

City and County of San Francisco Certified Copy

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Charter Amendment

220631

[Charter Amendment, Initiative Ordinance, and Policy Declaration - Affordable Housing Production Act]

Sponsors: Chan; Walton, Peskin, Preston, Ronen and Mar

Charter Amendment (Fourth Draft) to amend the Charter of the City and County of San Francisco to provide for accelerated review and approval of eligible 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; to amend the Administrative Code to provide for an Annual Affordable Housing Allocation Report as part of the City's budget deliberation process; and to declare as City policy the need to accelerate approval of 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability; to make findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302; and affirming the Planning Department's determination under the California Environmental Quality Act; at an election to be held on November 8, 2022.

7/12/2022 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

7/12/2022 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

7/12/2022 Board of Supervisors - CONTINUED AS AMENDED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

7/19/2022 Board of Supervisors - CONTINUED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

7/26/2022 Board of Supervisors - ORDERED SUBMITTED

Ayes: 7 - Chan, Mar, Peskin, Preston, Ronen, Safai and Walton

Noes: 4 - Dorsey, Mandelman, Melgar and Stefani

STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Charter Amendment is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the offical seal of the City and County of San Francisco.

July 28, 2022

Date

Angela Calvillo

Clerk of the Board

Charter Amendment, Initiative Ordinance, and Policy Declaration - Affordable Housing

Production Act]

Describing and setting forth a proposal to the voters at an election to be held on November 8, 2022, to amend the Charter of the City and County of San Francisco to provide for accelerated review and approval of eligible 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; to amend the Administrative Code to provide for an Annual Affordable Housing Allocation Report as part of the City's budget deliberation process; and to declare as City policy the need to accelerate approval of 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability; to make findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302; and affirming the Planning Department's determination under the California Environmental Quality Act.

Section 1. CEQA FINDINGS. The Planning Department has determined that the actions contemplated in this proposed Charter Amendment and ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 220631 and is incorporated herein by reference. The Board affirms this determination.

Section 2. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 8, 2022, a proposal to amend the Charter of

the City and County, the Planning Code, and the Business and Tax Regulations Code, and to declare a City policy, as follows:

NOTE:

Unchanged Charter and Code text and uncodified text are in plain font.

Additions to Charter and Code text are <u>single-underline italics</u>
Times New Roman font.

Deletions of Charter and Code text are strike through italies Times New Roman font.

Asterisks (* * * *) indicate the omission of unchanged Charter and Code text.

Section 1. TITLE. This measure shall be known and may be cited as the "Affordable Housing Production Act" (the "Initiative").

Section 2. PURPOSE AND FINDINGS. The People of the City and County of San Francisco hereby find as follows:

(a) San Francisco is exceeding its market-rate housing goals and continues to fall far behind on its goals to build affordable housing, as set forth in the Housing Element of the City's General Plan. The lack of affordable housing has led to the displacement and outmigration of low- and middle-income families and individuals, and communities of color. There is a need to accelerate affordable housing production in the City, to keep our city diverse and provide housing for healthcare workers, firefighters, teachers, janitors, construction workers, hospitality workers, small business owners, retail and non-profit workers, and transit operators. Teachers, staff, and faculty at public schools in San Francisco are struggling to remain in the city, citing high rent costs and the ever-increasing cost of living. Our educators need to be able to afford to live in the district they work in to ensure our city can provide high-quality public education for our students. Likewise, it is important that our first responders and essential workers be able to live in the city they serve to ensure fast response times to an emergency and provide quality healthcare and other vital services. Many essential workers including service providers,

restaurant workers, and grocery workers cannot afford to live in San Francisco, leading to staffing shortages in the city. To provide a solid foundation for the local economy, the City and County of San Francisco recognizes the need to create the land use policies, planning and permitting processes, affordability standards, and financing that will contribute to the production of ample amounts of housing and economic security for the low- and middle-income resident-workers upon whom the City's economy depends. It is therefore incumbent on the City to immediately remove barriers to building housing for low- and middle-income residents and working families.

- (b) According to the San Francisco Housing Inventory Report published by the Planning Department in April 2021, production of new unrestricted units targeted to above-moderate-income households was on track to exceed the 2015-2022 Regional Housing Needs Allocation (RHNA) at 150% of the goal set by the state of California, while there has been a severe underproduction of units for moderate-, low-, and very- low- income households, reaching only 49% of the target for affordable housing.
- (c) Affordable housing is an especially predominant concern in San Francisco. San Francisco's Housing Element 2022 Update of the General Plan will need to show that the City can accommodate the creation of 82,069 total units in San Francisco by 2031, of which 57% (or 46,598 homes) need to be below-market-rate units affordable for very low- to moderate-income San Franciscans, a target set by State and Regional agencies that is triple the City's current target. This translates to an average of about 10,260 new units per year, of which 5,825 units per year need to be below-market-rate affordable homes. The City's Housing Element will include goals and policies that are designed to allow San Francisco to meet these regional targets.
- (d) The current lengthy permit approval process favors larger developers who are able to hire lawyers and expediters to navigate the City's bureaucracy, translating into a higher cost of housing and less transparency in the approval process.

- (e) Policies that incentivize unrestricted market-rate development without consideration of vulnerable communities result in additional concentrations of development marketed to higher-wage households that is unaffordable and inaccessible to existing lower-income and Black, Indigenous, and people of color (BIPOC) communities and exclusionary to new lower-income and BIPOC households, and can lead to increased gentrification and displacement. Researchers at UC Berkeley's Urban Displacement Project have found that development of affordable housing in the Bay Area can have more than double the impact of market-rate units at reducing displacement pressures.
- (f) In January 2021, Mayor Breed and Supervisors Ronen, Mar, and Mandelman wrote to the Association of Bay Area Governments (ABAG) expressing the concern of San Francisco's elected leadership that "one of the main drivers of economic inequality has been the decades long push to focus housing production to limited areas most often occupied by communities of color."
- (g) There is a long history in California and San Francisco of racial covenants, banking practices, and zoning laws being used to maintain high real estate values and exclude immigrants, people of color, and low-income residents. Even after explicit racial covenants were outlawed, the combination of systemic exclusionary policies such as blockbusting, redlining, and zoning that maintained or increased land values were often used to legally segregate the nation's housing stock by creating barriers for low-income communities and communities of color to enjoy certain housing opportunities and privileges. Their plight compounded by decades of disinvestment from public schools and infrastructure, and from the disparate impact of environmental racism, these same communities today bear the brunt of evictions, gentrification, and displacement pressures, and are often the target for unrestricted market-rate luxury development that is unaffordable to them. Unlike more resourced neighborhoods, lower-income and BIPOC communities, after decades of disenfranchisement on development decisions that

affect their neighborhoods, are still fighting to claim the right to community planning and selfdetermination.

- (h) San Francisco has long benefited from the public's participation in the design and creation of programs designed to assist tenants, particularly tenants with limited incomes, including the protection of tenants in subsidized housing, the creation of standards for relocation benefits, the right to counsel in eviction proceedings, neighborhood preference and certificates of preference for households displaced by urban renewal, community land trusts and cooperatives, and residents' active participation in the design of affordable housing projects and related programs and services. Without civic participation and transparency, the public and City policymakers have limited ability to measure the efficacy of these programs, thus undermining the public trust.
- (i) San Francisco residents who work in the City need adequate levels of affordable housing to maintain their economic security, and would benefit from greater transparent and collaborative policy-making and budgetary decision making, public input and oversight of affordable housing programming and financing within the Mayor's Office of Housing and Community Development, the Department of Homelessness and Supportive Housing, the Human Services Agency, the Department of Public Health, and other City agencies responsible for the planning and financing of affordable housing projects and related programs.
- (j) Policies incentivizing increased development in any part of the City should also specifically preserve at-risk existing housing, which provides long-term stability to existing communities. State law provisions that provide displacement mitigations for redevelopment of existing multifamily housing, prohibit demolition of price restricted or rent-controlled housing without one-for-one replacement at the same affordability level or rent-controlled status, require resident relocation for the length of construction and a right to return, restrict development on

sites where evictions have occurred in the last five years, and prohibit short-term rentals should be strengthened.

- (k) The barriers to production in high-demand market areas are primarily high land costs, high construction costs, and heightened investor risk relating to the viability of large, high-density projects. Upzoning and streamlining housing in hot markets results in increased land values, which can exacerbate the instability of residents in those communities with increased market rate development and impact the ability of the City and affordable housing developers to compete for land.
- (l) To attain the City's housing production goals, housing developments must promote skilled construction workforce development and retention through utilization of state-approved apprenticeships, payment of area-standard wages, and increased construction worker access to employment-based fringe benefit plans. The employment of skilled and trained labor is critical to ensuring wages and benefits are competitive to attract and retain enough qualified workers.

