

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The City Attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

[TITLE]

[SUMMARY]

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

SECTION 1. Title.

This Initiative shall be known and may be cited as the “Hunters Point Shipyard/Candlestick Point Jobs Stimulus Proposition” (referred to hereinafter as the “Initiative”).

SECTION 2. Findings & Conclusions.

(a) In 2008, San Francisco voters adopted Proposition G, the Bayview Jobs, Park and Housing Initiative, by a 63% to 37% vote. Proposition G sought to revitalize the Bayview Hunters Point area with hundreds of acres of parks, significant jobs and economic development opportunities, and a substantial number of affordable and market-rate homes. Proposition G recognized that the closure of the Hunters Point Shipyard, once a thriving maritime industrial center and leading hub of employment, had resulted in significant job losses, which had profoundly affected the economics of the area. Accordingly, the voters envisioned substantial redevelopment of the area, including office development that was designed to replace the high-quality, permanent jobs lost when the Shipyard closed.

(b) Since 2008, extensive environmental and public review has been undertaken. Redevelopment plans, area plans, zoning ordinances and agreements have been approved and entered into. For the property shown on the maps below (Hunters Point Shipyard Phase 2 and Candlestick Point), various approval documents allow and provide for extensive development, including the following:

- Approximately 330 acres for parks and open space, and approximately 370 acres for housing, research and technology jobs, retail sales, office space, and workspace for artists;
- 10,500 housing units, of which approximately one-third must be priced at below-market prices;
- 5,150,000 square feet of research and development, and office uses;
- 885,000 square feet of retail and entertainment uses.

(c) It has been eight years since Proposition G was passed, and the jobs envisioned in Proposition G have not yet materialized. The office uses, which are a key component of the plan to regenerate jobs lost to the Shipyard closure, face a special hurdle: a 1986 initiative called Proposition M. Among other things, Proposition M imposed a growth management program on office space, generally limiting office development to 950,000 square feet per year. The Bayview Hunters Point office development anticipated in Proposition G and in the subsequent approvals could wait many years before being built because of this program. However, Proposition M was adopted decades ago, when it was assumed office development would be concentrated in the downtown area. Hunters Point Shipyard Phase 2 and Candlestick Point are not located downtown—they are located on and around the site of the decommissioned Hunters Point Shipyard and former Candlestick Park in the southeastern part of the City. If left unamended, the growth management program of Proposition M would thwart the voters’ desire to revitalize the area and expedite development of job-creating uses.

(d) This Initiative amends the provisions of Proposition M and the San Francisco Planning Code that regulate the pace of office development. It removes Hunters Point Shipyard Phase 2 and Candlestick Point from the area within which an allocation or project authorization allowing office development may be required. This Initiative is intended to facilitate a rational development pace for this area, and to implement the voters' desire to realize the revitalization contemplated in Proposition G. To achieve these goals, this Initiative would also establish a policy that development applications shall be processed and decided quickly, and development expedited.

(e) This Initiative would not affect the applicability of the office development controls enacted by Proposition M to other areas of the City. This Initiative also would not affect the applicability of the priority policies adopted by Part 1 of Proposition M, nor would it affect the applicability of the resident placement and training program adopted by Part 3 of Proposition M.

SECTION 3. Part 2 of Proposition M (November 1986) and the Planning Code are hereby amended by adding Section 324.1 to read as follows:

SEC. 324.1. DEVELOPMENT IN HUNTERS POINT SHIPYARD PHASE 2 AND CANDLESTICK POINT.

(a) For purposes of this Section 324.1, "Development" includes, without limitation, development, redevelopment, reuse and reoccupancy; and the "Subject Property" is comprised of property within the dotted lines depicted on the following maps:

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(b) Notwithstanding Part 2 – Annual Limit of Proposition M (November 1986) and other provisions of any San Francisco Code, the terms “office development,” “office space,” and “additional office space,” when used in Sections 320-325 of this Planning Code, shall not include Development on the Subject Property.

(c) No project authorization or allocation shall be required for any Development on the Subject Property. However, Development on the Subject Property that would require a project authorization or allocation but for this Section 324.1 shall be treated for all purposes as if it had been granted approval of a project authorization or allocation.

(d) Development on the Subject Property shall not affect the annual limit or the unallocated amount referenced in Sections 320-324. The amount of office development for which project authorizations may be granted under Sections 320-324 on properties other than the Subject Property shall be determined without regard to the amount of Development on the Subject Property.

