolat, Dolly (ECN) <dolly.sithounnolat@sfgov.org>; shaug@cal-insure.com; shaug@cal-insure.com
Subject: 6.30.16 Rules Committee Agenda Item #1 Charter Amendment - Housing and Development Commission, File # 160588

It irritates me that in order to get things done government has to keep expanding and expanding with new commissions this and depts that, with executives and staff to further fatten the public trough expenses. Certainly if the existing depts and commissions and staffs did their job as they should be doing for their pay then we wouldn't have to keep coming up with these "workarounds" cuz no one wants to hold those people accountable to their responsibilities.

i've seen and felt lots of times when the very duties of certain depts are ignored by staff and "other" ways are found to do those jobs, at our added expense.

commissions do not guarantee that anything better, more efficient or effective results. I know that first hand... been there, done that... stop "playing" with creating govt and just make the one we have now do what it's supposed to do!!

don chan
OSMPA

Evans, Derek

From: Evans, Derek
Sent: Friday, June 03, 2016 7:24 PM
To: Jones, Sarah (CPC)
Cc: Rahaim, John (CPC); Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Navarrete, Joy (CPC); Poling, Jeanie (CPC)
Subject: BOS Referral: File No. 160588 - Charter Amendment - Housing and Development Commission (Environmental Review)
Attachments: 160588 - Referral - CEQA.pdf

Hello,

On May 24, 2016, Supervisor Avalos introduced legislation for the following proposed Charter Amendment for the November 8, 2016, Election:

File No. 160588 Charter Amendment - Housing and Development Commission

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

This legislation is being transmitted to you for environmental review.

Derek K. Evans

Assistant Clerk, Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-7702 | Fax: (415) 554-5163
Derek.Evans@sfgov.org | www.sfbos.org



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

Evans, Derek

From: Evans, Derek
Sent: Friday, June 03, 2016 7:24 PM
To: Rosenfield, Ben (CON)
Cc: Rydstrom, Todd (CON); Lane, Maura (CON); Mihal, Natasha (CON)
Subject: BOS Referral: File No. 160588 - Charter Amendment - Housing and Development Commission
Attachments: 160588 - Referral - CTRL.pdf

Hello,

The Board of Supervisors Rules Committee has received the following legislation, introduced by Supervisor Peskin on May 24, 2016. This matter is being referred to you in accordance with Rules of Order 2.22.3.

File No. 160588 Charter Amendment - Housing and Development Commission

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

Please review and submit your written statement pursuant to the Charter to be included with the legislative file.

Regards,

Derek K. Evans

Assistant Clerk, Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-7702 | Fax: (415) 554-5163
Derek.Evans@sfgov.org | www.sfbos.org

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

Evans, Derek

From: Evans, Derek
Sent: Friday, June 03, 2016 7:24 PM
To: Arntz, John (REG); Givner, Jon (CAT); Elliott, Nicole (MYR); Updike, John; Rufo, Todd (ECN); Lee, Olson (MYR)
Cc: Rich, Ken (ECN); Pagan, Lisa (ECN); Hayward, Sophie (MYR); Flannery, Eugene (MYR)
Subject: BOS Referral: File No. 160588 - Charter Amendment - Housing and Development Commission
Attachments: 160588 - Referral - Mandated.pdf

Hello,

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the November 8, 2016, Election, introduced by Supervisor Peskin on May 24, 2016. This matter is being referred to you in accordance with Rules of Order 2.22.4.

File No. 160588 Charter Amendment - Housing and Development Commission

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development, at an election to be held on November 8, 2016.

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

If you have any questions or concerns please call me at (415) 554-7702 or email derek.evans@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.

Regards,

Derek K. Evans

Assistant Clerk, Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102
Phone: (415) 554-7702 | Fax: (415) 554-5163
Derek.Evans@sfgov.org | www.sfbos.org

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

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):

Supervisor Peskin; Kim

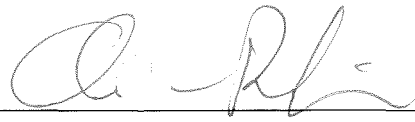
Subject:

[Charter Amendment - Housing and Development Commission]

The text is listed below or attached:

Describing and setting forth a proposal to the voters, at an election to be held on November 8, 2016, to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development, the Department of Housing and Community Development, and the Department of Real Estate; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; and to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development.

Signature of Sponsoring Supervisor: _____

A handwritten signature in black ink, appearing to be 'A. P. H.', written over a horizontal line.

For Clerk's Use Only: