

1 [Initiative Ordinance - Administrative Code - Surplus City Property Ordinance]

2

3 **Motion ordering submitted to the voters an Ordinance amending the Administrative**  
4 **Code to update provisions of the Surplus City Property Ordinance, expand the**  
5 **affordability criteria for housing developed on property acquired for affordable housing**  
6 **under the Ordinance, restrict for 120 days any other disposition of surplus City**  
7 **property being considered for transfer to the Mayor’s Office of Housing and**  
8 **Community Development for development of affordable housing under the Ordinance,**  
9 **provide for implementation of the State Surplus Property Statute, and provide for**  
10 **amendment of the initiative ordinance by the Board of Supervisors, at an election to be**  
11 **held on November 3, 2015; and affirming the Planning Department’s determination**  
12 **under the California Environmental Quality Act.**

13

14 MOVED, That the Planning Department has determined that the actions contemplated  
15 in this ordinance comply with the California Environmental Quality Act (California Public  
16 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the  
17 Board of Supervisors in File No. 150659 and is incorporated herein by reference. The Board  
18 affirms this determination; and be it

19 MOVED, That the Board of Supervisors hereby submits the following ordinance to the  
20 voters of the City and County of San Francisco, at an election to be held on November 3,  
21 2015.

22

23 **Ordinance amending the Administrative Code to update provisions of the Surplus City**  
24 **Property Ordinance, expand the affordability criteria for housing developed on property**  
25 **acquired for affordable housing under the Ordinance, restrict for 120 days any other**

1 **disposition of surplus City property being considered for transfer to the Mayor’s Office**  
2 **of Housing and Community Development for development of affordable housing under**  
3 **the Ordinance, provide for implementation of the State Surplus Property Statute, and**  
4 **provide for amendment of the initiative ordinance by the Board of Supervisors.**

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

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

11 Section 1. The Administrative Code is hereby amended by revising Sections 23A.4,  
12 23A.5, 23A.6, 23A.7, 23A.8, 23A.10, and 23A.11, and adding Section 23A.12, to read as  
13 follows:

14 **SEC. 23A.4. DEFINITIONS.**

15 For purposes of this *Chapter 23A section*:

16 ~~(a)~~ "Administrator" shall mean the City Administrator as set forth in Section 3.104 of  
17 the City's Charter.

18 *“Affordable Housing” shall mean housing that is restricted as affordable to households at*  
19 *income levels not exceeding those required under Planning Code Section 415 et seq., as may be*  
20 *amended or supplanted, and may also include housing for Homeless or formerly Homeless persons.*

21 ~~(b)~~ "Citizens' Advisory Committee" shall mean the group of citizens appointed pursuant  
22 to Section 23A.9.

23 *“Education Districts” shall mean the San Francisco Unified School District and the San*  
24 *Francisco Community College District.*

1 (e) "Enterprise Departments" shall mean the following City departments: the Port, the  
2 Airport, the Public Utilities Commission, the Municipal Transportation Agency, the Recreation  
3 and Parks Commission and the Fine Arts Museums Board of Trustees.

4 (d) "Executive Director" shall mean the Executive Director of MOHCD ~~the Mayor's Office~~  
5 ~~of Housing~~.

6 (e) "Homeless" shall mean:

7 1. an individual or family who lacks a fixed, regular and adequate nighttime  
8 residence; or

9 2. an individual or family who has a primary nighttime residence that is:

10 A. a supervised publicly or privately operated shelter designed to provide  
11 temporary living accommodations; or

12 B. an institution that provides a temporary residence for individuals who  
13 have been institutionalized; or

14 C. a public or private place not designed for, or ordinarily used as, a  
15 regular sleeping accommodation for human beings; ~~or~~ or

16 3. Families with minor children living in single resident occupancy rooms and other  
17 overcrowded housing conditions.

18 "MOHCD" shall mean the Mayor's Office of Housing and Community Development, and any  
19 successor City department.

