

File No. 140740

Committee Item No. 8

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

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Committee: Rules

Date July 24, 2014

Board of Supervisors Meeting

Date \_\_\_\_\_

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Completed by: Alisa Miller Date July 18, 2014

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Initiative Ordinance - Planning Code - City Housing Balance Requirement]

2  
3 **Motion ordering submitted to the voters an Ordinance amending the Planning Code to**  
4 **establish in the approval and construction of new housing, a balance of 70%-30%**  
5 **between market rate housing and affordable housing; and to require a conditional use**  
6 **permit for new market rate housing if the balance of affordable housing is not**  
7 **maintained, at an election to be held on November 4, 2014; and making environmental**  
8 **findings.**

9  
10 MOVED, That the Planning Department has determined that the actions contemplated  
11 in this ordinance comply with the California Environmental Quality Act (California Public  
12 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the  
13 Board of Supervisors in File No. 140740 and is incorporated herein by reference; and be it

14 MOVED, That the Board of Supervisors hereby submits the following ordinance to the  
15 voters of the City and County of San Francisco, at an election to be held on November 4,  
16 2014.

17  
18 **Ordinance amending the Planning Code to establish, in the approval and construction**  
19 **of new housing, a balance of 70%-30% between market rate housing and affordable**  
20 **housing; and to require a conditional use permit for new market rate housing if the**  
21 **balance of affordable housing is not maintained.**

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

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

2 Section 1. The Planning Code is hereby amended by adding new Subsection 303(q),  
3 to read as follows:

4 **SEC. 303. CONDITIONAL USES.**

5 \* \* \* \*

6 (q) Citywide Housing Balance.

7 (1) Findings and Purpose.

8 (A) The City's rent-controlled and permanently affordable housing stock serves  
9 very low, low, and moderate income families, long-time residents, elderly seniors and disabled persons,  
10 and others who cannot affordable market rate housing. The City seeks to preserve the balance between  
11 market rate housing production and affordable housing production because decent housing for every  
12 San Franciscan is of vital importance. Attainment of the City's housing goals requires the cooperative  
13 participation of government and the private sector to expand housing opportunities for San  
14 Franciscans at all economic levels.

15 (B) The purpose of this citywide housing balance requirement is to encourage a  
16 balanced approach in the permitting and construction of new affordable and market rate housing  
17 citywide; to ensure new housing is available to all income levels and housing need types; to preserve  
18 the mixed income character of the City and its neighborhoods; to offset the withdrawal of existing  
19 housing units from rent stabilization; to ensure the availability of land and encourage the deployment  
20 of resources to provide sufficient housing affordable to households of very low, low, and moderate  
21 incomes; to ensure adequate housing for families, seniors and the disabled community; to ensure that  
22 data related to meeting citywide affordable housing targets and to affordable housing production by  
23 Planning Neighborhood informs the approval process for new housing development; and to enable  
24 public participation in determining the appropriate mix of new housing approvals.

1                    (C) For tenants in unsubsidized housing, affordability is often preserved by the  
2 San Francisco Residential Rent Stabilization and Arbitration Ordinance, San Francisco Administrative  
3 Code Chapter 37 et seq., limitations on the size of allowable rent increases during a tenancy. As  
4 documented in the "Budget and Legislative Analyst's October 2013 Policy Analysis Report on Tenant  
5 Displacement," San Francisco has been and is experiencing a rise in the number of units withdrawn  
6 from rent control. Such rises often accompany periods of sharp increases in property values and  
7 housing prices. From 1998 through 2013, citywide a total of 13,027 no-fault evictions (i.e., evictions in  
8 which the tenant had not violated any lease terms, but the owner sought to regain possession of the  
9 unit) were reported by the Rent Board. Total evictions of all types have increased by 38.2% between  
10 Rent Board Years (i.e., March through February) 2010-2013. These numbers do not capture the large  
11 number of owner buyouts of tenants, which the City does not record and which contribute further to the  
12 loss of rent-controlled units from the housing market. Units withdrawn from rent control need to be  
13 incorporated into calculations of the affordable housing performance citywide.

14                    (D) Pursuant to Government Code Section 65584, the Association of Bay Area  
15 Governments (ABAG), in coordination with the California State Department of Housing and  
16 Community Development (HCD), determines the Bay Area's regional housing need based on regional  
17 trends, projected job growth, and existing needs. The regional housing needs assessment (RHNA)  
18 determination includes production targets addressing housing needs of a range of household income  
19 categories. ABAG has projected that at least 39% of new housing demands will be from low and very  
20 low income households (households earning under 80% of area median income), and another 22%  
21 should be affordable to households of moderate means (earning between 80% and 120% of area  
22 median income). The remaining 39% of housing demand is driven by households making at or above  
23 120% of median income.

24                    (E) Objective 1 of the San Francisco Housing Element states that the City  
25 should "identify and make available for development adequate sites to meet the City's housing needs,

1 especially permanently affordable housing." Objective 7 states that San Francisco's projected  
2 affordable housing needs far outpace the capacity for the City to secure subsidies for new affordable  
3 units.

4 (F) In 2012, the City enacted the "Housing Preservation and Production  
5 Ordinance," Ordinance No. 237-12, codified in Administrative Code Section 10E.4, to require  
6 Planning Department staff to regularly report data on progress toward meeting San Francisco's  
7 quantified production goals for different household income levels as provided in the General Plan's  
8 Housing Element. The data on the number of units in all stages of the housing production process at  
9 various affordability levels is required to be included in staff reports on all proposed projects of five  
10 residential units or more and in quarterly housing production reports to the Planning Commission.  
11 Planning Department staff has long tracked the number of affordable housing units and total number of  
12 housing units built throughout the City and in specific areas. As the private market has embarked  
13 upon, and City officials have urged, an ambitious program to produce significant amounts of new  
14 housing in the City, recognizing that there is limited remaining available land, it is essential to assess  
15 the impact of the approval of new housing developments on the availability of land for affordable  
16 housing development and to encourage the deployment of resources to provide affordable housing.

17 (2) Definitions. For purposes of this Planning Code Subsection 303(q), the following  
18 definitions shall apply:

19 "Affordable housing" is housing affordable to households of very low, low or moderate  
20 income.

