

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

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

A handwritten signature in black ink that reads "Victor Young".

DATE: December 21, 2021

SUBJECT: CHARTER AMENDMENT INTRODUCED
June 7, 2022 Election

The Board of Supervisors' Rules Committee has received the following Charter Amendment for the June 7, 2022, Election. This matter is being referred to you in accordance with Rules of Order 2.22.3.

File No. 211289

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to provide for streamlined review of eligible affordable housing projects by limiting discretionary review by City boards and commissions, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302; at an election to be held on June 7, 2022.

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

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

c: Todd Rydstrom, Deputy City Controller
Peg Stevenson, City Performance Director
Natasha Mihal, City Services Auditor



City and County of San Francisco

Master Report

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 211289	File Type: Charter Amendment	Status: 30 Day Rule
Enacted:	Effective:	
Version: 1	In Control: Rules Committee	
File Name: Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing	Date Introduced: 12/14/2021	
Requester:	Cost:	Final Action:
Comment:	Title: Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to provide for streamlined review of eligible affordable housing projects by limiting discretionary review by City boards and commissions, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302; at an election to be held on June 7, 2022.	

Sponsor: Safai

History of Legislative File 211289

Ver	Acting Body	Date	Action	Sent To	Due Date	Result
1	President	12/14/2021	ASSIGNED UNDER 30 DAY RULE	Rules Committee	01/13/2022	

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

2

3 **Describing and setting forth a proposal to the voters at an election to be held on June 7,**

4 **2022, to amend the Charter of the City and County of San Francisco to provide for**

5 **streamlined review of eligible affordable housing projects by limiting discretionary review**

6 **by City boards and commissions, and providing for Planning Department ministerial**

7 **review in lieu of approvals by or certain appeals to City boards and commissions; to make**

8 **corresponding amendments to the Planning Code and the Business and Tax Regulations**

9 **Code; affirming the Planning Department’s determination under the California**

10 **Environmental Quality Act; and making findings of compliance with the General Plan and**

11 **Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare**

12 **under Planning Code, Section 302.**

13

14 Section 1. CEQA FINDINGS. The Planning Department has determined that the actions

15 contemplated in this proposed Charter Amendment comply with the California Environmental

16 Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on

17 file with the Clerk of the Board of Supervisors in File No. ___ and is incorporated herein by

18 reference. The Board affirms this determination.

19

20 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City

21 and County, at an election to be held on June 7, 2022, a proposal to amend the Charter of the

22 City and County, the San Francisco Planning Code, and the San Francisco Business and Tax

23 Regulations Code, and to declare a City policy, as follows:

24 NOTE: **Unchanged 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 subsections.

Section 1. TITLE. This measure shall be known and may be cited as the “Affordable Homes Now Initiative” (the “Initiative”).

Section 2. PURPOSE AND FINDINGS. The People of the City and County of San Francisco hereby find as follows:

(a) San Francisco is experiencing a severe housing shortage. The shortage of affordable housing has forced lower income and middle-class families out of the City. There is a need to make it easier to build affordable and middle-income housing to keep our city diverse, and provide homes for lower- and middle-income workers, including nurses, firefighters, teachers, small business owners, retail and non-profit workers, and Muni drivers. In the midst of this severe housing shortage and affordability crisis, San Francisco must immediately remove barriers to building housing for low- and middle-income residents and working families.

(b) Teachers and other employees of the San Francisco Unified School District and San Francisco Community College District suffer acutely from the City’s severe housing shortage, with hundreds of teachers leaving the school district every year, many due to frustration with high housing costs and the escalating cost of living in San Francisco. When it comes to providing quality public education for our students, it is far preferable for teachers to live in the City and district in which they teach.

(c) Many of our service sector employers, including homeless service providers, mental health providers, child care facilities, restaurants, retail stores, and other small business operators cannot hire sufficient employees to keep their businesses fully operational because these employees cannot afford to live in San Francisco, leading to storefront vacancies, restaurant closures, and the inability to provide services to the most vulnerable communities in the city.

1 (d) San Francisco has one of the highest housing costs in the nation. San
2 Francisco has been reported to have the highest median rent in the United States with a one-
3 bedroom apartment asking monthly rent of \$2,800 according to the November 2021 National
4 Rent Report on the rental listing website Zumper. Likewise, San Francisco is also one of the
5 highest-priced home ownership markets in the United States with a median home sales price of
6 \$1.56 million, an 8% increase from the previous year according to the December 2020 report by
7 real estate website Zillow. These high housing costs in the local housing market inhibit San
8 Francisco from ensuring that economic diversity is maintained, and inhibit healthy and balanced
9 economic growth in our region.

10 (e) Affordable housing is an especially paramount concern in San Francisco. San
11 Francisco's economy and culture rely on a diverse workforce at all income levels. It is the policy
12 of the City to enable these workers to afford housing in San Francisco and ensure that they pay a
13 reasonably proportionate share of their incomes to live in adequate housing and to not have to
14 commute ever-increasing distances to their jobs. The Association of Bay Area Governments
15 determined that San Francisco's share of the Regional Housing Need for January 2023 to June
16 2031 increased to 82,069 new housing units; of those units, San Francisco needs to accommodate
17 20,867 (or 25%) units as affordable to very low-income households, 12,014 (or 15%) as
18 affordable to low-income households, and 13,717 (or 17%) as affordable to moderate-income
19 households.

20 (f) San Francisco's current planning and appeals process unnecessarily delays
21 the development of new affordable housing, even in locations that have already undergone
22 extensive environmental and neighborhood review. According to a 2018 study by the Turner
23 Center for Housing Innovation at the University of California at Berkeley, on average it takes
24 four years from application for a housing project in San Francisco to get a permit to start
25 construction, and six years before families are able to move in. This measure remedies that

1 cumbersome planning and appeal process by allowing eligible affordable housing projects to
2 move forward without delay. The purpose of the Affordable Homes Now Initiative is to facilitate
3 the development and construction of housing affordable at all income levels in San Francisco.

4 (g) San Francisco’s General Plan is designed to help the City achieve the
5 following policy goals: (1) protection, preservation, and enhancement of the economic, social,
6 cultural, and aesthetic values that establish the desirable quality and unique character of the City;
7 (2) improvement of the City as a place for living, by aiding in making it more healthful, safe,
8 pleasant, and satisfying, with housing representing good standards for all residents and by
9 providing adequate open spaces and appropriate community facilities; (3) improvement of the
10 City as a place for commerce and industry by making it more efficient, orderly, and satisfactory
11 for the production, exchange, and distribution of goods and services, with adequate space for
12 each type of economic activity and improved facilities for the loading and movement of goods;
13 (4) coordination of the varied pattern of land use with public and semi-public service facilities
14 required for efficient functioning of the City, and for the convenience and well-being of its
15 residents, workers, and visitors; (5) coordination of the varied pattern of land use with circulation
16 routes and facilities required for the efficient movement of people and goods within the City, and
17 to and from the City; and (6) coordination of the growth and development of the City with the
18 growth and development of adjoining cities and counties and of the San Francisco Bay Region.
19 To help attain these policy goals in a way that recognizes the unique nature of San Francisco’s
20 diverse neighborhoods, the General Plan contains 19 neighborhood-based Area Plans and three
21 Sub-Area Plans, which represent decades of community-based planning and which helped set the
22 underlying zoning. These Area Plans contemplated tens of thousands of units of housing needed
23 to support the goals of the General Plan.

24 (h) The Board of Supervisors, and the voters in San Francisco, have long
25 recognized the need for the production of affordable housing. The voters, in some cases, and the

1 Board in others, have adopted measures to address this need, such as the mandatory Inclusionary
2 Affordable Housing Ordinance in Planning Code Section 415; the San Francisco Housing Trust
3 Fund, adopted in 2012, which established a fund to create, support, and rehabilitate affordable
4 housing, and set aside \$20 million in its first year, with increasing allocations to reach \$50
5 million a year for affordable housing; the adoption of Proposition K in November 2014, which
6 established as City policy that the City, by 2020, would help construct or rehabilitate at least
7 30,000 homes, with more than 50% of the housing affordable for middle-income households, and
8 at least 33% as affordable for low- and moderate-income households; the adoption of Proposition
9 A in 2019 representing the largest affordable housing bond in the city's history at \$600 million to
10 fund new affordable housing; and the multiple programs that rely on Federal, State and local
11 funding sources as identified in the Mayor's Office of Housing and Community Development
12 Consolidated Plan. These programs enable the City to work towards the voter-mandated
13 affordable housing goals.

14 (i) Streamlined review enables cities like San Francisco to expedite development
15 of housing projects that expand our housing and affordable housing supply by reducing the time
16 and expense associated with long project review periods and multiple appeal proceedings.

17 (j) The current lengthy, complicated, and ever-changing permit approval process
18 favors larger developers who are able to hire lawyers and expeditors to navigate the City's
19 bureaucracy, translating into a higher cost of housing and less transparency in the approval
20 process.

21 (k) San Francisco has a long history of using zoning laws to exclude minority and
22 low-income residents. The Cubic Air Ordinance was enacted in the 1880s to limit housing for
23 Chinese immigrants. The first zoning code was adopted in 1921, and restricted immigrant-owned
24 businesses in residential areas. Over the years, housing density across the city was repeatedly
25 reduced, eliminating an estimated 180,000 legally buildable homes, and further concentrating

1 development in communities of color.

2 (l) In 1954, San Francisco began allowing discretionary review of any project,
3 even if it met all zoning requirements, thereby further enabling a system where those individuals
4 with access to resources had a louder voice in how neighborhoods grew. A 2018 study by the
5 Berkeley Law Center for Law, Energy and the Environment found that out of five Bay Area
6 cities, San Francisco is the only city that allows discretionary review on all developments or that
7 requires more than one discretionary approval for each project. Analyses of citizen participants
8 in planning and zoning meetings have found that such meetings amplify the voices of certain
9 communities over those communities which are more underrepresented.

10 (m) To attain its housing production goals, San Francisco developments must
11 promote skilled construction workforce development and retention through utilization of state-
12 approved apprenticeships, payment of area-standard wages, and increased construction worker
13 access to employment-based fringe benefit plans.

