

BOARD of SUPERVISORS



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

MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: June 16, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Preston on June 9, 2020:

File No. 200610

Ordinance amending the Administrative Code to establish the Social Housing Program Fund for the acquisition, creation, and operation of affordable Social Housing Developments.

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: erica.major@sfgov.org.

cc: Eugene Flannery, Mayor's Office of Housing and Community Development
Amy Chan, Mayor's Office of Housing and Community Development

1 [Administrative Code - Social Housing Program Fund]

2

3 **Ordinance amending the Administrative Code to establish the Social Housing Program**
 4 **Fund for the acquisition, creation, and operation of affordable Social Housing**
 5 **Developments.**

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

10

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

12 Section 1. Article XIII of Chapter 10 of the Administrative Code is hereby amended by
 13 adding Section 10.100-334, to read as follows:

14

15 **SEC. 10.100-334. SOCIAL HOUSING PROGRAM FUND.**

16 (a) Establishment of Fund. The Social Housing Program Fund is established as a category
 17 four fund to receive any monies appropriated or donated for the purpose of providing funds for the
 18 acquisition, creation, operation, development, construction, or rehabilitation of Social Housing
 19 Developments as defined in subsection (e).

20 (b) Use of Fund. The Social Housing Program Fund shall be used exclusively for the purpose
 21 of providing funds for Social Housing Developments including, but not limited to, the acquisition of
 22 land and/or improvements, preservation, development, rehabilitation, construction, operation, loans,
 23 grants, and other eligible uses determined by the Mayor's Office of Housing and Community
 24 Development ("MOHCD"), and as included in any Social Housing Program Fund regulations.

25 ///

1 (c) **Administration of Fund.** MOHCD shall administer the Social Housing Program Fund,
2 and in that capacity may expend funds for eligible uses and enter into loan or grant agreements under
3 terms as determined in the Social Housing Program Fund regulations.

4 (d) **Reporting.** MOHCD shall submit a report annually by September 1 to the Board of
5 Supervisors and the Mayor on the use of the Social Program Housing Fund during the preceding fiscal
6 year, which may include, but need not be limited to, the amounts approved for disbursement, the
7 number of sites acquired and type (including improved or vacant), the scope of rehabilitation work for
8 improved sites, the number of units developed or assisted by the Social Program Housing Fund, and
9 overall program implementation goals and priorities for the next fiscal year.

10 (e) **Social Housing Developments.** Social Housing Developments are housing developments
11 that meet the following two criteria: (1) the City retains an ownership interest in the land,
12 improvements, or both, and (2) the Social Housing Development serves income qualified households
13 with an average of not more than 80% of area median income, as determined and published by
14 MOHCD and affordable to such households applicable to a unit. Social Housing Developments shall
15 include, but not be limited to, community land trusts, limited equity cooperative housing, and municipal
16 housing. MOHCD shall establish minimum requirements for Social Housing Developments, including
17 but not limited to, enforceable income and affordability restrictions through a recorded restriction or
18 ground lease from MOHCD.

19 (f) **Fund Regulations.** The Director of MOHCD, or the Director's designee, is authorized to
20 develop program rules or regulations regarding use of monies in the Social Housing Program Fund to
21 best achieve the purposes of the Fund.

22
23 Section 2. Background.

24 (a) It is the intent of the Board of Supervisors to appropriate to the Social Housing
25 Program Fund revenues from the General Fund generated from any real property transfer tax

1 increase passed by the San Francisco electorate in the November 3, 2020 election, although
2 nothing in this Section 2 or in Section 10.100-334 of the Administrative Code requires the City
3 to appropriate any revenues from such real property transfer tax increase for this purpose.

4 (b) It is the intent of the Board of Supervisors to enact an ordinance establishing an
5 advisory committee to provide policy advice and recommendations regarding the Social
6 Housing Program Fund, and to monitor implementation of the Social Housing Program Fund,
7 although nothing in this Section 2 or in Section 10.100-334 of the Administrative Code
8 requires the City to enact such an ordinance.

9
10 Section 3. Effective Date. This ordinance shall become effective 30 days after
11 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
12 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
13 of Supervisors overrides the Mayor's veto of the ordinance.

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

17
18 By: /s/ Heidi J. Gewertz
19 HEIDI J. GEWERTZ
20 Deputy City Attorney
21 n:\legana\as2020\2000522\01453347.docx

LEGISLATIVE DIGEST

[Social Program Housing Fund Ordinance]

Ordinance amending the Administrative Code to establish a Social Program Housing Fund for the acquisition, creation, and operation of affordable Social Housing Developments.

Existing Law

Section 10.100-1 of Article XIII of Chapter 10 of the San Francisco Administrative Code, Administration of Special Funds, establishes fund categories to assist with the financial management of special funds or accounts as such fund accounts are authorized by the City. The City has established special funds or accounts under Section 10.100-1.

Amendments to Current Law

The proposed ordinance, if adopted, would amend Article XIII of Chapter 10 of the Administrative Code by adding Section 10.100-334 which amendment would result in the establishment of the Social Program Housing Fund for the acquisition, creation and operation of affordable Social Housing Developments.

Background Information

The Social Housing Program Fund would be established as a category four fund to receive any monies appropriated or donated for the purpose of providing funds for the acquisition, creation, operation, development, construction, or rehabilitation of Social Housing Developments which are defined as housing developments that meet the following two criteria: (1) the City retains an ownership interest in the land, improvements, or both, and (2) the Social Housing Development serves income qualified households with an average of not more than 80% of area median income, as determined and published by the Mayor's Office of Housing and Community Development (MOHCD) and affordable to such households applicable to a unit. Social Housing Developments shall include, but not be limited to, community land trusts, limited equity cooperative housing, and municipal housing. MOHCD would establish minimum requirements for Social Housing Developments, including but not limited to, enforceable income and affordability restrictions through a recorded restriction or ground lease from MOHCD.

MOHCD would be required to submit a report annually by September 1 to the Board of Supervisors and the Mayor on the use of the Social Program Housing Fund during the preceding fiscal year, which may include, but need not be limited to, the amounts approved for disbursement, the number of sites acquired and type (including improved or vacant), the scope of rehabilitation work for improved sites, the number of units developed or assisted by the Social Program Housing Fund, and overall program implementation goals and priorities for the next fiscal year.

The Director of MOHCD, or the Director's designee, would be authorized to develop program rules or regulations regarding use of monies in the Social Housing Program Fund to best achieve the purposes of the Fund.

n:\legana\as2020\2000522\01454178.doc