21 "Cumulative housing balance ratio" shall be the proportion of all new housing units  
22 affordable to households of very low, low or moderate income households to the total number of  
23 housing units for a Housing Balance period of ten years, beginning with year 2006 and up to ten years  
24 following that date, prior to the most recent calendar quarter. The calculation of housing units shall  
25 include all units in projects that have been constructed or obtained a site or building permit within the

1 Housing Balance period. The calculation of affordable housing units shall include all new units in 100  
2 percent affordable housing projects that have been entitled, obtained a site or building permit, or have  
3 been constructed, existing units that were previously not restricted by deed or regulatory agreement  
4 that acquired for preservation as permanently affordable housing at the time of acquisition as  
5 determined by MOHCD, all on-site and off-site inclusionary units as defined in Planning Code Section  
6 415 et seq. that have been constructed or obtained a site or building permit, minus the number of  
7 affordable housing units that may have been lost, including but not limited to those units withdrawn  
8 from rent control (except those units otherwise converted into permanently affordable housing), within  
9 the Housing Balance period. Notwithstanding the foregoing, the calculation of affordable housing units  
10 may include all new units in 100 percent affordable housing projects that obtained site control as  
11 determined by MOHCD; however affordable units counted as "site control" but not entitled within six  
12 years, may no longer be used for the calculation of the cumulative housing balance ratio, and may not  
13 be counted again once they obtain entitlements or permits. The Housing Balance ratio shall be  
14 expressed as a percentage, obtained by dividing the affordable housing units by the total number of  
15 new housing units within the Housing Balance period. The Board of Supervisors, by legislation, may  
16 revise this methodology to determine the cumulative housing balance.

17 "Households of very low, low, or moderate income" are households earning up to 120  
18 percent of Area Median Income, as defined in Charter Section 16.110(b).

19 "MOHCD" is the Mayor's Office of Housing and Community Development, or its  
20 successor agency.

21 "Unit withdrawn from rent control" is a unit that has been subject to rent control under  
22 the San Francisco Residential Rent Stabilization and Arbitration Ordinance but that a property owner  
23 removes permanently from the rental market through: (a) condominium conversion pursuant to  
24 Administrative Code Section 37.9(a)(9), (b) demolition or permanent removal pursuant to  
25

1 Administrative Code Section 37.9(a)(10), or (c) the Ellis Act pursuant to Administrative Code Section  
2 37.9(a)(13). It shall not include removal through Administrative Code Section 37.9(a)(8).

3 (3) Conditional Use Authorization Required. Approval of a conditional use shall be  
4 required for any housing project when the Planning Department determines that the City's cumulative  
5 housing balance ratio, as defined herein, is less than 30 percent at the time of the project's  
6 Environmental Application. The following projects are exempted from this requirement: housing  
7 projects with less than 25 units; housing projects that use California Debt Limit Allocation Committee  
8 (CDLAC) tax-exempt bond financing and four percent tax credits under the Tax Credit Allocation  
9 Committee (TCAC) and in which not less than 20 percent of the on-site units are affordable housing;  
10 additions to existing buildings; rehabilitations of historic buildings; affordable housing as defined in  
11 this Subsection; and projects within any area subject to a Development Agreement that already  
12 requires an overall minimum of 30 percent of units to be affordable to very low, low, and moderate  
13 income households. Property located in a Redevelopment Area or on Treasure Island shall be included  
14 in the calculation of the cumulative housing balance ratio, but the conditional use permit requirements  
15 set forth in this Subsection 303(q) shall not apply to such property as long as the applicable  
16 Redevelopment Plan or Treasure Island Development Agreement remain in effect.

17 Whether a project is subject to a Conditional Use requirement under this Section 303(q) shall  
18 be determined at the time the Environmental Application for the project is submitted to the Department  
19 of Building Inspection or the Planning Department. If a project has submitted an Environmental  
20 Application prior to January 1, 2015, such project shall not be subject to the provisions of this  
21 Subsection 303(q).

22 If the Planning Department is unable to ascertain the most recent quarter's current ratio or has  
23 not made public the Housing Balance report for the quarter, a Conditional Use authorization shall be  
24 required for any proposed housing project filing an Environmental Application in that quarter, except  
25

1 those market rate projects otherwise exempt from this Subsection 303(q), until such a time as an  
2 updated Cumulative Housing Balance Ratio is made public by the Planning Department.

3 (4) Conditional Use Authorization Criteria. In addition to the applicable criteria set  
4 forth in Section 303 and, if applicable, Section 316, as such sections may be amended from time to  
5 time, the Planning Commission shall consider the following criteria when it considers approval of a  
6 conditional use for a housing project: a) whether, and to what extent, approval of the project, in  
7 conjunction with projects previously entitled will cause or exacerbate the displacement of households  
8 of very low, low, or moderate income, senior, family, disabled or other special needs populations from  
9 the immediate neighborhood, either by displacing their existing housing, or by contributing to  
10 economic conditions (including but not limited to rising housing costs) that make it infeasible for very  
11 low, low or moderate incomes residents to continue to reside in the City and/ or the immediate  
12 neighborhood; and b) notwithstanding the above considerations, any project that provides affordable  
13 housing units in addition to the amount required by the base zoning, through such mechanisms as a  
14 density bonus, zoning incentives or off-site partnership with an affordable housing developer, shall be  
15 presumed to meet the criteria of this subsection for approval .

16 In granting any conditional use, the Planning Commission shall make an explicit finding  
17 that, despite any citywide failure to have authorized sufficient affordable housing units and secured  
18 sufficient development sites to meet the City's fair share of the Regional Housing Needs Allocation and  
19 the quantified housing production goals of the City's General Plan Housing Element and/or to meet the  
20 City's cumulative housing balance ratio target of at least 30 percent, and despite any impact the  
21 proposed project may have on displacing households of very low, low, or moderate income from the  
22 immediate neighborhood, the project nonetheless promotes the general health and welfare in the City.  
23 Any additional conditional use criteria related to this Subsection 303(q) can be added by legislative  
24 action by the Board of Supervisors.



1                   **(5) Department Reports.** *Within 30 days of the effective date of the Initiative Ordinance*  
2 *creating this Subsection 303(q), Planning Department staff shall calculate the cumulative housing*  
3 *balance ratio for the most recent quarter citywide, by Supervisorial District and by immediate Planning*  
4 *Neighborhood, report it to the Planning Commission and Board of Supervisors as the Housing Balance*  
5 *Report, and publish it on the Planning Department's website on a page devoted to housing balance.*  
6 *With each new project authorization in the City, Planning Department staff shall continuously update*  
7 *the cumulative housing balance ratio, and within 15 days of the end of each calendar quarter shall*  
8 *report on the Cumulative Housing Balance citywide, by Supervisorial District, and by Planning*  
9 *Neighborhood, to the Planning Commission and Board of Supervisors, along with the other quarterly*  
10 *reporting requirements of Administrative Code section 10E.4(b)(2), and publish it on the Planning*  
11 *Department's website on a page devoted to housing balance. The Housing Balance Report shall be*  
12 *incorporated into the Annual Planning Commission Housing Hearing and Annual Report to the Board*  
13 *of Supervisors required in Administrative Code Chapter 10E.4.*

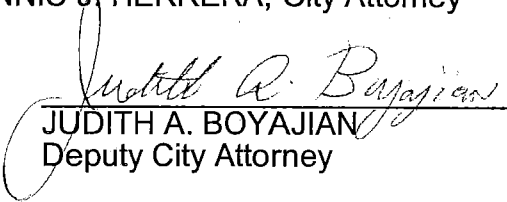
14                   **(6) City's contribution of funds to the Mayor's Office of Housing and Community**  
15 **Development.** *If the cumulative housing balance falls below 30 percent in any given quarter, the City*  
16 *shall consider the option of contributing additional funds to MOHCD or its successor agency in order*  
17 *to fund development of new affordable units, in order to maintain the cumulative housing balance at or*  
18 *above the 30 percent threshold. This contribution of additional funds can only be used for sites/units that*  
19 *are not counted in the cumulative balance ratio. Following a contribution, the calculation of affordable*  
20 *housing units for the purpose of the cumulative housing balance shall be increased by a number equal*  
21 *to the contribution divided by the average per unit contribution by MOHCD to each 100% new*  
22 *construction affordable housing project funded in whole or in part by MOH over the past 6 years. Any*  
23 *unit that is not currently included within the affordable housing calculation and whose site control*  
24 *and/or development has been funded by this contribution shall not be included in future calculations of*  
25

1 affordable housing units. The Board of Supervisors may amend this subsection (6) from time to time by  
2 legislation.

3  
4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA, City Attorney

6  
7 By:

  
8 JUDITH A. BOYAJIAN  
Deputy City Attorney

9 n:\leganalas2014\1400140\00934670.doc

## LEGISLATIVE DIGEST

[Initiative Ordinance - Planning Code - City Housing Balance Requirement]

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

### Existing Law

The City is regulated by a variety of Planning Code zoning restrictions. A conditional use permit for a housing project may be required under different provisions of the Planning Code, depending on the project's location in a particular zoning district and the specific elements that comprise the proposed project.

### Amendments to Current Law

The proposed initiative ordinance would require that a market rate housing project with 25 or more units seek and procure a conditional use authorization if the City's balance of new market rate housing to new affordable housing falls below a ratio of 70% to 30%. In such event, the City must consider criteria set forth in the initiative ordinance, including whether approving the project would cause or exacerbate the displacement of very low, low, or moderate income households from the immediate neighborhood. If the Planning Commission approves the market rate housing project, it must find that the project promotes the public welfare of the City, in spite of any potential adverse impacts on affordable housing and potential displacement of lower income households. If the housing balance falls below 30% in any given quarter, the City shall consider the option of contributing additional funds for the development of new affordable housing units.

The proposed initiative ordinance would direct the Planning Department to calculate the cumulative housing balance ratio citywide, report it to the Planning Commission and Board of Supervisors, and publish it on the Planning Department's website on a page devoted to the housing balance ratio. With each new project authorization in the City, the Planning Department staff would be required to update the housing balance ratio and, within 15 days of the end of each calendar quarter, report it to the Planning Commission and Board of Supervisors, and publish it on the Planning Department's website.

BOARD of SUPERVISORS



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

July 8, 2014

File No. 140740

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

Dear Ms. Jones:

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

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

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

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

Handwritten signature of Alisa Miller in cursive.

By: Alisa Miller, Committee Clerk  
Rules Committee

Attachment

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

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

Handwritten signature of Joy Navarrete in cursive, with the name "JOY NAVARRETE" printed below it.

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

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

**For Immediate Release**

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

**Supervisor Kim and Broad Coalition Seize Progressive Moment**  
**Housing Balance & \$15 Minimum Wage Seek To Create Equity in SF**

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

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

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

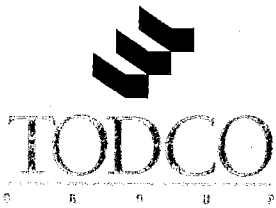
Both measures are on the agenda for the Rules Committee meeting today. The \$15 minimum wage increase negotiated by Supervisor Jane Kim, the Mayor's Office and the Campaign for a Fair Economy is the most robust and progressive minimum wage increase in the country. It would effectively provide every San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

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

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

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

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



File Nos. 140716  
140740

7/17/14 Received  
in Committee

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

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

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

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

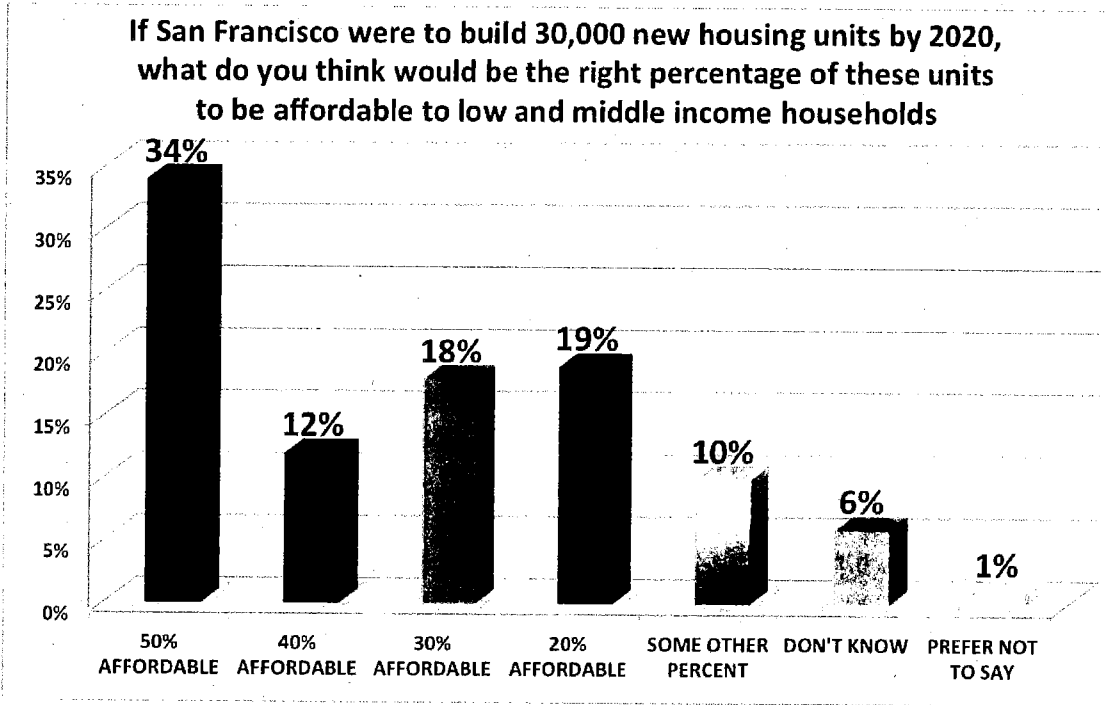
A poll of 400 likely San Francisco registered voters conducted for the TODCO Group by David Binder and Associates during the week of July 7-11 documents the deep levels of concern among San Franciscans about impacts of the City's current Technology Boom upon the City's housing market and special character.