14
15 Section 3. CHARTER AMENDMENT. The Charter of the City and County of San
16 Francisco shall be amended by adding new Section 16.126 and by revising Sections 4.105,
17 4.106, 4.135, 5.103, and 9.118, to read as follows:

18
19 **SEC. 16.126. STREAMLINED REVIEW OF AFFORDABLE AND**
20 **INCREASED AFFORDABLE HOUSING PROJECTS.**

21 *(a) Definitions. For purposes of this Section 16.126 and the streamlined review process*
22 *contemplated in the Charter Amendment establishing this Section, the following terms shall have*
23 *the following meanings:*

24 *Affordable Housing. Residential units that are restricted as follows: (1) units*
25 *shall have a maximum affordable purchase price or affordable rent set at 140% of the*

1 unadjusted area median family income (AMI) determined by MOHCD on an annual basis and
2 derived from the HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; (2)
3 at a rent that shall not exceed 30% of the applicable household income limit for a rental unit, or
4 at a purchase price with an annual housing cost that shall not exceed 33% of the applicable
5 income limit for an owner-occupied unit, as each may be adjusted for household size and
6 bedroom count; and (3) for the life of the project or a minimum of 55 years, whichever is longer,
7 by a recorded regulatory agreement and consistent with any applicable federal, state, or local
8 government regulatory requirements. MOHCD shall set income eligibility requirements
9 consistent with the methodology outlined in the Mayor's Office of Housing Preferences and
10 Lottery Procedures Manual, as amended from time to time.

11 Affordable Housing Project. A project for the development of a Multi-Family
12 housing development project, consisting of 25 or more residential units, where 100% of the
13 residential units are Affordable Housing. In the alternative, an Affordable Housing Project is a
14 mixed-use development consisting of Multi-Family residential uses and nonresidential uses on
15 the ground floor, and where all Multi-Family residential uses are restricted as Affordable
16 Housing. An Affordable Housing Project may also include non-residential uses that are
17 accessory to and supportive of the residents and the Affordable Housing, and such uses shall not
18 be considered a non-residential use.

19 Notwithstanding the foregoing requirements for an Affordable Housing
20 Project, the maximum affordable rent or sales price for the Affordable Housing in such project
21 may be no higher than 20% below median market rents or sales prices for the neighborhood in
22 which the Affordable Housing Project is located, which neighborhood shall be defined in
23 accordance with the American Community Survey Neighborhood Profile Boundaries Map.
24 MOHCD shall determine the allowable rents and sales prices, and the eligible households for
25 such units accordingly.

1 Increased Affordability Housing Project. A Multi-Family housing development project
2 consisting of 25 or more residential units that provides on-site Affordable Housing units
3 required by the City's Inclusionary Affordable Housing Program, or if applicable, the
4 inclusionary requirements set forth in Planning Code Section 206.3, as such provisions may be
5 amended from time to time, plus additional on-site Affordable Units in an amount equal to 15%
6 of the number of such on-site Affordable Housing units required by the City's Inclusionary
7 Affordable Housing Program or Planning Code Section 206.3, as applicable.

8 MOHCD. The Mayor's Office of Housing and Community Development or its successor
9 agency.

10 Multi-Family. Multi-Family housing shall mean two or more residential units and shall
11 not include a single-family home.

12 (b) Eligibility. To be eligible for streamlining under this Section 16.126, projects shall
13 meet the following requirements:

14 (1) The project is an Affordable Housing Project or an Increased Affordability
15 Housing Project, and

16 (2) The project (A) is not located on a site that is under the jurisdiction of the
17 Recreation and Park Department; (B) is not located in a zoning district that prohibits dwelling
18 units; (C) does not cause any removal or demolition of a designated state or national landmark,
19 or designated City landmark, or a contributory building in a designated historic district as
20 provided in Planning Code Article 10, or a Significant Building designated Category I or II as
21 provided in Planning Code Article 11; (D) does not demolish, remove, or convert any residential
22 units, and does not include any other parcel that has any residential units that would be
23 demolished, removed, or converted as part of the project; and (E) contains two or more
24 Residential Units, not including any additional units permitted by a density bonus, and is not a
25 single family house; and

1 (3) All construction workers employed in the construction of the development
2 must be paid at least the general prevailing rate of per diem wages for the type of work and
3 geographic location of the development, as determined by the Director of Industrial Relations
4 pursuant to Sections 1773 and 1773.9 of the California Labor Code, except that apprentices
5 registered in programs approved by the Chief of the Division of Apprenticeship Standards may
6 be paid at least the applicable apprentice prevailing rate. Notwithstanding subdivision (c) of
7 Section 1773.1 of the California Labor Code, the requirement that employer payments not
8 reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing
9 shall not apply if otherwise provided in a bona fide collective bargaining agreement covering the
10 worker. The requirement to pay at least the general prevailing rate of per diem wages does not
11 preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the
12 Labor Code.

13 (4) The project sponsor shall certify that a skilled and trained workforce will be
14 used to complete the development if the application is approved. For purposes of this subsection
15 (4), a “skilled and trained workforce” has the same meaning as provided in Chapter 2.9
16 (commencing with Section 2600) of Part 1 of Division 2 of the California Public Contract Code
17 as amended from time to time.

18 (A) The Project Sponsor shall provide a report to the Office of Labor
19 Standards Enforcement on a monthly basis while the development or contract is being
20 performed, demonstrating compliance with the skilled and trained workforce and prevailing
21 wage requirements.

22 (B) Within 30 days of the effective date of this Charter provision, the City
23 Administrator shall introduce at the Board of Supervisors, and within 180 days of the effective
24 date of this Charter provision, the City shall enact an ordinance to establish civil penalties for
25 failure to comply with the requirement to use a skilled and trained workforce, including a civil

1 penalty for each month for which the report has not been provided, and a civil penalty per day
2 for each worker employed in contravention of the skilled and trained workforce requirement. The
3 Office of Labor Standards Enforcement shall collect such penalties, which shall be used to fund
4 the San Francisco City Build program, or a similar successor program that provides
5 construction training.

6 (c) **Discretionary Approvals.** It is the intent of this Section 16.126 to exempt eligible
7 Affordable Housing Projects and Increased Affordability Housing Projects from any
8 requirements for discretionary review or approvals by the City, including but not limited to the
9 Planning Commission, Historic Preservation Commission, Arts Commission, Board of
10 Supervisors, and Board of Appeals.

11 (d) **Implementation and Application.**

12 (1) The Planning Department and Department of Building Inspection, in
13 consultation with MOHCD, may adopt regulations to implement this Section 16.126.

14 (2) Notwithstanding any other provision of this Charter, the City may enact
15 ordinances applying the controls of this Section 16.126, and the Charter provisions expressly
16 related to Section 16.126, to additional forms of housing, but may not limit its application to
17 Affordable Housing Projects and Increased Affordability Housing Projects as explicitly provided
18 herein.

19 (3) The City shall not enact or adopt any regulations or requirements that are
20 applicable solely to Affordable Housing Projects and Increased Affordability Housing Projects
21 and that are greater or more burdensome than City regulations and requirements that are
22 broadly applicable to other housing developments in the City.

23
24 **SEC. 4.105. PLANNING COMMISSION.**

25 * * * *

1 REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by
2 the Board of Supervisors, be submitted for written report by the Planning Department regarding
3 conformity with the General Plan:

- 4 1. Proposed ordinances and resolutions concerning the acquisition or vacation of
5 property by, or a change in the use or title of property owned by, the City and County;
- 6 2. Subdivisions of land within the City and County;
- 7 3. Projects for the construction or improvement of public buildings or structures
8 within the City and County;
- 9 4. Project plans for public housing, or publicly assisted private housing in the
10 City and County;
- 11 5. Redevelopment project plans within the City and County; and
- 12 6. Such other matters as may be prescribed by ordinance.

13 Notwithstanding the foregoing list of matters requiring a report regarding General Plan
14 conformity, any eligible Affordable Housing Project or Increased Affordability Housing Project,
15 as defined in Charter Section 16.126, that the Planning Department determines to be consistent
16 with the applicable zoning as set forth in the Planning Code shall be deemed to be consistent
17 with the General Plan and shall not require referral for a separate report of conformity by the
18 Planning Department for the foregoing matters.

19 The Commission shall disapprove any proposed action referred to it upon a finding that
20 such action does not conform to the General Plan. Such a finding may be reversed by a vote of
21 two-thirds of the Board of Supervisors.

22 All such reports and recommendations shall be issued in a manner and within a time
23 period to be determined by ordinance.

24 PERMITS AND LICENSES. All permits and licenses dependent on, or affected by, the
25 City Planning Code administered by the Planning Department shall be approved by the

1 Commission prior to issuance except that permits, licenses, or other approvals for an eligible
2 Affordable Housing Project or an Increased Affordability Housing Project, as defined in Charter
3 Section 16.126, do not require approval by the Commission prior to issuance. The Commission
4 may delegate this approval function to the Planning Department. Notwithstanding the foregoing,
5 certificates of appropriateness for work to designated landmarks and historic districts and
6 applications for alterations to significant or contributory buildings or properties in designated
7 conservation districts that have been approved, disapproved, or modified by the Historic
8 Preservation Commission shall not require approval by the Commission prior to issuance.

9 * * * *

10
11 **SEC. 4.106. BOARD OF APPEALS.**

12 * * * *

13 (b) The Board shall hear and determine appeals with respect to any person who has been
14 denied a permit or license, or whose permit or license has been suspended, revoked, or
15 withdrawn, or who believes that his or her interest or the public interest will be adversely
16 affected by the grant, denial, suspension, or revocation of a license or permit, except for a permit
17 or license under the jurisdiction of the Recreation and Park Commission or Department, or the
18 Port Commission, or a building or demolition permit for a project that has received a permit or
19 license pursuant to a conditional use authorization, or any permit or license for an eligible
20 Affordable Housing Project or an Increased Affordability Housing Project, as defined in Charter
21 Section 16.126; provided that the Board shall hear and determine appeals of building permits
22 for an eligible Affordable Housing Project or Increased Affordability Housing Project as defined
23 in Charter Section 16.126 solely to consider whether such permits comply with the objective
24 standards set forth in the Building Code, including the Electrical, Housing, Mechanical, and
25 Plumbing Codes.