 According to the Bureau of Labor Standards, productivity per unit of labor in the construction industry declined across the United States 13% between 1987–2016, while productivity in other business sectors increased by 31%, dramatizing the need for a skilled and trained residential construction workforce. Additionally, the need for safe, high-quality installation and construction practices will only continue to grow amidst increasing demand and requirements for the installation and retrofit of technologies and building practices necessary to lower greenhouse gas emissions.
- (m) In recent years, San Francisco voters have approved several measures to create robust funding for the production, preservation, and protection of affordable housing. These measures include the establishment of the Gross Receipts Tax and Affordable Housing Trust Fund in 2012, the Affordable Housing General Obligation Bond of 2015, the Our City Our Home increase to the Gross Receipts Tax in 2018, and the Real Estate Transfer Tax increase

accompanied by Proposition K, a policy measure to dedicate the increase for social housing in 2020. Despite voters approving these measures, the City has failed to expend these funds under a coherent strategic plan or with a level of transparency to provide the public with programmatic input and oversight. Moreover, the City agencies and departments – the Mayor's Office of Housing and Community Development, the Department of Homelessness and Supportive Housing, the Human Services Agency, and the Department of Public Health – charged with the delivery of projects from these voter-approved funding streams have failed to provide adequate transparency, oversight, and acceptance of voter-approved guidelines and public input to allocate funding. Instead, many of these departments make programmatic and budgetary decisions without regard to the experiences and recommendations from the public in need of affordable housing.

- (n) Accelerated review will allow San Francisco to incentivize and accelerate the development of housing projects that specifically expand the city's affordable housing supply by reducing the time and expense associated with obtaining planning approval.
- (o) The purpose of the Affordable Housing Production Act is to provide an Annual Affordable Housing Allocation Report as part of the City's budget deliberation process, and to accelerate the development and construction of affordable housing in San Francisco.

Section 3. CHARTER AMENDMENT. The Charter of the City and County of San Francisco shall be amended by adding new Section 16.126 and by revising Sections 4.105, 4.106, 4.135, and 5.103, to read as follows:

SEC. 16.126. ACCELERATED REVIEW OF 100% AFFORDABLE,
INCREASED AFFORDABILITY, AND EDUCATOR HOUSING PROJECTS.

(a) **Definitions**. For purposes of this Section 16.126 and the accelerated review process contemplated in the Charter Amendment establishing this Section, the following terms shall have the following meanings:

"100% Affordable Housing Project." A project that meets the requirements of Planning

Code Section 206.9, as amended from time to time.

"Educator Housing Project." A project that meets the requirements of Planning Code Section 206.9, as amended from time to time.

"Increased Affordability Housing Project." A Multi-Family housing development project that provides on-site Affordable Units, as defined in Planning Code Section 401, required by the City's Inclusionary Affordable Housing Program, or if applicable, the inclusionary requirements as set forth in Planning Code Section 206.3, as such provisions may be amended from time to time, plus additional on-site Affordable Units in an amount equal to 8% of the total number of units in the Increased Affordability Housing Project, including any units granted under state or local density bonus programs. The additional on-site Affordable Units shall have maximum affordable purchase prices or affordable rents consistent with the range of affordability tiers required by the City's Inclusionary Affordable Housing Program set forth in Planning Code Section 415 et seq., as such provisions may be amended from time to time. In no case shall studio units have rents or purchase prices set above 80% AMI. The additional on-site Affordable Units shall include at least 30% of units as two-bedroom units and 20% of units as three-bedroom units with minimum unit sizes consistent with the minimum unit sizes set forth by the California Tax Credit Allocation Committee as of December 31, 2021, and no smaller than 300 square feet for studio units.

"MOHCD." The Mayor's Office of Housing and Community Development or its successor agency.

	"Multi-Family."	Multi-Family	housing	shall	mean	ten oi	more	residential	units	and
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shall ne	ot include a single	e-family home.								

- (b) Eligibility. To be eligible for acceleration under this Section 16.126, projects shall meet all the following requirements:
- (1) The project is (A) an 100% Affordable Housing Project, or (B) an Increased

 Affordability Housing Project, or (C) an Educator Housing Project; and
- (2) The project (A) is not located on a site that is under the jurisdiction of the Recreation and Park Department; and (B) is not located in a zoning district that prohibits dwelling units; and (C) does not cause any removal or demolition of a designated state or national landmark, or designated City landmark, or a contributory building in a designated historic district as provided in Planning Code Article 10, or a Significant Building designated Category I or II as provided in Planning Code Article 11; and (D) does not demolish, remove, or convert any residential units, and does not include any other parcel that has any residential units that would be demolished, removed, or converted as part of the project; and (E) contains two or more Residential Units, not including any additional units permitted by a density bonus, and is not a single family house; and
- (3) All workers employed in the construction of a 100% Affordable Housing

 Development, an Educator Housing Development, or an Increased Affordable Housing Project

 of 10 or more units, must be paid at least the general prevailing rate of per diem wages for the

 type of work and geographic location of the development, as determined by the Director of

 Industrial Relations pursuant to Sections 1773 and 1773.9 of the California Labor Code, except

 that apprentices registered in programs approved by the Chief of the Division of Apprenticeship