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

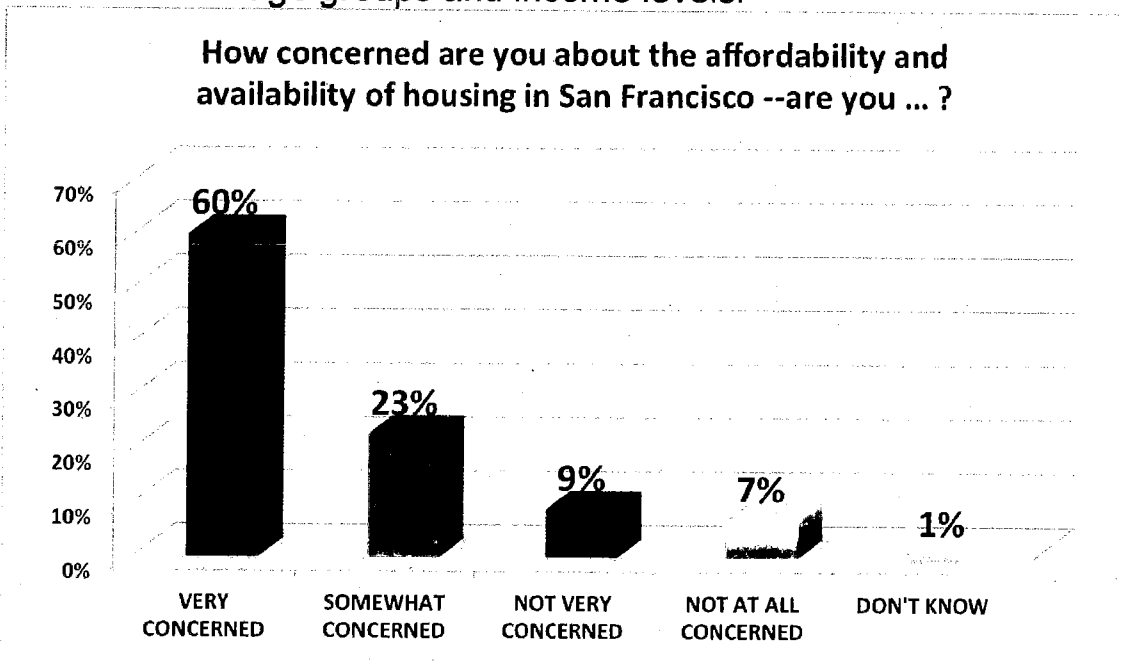
The TODCO Group is the community-based South of Market nonprofit community/housing development company that since 1978 built and now operates 956 affordable housing units in 8 properties with extensive community facilities in SOMA's Yerba Buena and Sixth Street Neighborhoods. Its Mission Statement is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

## FINDINGS

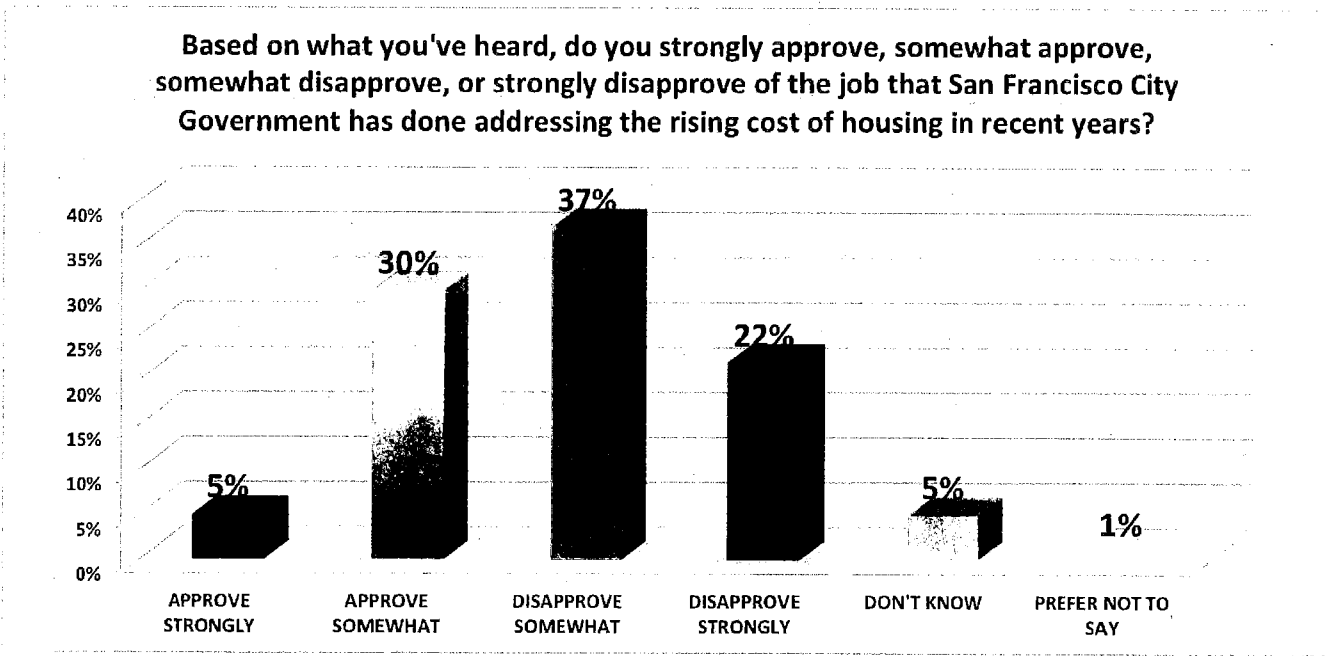
1. 64% of likely SF voters want at least 30% of all future new housing in SF to be affordable. A full one-third, 34%, of the respondents believe as much as 50% should be affordable!



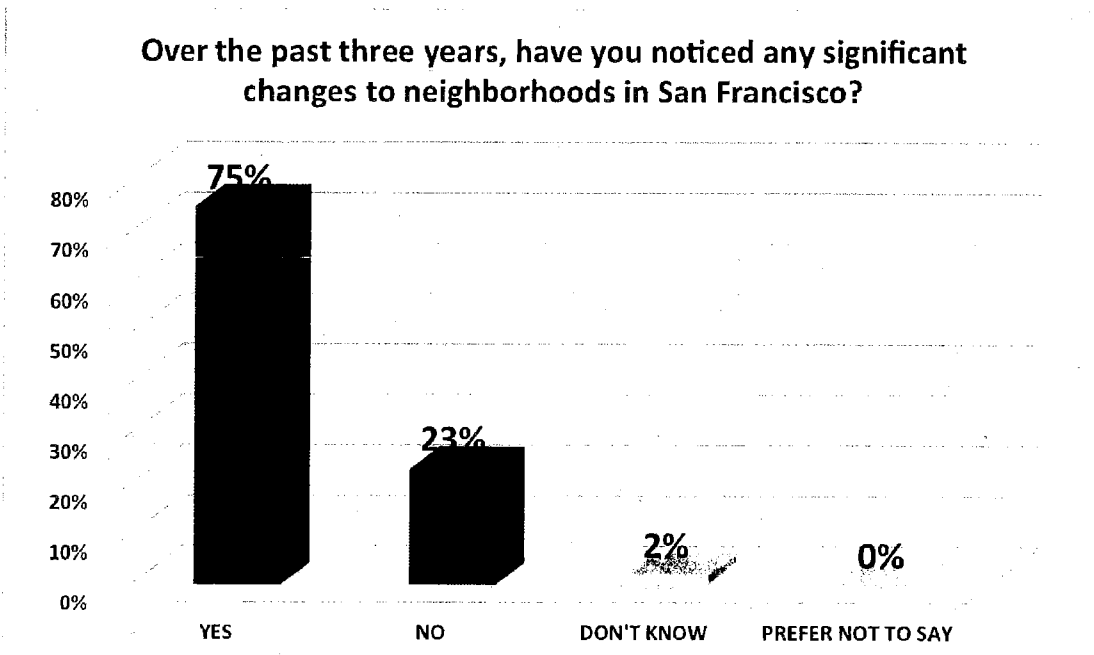
2. 83% of likely SF voters are concerned about the affordability and availability of housing in SF, with 60% very concerned. This is generally true across all age groups and income levels.



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

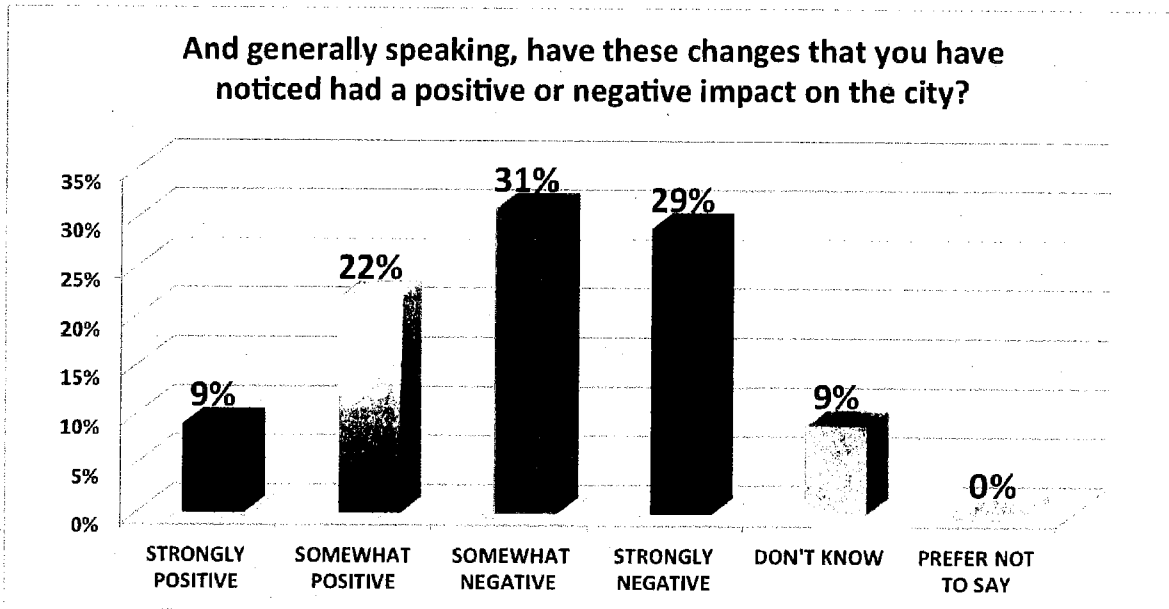


4. 75% of likely SF voters have noticed significant changes to neighborhoods in SF.



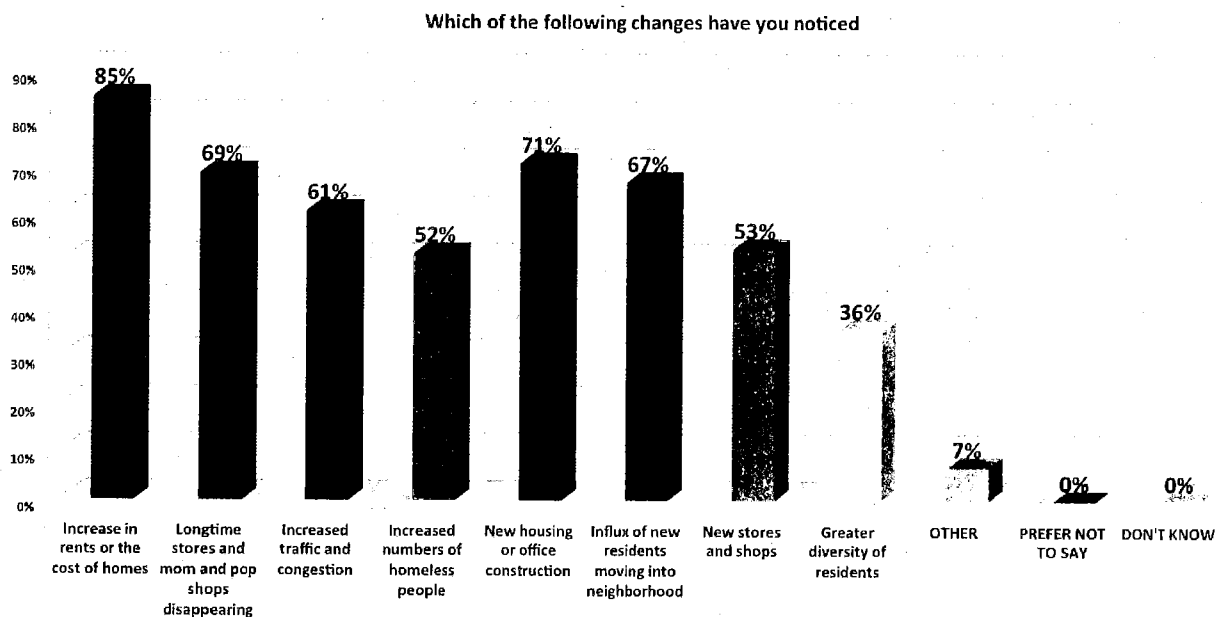


60% of those who responded affirmatively – 45% of all surveyed – feel those changes have a negative impact on the City. While just 31% - half that number and 24% of all surveyed – feel those changes have a positive effect.