1 * * * *

2
3 **SEC. 4.135. HISTORIC PRESERVATION COMMISSION.**

4 * * * *

5 LANDMARK AND HISTORIC DISTRICT DESIGNATIONS. The Historic Preservation
6 Commission shall have the authority to recommend approval, disapproval, or modification of
7 landmark designations and historic district designations under the Planning Code to the Board of
8 Supervisors. Any recommendation of approval, disapproval, or modification of landmark
9 designations and historic district designations under the Planning Code shall include a finding
10 that the Historic Preservation Commission has considered the effect of such approval,
11 disapproval, or modification on affordable housing. The Historic Preservation Commission shall
12 send recommendations regarding landmarks designations to the Board of Supervisors without
13 referral or recommendation of the Planning Commission. The Historic Preservation Commission
14 shall refer recommendations regarding historic district designations to the Planning Commission,
15 which shall have 45 days to review and comment on the proposed designation, which comments,
16 if any, shall be forwarded to the Board of Supervisors together with the Historic Preservation
17 Commission's recommendation. Decisions of the Historic Preservation Commission to
18 disapprove designation of a landmark or historic district shall be final unless appealed to the
19 Board of Supervisors.

20 CERTIFICATES OF APPROPRIATENESS. The Historic Preservation Commission shall
21 approve, disapprove, or modify certificates of appropriateness for work to designated landmarks
22 or within historic districts. For minor alterations, the Historic Preservation Commission may
23 delegate this function to staff, whose decision may be appealed to the Historic Preservation
24 Commission. A Certificate of Appropriateness shall not be required for construction of an
25

1 eligible Affordable Housing Project or an Increased Affordability Housing Project, as defined in
2 Charter Section 16.126, in a historic district.

3 For projects that require multiple planning approvals, the Historic Preservation
4 Commission must review and act on any Certificate of Appropriateness before any other
5 planning approval action. For projects that (1) require a conditional use permit or permit review
6 under Section 309, et seq., of the Planning Code and (2) do not concern an individually
7 landmarked property, the Planning Commission may modify any decision on a Certificate of
8 Appropriateness by a 2/3 vote, provided that the Planning Commission shall apply all applicable
9 historic resources provisions of the Planning Code.

10 * * * *

11 ALTERATION OF SIGNIFICANT OR CONTRIBUTORY BUILDINGS OR BUILDINGS IN
12 CONSERVATION DISTRICTS IN THE C-3 DISTRICTS. The Historic Preservation
13 Commission shall have the authority to determine if a proposed alteration is a Major Alteration
14 or a Minor Alteration. The Historic Preservation Commission shall have the authority to
15 approve, disapprove, or modify applications for permits to alter or demolish designated
16 Significant or Contributory buildings or buildings within Conservation Districts. The Historic
17 Preservation Commission shall not have the authority to approve, disapprove, or modify
18 applications for permits to alter buildings for an eligible Affordable Housing Project or an
19 Increased Affordability Housing Project, as defined in Charter Section 16.126. For Minor
20 Alterations, the Historic Preservation Commission may delegate this function to staff, whose
21 decision may be appealed to the Historic Preservation Commission.

22 * * * *

23 REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by the
24 Board of Supervisors, be submitted for written report by the Historic Preservation Commission
25 regarding effects upon historic or cultural resources: ordinances and resolutions concerning

1 historic preservation issues and historic resources; redevelopment project plans; waterfront land
2 use and project plans; and such other matters as may be prescribed by ordinance. An eligible
3 Affordable Housing Project or an Increased Affordability Housing Project, as defined in Charter
4 Section 16.126, shall not require review by the Historic Preservation Commission under this
5 paragraph. If the Planning Commission is required to take action on the matter, the Historic
6 Preservation Commission shall submit any report to the Planning Commission as well as to the
7 Board of Supervisors; otherwise, the Historic Preservation Commission shall submit any report
8 to the Board of Supervisors.

9 * * * *

10 **SEC. 5.103. ARTS COMMISSION.**

11 * * * *

12 In furtherance of the foregoing the Arts Commission shall:

13 1. Approve the designs for all public structures, any private structure which extends over
14 or upon any public property and any yards, courts, set-backs, or usable open spaces which are an
15 integral part of any such structures, except that an eligible Affordable Housing Project or an
16 Increased Affordability Housing Project, as defined in Charter Section 16.126, is not subject to
17 design approval by the Arts Commission;

18 2. Approve the design and location of all works of art before they are acquired,
19 transferred or sold by the City and County, or are placed upon or removed from City and County
20 property, or are altered in any way; maintain and keep an inventory of works of art owned by the
21 City and County; and maintain the works of art owned by the City and County;

22 3. Promote a neighborhood arts program to encourage and support an active interest in
23 the arts on a local and neighborhood level, assure that the City and County-owned community
24 cultural centers remain open, accessible and vital contributors to the cultural life of the City and
25

1 County, establish liaison between community groups and develop support for neighborhood
2 artists and arts organizations; and

3 4. Supervise and control the expenditure of all appropriations made by the Board of
4 Supervisors for the advancement of the visual, performing or literary arts.

5 Nothing in this section shall be construed to limit or abridge the powers or exclusive
6 jurisdiction of the charitable trust departments or the California Academy of Sciences or the
7 Library Commission over their activities; the land and buildings set aside for their use; or over
8 the other assets entrusted to their care.

9
10 **SEC. 9.118. CONTRACT AND LEASE LIMITATIONS.**

11 (a) Unless otherwise provided for in this Charter, contracts entered into by a department,
12 board, or commission having anticipated revenue to the City and County of one million dollars
13 or more, or the modification, amendment, or termination of any contract which when entered
14 into had anticipated revenue of one million dollars or more, shall be subject to approval of the
15 Board of Supervisors by resolution. Notwithstanding the foregoing sentence, contracts for an
16 eligible Affordable Housing Project or an Increased Affordability Housing Project, as defined in
17 Charter Section 16.126, shall not be subject to approval of the Board of Supervisors under this
18 Section 9.118(a).

19 (b) Unless otherwise provided for in this Charter, and with the exception of construction
20 contracts entered into by the City and County, any other contracts or agreements entered into by
21 a department, board or commission having a term in excess of ten years, or requiring anticipated
22 expenditures by the City and County of ten million dollars, or the modification or amendments to
23 such contract or agreement having an impact of more than \$500,000 shall be subject to approval
24 of the Board of Supervisors by resolution. Notwithstanding the foregoing sentence, contracts or
25 agreements for an eligible Affordable Housing Project or an Increased Affordability Housing

1 Project, as defined in Charter Section 16.126, shall not be subject to approval of the Board of
2 Supervisors under this Section 9.118(b).

3 (c) Unless otherwise provided for in this Charter, any lease of real property for a period
4 of ten or more years, including options to renew, or having anticipated revenue to the City and
5 County of one million dollars or more; the modification, amendment, or termination of any lease,
6 which when entered into was for a period of ten or more years, including options to renew, or
7 had anticipated revenue to the City and County of one million dollars or more; and any sale or
8 other transfer of real property owned by the City and County, shall first be approved by
9 resolution of the Board of Supervisors. Leases of property under the jurisdiction of the Port
10 Commission for maritime use shall be exempt from the requirements of this ~~§~~Section 9.118(c).
11 Ground leases of property for an eligible Affordable Housing Project or an Increased
12 Affordability Housing Project, as defined in Charter Section 16.126, shall be exempt from the
13 requirements of this Section 9.118(c), provided that the ground lease is no less than 55 years.

14
15 SECTION 4. PLANNING CODE AMENDMENTS. The Planning Code is hereby
16 amended by adding new Section 344, and revising Section 101.1, to read as follows:

17 **SEC. 344. STREAMLINED REVIEW OF AFFORDABLE HOUSING AND**
18 **INCREASED AFFORDABILITY HOUSING PROJECTS.**

19 (a) Purpose and Amendment. It is the intent of this Section 344 to exempt Affordable
20 Housing Projects and Increased Affordability Housing Projects, as defined in Charter section
21 16.126, from any requirements for discretionary review or approval by the Planning
22 Commission, Historic Preservation Commission, Board of Supervisors, or Board of Appeals
23 consistent with the Charter. The Board of Supervisors may expand the application of this Section
24 344, Planning Code Section 101.1, and Business and Tax Regulation Code Section 26 to other
25 forms of housing by ordinance, but the Board may not restrict its application to only Affordable

1 Housing Projects or Increased Affordability Housing Projects, as defined in Charter Section
2 16.126. The Board of Supervisors may by ordinance amend any part of this Section 344 if the
3 amendment is technical and non-substantive in nature, and consistent with the intent of this
4 Section 344, and is initiated by the Planning Commission.

5 **(b) Definitions and Eligibility.**

6 **(1) Definitions.**

7 Affordable Housing. Affordable Housing shall have the meaning set forth
8 in Charter Section 16.126(a).

9 Affordable Housing Project. An Affordable Housing Project shall have
10 the meaning set forth in Charter Section 16.126(a).

11 Increased Affordability Housing Project. An Increased Affordability
12 Housing Project shall have the meaning set forth in Charter Section 16.126(a).

13 MOHCD. The Mayor's Office of Housing and Community Development
14 or its successor agency.

15 **(2) Eligibility. To be eligible for streamlining under this Section 344, projects**
16 **(A) shall meet the eligibility requirements of Charter Section 16.126(b), and (B) shall not include**
17 **non-residential uses that require conditional use approval by the Planning Commission under**
18 **the Planning Code. The Planning Department shall determine whether an application is eligible**
19 **to use the streamlined process set forth in this Section 344 within 60 days of submittal of a**
20 **complete development application. Prior to submitting a development application, the project**
21 **applicant shall place a poster at the subject property for 30 days, describing the project and**
22 **informing the public that the project is expected to be subject to the streamlined review process**
23 **under Planning Code Section 344. The poster shall be placed in a manner to be determined by**
24 **the Zoning Administrator that is visible and legible from the sidewalk or nearest public right-of**
25 **way.**

1 (c) Ministerial Review. Notwithstanding any other provisions of the Municipal Code,
2 including but not limited to Business and Tax Regulation Code Section 26, and Sections 311 and
3 317 of this Code, an eligible Affordable Housing Project or Increased Affordability Housing
4 Project that complies with the Zoning Maps, Height and Bulk Maps, and objective standards of
5 the Planning Code or state law, including but not limited to the modifications permitted by
6 Planning Code Section 344(d), shall be deemed consistent with the Planning Code. Review and
7 approval of such projects shall be considered ministerial actions, as defined by California Code
8 of Regulations, Title 14, Section 15369.