20 (f) "Property" shall mean any real property located within and owned by the City and  
21 County of San Francisco of one-quarter acre or more, excluding land and buildings reserved for  
22 open space or parks purposes, or any land dedicated for public right-of-way purposes, or any  
23 land used or reserved for transit lines, or public utility rights-of-way, or any publicly dedicated  
24 streets or rights-of-way. "Property" shall not include any real property owned by or on behalf  
25 of the Education Districts ~~San Francisco Unified School District~~.

1           "State Surplus Property Statute" shall mean California Government Code Sections 54220  
2 through 54233, as may be amended or supplanted.

3           ~~(g)~~ "Surplus Property" shall mean any Property that is not required to fulfill the mission  
4 of the City department, commission or agency with jurisdiction or control of such Property ~~or~~  
5 and that is not required to fulfill the mission of another governmental agency pursuant to an  
6 inter-governmental transfer;

7           ~~(h)~~ "Underutilized Property" shall mean an entire Property or portion thereof (including  
8 air rights), with or without improvements, that is used by the City only at irregular periods of  
9 time or intermittently, or that is used by the City for current purposes that can be satisfied with  
10 only a portion of such Property, or that is not currently occupied or used by the City and for  
11 which there are no plans by the City to occupy or use such Property, and that ~~within the next~~  
12 ~~fiscal year.~~ has a potential for development as Affordable Housing while maintaining the existing and  
13 anticipated City uses of the Property.

14  
15 **SEC. 23A.5. AGENCY REVIEW OF PROPERTY.**

16           By February 1 ~~April 1st~~ of each year, each City commission ~~Commission~~, department or  
17 agency shall compile and deliver to the Administrator a list of all Property that it occupies or is  
18 otherwise under its control. The list shall include at least the following:

19           (a) The street address of the Property (if there is one), and the Assessor's block and  
20 lot number;

21           (b) A general description of the Property, including the current use of the Property or  
22 any planned use of the Property within the next fiscal year;

23           (c) A general description of any structure(s) on the Property as well as an assessment  
24 of their physical condition;

1 (d) Whether the Property is now vacant or scheduled or anticipated to be vacant within  
2 the next fiscal year;

3 (e) If the Property is vacant or contains vacant structures, whether the commission  
4 Commission, department or agency deems the Property to be "Surplus," or "Underutilized" as  
5 defined in ~~this~~ Section 23A.4; and

6 (f) A general summary of the terms and conditions of any gift, trust, deed restriction,  
7 bond covenant or other covenants or restrictions, deed of trust, lease, license, easement, use  
8 agreement or other agreement applicable to the use or disposition of such Property.

9 Each City commission, department or agency shall maintain or shall work with the  
10 Administrator to maintain adequate inventory and accountability systems for the Property  
11 under its control to determine which Properties are Surplus or Underutilized for purposes of  
12 this Chapter 23A, and shall reasonably cooperate with requests for information from the  
13 Administrator.

14  
15 **SEC. 23A.6. COMPILATION OF INFORMATION BY ADMINISTRATOR.**

16 (a) The Administrator shall review the list of Property submitted by City departments  
17 pursuant to Section 23A.5 ~~above~~ to identify any Property that may be Surplus Property or  
18 Underutilized Property, and shall strike from this initial list any Property that does not meet the  
19 definition of Surplus Property or Underutilized Property under Section 23A.4, is under the  
20 jurisdiction of the Recreation and Park Department, the Airport or the Port, is part of the public  
21 right-of-way, or is subject to deed restrictions or other legal restrictions that would prevent the  
22 City from disposing of such Property pursuant to this Chapter 23A. The Administrator shall also  
23 contact the Education Districts to ask if they have any surplus properties suitable for the development  
24 of Affordable Housing. The Administrator shall further consult with other City departments  
25 Departments, the Mayor, members of the Board of Supervisors and the Citizens' Advisory

1 Committee to identify any Property listed on the initial list for which a City *department*  
2 ~~Department~~ other than the *department* ~~Department~~ with current jurisdiction has a specific  
3 operational need and shall remove such Properties from the Surplus Property Report. The  
4 Administrator shall thereafter initiate the transfer of jurisdiction over those identified Properties  
5 to the *departments* ~~Departments~~ that can utilize them. The Administrator shall state in writing the  
6 reasons for the removal of each Property from the initial list and shall provide such report to  
7 MOHCD the Mayor's Office of Housing, the Board of Supervisors, and the Citizens' Advisory  
8 Committee.

9 (b) By April 1 June 1st of each year, the Administrator shall compile a comprehensive  
10 report for the remaining Property listed that includes, at a minimum, the following information:  
11 the street address, if any, and the block and lot number for each Property; the City *department*  
12 ~~Department~~ with jurisdiction over each Property; a description of the zoning applicable to ~~and~~  
13 ~~surrounding~~ such Properties; and any additional information relevant to the potential development of  
14 the Property for Affordable Housing, including a plat map for each Property; the area in square  
15 footage for each Property; a description of the surrounding properties and neighborhood; any legal  
16 restrictions or limitations on ~~the~~ development of the Property; ~~and pictures of the Property~~ (the  
17 "Surplus Property Report"). The Surplus Property Report shall also include a list of any and  
18 all City-owned properties that are adjacent to each listed Property and appear to be vacant or  
19 underutilized, along with the identification of the City *department* ~~Department~~ with jurisdiction  
20 over such adjacent property. The Surplus Property Report may include any property of the  
21 Education Districts for information purposes only. No later than May 1 June 30th of each year, the  
22 Administrator shall transmit the completed Surplus Property Report to MOHCD the Mayor's  
23 Office of Housing and to the Board of Supervisors. If the Administrator determines that there is no  
24 Surplus Property or Underutilized Property suitable for the development of Affordable Housing, the  
25 Administrator shall notify the Board of Supervisors of this determination. The Administrator shall

1 maintain and release written records of all information compiled under this Chapter 23A in  
2 conformance with all state and local laws governing the retention and disclosure of public  
3 records.

4 (c) No later than June 1 of each year, the Board of Supervisors or a committee thereof shall  
5 hold a public hearing on the Surplus Property Report and determine if any Property should be  
6 transferred to MOHCD under Section 23A.7, provided the Board President may elect not to hold a  
7 hearing during any year in which the Administrator has determined that there is no Surplus Property  
8 or Underutilized Property suitable for the development of Affordable Housing. With respect to the  
9 Enterprise Departments and the Education Districts, the Board of Supervisors may make a  
10 recommendation of surplus and transfer, but the Enterprise Departments and the Education Districts  
11 shall each have the right to determine whether real property under its jurisdiction is surplus or  
12 underutilized and whether to dispose of property in any particular manner subject to the requirements  
13 of the City's Charter and California law.

14 (d) For a period of 120 days following the public hearing held under subsection (c) above, the  
15 City shall not initiate a request for bids or proposals or enter into contracts designed to facilitate the  
16 sale of Property (including brokerage and appraisal contracts) that the Board intends to transfer to  
17 MOHCD for any purpose other than the development of Affordable Housing, without the prior  
18 approval of the Board of Supervisors.

19  
20 **SEC. 23A.7. TRANSFER OF JURISDICTION OVER SURPLUS PROPERTIES TO THE**  
21 **MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT.**

22 (a) By July 15 ~~15th~~ of each year, the Administrator, working with the Executive Director  
23 and ~~the~~ City Attorney's Office, shall submit to the Mayor and Board of Supervisors legislation  
24 transferring jurisdiction over the Surplus Properties to MOHCD, as directed by the Board of  
25 Supervisors in accordance ~~, save and except for those Properties that are under the jurisdiction of~~

1 ~~Enterprise Departments, on the Surplus Property Report completed in accord~~ with Section 23A.6  
2 ~~above to the Mayor's Office of Housing ("MOH")~~ for the purpose of MOHCD's MOH's assessment  
3 of each Surplus Property for development as Affordable Housing ~~affordable housing~~ consistent  
4 with this Chapter 23A.