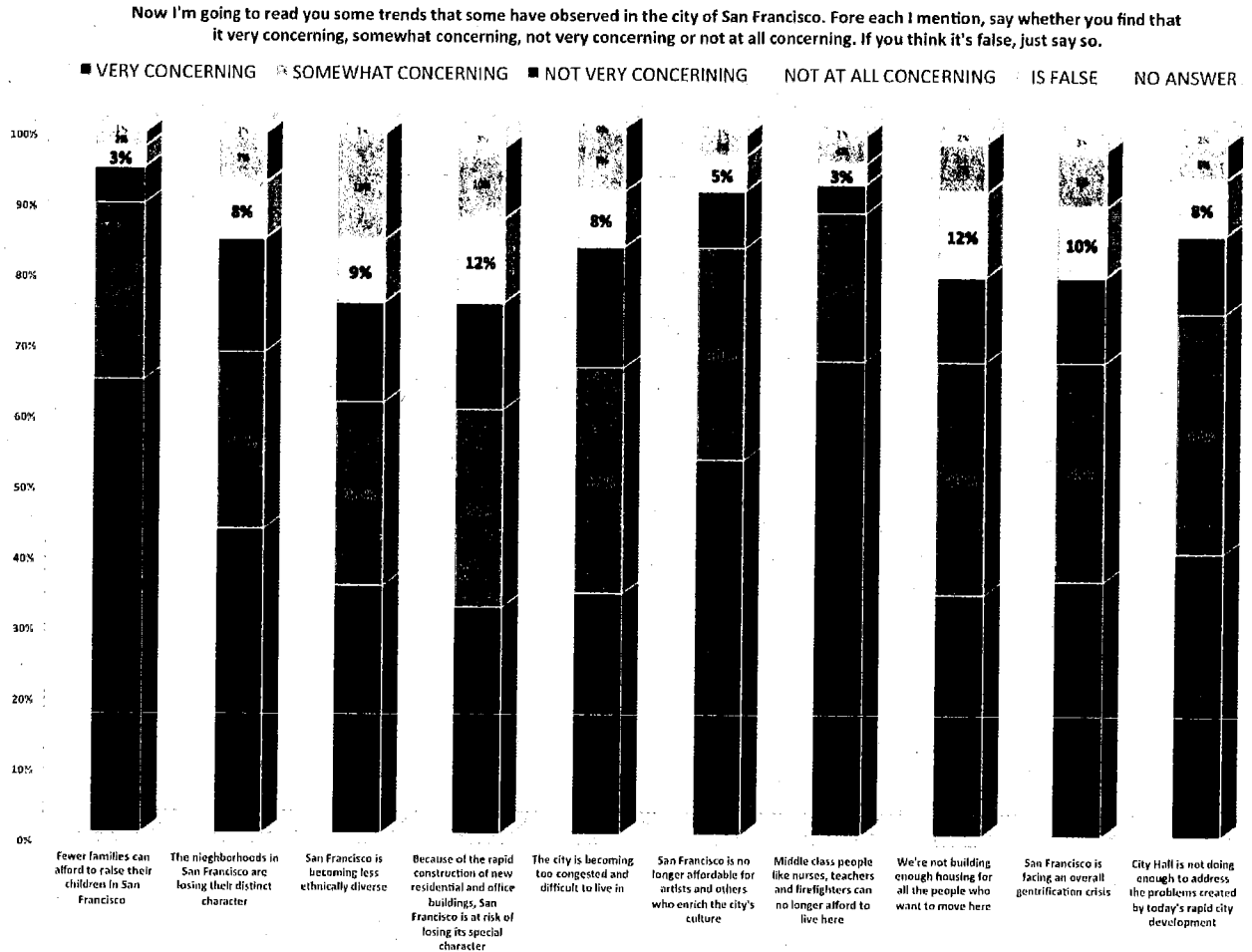


This pattern is generally true for all respondents who have lived in the City more than 5 years. But - those who moved to SF less than 5 years ago instead see these changes are positive by a significant 58% to 42% margin, while the higher income respondents are almost evenly split, 47% negative to 44%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