 Standards may be paid at least the applicable apprentice prevailing rate. Notwithstanding

 subdivision (c) of Section 1773.1 of the California Labor Code, the requirement that employer

 payments not reduce the obligation to pay the hourly straight time or overtime wages found to be

prevailing shall not apply if otherwise provided in a bona fide collective bargaining agreement covering the worker. The requirement to pay at least the general prevailing rate of per diem wages does not preclude use of an alternative workweek schedule adopted pursuant to Section 511 or 514 of the Labor Code; and

(4) The project sponsor of an Increased Affordability Housing Project of 25 or more units, or of an Educator Housing Project, shall certify that a skilled and trained workforce will be used to complete the development if the application is approved. For purposes of this subsection (b)(4), a "skilled and trained workforce" has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the California Public Contract Code, as amended from time to time.

(A) The Project Sponsor shall provide a report to the Office of Labor

Standards Enforcement on a monthly basis while the project or contract is being performed,

demonstrating compliance with the skilled and trained workforce and prevailing wage

requirements.

(B) Within 30 days of the effective date of this Section 16.126, the City Administrator shall introduce at the Board of Supervisors, and within 180 days of the effective date of this Charter provision the City shall enact, an ordinance to establish civil penalties for failure to comply with the requirement to use a skilled and trained workforce, including a civil penalty for each month for which the report referenced in subsection (b)(4)(A) has not been provided, and a civil penalty per day for each worker employed in contravention of the skilled and trained workforce requirement. The Office of Labor Standards Enforcement shall collect such penalties, which shall be used to fund the San Francisco City Build program, or a similar successor program that provides construction training.

(c) Discretionary Approvals. It is the intent of this Section 16.126 to exempt eligible 100% Affordable Housing Projects, Increased Affordability Housing Projects, and Educator

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Housing Projects from any requirements for discretionary review or approvals by the City, including but not limited to the Planning Commission, Historic Preservation Commission, Arts Commission, Board of Supervisors, and Board of Appeals, except for approval required by the provisions of Charter Section 9.118.

(d) Implementation and Application.

(1) The Planning Department and Department of Building Inspection, in consultation with MOHCD, may each adopt regulations to implement this Section 16.126.

(2) The City shall not enact or adopt any regulations or requirements that are applicable solely to 100% Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects and that are greater or more burdensome than City regulations and requirements that are broadly applicable to other housing developments in the City.

SEC. 4.105. PLANNING COMMISSION.

REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by the Board of Supervisors, be submitted for written report by the Planning Department regarding conformity with the General Plan:

- 1. Proposed ordinances and resolutions concerning the acquisition or vacation of property by, or a change in the use or title of property owned by, the City and County;
 - 2. Subdivisions of land within the City and County;
- 3. Projects for the construction or improvement of public buildings or structures within the City and County;
- 4. Project plans for public housing, or publicly assisted private housing in the City and County;

- 5. Redevelopment project plans within the City and County; and
- 6. Such other matters as may be prescribed by ordinance.

Notwithstanding the foregoing list of matters requiring a report regarding General Plan conformity, any eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126, that the Planning Department determines to be consistent with the applicable zoning as set forth in the Planning Code shall be deemed to be consistent with the General Plan and shall not require referral for a separate report of conformity by the Planning Department for the foregoing matters.

The Commission shall disapprove any proposed action referred to it upon a finding that such action does not conform to the General Plan. Such a finding may be reversed by a vote of two-thirds of the Board of Supervisors.

All such reports and recommendations shall be issued in a manner and within a time period to be determined by ordinance.

PERMITS AND LICENSES. All permits and licenses dependent on, or affected by, the City Planning Code administered by the Planning Department shall be approved by the Commission prior to issuance except that permits, licenses, or other approvals for an eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or an Educator Housing Project, as defined in Charter Section 16.126, do not require approval by the Commission prior to issuance. The Commission may delegate this approval function to the Planning Department. Notwithstanding the foregoing, certificates of appropriateness for work to designated landmarks and historic districts and applications for alterations to significant or contributory buildings or properties in designated conservation districts that have been approved, disapproved, or modified by the Historic Preservation Commission shall not require approval by the Commission prior to issuance.

SEC. 4.106. BOARD OF APPEALS.

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SEC. 4.135. HISTORIC PRESERVATION COMMISSION.

Electrical, Housing, Mechanical, and Plumbing Codes.

