

**LEGISLATIVE DIGEST**  
*(Third Draft – 7/14/2016)*

[Charter Amendment - Housing and Development Commission]

**Describing and setting forth a proposal to the voters, at an election to be held on November 8, 2016, to amend the Charter of the City and County of San Francisco, to create the Housing and Development Commission to oversee the Department of Economic and Workforce Development and the Department of Housing and Community Development; to require the Commission to review and make recommendations regarding proposed development agreements and conveyance of certain surplus City property before the Board of Supervisors considers such proposals; to require the Commission to hold hearings and make recommendations regarding proposals to adopt or change inclusionary housing requirements for housing developments; to require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development; and to provide that ordinances regarding inclusionary housing requirements and rules regarding competitive selection for affordable housing adopted under the processes set forth in the Charter may supersede ordinances and rules adopted by the Board of Supervisors or the voters prior to March 1, 2017.**

Existing Law

The Office of Economic and Workforce Development generally oversees programs related to coordinating private workforce development and job training, attracting and retaining businesses in the City, including international businesses, managing public-private development projects, and facilitating the revitalization of commercial corridors in economically disadvantaged neighborhoods. The Mayor appoints and may remove the head of the Office.

The Mayor's Office of Housing and Community Development provides financing for the development, rehabilitation, and purchase of affordable housing in the City; administers programs to finance the development of affordable housing; administers programs to finance housing rehabilitation costs for low-income homeowners; administers the City's below-market-rate inclusionary housing program; and administers grants programs to support community development and economic infrastructure. The Mayor appoints and may remove the head of the Office.

Neither of these offices are subject to direct oversight by a City commission.

Amendments to Current Law

The proposed Charter amendment would create the Housing and Development Commission. The Commission would have seven members, three appointed by the Mayor, three appointed by the Board of Supervisors, and one appointed by the Controller. The Mayor's nominees would be subject to approval by the Board of Supervisors within 60 days of the appointment. One of the Mayor's appointees and one of the Board's appointees would be required to have significant experience in the field of affordable housing or community development, one of the Mayor's appointees would be required to have significant experience in providing services to prevent homelessness or to provide supportive housing, and the Controller's appointee would be required to have significant experience in the field of finance. The appointing authorities could remove commissioners only for official misconduct through the process provided in the Charter for removal of members of other commissions. Commissioners would serve four-year terms (except for three commissioners serving initial two-year terms) and would be subject to a term limit of two successive terms.

The Commission would oversee two newly formed departments—the Department of Economic and Workforce Development and the Department of Housing and Community Development—which would generally take over the powers and duties of the two existing offices described above. The Commission would have the power to appoint, review, and remove the department heads of the three departments.

The Charter Amendment would require the Commission to hold a hearing and provide recommendations to the Board of Supervisors before the Board approves (1) a conveyance of surplus real property, (2) a development agreement that the Department of Economic and Workforce Development participated in negotiating, or (3) a collateral agreement requiring a developer or property owner to provide for and implement social, economic, or environmental benefits or programs in connection with a development agreement that the Department of Economic and Workforce Development participated in negotiating.

The Charter amendment would require the Commission to adopt a five-year strategic plan and submit it to the Board of Supervisors for the Board's consideration and approval. The plan would specify the City's goals for affordable housing and community development projects, the short-term and long-term plans to achieve those goals, and the City's plans for prioritizing investment in neighborhoods with the highest needs for affordable housing and community development. The two departments would present annual work plans to the Commission twice a year. The Department of Economic and Workforce Development would provide the Commission with information regarding potential development agreements and collateral agreements and potential a developer or property owner to provide for and implement social, economic, or environmental benefits or programs in connection with a development agreement.

The Charter Amendment would also require the Commission to adopt rules creating competitive selection processes for the Department of Housing and Community

Development's expenditure of affordable housing funds and for the development of affordable housing on City-owned property under the jurisdiction of the Department of Housing and Community Development. These rules would be subject to rejection by a two-thirds vote of the Board of Supervisors within 60 days. The rules would supersede any ordinance, rule, process or regulation enacted by the City or adopted by the voters before March 1, 2017, relating to a competitive bid process for the City's development of affordable housing.

The Charter Amendment would also give the Commission 90 days to hold a hearing and provide recommendations to the Board of Supervisors before the Board approves any ordinance setting or changing inclusionary housing requirements for housing developments. Any ordinance adopted following this new process would supersede any conflicting provisions in ordinances enacted by the City or adopted by the voters before March 1, 2017, relating to inclusionary housing requirements.

The Charter amendment would require the Commission to adopt rules and procedures regarding the award of contracts and grants by the two departments. But the rules and procedures could not require Commission approval prior to the award of grants awarded using funds under the Community Development Block Grant program or grants awarded using funds under the federal Workforce Investment Act.

#### Background Information

This Legislative Digest reflects amendments adopted by the Board of Supervisors' Rules Committee on June 30, 2016 and July 14, 2016.

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