9 (1) No conditional use authorization shall be required except where other
10 sections of the Planning Code require conditional use authorization for inclusion of on-site
11 parking, approval of non-residential uses, modifications to a dwelling unit mix requirement, or
12 the location of curb cuts.

13 (2) Notwithstanding any other provision of this Code, cannabis retail uses shall
14 not be permitted ministerially as part of this section 344.

15 (3) Eligible Affordable Housing Projects or Increased Affordability Housing
16 Projects shall not require authorization by the Historic Preservation Commission or the
17 Planning Commission that otherwise may be required by the Planning Code, including any
18 requirement for a Certificate of Appropriateness under Planning Code Article 10 or a Permit to
19 Alter under Planning Code Article 11.

20 (4) No requests for discretionary review shall be accepted by the Planning
21 Department or heard by the Planning Commission for eligible Affordable Housing Projects or
22 Increased Affordability Housing Projects.

23 (d) Modifications. Affordable Housing Projects and Increased Affordability Housing
24 Projects may, at the project sponsor's request, use any of the bonus programs listed in Planning
25 Code Sections 206 et seq., including modifications listed therein, and any exceptions listed in

1 Planning Code Section 328(d), and shall be considered compliant with objective standards. If a
2 project does not elect to use the bonus programs listed in Planning Code Section 206, the project
3 may receive any of the following modifications, and Planning Commission or Zoning
4 Administrator discretionary approval shall not be required:

5 (1) any of the zoning modifications set forth in Section 206.3(d)(1), (3), and (4);

6 (2) modifications to dwelling unit exposure requirements under Section
7 206.3(d)(4)(B) may be satisfied by an unobstructed open area that is no less than 15 feet in every
8 horizontal direction; and,

9 (3) a minimum lot coverage percentage of 80% at all residential levels except on
10 levels in which all residential units face onto a public right-of-way in lieu of the rear yard
11 requirements of Section 134.

12 (e) **Design Review.** The Planning Department shall conduct a review of the aesthetic
13 elements of Affordable Housing Projects and Increased Affordability Housing Projects within 60
14 days of the submission of a complete development application from the sponsor of an Affordable
15 Housing Project or an Increased Affordability Housing Project. Design review shall be limited
16 to the aesthetic aspects and design of the Affordable Housing Project or Increased Affordability
17 Housing Project and shall not include review of the uses, density, height, zoning modifications,
18 or any other approval or disapproval of the proposed eligible project.

19 (f) **Compliance with Planning Code Article 4.** An Affordable Housing Project or an
20 Increased Affordability Housing Project shall comply with the requirements of Article 4,
21 “Development Impact Fees and Project Requirements that Authorize the Payment of In-Lieu
22 Fees,” except as such projects or any portion of such projects may otherwise be exempt from
23 such requirements, or in the event such requirements are reduced, adjusted, or waived as
24 provided in Planning Code Article 4.

1 (g) Approval. Building permit applications for eligible Affordable Housing Projects or
2 Increased Affordability Housing Projects that comply with the controls set forth in this Section
3 344 shall be ministerially approved by the Planning Department within 180 days of submittal of
4 a complete development application. Building permits shall be issued by the Department of
5 Building Inspection and shall not be subject to Business and Tax Regulation Code Section 26 or
6 an appeal to the Board of Appeals, except as specifically provided in Charter Section 4.106.
7 Notwithstanding any contrary provision in the Municipal Code, such projects shall not require a
8 Planning Code Article 3 authorization, discretionary review hearing, or any other Planning
9 Commission or Historic Preservation Commission hearing.

10
11 **SEC. 101.1. GENERAL PLAN CONSISTENCY AND IMPLEMENTATION.**

12 (a) The General Plan shall be an integrated, internally consistent, and compatible
13 statement of policies for San Francisco. To fulfill this requirement, after extensive public
14 participation and hearings, the Planning Commission shall in one action amend the General Plan
15 by January 1, 1988.

16 (b) The following Priority Policies are hereby established. They shall be included in the
17 preamble to the General Plan and shall be the basis upon which inconsistencies in the General
18 Plan are resolved:

19 (1) That existing neighborhood-serving retail uses be preserved and enhanced
20 and future opportunities for resident employment in and ownership of such businesses enhanced;

21 (2) That existing housing and neighborhood character be conserved and protected
22 in order to preserve the cultural and economic diversity of our neighborhoods;

23 (3) That the City's supply of affordable housing be preserved and enhanced, and
24 that new housing for households of all income levels be produced to meet the needs of City
25 residents today and tomorrow;

1 (4) That commuter traffic not impede Muni transit service or overburden our
2 streets or neighborhood parking;

3 (5) That a diverse economic base be maintained by protecting our industrial and
4 service sectors from displacement due to commercial office development, and that future
5 opportunities for resident employment and ownership in these sectors be enhanced;

6 (6) That the City achieve the greatest possible preparedness to protect against
7 injury and loss of life in an earthquake;

8 (7) That landmarks and historic buildings be preserved; and,

9 (8) That our parks and open space and their access to sunlight and vistas be
10 protected from development.

11 (c) The City may not adopt any zoning ordinance or development agreement authorized
12 pursuant to California Government Code Section 65865 after November 4, 1986, unless prior to
13 that adoption it has specifically found that the ordinance or development agreement is consistent
14 with the Priority Policies established above.

15 (d) The City may not adopt any zoning ordinance or development agreement authorized
16 pursuant to California Government Code Section 65865 after January 1, 1988, unless prior to
17 that adoption it has specifically found that the ordinance or development agreement is consistent
18 with the General Plan.

19 (e) Prior to issuing a permit for any project or adopting any legislation which requires an
20 initial study under the California Environmental Quality Act, and prior to issuing a permit for
21 any demolition, conversion, or change of use, and prior to taking any action which requires a
22 finding of consistency with the General Plan, the City shall find that the proposed project or
23 legislation is consistent with the Priority Policies established above. For any such permit issued
24 or legislation adopted after January 1, 1988, the City shall also find that the project is consistent
25 with the General Plan.

1 (f) Notwithstanding anything to the contrary in this Section 101.1, an eligible Affordable
2 Housing Project or Increased Affordability Housing Project, as defined in Charter Section
3 16.126, shall be deemed to be consistent with this Section 101.1 and shall not require a separate
4 finding of consistency with this Section 101.1.

5
6 SECTION 5. BUSINESS AND TAX REGULATIONS CODE AMENDMENTS. The
7 Business and Tax Regulations Code shall be amended by revising Section 26 of Article 1, to read
8 as follows:

9 **SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.**

10 (a) Subject to Subsection (b), in the granting or denying of any permit, or the revoking or
11 the refusing to revoke any permit, except for permits associated with an eligible Affordable
12 Housing Project or Increased Affordability Housing Project, as defined in Charter Section
13 16.126, the granting or revoking power may take into consideration the effect of the proposed
14 business or calling upon surrounding property and upon its residents, and inhabitants thereof; and
15 in granting or denying said permit, or revoking or refusing to revoke a permit, may exercise its
16 sound discretion as to whether said permit should be granted, transferred, denied, or revoked.

17 * * * *

18
19 SECTION 6. ADDITIONAL FINDINGS. The People of the City and County of San
20 Francisco specifically find that, for the reasons set forth in Section 2, this ordinance is consistent
21 with the San Francisco General Plan and the Priority Policies set forth in Planning Code Section
22 101.1, and the actions in this ordinance will serve the public necessity, convenience, and welfare
23 pursuant to Planning Code Section 302.

1 SECTION 7. AMENDMENT. The provisions of this Initiative amending the Charter
2 and the Municipal Code may only be amended by the voters of the City and County of San
3 Francisco except as specifically provided in the terms of the Initiative.

4
5 SECTION 8. POLICY. It is the Policy of the People of the City that the City shall
6 encourage the timely development of Affordable Housing Projects and Increased Affordability
7 Housing Projects, so that the City and its residents can obtain the benefits that such projects will
8 provide. To that end, the People of the City encourage the City, its officers, employees, and
9 consultants to take all appropriate steps to expeditiously assist the construction of Affordable
10 Housing Projects and Increased Affordability Housing Projects.

11
12 SECTION 9. SEVERABILITY. If any provision of this Initiative or any application
13 thereof to any person or circumstance is held invalid, such invalidity shall not affect any
14 provision or application of this Initiative that can be given effect without the invalid provision or
15 application. To this end, the provisions of this Initiative are severable.

16
17
18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20 By: /s/
21 AUDREY WILLIAMS PEARSON
 Deputy City Attorney

22 n:\legana\as2021\2100386\01571199.docx

23
24
25

LEGISLATIVE DIGEST

(First Draft, 12/14/2021)

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

Describing and setting forth a proposal to the voters at an election to be held on June 7, 2022, to amend the Charter of the City and County of San Francisco to provide for streamlined review of eligible affordable housing projects by limiting discretionary review by City boards and commissions, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Existing Law

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

Amendments to Current Law

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

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

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

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

Background Information

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

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Introduction Form

By a Member of the Board of Supervisors or 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 [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic 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 the Imperative Form.

Sponsor(s):

Ahsha Safai

Subject:

Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing

The text is listed:

Describing and setting forth a proposal to the voters at an election to be held on June 7, 2022, to amend the Charter of the City and County of San Francisco to provide for streamlined review of eligible affordable housing projects by limiting discretionary review by City boards and commissions, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

Signature of Sponsoring Supervisor:



From: [Pearson, Audrey \(CAT\)](#)
To: [BOS Legislation, \(BOS\)](#); [BOS Legislation, \(BOS\)](#); [Jones, Ernest \(BOS\)](#); [BOS Legislation, \(BOS\)](#)
Cc: [Safai, Ahsha \(BOS\)](#); [Morris, Geoffrea \(BOS\)](#); [Chung, Lauren \(BOS\)](#); [Berenson, Samuel \(BOS\)](#)
Subject: RE: For Introduction: Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing
Date: Wednesday, December 15, 2021 10:30:23 AM
Attachments: [image001.png](#)

Confirming that the legislation is approved as to form.