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LANDMARK AND HISTORIC DISTRICT DESIGNATIONS. The Historic Preservation Commission shall have the authority to recommend approval, disapproval, or modification of landmark designations and historic district designations under the Planning Code to the Board of Supervisors. Any recommendation of approval, disapproval, or modification of landmark designations and historic district designations under the Planning Code shall include a finding that the Historic Preservation Commission has considered the effect of such approval,

(b) The Board shall hear and determine appeals with respect to any person who has been

denied a permit or license, or whose permit or license has been suspended, revoked, or

withdrawn, or who believes that his or her interest or the public interest will be adversely

affected by the grant, denial, suspension, or revocation of a license or permit, except for a permit

or license under the jurisdiction of the Recreation and Park Commission or Department, or the

Port Commission, or a building or demolition permit for a project that has received a permit or

Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing

appeals of building permits for an eligible 100% Affordable Housing Project, Increased

permits comply with the objective standards set forth in the Building Code, including the

Affordability Housing Project, or Educator Housing Project solely to consider whether such

license pursuant to a conditional use authorization, or any permit or license for an eligible 100%

Project, as defined in Charter Section 16.126; provided that the Board shall hear and determine

disapproval, or modification on affordable housing. The Historic Preservation Commission shall send recommendations regarding landmarks designations to the Board of Supervisors without referral or recommendation of the Planning Commission. The Historic Preservation Commission shall refer recommendations regarding historic district designations to the Planning Commission, which shall have 45 days to review and comment on the proposed designation, which comments, if any, shall be forwarded to the Board of Supervisors together with the Historic Preservation Commission's recommendation. Decisions of the Historic Preservation Commission to disapprove designation of a landmark or historic district shall be final unless appealed to the Board of Supervisors.

CERTIFICATES OF APPROPRIATENESS. The Historic Preservation Commission shall approve, disapprove, or modify certificates of appropriateness for work to designated landmarks or within historic districts. For minor alterations, the Historic Preservation Commission may delegate this function to staff, whose decision may be appealed to the Historic Preservation Commission. A Certificate of Appropriateness shall not be required for construction of an eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator

For projects that require multiple planning approvals, the Historic Preservation Commission must review and act on any Certificate of Appropriateness before any other planning approval action. For projects that (1) require a conditional use permit or permit review under Section 309, et seq., of the Planning Code and (2) do not concern an individually landmarked property, the Planning Commission may modify any decision on a Certificate of Appropriateness by a 2/3 vote, provided that the Planning Commission shall apply all applicable historic resources provisions of the Planning Code.

Housing Project, as defined in Charter Section 16.126, in a historic district.

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ALTERATION OF SIGNIFICANT OR CONTRIBUTORY BUILDINGS OR BUILDINGS IN CONSERVATION DISTRICTS IN THE C-3 DISTRICTS. The Historic Preservation Commission shall have the authority to determine if a proposed alteration is a Major Alteration or a Minor Alteration. The Historic Preservation Commission shall have the authority to approve, disapprove, or modify applications for permits to alter or demolish designated Significant or Contributory buildings or buildings within Conservation Districts. *The Historic Preservation Commission shall not have the authority to approve, disapprove, or modify applications for permits to alter buildings for an eligible 100% Affordable Housing Project, an Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126.* For Minor Alterations, the Historic Preservation Commission may delegate this function to staff, whose decision may be appealed to the Historic Preservation Commission.

REFERRAL OF CERTAIN MATTERS. The following matters shall, prior to passage by the Board of Supervisors, be submitted for written report by the Historic Preservation Commission regarding effects upon historic or cultural resources: ordinances and resolutions concerning historic preservation issues and historic resources; redevelopment project plans; waterfront land use and project plans; and such other matters as may be prescribed by ordinance. <u>An eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project. as defined in Charter Section 16.126, shall not require review by the Historic Preservation Commission under this paragraph. If the Planning Commission is required to take action on the matter, the Historic Preservation Commission shall submit any report to the Planning Commission as well as to the Board of Supervisors; otherwise, the Historic Preservation Commission shall submit any report to the Board of Supervisors.</u>

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SEC. 5.103. ARTS COMMISSION.

In furtherance of the foregoing the Arts Commission shall:

- 1. Approve the designs for all public structures, any private structure which extends over or upon any public property and any yards, courts, set-backs, or usable open spaces which are an integral part of any such structures, except that an eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126, is not subject to design approval by the Arts Commission;
- 2. Approve the design and location of all works of art before they are acquired, transferred, or sold by the City and County, or are placed upon or removed from City and County property, or are altered in any way; maintain and keep an inventory of works of art owned by the City and County; and maintain the works of art owned by the City and County;
- 3. Promote a neighborhood arts program to encourage and support an active interest in the arts on a local and neighborhood level, assure that the City and County-owned community cultural centers remain open, accessible and vital contributors to the cultural life of the City and County, establish liaison between community groups, and develop support for neighborhood artists and arts organizations; and
- 4. Supervise and control the expenditure of all appropriations made by the Board of Supervisors for the advancement of the visual, performing, or literary arts.