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

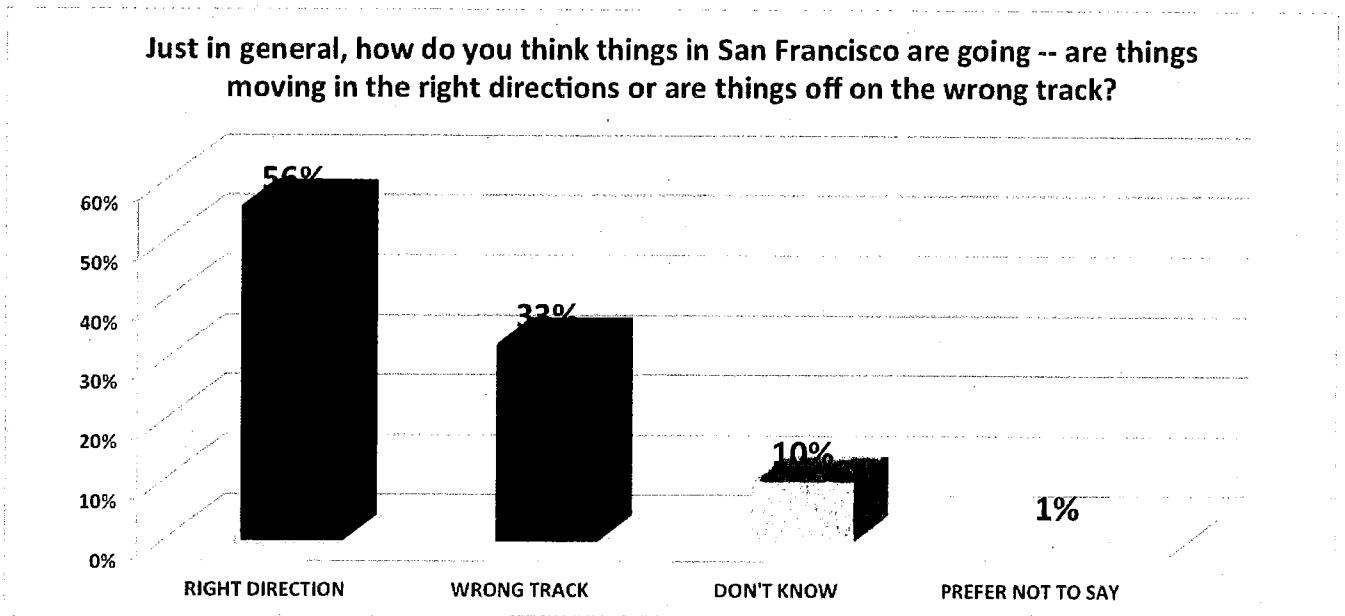


6. When asked about specific trends in the City, strong majorities of likely voters are concerned across the board about the changes that are occurring in the City, and 74% feel that City Hall is not doing enough to address these specific problems. All these trends were of concern to 60% of respondents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



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

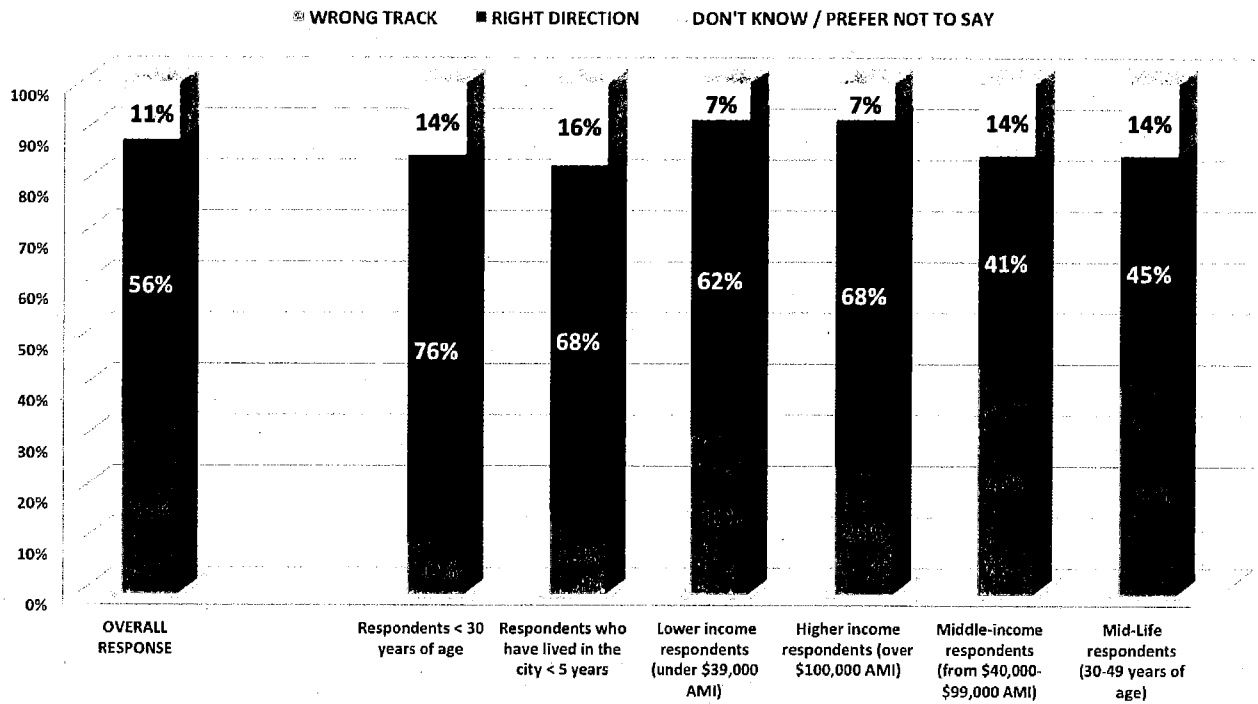
7. Overall, reflecting the City's current prosperity, 56% of likely SF voters think things in SF are moving in the right direction - but a significant group of 33% feel they are on the wrong track.



8. But when these responses are broken down by age, income groups, and SF tenure striking disparities are revealed:
- Respondents under 30 years of age are very positive about the direction of the City by an overwhelming margin – 76% right direction to just 10% wrong track.
  - Likewise, respondents who have lived in the City 5 years or less are very positive, by an overwhelming margin of 68% to 16%.
  - Surprisingly, lower income likely voters (under \$39,000 annual income), are substantially positive as well, by a significant margin of 62% to 31%.
  - And not surprisingly, higher income respondents (over \$100,000 annual income) are even more positive, by a margin of 68% to 25%.
  - But! Middle-income respondents (from \$40,000 to \$99,000 annual income) are much more concerned, with 45% responding that the City is on the wrong track compared to 41% who believe it is in the right direction.

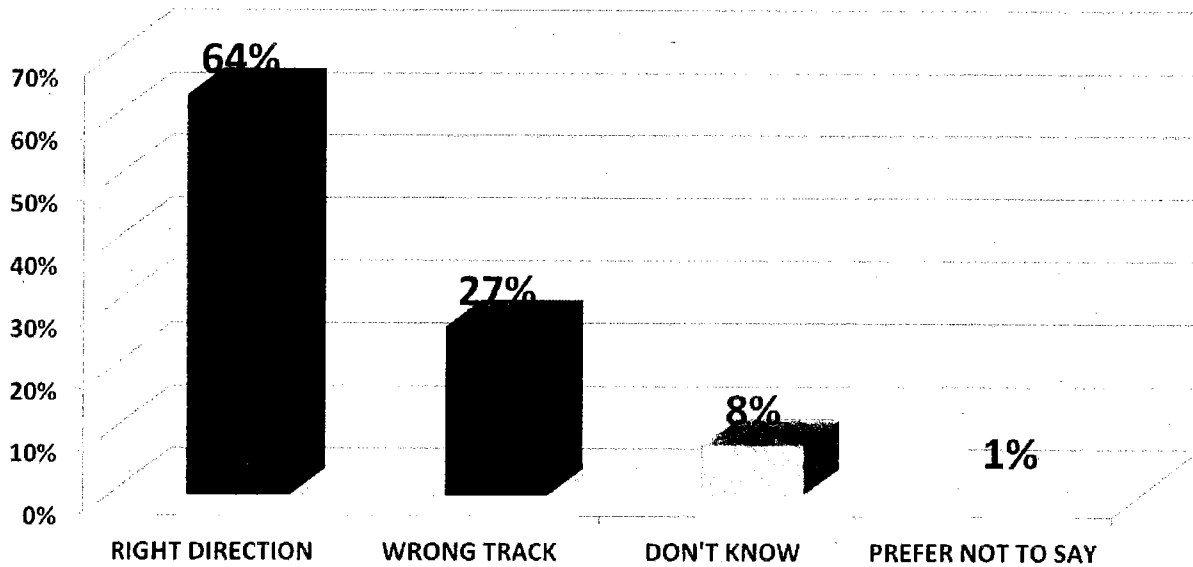
- And likewise, mid-life respondents (from 30 to 49 years of age) are significantly less positive, almost evenly split with 45% seeing the City on the right direction versus 41% feeling it is on the wrong track.