SECTION 4. Section 325 of Proposition M (1986) and the Planning Code are hereby amended to read as follows:

SEC. 325. SUNSET CLAUSE.

The limit on office development set out in Planning Code Sections 320, 321, 322, 323, and 324 and 324.1, as of October 17, 1985, as amended by the voters on November 4, 1986 and November 8, 2016, shall remain in effect until amended or repealed by the voters of San Francisco at a regularly scheduled election.

SECTION 5. Declaration of Policy.

The following declaration of policy is approved by the voters as specified in San Francisco Charter Section 14.101:

It shall be the policy of the City and County of San Francisco that applications for Development on the Subject Property shall be processed and decided as quickly as feasible, in implementation of the voters' strong desire and intent that Development on the Subject Property be expedited.

SECTION 6. Interpretation.

This Initiative shall not be interpreted to exempt any development on the Subject Property from paying any fees that such development would otherwise be required to pay but for the adoption of this Initiative.

This Initiative (including the definitions in new Section 321.4) shall not be interpreted to affect the application of Planning Code Sections 321-324 to any property other than the Subject Property.

This Initiative shall be interpreted so as to be consistent with all federal and state laws, rules, and regulations. It is the intent of the voters that the provisions of this Initiative be interpreted or implemented in a manner that facilitates the purposes set forth in this Initiative. The title of this Initiative and the captions preceding the sections of this Initiative are for convenience of reference only. Such title and captions shall not define or limit the scope or purpose of any provision of this Initiative. The use of the terms “including,” “such as” or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. The use of the term “or” shall be construed to mean and/or.

This Initiative proposes to add text and maps to the referenced sections of Proposition M (November 1986) and the Planning Code. The new text is indicated above with **bold, underlined text**, and deleted text is shown in ~~**bold-strikeout text**~~. The voters intend to enact only the boundaries shown on the maps included in Section 321.4, and do not enact any other aspects of those maps.

To allow the amendments to be read in context, the following exhibits are attached:

- Exhibit A The text of Sections 320 through 325 of the San Francisco Planning Code, as they exist on May 1, 2016
- Exhibit B The text of Proposition M (November 1986)
- Exhibit C A map demonstrating the location of the Subject Property within the City & County of San Francisco.

These exhibits are attached for informational purposes only, and not enacted by this Initiative. The amendments enacted by this Initiative are those set forth in Sections 3 and 4 of this Initiative.

SECTION 7. Severability.

If any provision of this Initiative, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Initiative are severable. The voters declare that this Initiative, and each word, phrase, sentence, section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any other provision or provisions is found to be invalid. If any provision of this Initiative is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Initiative that can be given effect without the invalid application. If any portion of this Initiative is held by a court of competent jurisdiction to be invalid, we, the People of the City and County of San Francisco, indicate our strong desire that: (i) the Board of Supervisors use its best efforts to sustain and provide for the re-enactment of that portion, and (ii) the Board of Supervisors implement this Initiative by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Initiative, including, if necessary, taking the appropriate steps to provide for the adoption or re-enactment of any such portion in a manner consistent with the intent of this Initiative.

SECTION 8. Conflicting Ballot Measures.

In the event that this Initiative and another measure or measures relating to the development of office space on Hunters Point Shipyard Phase 2 or Candlestick Point shall appear on the same municipal election ballot, the provisions of such other measures shall be deemed to be in conflict with this Initiative. In the event that this Initiative shall receive a greater number of affirmative votes, the provisions of this Initiative shall prevail in their entirety and each and every provision of the other measure or measures shall be null and void in their entirety. In the event that the other measure or measures shall receive a greater number of affirmative votes, the provisions of this Initiative shall take effect to the extent permitted by law. If this Initiative is approved by the voters but superseded by law in whole or in part by any other conflicting initiative approved by the voters at the same election, and such conflicting initiative is later held invalid, this Initiative shall be self-executing and given full force of law.

SECTION 9. Effective Date.

In accordance with the provisions of Municipal Elections Code § 380 and California Elections Code § 9217, if a majority of the voters vote in favor of the Initiative, the Initiative shall go into effect ten days after the official vote count is declared by the Board of Supervisors.

SECTION 10. Amendment.

Clerical actions may be taken by staff of the City and County of San Francisco to relocate the maps enacted by this Initiative to a location other than within Section 324.1 of the Planning Code, and to note in Section 324.1 where such maps may be found, provided that doing so effects no substantive change to this Initiative. Pursuant to Municipal Elections Code § 390 and California Elections Code § 9217 no other provision of this Initiative may be amended except by a vote of the People.