5 (b) For those Surplus Properties transferred to MOHCD ~~MOH~~ that MOHCD ~~MOH~~ does  
6 not deem suitable for such development, the Executive Director shall notify the Administrator,  
7 who shall prepare and submit to the Mayor and Board of Supervisors legislation either  
8 transferring jurisdiction over such Surplus Properties from MOHCD ~~MOH~~ to another City  
9 department ~~Department~~ for such department's use or seeking to sell such properties, as  
10 determined by the Administrator. It shall be City policy to encourage the sale of such Surplus  
11 Property in accordance with the requirements of Administrative Code Section 23.3 and other  
12 applicable laws and to designate use of the net proceeds of such sales for the purpose of  
13 financing Affordable Housing ~~affordable housing~~ in San Francisco.

14 (c) For those Surplus Properties MOHCD ~~MOH~~ deems suitable for such development,  
15 the Executive Director shall publicize the availability of the Surplus Properties and seek  
16 applications for development of the Surplus Properties in keeping with MOHCD's standard  
17 practices as described further in Section 23.A8 below. The Executive Director also shall take all  
18 steps necessary to comply with the State Surplus Property Statute. With respect to real  
19 property ~~Surplus Property~~ under the jurisdiction of Enterprise Departments or the Education  
20 Districts, the Board of Supervisors may ~~, by separate legislation,~~ urge the ~~Commissions or Boards~~  
21 ~~of such~~ Enterprise Departments or the Education Districts to consider approving a transfer of  
22 jurisdiction such property to MOHCD for Affordable Housing ~~over the Properties to MOH for uses~~  
23 ~~consistent with this Chapter. If an~~ In the event any Commissions or Boards of Enterprise Department  
24 Departments or an Education District takes ~~take~~ such action, the Administrator shall then prepare  
25 and submit to the Mayor and Board of Supervisors the appropriate legislation to transfer the



1 property to MOHCD for the development of Affordable Housing jurisdiction over that Enterprise  
2 Department's Surplus Property.

3  
4 **SEC. 23A.8. DEVELOPMENT OF PROPERTY.**

5 (a) All real property transferred to MOHCD under this Chapter 23A shall be used to create  
6 Affordable Housing consistent with the affordability levels under Planning Code Section 415 et seq.,  
7 and may include housing designed for Homeless or formerly Homeless individuals. The Executive  
8 Director shall seek to maximize the amount of Affordable Housing, subject to the availability of funds,  
9 and nothing in this Chapter shall limit the total number of Affordable Housing units that can be  
10 developed on any real property. MOHCD shall solicit development proposals and impose income  
11 restrictions on all housing created under this Chapter in accordance with MOHCD's standard  
12 procedures and practices and guided by the priorities set forth below and in accordance with housing  
13 needs and performance measures identified in the City's Consolidated Plan, including target  
14 populations for affordable housing production over the previous two years.

15 Subject to any disposition priority required by State law and other limitations expressly set forth  
16 herein, the development of Surplus and Underutilized Property should be guided by the following  
17 priorities:

18 (1) First, for the development of affordable housing for people who are Homeless and  
19 persons earning less than 20% of the Area Median Income for the San Francisco PMSA as established  
20 by the United States Department of Housing and Urban Development and reported by the Mayor's  
21 Office of Housing. Provided that:

22 (A) The housing shall remain affordable for the useful life of the Property;  
23 (B) Housing costs in such housing shall not exceed 30% of the resident's  
24 income:

1                                    (C) Projects in which people who are homeless rehabilitate and renovate  
2 property in exchange for their tenancy or "sweat equity" in the property shall be encouraged.

3                                    (2) Second, for the development of very low and low income affordable housing for  
4 persons earning no more than 60% of the Area Median Income for the San Francisco PMSA as  
5 established by the United States Department of Housing and Urban Development and reported by the  
6 Mayor's Office of Housing, provided that the housing shall remain affordable for the useful life of the  
7 Property.

8                                    (3) Third, for the development of mixed income housing projects for extremely low, very  
9 low, low and moderate income Affordable Housing as defined in Section 23A.4.

