

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

JUN 17 PM 4:36

**Submittal Form**  
**For Proposed Initiative Measure(s)**  
**Prior to the Submittal**  
**to the**  
**Department of Elections**

By 4 or more Board of Supervisors or the Mayor

I, hereby submit the following proposed initiative measure(s) for hearing before the Board of Supervisors, Rules Committee prior to the submittal of the proposed initiative measure to the Department of Elections. (Prop C. Nov. 2007)

This matter is for the **November 4, 2014** Election.

**Sponsor(s): Mayor Edwin M Lee**

---

**SUBJECT: Initiative Ordinance – Planning Code – Build Housing Now**

The text is listed below or attached:

SAN FRANCISCO  
FILED  
2014 JUN 17 PM 4:42  
DEPARTMENT OF ELECTIONS

Signature of Sponsoring Supervisor(s) or Mayor

---



Time Stamp by Clerk's Office:

140714

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Mayor Edwin M. Lee  
RE: Initiative Ordinance – Planning Code – Build Housing Now  
DATE: June 17, 2014

---

Attached for introduction to the Board of Supervisors is the ordinance amending the Planning Code to prohibit additional land use requirements such as conditional use authorizations, variances or other requirements on housing projects within Area Plans of the General Plan and within Redevelopment Plan Areas based on a cumulative housing balance ratio or other similar criteria related to achieving a certain ratio of affordability levels Citywide or within a geographic area of the City; to prohibit changes to the Planning Code related to RH-1 and RH-2 zoning districts that would significantly increase the developable residential area in a housing project; and making findings, defining goals, and stating policies that support production of 30,000 units of new housing in San Francisco by 2020 including 50% within reach of low and middle income households, to review all potential revenue sources for new low and middle income housing, and support dedication of 33% of Housing Trust Funds to Housing Authority Projects.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2014 JUN 17 PM 4:36

**PROPOSED INITIATIVE ORDINANCE TO BE SUBMITTED BY THE  
MAYOR TO THE VOTERS AT THE NOVEMBER 4, 2014 ELECTION.**

[Under Charter Sections 3.100(16) and 2.113(b), this measure must be submitted to the Board of Supervisors and filed with the Department of Elections no less than *45 days prior* to deadline for submission of such initiatives to the Department of Elections set in Municipal Elections Code Section 300(b).]

[Initiative Ordinance – Planning Code – Build Housing Now]

**Ordinance amending the Planning Code to prohibit additional land use requirements such as conditional use authorizations, variances or other requirements on housing projects within Area Plans of the General Plan and within Redevelopment Plan Areas based on a cumulative housing balance ratio or other similar criteria related to achieving a certain ratio of affordability levels Citywide or within a geographic area of the City; and making findings, defining goals, and stating policies that support production of 30,000 units of new housing in San Francisco by 2020 including over 50% within reach of low and middle income households, to review all potential revenue sources for new low and middle income housing, and support dedication of 33% of Housing Trust Funds to Housing Authority Projects.**

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

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

Section 1. **Findings.**

The People of the City and County of San Francisco hereby find and declare as follows:

(a) Historically, San Francisco's housing production has not kept pace with growth. Despite population growth of over 80,000 new residents from 1990 to 2010, San Francisco produced an average of only 1648 net new housing units per year over the past two decades. From 2007 to 2013, San Francisco added 51,800 private sector jobs, while adding only 14,060 housing units over that same period.

(b) In January, 2014 Mayor Lee set forth a proposal to construct or rehabilitate 30,000 homes throughout the City by 2020, with at least one-third of those permanently affordable to low and moderate income families, and the majority of them within financial reach of working middle class San Franciscans, will have a positive impact on the City's housing shortage, and will likely curb the price escalation that has resulted from it.

(c) Implementing this plan will require significant local, state and federal revenue, as well as developer contributions and other creative funding methods. Given the decimation of state sources for affordable housing, in particular the elimination of redevelopment agencies, the voters approved the creation of the San Francisco Housing Trust Fund in November 2012, which set aside significant general fund revenues to create, acquire and rehabilitate affordable housing and promote affordable home ownership programs in the City. However, its resources were not enough to address the scale of today's housing crisis, which affects the stability of low, moderate and middle income San Franciscans, and their ability to find adequate housing in the City.

(d) While San Francisco's median income has grown over time, the City's middle-class population has declined by almost 10% since 1990, and its ability to attain affordable housing in the City has decreased. Middle income households include those headed by teachers, police and fire professionals, carpenters, medical and public health professionals,

social workers, librarians, construction workers, electrical repairers and utility workers, all of whom provide services necessary for San Francisco's citizens. Currently, the majority of the City's affordable housing programs are accessible to households at or below 60% of area median income. This leaves a gap of options for households above that threshold. Unfulfilled demand for middle income housing impacts supply and puts pressure on housing stock for lower income households.

(e) Given the severe decline in federal public housing funding, and the severely deteriorating physical conditions in many of San Francisco's public housing projects, a broad-based community process developed a Re-Envisioning Plan for the San Francisco Public Housing Authority, dated July 2013. The Re-Envisioning Plan directed that the City facilitate necessary improvements to the 6,139 units within the public housing portfolio, which will require a significant local funding subsidy.