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EXHIBIT A (FOR INFORMATIONAL PURPOSES ONLY)

San Francisco Planning Code §§ 320-325

SEC. 320. OFFICE DEVELOPMENT: DEFINITIONS.

When used in Sections 320, 321, 322 and 323, the following terms shall each have the meaning indicated. See also Section 102.

- (a) "Additional office space" shall mean the number of square feet of gross floor area of office space created by an office development, reduced, in the case of a modification or conversion, by the number of square feet of gross floor area of preexisting office space which is lost.
- (b) "Approval period" shall mean the 12-month period beginning on October 17, 1985 and each subsequent 12-month period.
- (c) "Approve" shall mean to approve issuance of a project authorization and shall include actions of the Planning Commission, Board of Appeals and Board of Supervisors.
- (d) "Completion" shall mean the first issuance of a temporary certificate of occupancy or a Certificate of Final Completion and Occupancy as defined in San Francisco Building Code Section 307.
- (e) "Disapprove" shall mean for an appellate administrative agency or court, on review of an office development, to direct that construction shall not proceed, in whole or in part.
- (f) "Office space" shall mean space within a structure intended or primarily suitable for occupancy by persons or entities which perform for their own benefit or provide to others services at that location, including but not limited to professional, banking, insurance, management, consulting, technical, sales and design, or the office functions of manufacturing and warehousing businesses, but shall exclude the following: Retail use; repair; any business characterized by the physical transfer of tangible goods to customers on the premises; wholesale shipping, receiving and storage; any facility, other than physicians' or other individuals' offices and uses accessory thereto, customarily used for furnishing medical services, and design showcases or any other space intended and primarily suitable for display of goods. This definition shall include all uses encompassed within Section 102 of this Code.
- (g) "Office development" shall mean construction, modification or conversion of any structure or structures or portion of any structure or structures, with the effect of creating additional office space, excepting only:
 - (1) Development which will result in less than 25,000 square feet of additional office space;
 - (2) Development either:
 - (i) Authorized under San Francisco Redevelopment Agency disposition or owner participation agreements which have been approved by Agency resolution prior to the effective date of this Section, or
 - (ii) Authorized prior to the effective date of this Section by Agency resolution in anticipation of such agreements with particular developers identified in the same or a subsequent agency resolution;
 - (3) Any development which is governed by prior law under Section 175.1(b) of this Code, unless modified after the effective date specified in Section 175.1(b) to add more than 15,000 square feet of additional office space. Any addition of office space up to 15,000 square feet shall count against the maximum for the approval period, pursuant to Section 321(a)(2)(B);
 - (4) Any development including conversion of 50,000 square feet or more of manufacturing space to office space where the manufacturing uses previously located in such space are relocated to another site within the City and County of San Francisco and the acquisition or renovation of the new manufacturing site is funded in whole or part by an Urban Development Action Grant approved by the Board of Supervisors;
 - (5) Any mixed-residential-commercial development which will be assisted by Community Development Block Grant funds approved by the Board of Supervisors in which all of the housing units shall be affordable to low-income households for a minimum of 40 years and for which an environmental review application and site permit application have been filed prior to the effective date of this ordinance which enacted the provisions of this Section;
 - (6) Any development authorized pursuant to a Planned Unit Development, as provided for by City Planning Code Section 304, providing for a total of 500 or more additional units of housing, provided such development first received a Planned Unit Development authorization prior to November 4, 1986. Such Planned Unit Development may be amended from time to time by the Planning Commission, but in no event shall any such amendment increase the amount of office space allowed for the development beyond the amount approved by the Planning Commission prior to November 4, 1986.
- (h) "Project authorization" shall mean the authorization issued by the Planning Department pursuant to Sections 321 and 322 of this Code.
- (i) "Replacement office space" shall mean, with respect to a development exempted by Subsection (g)(6) of this Section, that portion of the additional office space which does not represent a net addition to the amount of office space used by the occupant's employees in San Francisco.
- (j) "Retail Use" shall mean supply of commodities on the premises including, but not limited to, stores, shops, Restaurants, Bars, eating and drinking businesses, and Retail Sales and Services uses defined in Planning Code Section 102, except for Hotels and Motels.
- (k) "Preexisting office space" shall mean office space used primarily and continuously for office use and not accessory to any use other than office use for five years prior to Planning Commission approval of an office development project which office use was fully legal under the terms of San Francisco law.

SEC. 321. OFFICE DEVELOPMENT: ANNUAL LIMIT.

(a) