

BOARD of SUPERVISORS



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MEMORANDUM

TO: Tom Hui, Director, Department of Building Inspection
Mohammed Nuru, Director, Public Works
Joanne Hayes-White, Chief, Fire Department
Nicole Bohn, Director, Mayor's Office on Disability
John Rahaim, Director, Planning Department
Kate Hartley, Director, Mayor's Office of Housing and Community Development
Jeff Kositsky, Director, Department of Homelessness and Supportive Housing

FROM: *AS* Alisa Somera, Legislative Deputy Director
for Rules Committee

DATE: May 30, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee has received the following proposed legislation, introduced by Supervisor Ronen on May 22, 2018:

File No. 180547

Ordinance amending the Administrative Code to require the Department of Building Inspection, Public Works, Fire Department, Mayor's Office on Disability, and Planning Department to prioritize the processing of 100% affordable housing projects as each department's or office's highest priority; to require those departments to identify a staff person responsible for 100% affordable housing projects; and to require the Mayor's Office of Housing and Community Development to provide the Board of Supervisors and the Mayor with quarterly reports about the status of pending 100% affordable housing projects.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: alisa.somera@sfgov.org.

c: William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
David Steinberg, Public Works
Jeremy Spitz, Public Works
Jennifer Blot, Public Works
John Thomas, Public Works
Lena Liu, Public Works
Kelly Alves, Fire Department
Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Laura Lynch, Planning Department
Eugene Flannery, Mayor's Office of Housing and Community Development
Amy Chan, Mayor's Office of Housing and Community Development
Emily Cohen, Department of Homelessness and Supportive Housing

1 [Administrative Code - Prioritizing 100% Affordable Housing Projects]

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3 **Ordinance amending the Administrative Code to require the Department of Building**
4 **Inspection, Public Works, Fire Department, Mayor's Office on Disability, and Planning**
5 **Department to prioritize the processing of 100% affordable housing projects as each**
6 **department's or office's highest priority; to require those departments to identify a staff**
7 **person responsible for 100% affordable housing projects; and to require the Mayor's**
8 **Office of Housing and Community Development to provide the Board of Supervisors**
9 **and the Mayor with quarterly reports about the status of pending 100% affordable**
10 **housing projects.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
14 **Board amendment additions** are in double-underlined Arial font.
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
16 **Asterisks (* * * *)** indicate the omission of unchanged Code
17 subsections or parts of tables.

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

19 Section 1. Purpose and Findings.

20 (a) The purpose of this Ordinance is to bring clarity and speed to the pre- and post-
21 entitlement permitting process for 100% affordable housing development projects.

22 (b) The crisis-level shortage of affordable housing is devastating our City, with
23 profound impacts on the cultural and ethnic diversity that make San Francisco unique and
24 treasured and now threatens the economic viability of San Francisco.

25 (c) San Francisco continues to see displacement of long-time communities due to the
loss of rent-controlled housing units paired with out-of-balance new housing production.
Studies have documented that the impacts of housing displacement extend to poor long-term

1 health outcomes, reduced use of sustainable transportation, lack of access to job
2 opportunities, and decline in school performance.

3 (d) According to the May 2018 Housing Balance Report produced by the San
4 Francisco Planning Department, only 23.6% of new units built City-wide between 2008 and
5 2017 were affordable to households earning between 0% and 150% of Area Median Income
6 (“AMI”). That same report notes that the loss of rent-controlled units deepens this imbalance
7 of new affordable to market-rate housing production City-wide to 16.7%.

8 (e) Unrestricted market-rate development is not producing housing to meet this
9 need. According to Trulia, by the end of 2017, San Francisco had the highest median monthly
10 rent in the country, at \$4,000, 54% higher than \$2,594, the amount of rent affordable for a 3-
11 person household earning 100% of AMI, per the Mayor’s Office of Housing and Community
12 Development’s 2017 maximum monthly rent and income limits.

13 (f) For many San Francisco residents, their only hope of remaining in San Francisco is
14 to gain access to an affordable unit through the lotteries that are held for affordable housing.
15 A recent housing lottery for 95 new affordable units in San Francisco drew 6,580 applications.

16 (g) According to a Planning Department Residential Pipeline memo, as of the end of
17 the 4th Quarter of 2017, San Francisco’s completed and pipeline of new construction
18 affordable to very low-, low-, and moderate-income households was only 48% of the amount
19 necessary to meet 2015-2022 Regional Housing Need Allocation goals, while new
20 construction for above moderate-income households was already at 225% of that goal.

21 (h) San Francisco’s 2014 Housing Element update includes policies intended to
22 Facilitate Permanently Affordable Housing (Issue 4) and to Remove Constraints to the
23 Construction and Rehabilitation of Housing (Issue 5). Policy 7.5 states: “Encourage the
24 production of affordable housing through process and zoning accommodations, and prioritize
25 affordable housing in the review and approval process.”

1 (i) Former San Francisco Mayor Ed Lee issued Executive Directive 13-01, which
2 identified 100% permanently affordable housing as a top priority, and a task force of City
3 departments and housing advocates generated a set of recommendations. Executive
4 Directive 17-02 additionally set specific deadlines for post-entitlement approvals.
5 Nonetheless, 100% affordable housing projects are not being adequately prioritized for
6 processing by City departments.

7 (j) San Francisco voters have a history of supporting revenue initiatives that generate
8 financing for affordable housing. Most recently, in 2015, Proposition A, a \$310 million
9 Affordable Housing General Obligation Bond was approved by more than 74% of voters. In
10 November 2012, voters passed Proposition C, establishing the Housing Trust Fund. This
11 investment of local funds allows San Francisco to leverage significant other public and private
12 financing to accomplish its affordable housing goals.

13 (k) Pursuant to San Francisco Campaign and Governmental Conduct Code Section
14 3.400, the Board of Supervisors finds that the officers and employees the Department of
15 Building Inspection, the Planning Department, the Department of Public Works shall
16 preferentially review, consider, and process all applications, revisions, corrections and other
17 permit-related material for 100% affordable housing projects in order to address the public
18 policy concerns set forth above.

19 Section 2. The Administrative Code is hereby amended by adding Chapter 109,
20 consisting of Sections 109.1, 109.2, and 109.3, to read as follows:

21 **CHAPTER 109. PRIORITIZING 100% AFFORDABLE HOUSING.**

22 **SEC. 109.1. DEFINITIONS.**

23 *For the purpose of this Chapter 109, the terms below shall have the meanings set forth in this*
24 *Section 109.1.*

1 “100% Affordable Housing Project” shall mean a building where 100% of the residential units
2 (not including a manager’s unit) will be subject to a recorded regulatory restriction to ensure
3 affordability based on income, or where 100% of the residential units (not including a manager’s unit)
4 are funded by a nonprofit charitable organization and will provide permanent housing for Homeless or
5 formerly Homeless persons.

6 “Homeless” shall mean: (a) an individual or family who lacks a fixed, regular and adequate
7 nighttime residence; or (b) an individual or family who has a primary nighttime residence that is: (1) a
8 supervised publicly or privately operated shelter designed to provide temporary living
9 accommodations; (2) an institution that provides a temporary residence for individuals who have been
10 institutionalized; or (3) a public or private place not designed for, or ordinarily used as, a regular
11 sleeping accommodation for human beings.

12 **SEC. 109.2. PRIORITY PROCESSING OF 100% AFFORDABLE HOUSING PROJECTS;**
13 **IDENTIFICATION OF RESPONSIBLE STAFF PERSON.**

14 **(a) Priority Processing.**

15 (1) Notwithstanding any administrative bulletin, administrative order, policy or
16 regulation to the contrary, and notwithstanding Article III, Chapter 4 of the Campaign and
17 Governmental Conduct Code, the Department of Building Inspection, Department of Public Works,
18 Fire Department, Mayor’s Office on Disability, and Planning Department shall prioritize the
19 processing of any 100% Affordable Housing Project seeking any approval, permit, or other City
20 authorization from their department or office. Under such priority processing, each department or
21 office shall prioritize any 100% Affordable Housing Project with a pending application for an
22 approval, permit or other authorization within its jurisdiction, and shall not expend any resources or
23 staff to any other projects before the department of office if that expenditure would delay the
24 department or office from processing an approval, permit, or other authorization for a 100%
25 Affordable Housing Project.

1 (2) **Exception for Emergencies.** The Department of Building Inspection, Department of
2 Public Works, Fire Department, Mayor's Office on Disability, and Planning Department may place a
3 higher priority on emergency projects that the director of the department or office determines are
4 necessary to secure the health or safety of the public.

5 (b) **Responsible Staff Person.** The Department of Building Inspection, Department of Public
6 Works, Fire Department, Mayor's Office on Disability, and Planning Department shall each designate
7 a staff person who shall be primarily responsible for all pending 100% Affordable Housing Projects.
8 Upon designating a staff person, the department or office shall notify (1) the project sponsor of each
9 100% Affordable Housing Project with an application pending in the department or office, (2) the
10 Board of Supervisors, and (3) the Mayor's Office of Housing and Community Development of its
11 responsible staff person for such projects and shall notify them of any changes to that assignment.
12 Thereafter, the department or office shall notify the project sponsor of each 100% Affordable Housing
13 Project that files a new application of its responsible staff person. Each department and office shall
14 also identify the responsible staff person for 100% Affordable Housing Projects on its website.

15 (c) **Existing Legal Requirements.** Subsection (a) shall not eliminate, lessen, modify or remove
16 any legal requirements or standards that 100% Affordable Housing Projects must satisfy under local,
17 State or federal law.

18 **SEC. 109.3. QUARTERLY REPORTS.**

19 Beginning on July 15, 2018, the Mayor's Office of Housing and Community Development shall
20 provide a report to the Board of Supervisors and Mayor about the status of 100% Affordable Housing
21 Projects pending before Department of Building Inspection, Department of Public Works, Fire
22 Department, Mayor's Office on Disability, and Planning Department, and shall provide subsequent
23 reports every three months thereafter. The Department of Building Inspection, Department of Public
24 Works, Fire Department, Mayor's Office on Disability, and Planning Department shall provide the
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1 Mayor's Office of Housing and Community Development with the information necessary to compile
2 these reports. Each report, as a minimum, shall provide:

3 (a) a list of every 100% Affordable Housing Project that has applied for approval, permit, or
4 other City authorization from the Department of Building Inspection, Department of Public Works, Fire
5 Department, Mayor's Office on Disability, and Planning Department;

6 (b) information regarding the financing and financing-related deadlines for each 100%
7 Affordable Housing Project;

8 (c) the approval, permit or other City authorization each 100% Affordable Housing Project is
9 waiting to receive from the department or office; and

10 (d) the date of any application and current status of each pending approval, permit or other
11 City authorization for each 100% Affordable Housing Project.

12 Section 3. Effective Date. This ordinance shall become effective 30 days after
13 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
14 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
15 of Supervisors overrides the Mayor's veto of the ordinance.

16 Section 4. Undertaking for the General Welfare. In enacting and implementing this
17 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not
18 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it
19 is liable in money damages to any person who claims that such breach proximately caused
20 injury.

21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By:


24 ANDREW SHEN
25 Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Prioritizing 100% Affordable Housing Projects]

Ordinance amending the Administrative Code to require the Department of Building Inspection, Public Works, Fire Department, Mayor's Office on Disability, and Planning Department to prioritize the processing of 100% affordable housing projects as each department's or office's highest priority; to require those departments to identify a staff person responsible for 100% affordable housing projects; and to require the Mayor's Office of Housing and Community Development to provide the Board of Supervisors and the Mayor with quarterly reports about the status of pending 100% affordable housing projects.

Existing Law

San Francisco Campaign and Governmental Conduct Code Section 3.400(a) provides that it shall be the policy of the Department of Building Inspection, the Planning Department, the Department of Public Works to treat all permit applicants in the same manner. Section 3.400(b) further provides that these departments must review, consider, and process all applications, revisions, corrections and other permit-related material in the order in which they were received unless there is a written finding of a public policy basis for not doing so.

Amendments to Current Law

This ordinance would direct the Department of Building Inspection, Department of Public Works, Fire Department, Mayor's Office on Disability, and Planning Department to prioritize the processing of pending applications for 100% affordable housing project permits or other approvals. Such prioritization would require these departments to refrain from expending resources on other projects where doing so would delay processing of a 100% affordable housing application, while allowing the department head to make exceptions for emergencies. The ordinance would define a 100% affordable housing project to mean a building where 100% of the residential units will be subject to a recorded regulatory restriction to ensure affordability based on income, or where 100% of the residential units are funded by a nonprofit charitable organization and will provide permanent housing for homeless or formerly homeless persons.

In addition, the ordinance would require each of these departments to designate a responsible staff person for such projects. Finally, the ordinance would require the Mayor's Office of Housing and Community Development to provide quarterly reports to the Board of Supervisors and the Mayor regarding the status of 100% affordable housing projects.