Just in general, how do you think things in San Francisco are going - are things moving in the right direction or are things off on the wrong track?



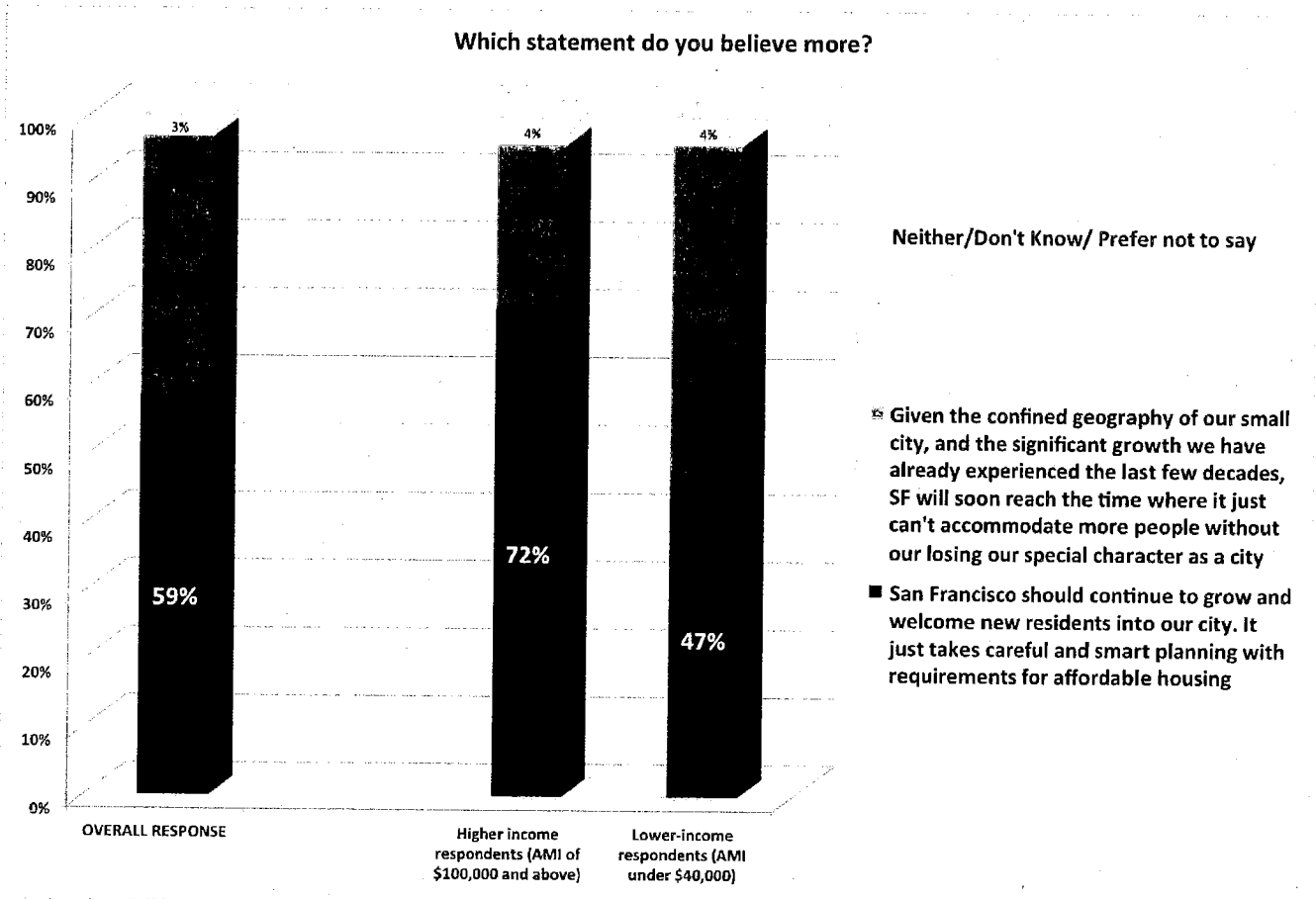
9. Similarly, reflecting the City's special quality of life, a substantial majority of 64% of likely SF voters think things in their own neighborhoods are moving in the right direction, while only 27% feel they are on the wrong track.

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



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

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



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

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

BOARD of SUPERVISORS



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

## MEMORANDUM

TO: Ben Rosenfield, City Controller

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

DATE: July 8, 2014

SUBJECT: INITIATIVE ORDINANCE INTRODUCED  
November 4, 2014 Election

---

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

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

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

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

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

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



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July 8, 2014

**File No. 140740**

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

Dear Ms. Jones:

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

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

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

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

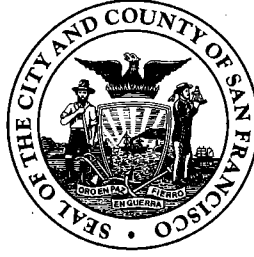
A handwritten signature in cursive script that reads "Alisa Miller".

By: Alisa Miller, Committee Clerk  
Rules Committee

Attachment

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

BOARD of SUPERVISORS



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## MEMORANDUM

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

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

DATE: July 8, 2014

SUBJECT: INITIATIVE ORDINANCE INTRODUCED  
November 4, 2014 Election

---

The Board of Supervisors' Rules Committee has received the following Initiative Ordinance for the November 4, 2014 Election, introduced by Supervisor Kim on June 24, 2014. This matter is being referred to you in accordance with Rules of Order 2.22.4.

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

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

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

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

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

Print Form

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

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

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

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

- Small Business Commission       Youth Commission       Ethics Commission
- Planning Commission       Building Inspection Commission

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

**Sponsor(s):**

Kim

**Subject:**

Initiative Ordinance - Planning Code - City Housing Balance Requirement

**The text is listed below or attached:**

See attached.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

140740