Section 2. The People of the City and County of San Francisco hereby declare:

It shall be the official policy of the City and County of San Francisco:

(a) To confirm the Mayor's commitment to construct no less than 30,000 new units by 2020 with the majority of those units within the financial reach of low and middle income households. The voters urge the Mayor to develop by December 31, 2014 a Housing Action Plan to realize this goal.

(b) To urge the Mayor and Board of Supervisors to review all potential revenue sources needed to realize the Housing Action Plan, and develop a Funding Strategy for its implementation. This Funding Strategy shall provide for a range of housing attainable to all income levels, including the rehabilitation and reconstruction of San Francisco's public housing, acquisition and rehabilitation of existing rent controlled units in at-risk neighborhoods, and construction of new affordable housing.

(c) To urge, in recognition of the City's historic inability to produce housing for households at middle income levels, that the Mayor and Board pursue new revenue sources that support the development of new housing units or provide down payment loans for middle income households. Within 60 days of the effective date of this measure, the Planning Department is directed and authorized to undertake an economic nexus analysis to analyze the impact of luxury development on the demand for middle income housing in the City, and explore fees or other revenue sources that could help mitigate this impact.

(d) To urge the Director of the Mayor's Office of Housing and Community Development to allocate no less than 33 percent of appropriations from the Housing Trust Fund to projects related to the San Francisco Housing Authority by 2020, unless other funding becomes available for this purpose.

Section 3. The Planning Code is hereby amended by adding Section 302.1, to read as follows:

**SEC. 302.1. HOUSING PROJECTS IN AREA PLAN AND REDEVELOPMENT PLAN AREAS.**

**(a) Findings.**

(1) To address the City's housing shortage while ensuring housing is constructed in locations close to public transit and in association with increased open space and community services, the City has enacted Area Plans of the General Plan and Redevelopment Plans through robust community engagement processes, with accompanying land use and zoning controls that reflect the values and priorities of the community and the City, including the desired location, size and density of new residential development projects. There is a shortage of housing affordable to all income levels in the City, and residential development projects within Area Plan and Redevelopment Plan Areas that conform to and implement Area Plans and Redevelopment Plans make a significant contribution to solving the City's housing shortage.

(2) The Inclusionary Housing Program and other City initiatives assure that affordable housing units are developed or funded along with market rate housing in Area Plan and Redevelopment Plan Areas, often at greater levels than in other areas of the City. As of July 1, 2014, more than \$50 million in Inclusionary Housing fees paid by market rate development has been deposited into the Citywide Affordable Housing Fund, and more than \$13 million in interest has been earned on the Citywide Affordable Housing Fund.

(3) Additional impediments to the development of housing within Area Plans and Redevelopment Plan Areas are inconsistent with the Area Plans and Redevelopment Plans and would contribute to the City's housing shortage.

(4) Area Plans and Redevelopment Plans provided an opportunity for neighborhoods to work with the City to develop a strategic plan for their future, including housing, services and amenities. Such plans can ensure that infill development is directed to locations where it has community support, as well as public transit and other needed services, and that development is shaped by neighborhood-specific design guidelines, infrastructure plans, and historic resources surveys, as appropriate.

(b) Definitions.

In addition to the specific definitions set forth elsewhere in this Code, the following definitions shall govern interpretation of this Section 302.1:

“Area Plan” shall mean an element of the General Plan that covers a specified geographic area of the City adopted on or before December 31, 2020.

“Area Plan or Redevelopment Plan Areas” shall mean land located within the geographic boundaries of an Area Plan or a Redevelopment Plan.

“Community planning process” shall mean a planning process originated by the Board of Supervisors or the Planning Commission that examines potential land use and infrastructure changes for a distinct neighborhood or district, incorporates a comprehensive public participation process,

including publicly noticed meetings, hearings and other opportunities for community stakeholders to provide input in the creation or amendment of an Area Plan, and includes program level environmental review.

“Housing project” shall have the meaning set forth in Section 401.

“Redevelopment Plan” shall have the meaning set forth in Section 33330 et seq. of the California Health and Safety Code, as it may be amended from time to time.

“Significantly increase the developable residential area in a housing project” shall mean a twenty percent (20%) or greater increase in the developable residential gross floor area of a housing project.

(c) Additional Land Use Permit Requirements on Housing Projects.

Within an Area Plan or Redevelopment Plan Area, the City shall not enact any new land use regulation, including but not limited to a Planning Code amendment that would require a conditional use, variance, discretionary review, or design review, where that regulation could prohibit, condition, or otherwise restrict the approval of new market-rate housing units based on a cumulative housing balance ratio or other criteria related to achieving or maintaining a certain ratio of various types of affordability levels of housing on a district-wide or City-wide basis. This prohibition shall not apply to a land use regulation limited to the ratio of affordability within a specific housing project or a regulation adopted following the completion of a new community planning process.

(d) Limits on Applicability of Section.

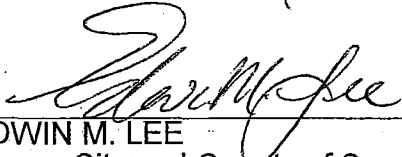
This Section 302.1 shall not apply to Projects that are the subject of a Development Agreement under California Government Code Section 65864 et seq., or where the City has a proprietary interest.



Section 4. The Board of Supervisors may amend this measure by ordinance adopted by a two-thirds vote.

\* \* \*

SUBMITTED.



EDWIN M. LEE  
Mayor, City and County of San  
Francisco

Date:

6/17/2014