10                                   (4) Fourth, and exclusively for sites larger than (2) acres the Executive Director of MOHCD  
11 may propose to use the property for a mixed housing project by a qualified Affordable Housing  
12 developer, however consistent with Section 23A.10(c) of this chapter not less than 33% of the  
13 residential units developed on the property must be Affordable Housing with at least 15% of the  
14 residential units developed on the property affordable to extremely low, very low and low income  
15 households and at least 50% of the residential units developed on the property affordable in  
16 furtherance of the 2014 Proposition K affordable housing goals.: ~~The Executive Director shall solicit~~  
17 ~~applications from non-profit agencies serving the Homeless to lease or acquire Property that is listed~~  
18 ~~as Surplus or Underutilized in any Surplus Property Report for use to assist the Homeless in~~  
19 ~~accordance with the priorities set forth below in Section 23A.10(i) and (ii). The Executive Director~~  
20 ~~shall require that all applications describe in detail (i) the type of conveyance the applicant seeks (i.e.,~~  
21 ~~a lease for a specific term or transfer of fee title) and the legal consideration, if any, the applicant~~  
22 ~~proposes to pay for such conveyance, (ii) the intended use of the Property, including how it relates to~~  
23 ~~the priorities of uses set forth in Section 23A.10 below; (iii) a specific plan and schedule for the~~  
24 ~~development or improvement of the Property, including compliance with all applicable federal, state~~  
25 ~~and local laws, including, without limitation, laws regarding disabled access, health, building and~~

1 ~~safety codes, and environmental compliance with the California Environmental Quality Act (CEQA"),~~  
2 ~~California Public Resources Code Sections 21000 et seq., and San Francisco Administrative Code~~  
3 ~~Chapter 31; and (iv) a plan to secure adequate financial resources to develop, improve, insure, manage~~  
4 ~~and maintain the Property. The Executive Director shall make available to all interested non-profit~~  
5 ~~agencies contact information: (a) identifying any independent organizations working on behalf of~~  
6 ~~homeless people that can assist homeless service providers in resolving any problems that may arise in~~  
7 ~~the application processes; and (b) City staff persons who are available to assist in the application~~  
8 ~~process. The Executive Director shall require submission of applications by September 30th of each~~  
9 ~~year, but may, in its sole discretion, grant extensions of the deadline, provided in no event shall such~~  
10 ~~extensions exceed thirty (30) days.~~

11 ~~(b) Upon receipt of all applications for development of housing or other on-site services for the~~  
12 ~~Homeless, the Executive Director shall work with the City Attorney's Office to prepare legislation~~  
13 ~~containing the Executive Director's recommendations as to the terms of disposition and development of~~  
14 ~~each Surplus Property for submission for the Board of Supervisors' approval in accord with the~~  
15 ~~policies and procedures set forth in this Chapter. The Clerk of the Board of Supervisors shall calendar~~  
16 ~~a hearing before a committee of the Board of Supervisors no later than January 30 of each year to~~  
17 ~~review the status of applications and the recommendations of the Surplus Property Citizens' Advisory~~  
18 ~~Committee made pursuant to Section 23A.9(c) below.~~

19 ~~(c) In the event the Executive Director does not receive any acceptable applications for certain~~  
20 ~~of the Surplus Properties for development of housing or other on-site services for the Homeless, then~~  
21 ~~the Executive Director may solicit applications from developers for the development of affordable~~  
22 ~~housing other than solely housing for the Homeless, provided that the Executive Director first obtains~~  
23 ~~the agreement of the Surplus Property Citizens' Advisory Committee that such solicitation of~~  
24 ~~applications is warranted. The Executive Director shall require that any proposed affordable housing~~  
25 ~~development under this subsection (c) shall serve persons earning no more than 60% of the Area~~

1 ~~Median Income for the San Francisco PMSA and, in preparing recommendations as to the applications~~  
2 ~~received, shall give priority to projects that include the highest percentage of extremely low-income~~  
3 ~~persons.~~

4 ~~(d) Upon receipt of all applications for development of affordable housing, the Executive~~  
5 ~~Director shall work with the City Attorney's Office to prepare legislation containing the Executive~~  
6 ~~Director's recommendations as to the terms of disposition and development of each Surplus Property~~  
7 ~~for submission for the Board of Supervisor's approval in accord with the policies and procedures set~~  
8 ~~forth in this Chapter.~~

9 ~~(b) (e) The Executive Director shall prepare and submit a report to the Administrator~~  
10 ~~explaining MOHCD's analysis and conclusion regarding the feasibility of developing the first priority~~  
11 ~~above, for affordable housing for people who are Homeless, and the subsequent priorities outlined~~  
12 ~~above. If the Executive Director determines that any real property transferred to MOHCD under this~~  
13 ~~Chapter 23A cannot be developed and used for Affordable Housing, the Executive Director shall If,~~  
14 ~~after solicitation of applications pursuant to both subsections (a) and (c), the Executive Director~~  
15 ~~determines that further efforts to solicit applications would likely be futile, the Executive Director shall~~  
16 ~~notify the Administrator, who shall~~ prepare and submit to the Mayor and Board of Supervisors  
17 legislation either transferring jurisdiction over such ~~Properties~~ properties from ~~MOHCD MOH~~ to  
18 another City ~~department~~ Department for such department's use or seeking to sell such  
19 properties, ~~as determined by the Administrator~~. It shall be City policy to encourage the sale of  
20 such ~~property~~ Surplus Property in accordance with the requirements of Administrative Code  
21 23.3 and other applicable laws and to designate use of the net proceeds of such sales for the  
22 purpose of financing Affordable Housing ~~affordable housing~~ in San Francisco.

23  
24 **SEC. 23A.10. CITY POLICY REGARDING AFFORDABLE HOUSING BOARD OF**  
25 **SUPERVISORS REVIEW AND CRITERIA.**

1           The ~~City Board of Supervisors~~ shall be guided by the following policy regarding the  
2 disposition of Surplus and Underutilized Property, which policy shall be the official policy of  
3 the City. This policy applies to Surplus and Underutilized Property regardless of whether such  
4 Property has been included in ~~on~~ an annual Surplus Property Report.

5           (a) In furtherance of the State Surplus Property Statute, the City encourages all local agencies  
6 that own real property within the City and County of San Francisco (including the Education Districts,  
7 the Bay Area Rapid Transit District, and other local agencies) and that intend to dispose of real  
8 property located in the City consisting of one-quarter acre or larger, to give the Executive Director  
9 advance notice of the proposed disposition together with an opportunity to negotiate for the acquisition  
10 of such real property for a period of not less than 120 days.

11           (b) Upon receipt of any such notice under subsection (a) above, if the Executive Director  
12 believes that the real property is feasible for Affordable Housing, the Executive Director shall negotiate  
13 in good faith to acquire the property and, if successful, shall seek an appropriation and any required  
14 approvals for such acquisition. If the Executive Director determines that the real property is suitable  
15 for Affordable Housing but that the City cannot acquire the property for financial or other reasons, the  
16 Executive Director shall notify Affordable Housing developers of the proposed disposition so that they  
17 may seek to acquire the property. The Executive Director shall maintain a list of Affordable Housing  
18 developers that are active in the City for purposes of this notification.

19           (c) Pursuant to the State Surplus Property Statute, if the Executive Director and the local  
20 agency negotiate in good faith but cannot reach agreement on the terms for the City's acquisition of the  
21 real property, and the local agency then disposes of the property to another person or entity for the  
22 development of 10 or more residential units, then: (1) the local agency shall require that not less than  
23 15% of the residential units developed on the property be affordable housing; and (2) rental units shall  
24 remain affordable to, and occupied by, lower income households for a period of at least 55 years, each  
25 as determined in accordance with the State Surplus Property Statute, as it may be amended. These

1 requirements shall be contained in a covenant or restriction recorded against the real property at the  
2 time of disposition and be enforceable by the local agency against any subsequent owner.

3 (d) The Board of Supervisors encourages all local agencies that intend to dispose of real  
4 property in the City to determine the fair market value of that real property assuming that not less than  
5 33% of the total number of units developed on that property will be affordable housing, to the extent  
6 permitted by applicable law. Any local agency selling or leasing real property to the City for  
7 affordable housing may provide for an extended payment period equal to the period during which the  
8 property will be restricted as affordable housing.