Nothing in this <u>sSection 5.103</u> shall be construed to limit or abridge the powers or exclusive jurisdiction of the charitable trust departments or the California Academy of Sciences or the Library Commission over their activities; the land and buildings set aside for their use; or over the other assets entrusted to their care.

non-residential uses that require conditional use approval by the Planning Commission under the Planning Code. Within 60 days of submittal of a complete development application, the Planning Department shall determine whether an application is eligible to use the accelerated process set forth in this Section 344. Prior to submitting a development application, the project applicant shall place a poster at the subject property for 30 days, describing the project and informing the public that the project is expected to be subject to the accelerated review process under Planning Code Section 344. The poster shall be placed in a manner to be determined by the Zoning Administrator that is visible and legible from the sidewalk or nearest public right-of-way.

- (c) Ministerial Review. Notwithstanding any other provisions of the Municipal Code, including but not limited to Business and Tax Regulations Code Section 26, and Sections 311 and 317 of this Code, an eligible 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project that complies with the Zoning Maps, Height and Bulk Maps, and objective standards of the Planning Code or state law, including but not limited to the modifications permitted by Planning Code Section 344(d), shall be deemed consistent with the Planning Code. Review and approval of such projects shall be considered ministerial actions, as defined by California Code of Regulations, Title 14, Section 15369.
- (1) No conditional use authorization shall be required except where other sections of the Planning Code require conditional use authorization for inclusion of on-site parking, approval of non-residential uses, modifications to a dwelling unit mix requirement, or the location of curb cuts.
- (2) Notwithstanding any other provision of this Code, cannabis retail uses shall not be permitted ministerially as part of this Section 344.
- (3) Eligible 100% Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects shall not require authorization by the Historic

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aspects and design of the 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, and shall not include review of the uses, density, height, zoning modifications, or any other approval or disapproval of the proposed eligible project.

(f) Compliance with Planning Code Article 4. An 100% Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project shall comply with the requirements of Article 4, "Development Impact Fees and Project Requirements that Authorize the Payment of In-Lieu Fees," except as such projects or any portion of such projects may otherwise be exempt from such requirements, or in the event such requirements are reduced, adjusted, or waived as provided in Planning Code Article 4.

(g) Approval. Building permit applications for eligible 100% Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects that comply with the controls set forth in this Section 344 shall be ministerially approved by the Planning Department within 180 days of submittal of a complete development application. Building permits shall be issued by the Department of Building Inspection and shall not be subject to Business and Tax Regulations Code Section 26 or an appeal to the Board of Appeals, except as specifically provided in Charter Section 4.106, Notwithstanding any contrary provision in the Municipal Code, such projects shall not require a Planning Code Article 3 authorization, discretionary review hearing, or any other Planning Commission or Historic Preservation Commission hearing.

(h) Expiration of Permit. Planning Department approval of an Increased Affordability Housing Project shall automatically expire by operation of law 24 months after the date of the Planning Department approval, except that it shall remain valid so long as a site permit has been issued by the Department of Building Inspection and construction of the development has begun and is in progress.

SEC. 101.1. GENERAL PLAN CONSISTENCY AND IMPLEMENTATION.

- (a) The General Plan shall be an integrated, internally consistent, and compatible statement of policies for San Francisco. To fulfill this requirement, after extensive public participation and hearings, the Planning Commission shall in one action amend the General Plan by January 1, 1988.
- (b) The following Priority Policies are hereby established. They shall be included in the preamble to the General Plan and shall be the basis upon which inconsistencies in the General Plan are resolved:
- (1) That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;
- (2) That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;
- (3) That the City's supply of affordable housing be preserved and enhanced, and that new housing for households of all income levels in accordance with San Francisco's Regional Housing Needs Allocations by household-income levels be produced to meet the needs of City residents now and in the future;
- (4) That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;
- (5) That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;
- (6) That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;
 - (7) That landmarks and historic buildings be preserved; and,

- (8) That our parks and open space and their access to sunlight and vistas be protected from development.
- (c) The City may not adopt any zoning ordinance or development agreement authorized pursuant to <u>California</u> Government Code Section 65865 after November 4, 1986, unless prior to that adoption it has specifically found that the ordinance or development agreement is consistent with the Priority Policies established above.
- (d) The City may not adopt any zoning ordinance or development agreement authorized pursuant to <u>California</u> Government Code Section 65865 after January 1, 1988, unless prior to that adoption it has specifically found that the ordinance or development agreement is consistent with the General Plan.
- (e) Prior to issuing a permit for any project or adopting any legislation which requires an initial study under the California Environmental Quality Act, and prior to issuing a permit for any demolition, conversion, or change of use, and prior to taking any action which requires a finding of consistency with the General Plan, the City shall find that the proposed project or legislation is consistent with the Priority Policies established above. For any such permit issued or legislation adopted after January 1, 1988, the City shall also find that the project is consistent with the General Plan.
- (f) Notwithstanding anything to the contrary in this Section 101.1, an eligible 100%

 Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing

 Project, as defined in Charter Section 16.126, shall be deemed to be consistent with this Section

 101.1 and shall not require a separate finding of consistency with this Section 101.1.

SECTION 5. BUSINESS AND TAX REGULATIONS CODE AMENDMENTS. The Business and Tax Regulations Code is hereby amended by revising Section 26 of Article 1, to read as follows:

SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.

(a) Subject to <u>s</u>Subsection (b), in the granting or denying of any permit, or the revoking or the refusing to revoke any permit, <u>except for permits associated with an eligible 100%</u>

<u>Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126</u>, the granting or revoking power may take into consideration the effect of the proposed business or calling upon surrounding property and upon its residents, and inhabitants thereof; and in granting or denying said permit, or revoking or refusing to revoke a permit, may exercise its sound discretion as to whether said permit should be granted, transferred, denied, or revoked.

* * * *

SECTION 6. ADMINISTRATIVE CODE AMENDMENTS. The Administrative Code is hereby amended by revising section 120.5 of Chapter 120, to read as follows.

SEC. 120.5. <u>ANNUAL AFFORDABLE HOUSING ALLOCATION REPORTS</u> REPORTS TO THE BOARD.

(a) Director's Annual Report. The Director shall submit an annual report to the Board, within 180 days following the end of each fiscal year, with a summary of all Loans and Grants from all sources made under this Chapter 120 for the prior fiscal year. The Director's report shall include the primary purpose of the Loan, principal amount, term, and interest rates, income levels served, and other information, if any, regarding this Chapter that the Director chooses to include in the report. The Director's report may be combined with any other reporting obligations.

(b) Mayor's Budget Submission. No later than June 1 of each year, the Mayor shall submit an Annual Affordable Housing Allocation Report ("Allocation Report") to be included with the Mayor's proposed budget presented to the Board of Supervisors. The Allocation Report

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shall follow the budget process as set forth in Chapter 3 of the Administrative Code. The Allocation Report shall include all sources and proposed allocations of funds that are specifically earmarked for, or could potentially be allocated to, affordable housing, including but not limited to affordable housing production, affordable housing preservation, such as small site acquisition, affordable housing and supportive housing rehabilitation, and capital maintenance, and operating subsidies, as recommended by the Board of Supervisors or any advisory boards appointed in whole or in part by the Board of Supervisors. The Allocation Report shall provide a target projection of the number, size, and type of sites (including improved or vacant) to be acquired; the scope of rehabilitation work for improved sites; the number of units to be developed or to be funded by MOHCD and the Department of Homelessness and Supportive Housing (HSH); the neighborhood/geography of projects funded; the impact on racial, disability, and aging equity; and overall program implementation goals and priorities broken down by income levels served for the next fiscal year. Upon receipt of the Allocation Report, the Board may modify the proposed allocation(s) that shall be included in the annual city budget, consistent with Charter Section 9.103.

(c) Affordable Housing Allocation Progress Report. MOHCD, or any successor agency, in consultation with HSH, or any successor agency, shall compile a combined Annual Affordable Housing Allocation Progress Report ("Progress Report"). The Progress Report shall discuss progress on all affordable housing and supportive housing efforts from MOHCD, HSH, and other departments and agencies that design or plan affordable housing and supportive housing programs, including the Human Services Agency and the Department of Public Health. MOHCD shall submit the Progress Report on or before February 15 of each year to the Board of Supervisors to be presented at a public meeting, as set forth in Chapter 3, Section 3.3 of the Administrative Code, as may be amended from time to time, on the progress of expenditures from the preceding year and the proposed allocation of monies from all possible sources of funds that

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are specifically allocated for, or could potentially be allocated to, affordable housing, for the development of affordable housing within the City during the next two fiscal years, with a detailed projection for the next fiscal year. The Progress Report shall include but need not be limited to: what income levels are being served on a per project and per unit basis; the total amounts approved for disbursement to affordable housing and supportive housing, including housing preservation, small sites acquisition projects, operating subsidies, and affordable housing and supportive rehabilitation; the number and size of sites acquired and type (including improved or vacant); the scope of rehabilitation work for improved sites; the number of units developed or funded by MOHCD and HSH; the neighborhoods/geography of projects funded; the impact on racial, disability, and aging equity; the difference between funding needed to meet the City's Regional Housing Needs Allocation for below-moderate income households and the actual funding allocated and expended; and overall program implementation goals for the current fiscal year and proposed priorities for the next fiscal year. The Progress Report shall include an assessment from the Budget and Legislative Analyst of potential new revenue strategies for the City to fund any difference between the funding needed to meet the Regional Housing Needs Allocation for below-market income households and the actual funding allocated and expended, and all the sources of funding allocated to these affordable housing and supportive housing programs, and shall guide the Mayor's Office and Board of Supervisors in the approval of the annual budget. The Progress Report shall be accompanied by a draft motion for the Board to accept the report.

(d) Advisory Committee. By subsequent ordinance, the Board of Supervisors may create an advisory committee that would be composed of, but not limited to, members of the Housing Stability Fund Oversight Board, members of organizations whose members are affordable housing residents, individuals who are housing insecure, and individuals with experience as affordable housing providers. The committee would advise MOHCD and HSH in preparation of

the Affordable Housing Allocation Progress Report and provide guidelines on MOHCD's annual budget submission.

SECTION 7. ADDITIONAL FINDINGS. The People of the City and County of San Francisco specifically find that, for the reasons set forth in Section 2, this ordinance is consistent with the San Francisco General Plan and the Priority Policies set forth in Planning Code Section 101.1, and the actions in this ordinance will serve the public necessity, convenience, and welfare pursuant to Planning Code Section 302.

SECTION 8. AMENDMENT. The provisions of this Initiative amending the Charter and the Municipal Code may only be amended by the voters of the City and County of San Francisco except as specifically provided in the terms of the Initiative.

SECTION 9. POLICY. It is the Policy of the City that the City shall encourage the timely development of 100% Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects, so that the City and its residents can obtain the benefits that such projects will provide. To that end, the People of the City encourage the City, its officers, employees, and consultants to take all appropriate steps to expeditiously assist the construction of 100% Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects.

SECTION 10. SEVERABILITY. If any provision of this Initiative or any application thereof to any person or circumstance is held invalid, such invalidity shall not affect any provision or application of this Initiative that can be given effect without the invalid provision or application. To this end, the provisions of this Initiative are severable.

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SECTION 11. CONFLICTS WITH OTHER MEASURES. This Initiative is intended to regulate housing development in the City. The Initiative shall be deemed to conflict with any other measure appearing on the same ballot if such other measure addresses planning or zoning controls, project approval processes, or the standard of review that would be applicable to 100% Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects, individually or collectively, as defined in Charter Section 16.126 or as defined in the other measures, whether the measure does so by specific application or as a more general enactment that could otherwise be applied to affordable housing projects, housing for educators, or housing with additional on-site inclusionary housing above that required by City codes, or addresses review of such projects pursuant to Charter Section 9.118. In the event this Initiative and any other measure as described above appearing on the same ballot are approved by the voters at the same election, and this Initiative receives a greater number of affirmative votes than the conflicting measure, this Initiative shall control in its entirety and the other measure shall be rendered void and without any legal effect. If this Initiative is approved by a majority of the voters but does not receive a greater number of affirmative votes than any other conflicting measure, this Initiative shall take effect to the extent permitted by law.

APPROVED AS TO FORM: DAVID CHIU, City Attorney

By: /s/
AUDREY WILLIAMS PEARSON
Deputy City Attorney

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City and County of San Francisco Tails

City Hall
1 Dr. Carlton B Goodlett Place
San Francisco, CA 94102-4689

Charter Amendment

File Number: 220631 Date Passed: July 26, 2022

Charter Amendment (Fourth Draft) to amend the Charter of the City and County of San Francisco to provide for accelerated review and approval of eligible 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability, and providing for Planning Department ministerial review in lieu of approvals by or certain appeals to City boards and commissions; to make corresponding amendments to the Planning Code and the Business and Tax Regulations Code; to amend the Administrative Code to provide for an Annual Affordable Housing Allocation Report as part of the City's budget deliberation process; and to declare as City policy the need to accelerate approval of 100% affordable housing projects, educator housing projects, and market-rate projects that provide significant increased affordability; to make findings of compliance with the General Plan and Planning Code, Section 101.1 and findings of public necessity, convenience, and welfare under Planning Code, Section 302; and affirming the Planning Department's determination under the California Environmental Quality Act; at an election to be held on November 8, 2022.

June 29, 2022 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 29, 2022 Rules Committee - CONTINUED AS AMENDED

July 06, 2022 Rules Committee - RECOMMENDED

July 12, 2022 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 12, 2022 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 12, 2022 Board of Supervisors - CONTINUED AS AMENDED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 19, 2022 Board of Supervisors - CONTINUED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 26, 2022 Board of Supervisors - ORDERED SUBMITTED

Ayes: 7 - Chan, Mar, Peskin, Preston, Ronen, Safai and Walton

Noes: 4 - Dorsey, Mandelman, Melgar and Stefani

I hereby certify that the foregoing Charter Amendment was ORDERED SUBMITTED on 7/26/2022 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board