Audrey Williams Pearson
Deputy City Attorney
S.F. City Attorney's Office
415-554-4621

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Wednesday, December 15, 2021 10:22 AM
To: Pearson, Audrey (CAT) <Audrey.Pearson@sfcityatty.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Jones, Ernest (BOS) <ernest.e.jones@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Morris, Geoffrea (BOS) <geoffrea.morris@sfgov.org>; Chung, Lauren (BOS) <lauren.l.chung@sfgov.org>; Berenson, Samuel (BOS) <sam.berenson@sfgov.org>
Subject: RE: For Introduction: Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing

Thank you Audrey for the digest. Can you confirm the approval for use of your electronic signature and approval as to form on the attached legislation, by reply to this email?

Best,

Lisa Lew
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org

(VIRTUAL APPOINTMENTS) To schedule a "virtual" meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Due to the current COVID-19 health emergency and the Shelter in Place Order, the Office of the Clerk of the Board is working remotely while providing complete access to the legislative process and our services.



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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.

From: Pearson, Audrey (CAT) <Audrey.Pearson@sfcityatty.org>
Sent: Tuesday, December 14, 2021 4:28 PM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Jones, Ernest (BOS) <ernest.e.jones@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Morris, Geoffrea (BOS) <geoffrea.morris@sfgov.org>; Chung, Lauren (BOS) <lauren.l.chung@sfgov.org>; Berenson, Samuel (BOS) <sam.berenson@sfgov.org>
Subject: RE: For Introduction: Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing

Attached is the legislative digest.

Audrey Williams Pearson

Deputy City Attorney
Office of City Attorney David Chiu
City and County of San Francisco
415-554-4621

During the ongoing pandemic, the best way to reach me is by email.

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Tuesday, December 14, 2021 3:09 PM
To: Jones, Ernest (BOS) <ernest.e.jones@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Morris, Geoffrea (BOS) <geoffrea.morris@sfgov.org>; Chung, Lauren (BOS) <lauren.l.chung@sfgov.org>; Berenson, Samuel (BOS) <sam.berenson@sfgov.org>; Pearson, Audrey (CAT) <Audrey.Pearson@sfcityatty.org>
Subject: RE: For Introduction: Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing

Thank you Ernest. Is there a legislative digest to accompany this submission as well?

Best regards,

Jocelyn Wong

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T: 415.554.7702 | F: 415.554.5163
jocelyn.wong@sfgov.org | www.sfbos.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

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working remotely while providing complete access to the legislative process and our services



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From: Jones, Ernest (BOS) <ernest.e.jones@sfgov.org>

Sent: Tuesday, December 14, 2021 3:03 PM

To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>

Cc: Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Morris, Geoffrea (BOS) <geoffrea.morris@sfgov.org>; Chung, Lauren (BOS) <lauren.l.chung@sfgov.org>; Berenson, Samuel (BOS) <sam.berenson@sfgov.org>; PEARSON, AUDREY (CAT) <Audrey.Pearson@sfcityatty.org>

Subject: For Introduction: Charter Amendment and Initiative Ordinance - Streamlining Review of Affordable Housing

BOS Legislation:

Please find the attached charter amendment for introduction today on behalf of Supervisor Safai. City Attorney Audrey Pearson can confirm signature of the legislation.

Ernest “EJ” Jones (he/him) | Legislative Aide
Office of District 11 **Supervisor Ahsha Safai**
1 Dr. Carlton B. Goodlett Pl, San Francisco | Room 256
Direct: 415-554-7897 | **Office:** 415-554-6975

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

2

3 **Describing and setting forth a proposal to the voters at an election to be held on June 7,**

4 **2022, to amend the Charter of the City and County of San Francisco to provide for**

5 **streamlined review of eligible affordable housing projects by limiting discretionary review**

6 **by City boards and commissions, and providing for Planning Department ministerial**

7 **review in lieu of approvals by or certain appeals to City boards and commissions; to make**

8 **corresponding amendments to the Planning Code and the Business and Tax Regulations**

9 **Code; affirming the Planning Department’s determination under the California**

10 **Environmental Quality Act; and making findings of compliance with the General Plan and**

11 **Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare**

12 **under Planning Code, Section 302.**

13

14 Section 1. CEQA FINDINGS. The Planning Department has determined that the actions

15 contemplated in this proposed Charter Amendment comply with the California Environmental

16 Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on

17 file with the Clerk of the Board of Supervisors in File No. ___ and is incorporated herein by

18 reference. The Board affirms this determination.

19

20 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City

21 and County, at an election to be held on June 7, 2022, a proposal to amend the Charter of the

22 City and County, the San Francisco Planning Code, and the San Francisco Business and Tax

23 Regulations Code, and to declare a City policy, as follows:

24 NOTE: **Unchanged 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 subsections.

Section 1. TITLE. This measure shall be known and may be cited as the “Affordable Homes Now Initiative” (the “Initiative”).

Section 2. PURPOSE AND FINDINGS. The People of the City and County of San Francisco hereby find as follows:

(a) San Francisco is experiencing a severe housing shortage. The shortage of affordable housing has forced lower income and middle-class families out of the City. There is a need to make it easier to build affordable and middle-income housing to keep our city diverse, and provide homes for lower- and middle-income workers, including nurses, firefighters, teachers, small business owners, retail and non-profit workers, and Muni drivers. In the midst of this severe housing shortage and affordability crisis, San Francisco must immediately remove barriers to building housing for low- and middle-income residents and working families.

(b) Teachers and other employees of the San Francisco Unified School District and San Francisco Community College District suffer acutely from the City’s severe housing shortage, with hundreds of teachers leaving the school district every year, many due to frustration with high housing costs and the escalating cost of living in San Francisco. When it comes to providing quality public education for our students, it is far preferable for teachers to live in the City and district in which they teach.

(c) Many of our service sector employers, including homeless service providers, mental health providers, child care facilities, restaurants, retail stores, and other small business operators cannot hire sufficient employees to keep their businesses fully operational because these employees cannot afford to live in San Francisco, leading to storefront vacancies, restaurant closures, and the inability to provide services to the most vulnerable communities in the city.

1 (d) San Francisco has one of the highest housing costs in the nation. San
2 Francisco has been reported to have the highest median rent in the United States with a one-
3 bedroom apartment asking monthly rent of \$2,800 according to the November 2021 National
4 Rent Report on the rental listing website Zumper. Likewise, San Francisco is also one of the
5 highest-priced home ownership markets in the United States with a median home sales price of
6 \$1.56 million, an 8% increase from the previous year according to the December 2020 report by
7 real estate website Zillow. These high housing costs in the local housing market inhibit San
8 Francisco from ensuring that economic diversity is maintained, and inhibit healthy and balanced
9 economic growth in our region.

10 (e) Affordable housing is an especially paramount concern in San Francisco. San
11 Francisco's economy and culture rely on a diverse workforce at all income levels. It is the policy
12 of the City to enable these workers to afford housing in San Francisco and ensure that they pay a
13 reasonably proportionate share of their incomes to live in adequate housing and to not have to
14 commute ever-increasing distances to their jobs. The Association of Bay Area Governments
15 determined that San Francisco's share of the Regional Housing Need for January 2023 to June
16 2031 increased to 82,069 new housing units; of those units, San Francisco needs to accommodate
17 20,867 (or 25%) units as affordable to very low-income households, 12,014 (or 15%) as
18 affordable to low-income households, and 13,717 (or 17%) as affordable to moderate-income
19 households.

20 (f) San Francisco's current planning and appeals process unnecessarily delays
21 the development of new affordable housing, even in locations that have already undergone
22 extensive environmental and neighborhood review. According to a 2018 study by the Turner
23 Center for Housing Innovation at the University of California at Berkeley, on average it takes
24 four years from application for a housing project in San Francisco to get a permit to start
25 construction, and six years before families are able to move in. This measure remedies that

1 cumbersome planning and appeal process by allowing eligible affordable housing projects to
2 move forward without delay. The purpose of the Affordable Homes Now Initiative is to facilitate
3 the development and construction of housing affordable at all income levels in San Francisco.

4 (g) San Francisco's General Plan is designed to help the City achieve the
5 following policy goals: (1) protection, preservation, and enhancement of the economic, social,
6 cultural, and aesthetic values that establish the desirable quality and unique character of the City;
7 (2) improvement of the City as a place for living, by aiding in making it more healthful, safe,
8 pleasant, and satisfying, with housing representing good standards for all residents and by
9 providing adequate open spaces and appropriate community facilities; (3) improvement of the
10 City as a place for commerce and industry by making it more efficient, orderly, and satisfactory
11 for the production, exchange, and distribution of goods and services, with adequate space for
12 each type of economic activity and improved facilities for the loading and movement of goods;
13 (4) coordination of the varied pattern of land use with public and semi-public service facilities
14 required for efficient functioning of the City, and for the convenience and well-being of its
15 residents, workers, and visitors; (5) coordination of the varied pattern of land use with circulation
16 routes and facilities required for the efficient movement of people and goods within the City, and
17 to and from the City; and (6) coordination of the growth and development of the City with the
18 growth and development of adjoining cities and counties and of the San Francisco Bay Region.
19 To help attain these policy goals in a way that recognizes the unique nature of San Francisco's
20 diverse neighborhoods, the General Plan contains 19 neighborhood-based Area Plans and three
21 Sub-Area Plans, which represent decades of community-based planning and which helped set the
22 underlying zoning. These Area Plans contemplated tens of thousands of units of housing needed
23 to support the goals of the General Plan.

24 (h) The Board of Supervisors, and the voters in San Francisco, have long
25 recognized the need for the production of affordable housing. The voters, in some cases, and the

1 Board in others, have adopted measures to address this need, such as the mandatory Inclusionary
2 Affordable Housing Ordinance in Planning Code Section 415; the San Francisco Housing Trust
3 Fund, adopted in 2012, which established a fund to create, support, and rehabilitate affordable
4 housing, and set aside \$20 million in its first year, with increasing allocations to reach \$50
5 million a year for affordable housing; the adoption of Proposition K in November 2014, which
6 established as City policy that the City, by 2020, would help construct or rehabilitate at least
7 30,000 homes, with more than 50% of the housing affordable for middle-income households, and
8 at least 33% as affordable for low- and moderate-income households; the adoption of Proposition
9 A in 2019 representing the largest affordable housing bond in the city's history at \$600 million to
10 fund new affordable housing; and the multiple programs that rely on Federal, State and local
11 funding sources as identified in the Mayor's Office of Housing and Community Development
12 Consolidated Plan. These programs enable the City to work towards the voter-mandated
13 affordable housing goals.