9 (e) Nothing in this Section 23A.10 shall be interpreted to limit the power of any local agency to  
10 sell or lease real property at fair market value or at less than fair market value, consistent with  
11 applicable law.

12 ~~Subject to any disposition priority required by State law and other limitations expressly set forth~~  
13 ~~herein, Surplus and Underutilized Property shall be used in the following order of priority:~~

14 ~~(i) First, for the development of affordable housing for people who are Homeless and~~  
15 ~~persons earning less than 20% of the Area Median Income for the San Francisco PMSA as established~~  
16 ~~by the United States Department of Housing and Urban Development and reported by the Mayor's~~  
17 ~~Office of Housing. Provided that:~~

- 18 ~~1. The housing shall remain affordable for the useful life of the Property;~~  
19 ~~2. Housing costs in such housing shall not exceed 30% of the resident's income;~~  
20 ~~3. Projects in which people who are homeless rehabilitate and renovate~~  
21 ~~property in exchange for their tenancy or "sweat equity" in the property shall be encouraged.~~

22 ~~(ii) Second, for other on-site services for people who are Homeless or for non-profit~~  
23 ~~agencies serving people who are Homeless, including not limited to job training, senior services,~~  
24 ~~healthcare and childcare for people who are homeless.~~

1                   (iii) ~~Third, for the development of affordable housing for persons earning no more than~~  
2 ~~60% of the Area Median Income for the San Francisco PMSA as established by the United States~~  
3 ~~Department of Housing and Urban Development and reported by the Mayor's Office of Housing,~~  
4 ~~provided that the housing shall remain affordable for the useful life of the Property.~~

5                   ~~When the Executive Director determines Surplus Property is unsuitable for the uses described~~  
6 ~~in subsections (i), (ii), and (iii) above because it is unsafe, inconveniently located or located in an area~~  
7 ~~inappropriate for housing, or otherwise cannot meet the purposes of this Chapter, or when the~~  
8 ~~Executive Director receives no acceptable applications pursuant to Section 23A.8, it shall be City~~  
9 ~~policy to encourage the sale of such Surplus Property in accordance with the requirements of~~  
10 ~~Administrative Code Section 23.3 and other applicable laws and to designate use of the net proceeds of~~  
11 ~~such sales and/or leases for the purpose of financing affordable housing in San Francisco that meets~~  
12 ~~the criteria set forth in subsection (i) above.~~

13  
14 **SEC. 23A.11. DISPOSITION AND UTILIZATION OF SURPLUS, AND UNDERUTILIZED**  
15 **AND UNUTILIZED PROPERTY.**

16                   (a) Subject to (1) ~~(i)~~ the terms and conditions of any gift, trust, deed restriction, bond  
17 covenant or other covenants or restrictions, mortgage, deed of trust, lease, license, use  
18 agreement or other agreement applicable to such Property, (2) ~~(ii)~~ state or federal laws  
19 related to the disposition of surplus property ~~City Property~~, including, without limitation, the State  
20 Surplus Property Statute ~~California Government Code Section 54220 et seq.~~, and (3) ~~(iii)~~ the  
21 jurisdictional authority over ~~City~~ Property granted to certain commissions ~~Commissions~~ under the  
22 City's Charter, including, without limitation, as set forth in Charter Sections 4.112, 4.113,  
23 4.114, 4.115, 5.101, and 8A.102, the Board of Supervisors may by resolution approve the  
24 dispositions recommended by the Executive Director in accordance with this Chapter 23A or  
25 approve dispositions different from those recommended by the Executive Director. Upon

1 approval of such a resolution, it shall be the duty of the Executive Director to take all steps  
2 necessary to implement the resolution.

3 (b) Any final declaration that Property is Surplus or Underutilized and any final  
4 conveyance of Property under this Chapter 23A shall be in accordance with and subject to all  
5 applicable laws, including (1) (i) the terms and conditions of any gift, trust, deed restriction,  
6 bond covenant or other covenants or restrictions, mortgage, deed of trust, lease, license, use  
7 agreement or other agreement applicable to such Property, (2) (ii) state or federal laws  
8 related to the disposition of surplus property ~~Surplus City Property~~, including, without limitation,  
9 the State Surplus Property Statute ~~Government Code Section 54220 et seq.~~, (3iii) the jurisdictional  
10 authority over ~~City~~ Property granted to certain commissions ~~Commissions~~ under the City's  
11 Charter, including, without limitation, as set forth in Charter Sections 4.112, 4.113, 4.114,  
12 4.115, 5.101, and 8A.102, and (4) (iv) the requirements set forth in Administrative Code Section  
13 ~~See~~ 23.3 of further Board of Supervisors approval by resolution or ordinance of final  
14 transaction documents after the completion of all required environmental review under the  
15 California Environmental Quality Act (Cal. Pub. Res. Code Secs. 21000 et seq.) ~~CEQA~~, provided,  
16 however, that the requirements set forth in ~~Administrative Code~~ Section 23.3 of sale by public  
17 auction or competitive bidding and a sales price of at least 100% ~~100 percent~~ of appraised fair  
18 market value shall not apply to dispositions pursuant to this Chapter. Any such duly approved  
19 conveyance may be at no cost or less than fair market value as a conveyance that furthers a  
20 proper public purpose.

21 (c) Any conveyance of Property at less than fair market value ~~or~~ for ~~homeless uses~~  
22 Affordable Housing under this ~~section~~ Section 23A.11 shall include covenants that require that the  
23 Property be used for Affordable Housing in conformance with this Chapter 23A and prohibit any  
24 developer of Property from reselling, transferring or subleasing Property at a profit, or such  
25 other "anti-speculation" requirements as the Executive Director may approve. *In the case of*



1 ~~home ownership development, the limited equity is subject to the Property remaining available to the~~  
2 ~~Homeless population in the calculation of any resale price.~~

3 (d) Any City department other than an Enterprise Department wishing to dispose of  
4 Surplus or Underutilized Property under such department's jurisdiction in a manner other than  
5 pursuant to this Chapter 23A, regardless of whether such Surplus or Underutilized Property is  
6 listed on the then current Surplus Property Report, shall notify the Administrator, the  
7 Executive Director and the Surplus Property Citizens' Advisory Committee prior to seeking  
8 any approvals of any proposed disposition. The notice shall include the same information  
9 about the Surplus or Underutilized Property required under Section 23A.5. The Administrator,  
10 the Executive Director and the Surplus Property Citizens' Advisory Committee shall review  
11 such information and, within 45 days after submission, make recommendations to the Board  
12 of Supervisors regarding the disposition of the Surplus or Underutilized Property *and*  
13 consistent with the policy set forth in Section 23A.10. The Board of Supervisors may by  
14 resolution approve a disposition consistent with such recommendations and this Chapter or  
15 approve a different disposition. Upon approval of such a resolution, it shall be the duty of the  
16 Administrator, the Executive Director and other City officials, as appropriate, to take all steps  
17 necessary to implement the resolution.

18 (e) The failure by any City department to comply with this Chapter 23A shall not invalidate the  
19 transfer or conveyance of any real property to a purchaser or encumbrancer for value.

20  
21 **SEC. 23.12. AMENDMENT.**

22 The Board of Supervisors may by ordinance amend the provisions of this Chapter 23A,  
23 including those provisions adopted by the voters, in order to further the purposes of the Chapter.

1           Section 2. Scope of Ordinance. In enacting this ordinance, the People of the City and  
2 County of San Francisco intend to amend only those words, phrases, paragraphs,  
3 subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other  
4 constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions  
5 or deletions, in accordance with the “Note” that appears under the official title of the  
6 ordinance.

7  
8           Section 3. Undertaking for the General Welfare. In enacting and implementing this  
9 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not  
10 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it  
11 is liable in money damages to any person who claims that such breach proximately caused  
12 injury.

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

17  
18 By: \_\_\_\_\_  
19       THOMAS J. OWEN  
20       Deputy City Attorney

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