14 (i) Streamlined review enables cities like San Francisco to expedite development
15 of housing projects that expand our housing and affordable housing supply by reducing the time
16 and expense associated with long project review periods and multiple appeal proceedings.

17 (j) The current lengthy, complicated, and ever-changing permit approval process
18 favors larger developers who are able to hire lawyers and expeditors to navigate the City's
19 bureaucracy, translating into a higher cost of housing and less transparency in the approval
20 process.

21 (k) San Francisco has a long history of using zoning laws to exclude minority and
22 low-income residents. The Cubic Air Ordinance was enacted in the 1880s to limit housing for
23 Chinese immigrants. The first zoning code was adopted in 1921, and restricted immigrant-owned
24 businesses in residential areas. Over the years, housing density across the city was repeatedly
25 reduced, eliminating an estimated 180,000 legally buildable homes, and further concentrating

1 development in communities of color.

2 (l) In 1954, San Francisco began allowing discretionary review of any project,
3 even if it met all zoning requirements, thereby further enabling a system where those individuals
4 with access to resources had a louder voice in how neighborhoods grew. A 2018 study by the
5 Berkeley Law Center for Law, Energy and the Environment found that out of five Bay Area
6 cities, San Francisco is the only city that allows discretionary review on all developments or that
7 requires more than one discretionary approval for each project. Analyses of citizen participants
8 in planning and zoning meetings have found that such meetings amplify the voices of certain
9 communities over those communities which are more underrepresented.

10 (m) To attain its housing production goals, San Francisco developments must
11 promote skilled construction workforce development and retention through utilization of state-
12 approved apprenticeships, payment of area-standard wages, and increased construction worker
13 access to employment-based fringe benefit plans.

14
15 Section 3. CHARTER AMENDMENT. The Charter of the City and County of San
16 Francisco shall be amended by adding new Section 16.126 and by revising Sections 4.105,
17 4.106, 4.135, 5.103, and 9.118, to read as follows:

18
19 **SEC. 16.126. STREAMLINED REVIEW OF AFFORDABLE AND**
20 **INCREASED AFFORDABLE HOUSING PROJECTS.**

21 *(a) Definitions. For purposes of this Section 16.126 and the streamlined review process*
22 *contemplated in the Charter Amendment establishing this Section, the following terms shall have*
23 *the following meanings:*

24 *Affordable Housing. Residential units that are restricted as follows: (1) units*
25 *shall have a maximum affordable purchase price or affordable rent set at 140% of the*

1 unadjusted area median family income (AMI) determined by MOHCD on an annual basis and
2 derived from the HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; (2)
3 at a rent that shall not exceed 30% of the applicable household income limit for a rental unit, or
4 at a purchase price with an annual housing cost that shall not exceed 33% of the applicable
5 income limit for an owner-occupied unit, as each may be adjusted for household size and
6 bedroom count; and (3) for the life of the project or a minimum of 55 years, whichever is longer,
7 by a recorded regulatory agreement and consistent with any applicable federal, state, or local
8 government regulatory requirements. MOHCD shall set income eligibility requirements
9 consistent with the methodology outlined in the Mayor's Office of Housing Preferences and
10 Lottery Procedures Manual, as amended from time to time.

11 Affordable Housing Project. A project for the development of a Multi-Family
12 housing development project, consisting of 25 or more residential units, where 100% of the
13 residential units are Affordable Housing. In the alternative, an Affordable Housing Project is a
14 mixed-use development consisting of Multi-Family residential uses and nonresidential uses on
15 the ground floor, and where all Multi-Family residential uses are restricted as Affordable
16 Housing. An Affordable Housing Project may also include non-residential uses that are
17 accessory to and supportive of the residents and the Affordable Housing, and such uses shall not
18 be considered a non-residential use.

19 Notwithstanding the foregoing requirements for an Affordable Housing
20 Project, the maximum affordable rent or sales price for the Affordable Housing in such project
21 may be no higher than 20% below median market rents or sales prices for the neighborhood in
22 which the Affordable Housing Project is located, which neighborhood shall be defined in
23 accordance with the American Community Survey Neighborhood Profile Boundaries Map.
24 MOHCD shall determine the allowable rents and sales prices, and the eligible households for
25 such units accordingly.

1 Increased Affordability Housing Project. A Multi-Family housing development project
2 consisting of 25 or more residential units that provides on-site Affordable Housing units
3 required by the City's Inclusionary Affordable Housing Program, or if applicable, the
4 inclusionary requirements set forth in Planning Code Section 206.3, as such provisions may be
5 amended from time to time, plus additional on-site Affordable Units in an amount equal to 15%
6 of the number of such on-site Affordable Housing units required by the City's Inclusionary
7 Affordable Housing Program or Planning Code Section 206.3, as applicable.

8 MOHCD. The Mayor's Office of Housing and Community Development or its successor
9 agency.

10 Multi-Family. Multi-Family housing shall mean two or more residential units and shall
11 not include a single-family home.

12 (b) Eligibility. To be eligible for streamlining under this Section 16.126, projects shall
13 meet the following requirements:

14 (1) The project is an Affordable Housing Project or an Increased Affordability
15 Housing Project, and

16 (2) The project (A) is not located on a site that is under the jurisdiction of the
17 Recreation and Park Department; (B) is not located in a zoning district that prohibits dwelling
18 units; (C) does not cause any removal or demolition of a designated state or national landmark,
19 or designated City landmark, or a contributory building in a designated historic district as
20 provided in Planning Code Article 10, or a Significant Building designated Category I or II as
21 provided in Planning Code Article 11; (D) does not demolish, remove, or convert any residential
22 units, and does not include any other parcel that has any residential units that would be
23 demolished, removed, or converted as part of the project; and (E) contains two or more
24 Residential Units, not including any additional units permitted by a density bonus, and is not a
25 single family house; and

1 (3) All construction workers employed in the construction of the development
2 must be paid at least the general prevailing rate of per diem wages for the type of work and
3 geographic location of the development, as determined by the Director of Industrial Relations
4 pursuant to Sections 1773 and 1773.9 of the California Labor Code, except that apprentices
5 registered in programs approved by the Chief of the Division of Apprenticeship Standards may
6 be paid at least the applicable apprentice prevailing rate. Notwithstanding subdivision (c) of
7 Section 1773.1 of the California Labor Code, the requirement that employer payments not
8 reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing
9 shall not apply if otherwise provided in a bona fide collective bargaining agreement covering the
10 worker. The requirement to pay at least the general prevailing rate of per diem wages does not
11 preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the
12 Labor Code.

13 (4) The project sponsor shall certify that a skilled and trained workforce will be
14 used to complete the development if the application is approved. For purposes of this subsection
15 (4), a “skilled and trained workforce” has the same meaning as provided in Chapter 2.9
16 (commencing with Section 2600) of Part 1 of Division 2 of the California Public Contract Code
17 as amended from time to time.

18 (A) The Project Sponsor shall provide a report to the Office of Labor
19 Standards Enforcement on a monthly basis while the development or contract is being
20 performed, demonstrating compliance with the skilled and trained workforce and prevailing
21 wage requirements.

22 (B) Within 30 days of the effective date of this Charter provision, the City
23 Administrator shall introduce at the Board of Supervisors, and within 180 days of the effective
24 date of this Charter provision, the City shall enact an ordinance to establish civil penalties for
25 failure to comply with the requirement to use a skilled and trained workforce, including a civil

1 penalty for each month for which the report has not been provided, and a civil penalty per day
2 for each worker employed in contravention of the skilled and trained workforce requirement. The
3 Office of Labor Standards Enforcement shall collect such penalties, which shall be used to fund
4 the San Francisco City Build program, or a similar successor program that provides
5 construction training.

6 (c) **Discretionary Approvals.** It is the intent of this Section 16.126 to exempt eligible
7 Affordable Housing Projects and Increased Affordability Housing Projects from any
8 requirements for discretionary review or approvals by the City, including but not limited to the
9 Planning Commission, Historic Preservation Commission, Arts Commission, Board of
10 Supervisors, and Board of Appeals.

11 (d) **Implementation and Application.**

12 (1) The Planning Department and Department of Building Inspection, in
13 consultation with MOHCD, may adopt regulations to implement this Section 16.126.

14 (2) Notwithstanding any other provision of this Charter, the City may enact
15 ordinances applying the controls of this Section 16.126, and the Charter provisions expressly
16 related to Section 16.126, to additional forms of housing, but may not limit its application to
17 Affordable Housing Projects and Increased Affordability Housing Projects as explicitly provided
18 herein.

19 (3) The City shall not enact or adopt any regulations or requirements that are
20 applicable solely to Affordable Housing Projects and Increased Affordability Housing Projects
21 and that are greater or more burdensome than City regulations and requirements that are
22 broadly applicable to other housing developments in the City.

23
24 **SEC. 4.105. PLANNING COMMISSION.**

25 * * * *

1 REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by
2 the Board of Supervisors, be submitted for written report by the Planning Department regarding
3 conformity with the General Plan:

- 4 1. Proposed ordinances and resolutions concerning the acquisition or vacation of
5 property by, or a change in the use or title of property owned by, the City and County;
- 6 2. Subdivisions of land within the City and County;
- 7 3. Projects for the construction or improvement of public buildings or structures
8 within the City and County;
- 9 4. Project plans for public housing, or publicly assisted private housing in the
10 City and County;
- 11 5. Redevelopment project plans within the City and County; and
- 12 6. Such other matters as may be prescribed by ordinance.

13 Notwithstanding the foregoing list of matters requiring a report regarding General Plan
14 conformity, any eligible Affordable Housing Project or Increased Affordability Housing Project,
15 as defined in Charter Section 16.126, that the Planning Department determines to be consistent
16 with the applicable zoning as set forth in the Planning Code shall be deemed to be consistent
17 with the General Plan and shall not require referral for a separate report of conformity by the
18 Planning Department for the foregoing matters.

19 The Commission shall disapprove any proposed action referred to it upon a finding that
20 such action does not conform to the General Plan. Such a finding may be reversed by a vote of
21 two-thirds of the Board of Supervisors.

22 All such reports and recommendations shall be issued in a manner and within a time
23 period to be determined by ordinance.

24 PERMITS AND LICENSES. All permits and licenses dependent on, or affected by, the
25 City Planning Code administered by the Planning Department shall be approved by the

1 Commission prior to issuance except that permits, licenses, or other approvals for an eligible
2 Affordable Housing Project or an Increased Affordability Housing Project, as defined in Charter
3 Section 16.126, do not require approval by the Commission prior to issuance. The Commission
4 may delegate this approval function to the Planning Department. Notwithstanding the foregoing,
5 certificates of appropriateness for work to designated landmarks and historic districts and
6 applications for alterations to significant or contributory buildings or properties in designated
7 conservation districts that have been approved, disapproved, or modified by the Historic
8 Preservation Commission shall not require approval by the Commission prior to issuance.

9 * * * *

10
11 **SEC. 4.106. BOARD OF APPEALS.**

12 * * * *

13 (b) The Board shall hear and determine appeals with respect to any person who has been
14 denied a permit or license, or whose permit or license has been suspended, revoked, or
15 withdrawn, or who believes that his or her interest or the public interest will be adversely
16 affected by the grant, denial, suspension, or revocation of a license or permit, except for a permit
17 or license under the jurisdiction of the Recreation and Park Commission or Department, or the
18 Port Commission, or a building or demolition permit for a project that has received a permit or
19 license pursuant to a conditional use authorization, or any permit or license for an eligible
20 Affordable Housing Project or an Increased Affordability Housing Project, as defined in Charter
21 Section 16.126; provided that the Board shall hear and determine appeals of building permits
22 for an eligible Affordable Housing Project or Increased Affordability Housing Project as defined
23 in Charter Section 16.126 solely to consider whether such permits comply with the objective
24 standards set forth in the Building Code, including the Electrical, Housing, Mechanical, and
25 Plumbing Codes.

1 * * * *

2
3 **SEC. 4.135. HISTORIC PRESERVATION COMMISSION.**

4 * * * *

5 LANDMARK AND HISTORIC DISTRICT DESIGNATIONS. The Historic Preservation
6 Commission shall have the authority to recommend approval, disapproval, or modification of
7 landmark designations and historic district designations under the Planning Code to the Board of
8 Supervisors. Any recommendation of approval, disapproval, or modification of landmark
9 designations and historic district designations under the Planning Code shall include a finding
10 that the Historic Preservation Commission has considered the effect of such approval,
11 disapproval, or modification on affordable housing. The Historic Preservation Commission shall
12 send recommendations regarding landmarks designations to the Board of Supervisors without
13 referral or recommendation of the Planning Commission. The Historic Preservation Commission
14 shall refer recommendations regarding historic district designations to the Planning Commission,
15 which shall have 45 days to review and comment on the proposed designation, which comments,
16 if any, shall be forwarded to the Board of Supervisors together with the Historic Preservation
17 Commission's recommendation. Decisions of the Historic Preservation Commission to
18 disapprove designation of a landmark or historic district shall be final unless appealed to the
19 Board of Supervisors.

20 CERTIFICATES OF APPROPRIATENESS. The Historic Preservation Commission shall
21 approve, disapprove, or modify certificates of appropriateness for work to designated landmarks
22 or within historic districts. For minor alterations, the Historic Preservation Commission may
23 delegate this function to staff, whose decision may be appealed to the Historic Preservation
24 Commission. A Certificate of Appropriateness shall not be required for construction of an
25

1 eligible Affordable Housing Project or an Increased Affordability Housing Project, as defined in
2 Charter Section 16.126, in a historic district.

3 For projects that require multiple planning approvals, the Historic Preservation
4 Commission must review and act on any Certificate of Appropriateness before any other
5 planning approval action. For projects that (1) require a conditional use permit or permit review
6 under Section 309, et seq., of the Planning Code and (2) do not concern an individually
7 landmarked property, the Planning Commission may modify any decision on a Certificate of
8 Appropriateness by a 2/3 vote, provided that the Planning Commission shall apply all applicable
9 historic resources provisions of the Planning Code.

10 * * * *

11 ALTERATION OF SIGNIFICANT OR CONTRIBUTORY BUILDINGS OR BUILDINGS IN
12 CONSERVATION DISTRICTS IN THE C-3 DISTRICTS. The Historic Preservation
13 Commission shall have the authority to determine if a proposed alteration is a Major Alteration
14 or a Minor Alteration. The Historic Preservation Commission shall have the authority to
15 approve, disapprove, or modify applications for permits to alter or demolish designated
16 Significant or Contributory buildings or buildings within Conservation Districts. The Historic
17 Preservation Commission shall not have the authority to approve, disapprove, or modify
18 applications for permits to alter buildings for an eligible Affordable Housing Project or an
19 Increased Affordability Housing Project, as defined in Charter Section 16.126. For Minor
20 Alterations, the Historic Preservation Commission may delegate this function to staff, whose
21 decision may be appealed to the Historic Preservation Commission.

22 * * * *

23 REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by the
24 Board of Supervisors, be submitted for written report by the Historic Preservation Commission
25 regarding effects upon historic or cultural resources: ordinances and resolutions concerning

1 historic preservation issues and historic resources; redevelopment project plans; waterfront land
2 use and project plans; and such other matters as may be prescribed by ordinance. An eligible
3 Affordable Housing Project or an Increased Affordability Housing Project, as defined in Charter
4 Section 16.126, shall not require review by the Historic Preservation Commission under this
5 paragraph. If the Planning Commission is required to take action on the matter, the Historic
6 Preservation Commission shall submit any report to the Planning Commission as well as to the
7 Board of Supervisors; otherwise, the Historic Preservation Commission shall submit any report
8 to the Board of Supervisors.

9 * * * *

10 **SEC. 5.103. ARTS COMMISSION.**

11 * * * *

12 In furtherance of the foregoing the Arts Commission shall:

13 1. Approve the designs for all public structures, any private structure which extends over
14 or upon any public property and any yards, courts, set-backs, or usable open spaces which are an
15 integral part of any such structures, except that an eligible Affordable Housing Project or an
16 Increased Affordability Housing Project, as defined in Charter Section 16.126, is not subject to
17 design approval by the Arts Commission;

18 2. Approve the design and location of all works of art before they are acquired,
19 transferred or sold by the City and County, or are placed upon or removed from City and County
20 property, or are altered in any way; maintain and keep an inventory of works of art owned by the
21 City and County; and maintain the works of art owned by the City and County;

22 3. Promote a neighborhood arts program to encourage and support an active interest in
23 the arts on a local and neighborhood level, assure that the City and County-owned community
24 cultural centers remain open, accessible and vital contributors to the cultural life of the City and
25

1 County, establish liaison between community groups and develop support for neighborhood
2 artists and arts organizations; and

3 4. Supervise and control the expenditure of all appropriations made by the Board of
4 Supervisors for the advancement of the visual, performing or literary arts.

5 Nothing in this section shall be construed to limit or abridge the powers or exclusive
6 jurisdiction of the charitable trust departments or the California Academy of Sciences or the
7 Library Commission over their activities; the land and buildings set aside for their use; or over
8 the other assets entrusted to their care.

9
10 **SEC. 9.118. CONTRACT AND LEASE LIMITATIONS.**

11 (a) Unless otherwise provided for in this Charter, contracts entered into by a department,
12 board, or commission having anticipated revenue to the City and County of one million dollars
13 or more, or the modification, amendment, or termination of any contract which when entered
14 into had anticipated revenue of one million dollars or more, shall be subject to approval of the
15 Board of Supervisors by resolution. Notwithstanding the foregoing sentence, contracts for an
16 eligible Affordable Housing Project or an Increased Affordability Housing Project, as defined in
17 Charter Section 16.126, shall not be subject to approval of the Board of Supervisors under this
18 Section 9.118(a).

19 (b) Unless otherwise provided for in this Charter, and with the exception of construction
20 contracts entered into by the City and County, any other contracts or agreements entered into by
21 a department, board or commission having a term in excess of ten years, or requiring anticipated
22 expenditures by the City and County of ten million dollars, or the modification or amendments to
23 such contract or agreement having an impact of more than \$500,000 shall be subject to approval
24 of the Board of Supervisors by resolution. Notwithstanding the foregoing sentence, contracts or
25 agreements for an eligible Affordable Housing Project or an Increased Affordability Housing

1 Project, as defined in Charter Section 16.126, shall not be subject to approval of the Board of
2 Supervisors under this Section 9.118(b).

3 (c) Unless otherwise provided for in this Charter, any lease of real property for a period
4 of ten or more years, including options to renew, or having anticipated revenue to the City and
5 County of one million dollars or more; the modification, amendment, or termination of any lease,
6 which when entered into was for a period of ten or more years, including options to renew, or
7 had anticipated revenue to the City and County of one million dollars or more; and any sale or
8 other transfer of real property owned by the City and County, shall first be approved by
9 resolution of the Board of Supervisors. Leases of property under the jurisdiction of the Port
10 Commission for maritime use shall be exempt from the requirements of this ~~§~~Section 9.118(c).
11 Ground leases of property for an eligible Affordable Housing Project or an Increased
12 Affordability Housing Project, as defined in Charter Section 16.126, shall be exempt from the
13 requirements of this Section 9.118(c), provided that the ground lease is no less than 55 years.

14
15 SECTION 4. PLANNING CODE AMENDMENTS. The Planning Code is hereby
16 amended by adding new Section 344, and revising Section 101.1, to read as follows:

17 **SEC. 344. STREAMLINED REVIEW OF AFFORDABLE HOUSING AND**
18 **INCREASED AFFORDABILITY HOUSING PROJECTS.**

19 (a) Purpose and Amendment. It is the intent of this Section 344 to exempt Affordable
20 Housing Projects and Increased Affordability Housing Projects, as defined in Charter section
21 16.126, from any requirements for discretionary review or approval by the Planning
22 Commission, Historic Preservation Commission, Board of Supervisors, or Board of Appeals
23 consistent with the Charter. The Board of Supervisors may expand the application of this Section
24 344, Planning Code Section 101.1, and Business and Tax Regulation Code Section 26 to other
25 forms of housing by ordinance, but the Board may not restrict its application to only Affordable

1 Housing Projects or Increased Affordability Housing Projects, as defined in Charter Section
2 16.126. The Board of Supervisors may by ordinance amend any part of this Section 344 if the
3 amendment is technical and non-substantive in nature, and consistent with the intent of this
4 Section 344, and is initiated by the Planning Commission.

5 **(b) Definitions and Eligibility.**

6 **(1) Definitions.**

7 Affordable Housing. Affordable Housing shall have the meaning set forth
8 in Charter Section 16.126(a).

9 Affordable Housing Project. An Affordable Housing Project shall have
10 the meaning set forth in Charter Section 16.126(a).

11 Increased Affordability Housing Project. An Increased Affordability
12 Housing Project shall have the meaning set forth in Charter Section 16.126(a).

13 MOHCD. The Mayor's Office of Housing and Community Development
14 or its successor agency.

15 **(2) Eligibility. To be eligible for streamlining under this Section 344, projects**
16 **(A) shall meet the eligibility requirements of Charter Section 16.126(b), and (B) shall not include**
17 **non-residential uses that require conditional use approval by the Planning Commission under**
18 **the Planning Code. The Planning Department shall determine whether an application is eligible**
19 **to use the streamlined process set forth in this Section 344 within 60 days of submittal of a**
20 **complete development application. Prior to submitting a development application, the project**
21 **applicant shall place a poster at the subject property for 30 days, describing the project and**
22 **informing the public that the project is expected to be subject to the streamlined review process**
23 **under Planning Code Section 344. The poster shall be placed in a manner to be determined by**
24 **the Zoning Administrator that is visible and legible from the sidewalk or nearest public right-of**
25 **way.**

1 (c) Ministerial Review. Notwithstanding any other provisions of the Municipal Code,
2 including but not limited to Business and Tax Regulation Code Section 26, and Sections 311 and
3 317 of this Code, an eligible Affordable Housing Project or Increased Affordability Housing
4 Project that complies with the Zoning Maps, Height and Bulk Maps, and objective standards of
5 the Planning Code or state law, including but not limited to the modifications permitted by
6 Planning Code Section 344(d), shall be deemed consistent with the Planning Code. Review and
7 approval of such projects shall be considered ministerial actions, as defined by California Code
8 of Regulations, Title 14, Section 15369.

9 (1) No conditional use authorization shall be required except where other
10 sections of the Planning Code require conditional use authorization for inclusion of on-site
11 parking, approval of non-residential uses, modifications to a dwelling unit mix requirement, or
12 the location of curb cuts.

13 (2) Notwithstanding any other provision of this Code, cannabis retail uses shall
14 not be permitted ministerially as part of this section 344.

15 (3) Eligible Affordable Housing Projects or Increased Affordability Housing
16 Projects shall not require authorization by the Historic Preservation Commission or the
17 Planning Commission that otherwise may be required by the Planning Code, including any
18 requirement for a Certificate of Appropriateness under Planning Code Article 10 or a Permit to
19 Alter under Planning Code Article 11.

20 (4) No requests for discretionary review shall be accepted by the Planning
21 Department or heard by the Planning Commission for eligible Affordable Housing Projects or
22 Increased Affordability Housing Projects.

23 (d) Modifications. Affordable Housing Projects and Increased Affordability Housing
24 Projects may, at the project sponsor's request, use any of the bonus programs listed in Planning
25 Code Sections 206 et seq., including modifications listed therein, and any exceptions listed in

1 Planning Code Section 328(d), and shall be considered compliant with objective standards. If a
2 project does not elect to use the bonus programs listed in Planning Code Section 206, the project
3 may receive any of the following modifications, and Planning Commission or Zoning
4 Administrator discretionary approval shall not be required:

5 (1) any of the zoning modifications set forth in Section 206.3(d)(1), (3), and (4);

6 (2) modifications to dwelling unit exposure requirements under Section
7 206.3(d)(4)(B) may be satisfied by an unobstructed open area that is no less than 15 feet in every
8 horizontal direction; and,

9 (3) a minimum lot coverage percentage of 80% at all residential levels except on
10 levels in which all residential units face onto a public right-of-way in lieu of the rear yard
11 requirements of Section 134.

12 (e) **Design Review.** The Planning Department shall conduct a review of the aesthetic
13 elements of Affordable Housing Projects and Increased Affordability Housing Projects within 60
14 days of the submission of a complete development application from the sponsor of an Affordable
15 Housing Project or an Increased Affordability Housing Project. Design review shall be limited
16 to the aesthetic aspects and design of the Affordable Housing Project or Increased Affordability
17 Housing Project and shall not include review of the uses, density, height, zoning modifications,
18 or any other approval or disapproval of the proposed eligible project.

19 (f) **Compliance with Planning Code Article 4.** An Affordable Housing Project or an
20 Increased Affordability Housing Project shall comply with the requirements of Article 4,
21 “Development Impact Fees and Project Requirements that Authorize the Payment of In-Lieu
22 Fees,” except as such projects or any portion of such projects may otherwise be exempt from
23 such requirements, or in the event such requirements are reduced, adjusted, or waived as
24 provided in Planning Code Article 4.

1 (g) Approval. Building permit applications for eligible Affordable Housing Projects or
2 Increased Affordability Housing Projects that comply with the controls set forth in this Section
3 344 shall be ministerially approved by the Planning Department within 180 days of submittal of
4 a complete development application. Building permits shall be issued by the Department of
5 Building Inspection and shall not be subject to Business and Tax Regulation Code Section 26 or
6 an appeal to the Board of Appeals, except as specifically provided in Charter Section 4.106.
7 Notwithstanding any contrary provision in the Municipal Code, such projects shall not require a
8 Planning Code Article 3 authorization, discretionary review hearing, or any other Planning
9 Commission or Historic Preservation Commission hearing.

10
11 **SEC. 101.1. GENERAL PLAN CONSISTENCY AND IMPLEMENTATION.**

12 (a) The General Plan shall be an integrated, internally consistent, and compatible
13 statement of policies for San Francisco. To fulfill this requirement, after extensive public
14 participation and hearings, the Planning Commission shall in one action amend the General Plan
15 by January 1, 1988.

16 (b) The following Priority Policies are hereby established. They shall be included in the
17 preamble to the General Plan and shall be the basis upon which inconsistencies in the General
18 Plan are resolved:

19 (1) That existing neighborhood-serving retail uses be preserved and enhanced
20 and future opportunities for resident employment in and ownership of such businesses enhanced;

21 (2) That existing housing and neighborhood character be conserved and protected
22 in order to preserve the cultural and economic diversity of our neighborhoods;

23 (3) That the City's supply of affordable housing be preserved and enhanced, and
24 that new housing for households of all income levels be produced to meet the needs of City
25 residents today and tomorrow;

1 (4) That commuter traffic not impede Muni transit service or overburden our
2 streets or neighborhood parking;

3 (5) That a diverse economic base be maintained by protecting our industrial and
4 service sectors from displacement due to commercial office development, and that future
5 opportunities for resident employment and ownership in these sectors be enhanced;

6 (6) That the City achieve the greatest possible preparedness to protect against
7 injury and loss of life in an earthquake;

8 (7) That landmarks and historic buildings be preserved; and,

9 (8) That our parks and open space and their access to sunlight and vistas be
10 protected from development.

11 (c) The City may not adopt any zoning ordinance or development agreement authorized
12 pursuant to California Government Code Section 65865 after November 4, 1986, unless prior to
13 that adoption it has specifically found that the ordinance or development agreement is consistent
14 with the Priority Policies established above.

15 (d) The City may not adopt any zoning ordinance or development agreement authorized
16 pursuant to California Government Code Section 65865 after January 1, 1988, unless prior to
17 that adoption it has specifically found that the ordinance or development agreement is consistent
18 with the General Plan.

19 (e) Prior to issuing a permit for any project or adopting any legislation which requires an
20 initial study under the California Environmental Quality Act, and prior to issuing a permit for
21 any demolition, conversion, or change of use, and prior to taking any action which requires a
22 finding of consistency with the General Plan, the City shall find that the proposed project or
23 legislation is consistent with the Priority Policies established above. For any such permit issued
24 or legislation adopted after January 1, 1988, the City shall also find that the project is consistent
25 with the General Plan.

1 (f) Notwithstanding anything to the contrary in this Section 101.1, an eligible Affordable
2 Housing Project or Increased Affordability Housing Project, as defined in Charter Section
3 16.126, shall be deemed to be consistent with this Section 101.1 and shall not require a separate
4 finding of consistency with this Section 101.1.

5
6 SECTION 5. BUSINESS AND TAX REGULATIONS CODE AMENDMENTS. The
7 Business and Tax Regulations Code shall be amended by revising Section 26 of Article 1, to read
8 as follows:

9 **SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.**

10 (a) Subject to Subsection (b), in the granting or denying of any permit, or the revoking or
11 the refusing to revoke any permit, except for permits associated with an eligible Affordable
12 Housing Project or Increased Affordability Housing Project, as defined in Charter Section
13 16.126, the granting or revoking power may take into consideration the effect of the proposed
14 business or calling upon surrounding property and upon its residents, and inhabitants thereof; and
15 in granting or denying said permit, or revoking or refusing to revoke a permit, may exercise its
16 sound discretion as to whether said permit should be granted, transferred, denied, or revoked.

17 * * * *

18
19 SECTION 6. ADDITIONAL FINDINGS. The People of the City and County of San
20 Francisco specifically find that, for the reasons set forth in Section 2, this ordinance is consistent
21 with the San Francisco General Plan and the Priority Policies set forth in Planning Code Section
22 101.1, and the actions in this ordinance will serve the public necessity, convenience, and welfare
23 pursuant to Planning Code Section 302.

1 SECTION 7. AMENDMENT. The provisions of this Initiative amending the Charter
2 and the Municipal Code may only be amended by the voters of the City and County of San
3 Francisco except as specifically provided in the terms of the Initiative.

4
5 SECTION 8. POLICY. It is the Policy of the People of the City that the City shall
6 encourage the timely development of Affordable Housing Projects and Increased Affordability
7 Housing Projects, so that the City and its residents can obtain the benefits that such projects will
8 provide. To that end, the People of the City encourage the City, its officers, employees, and
9 consultants to take all appropriate steps to expeditiously assist the construction of Affordable
10 Housing Projects and Increased Affordability Housing Projects.

11
12 SECTION 9. SEVERABILITY. If any provision of this Initiative or any application
13 thereof to any person or circumstance is held invalid, such invalidity shall not affect any
14 provision or application of this Initiative that can be given effect without the invalid provision or
15 application. To this end, the provisions of this Initiative are severable.

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17
18 APPROVED AS TO FORM:
19 DAVID CHIU, City Attorney

20 By: /s/
21 AUDREY WILLIAMS PEARSON
22 Deputy City Attorney

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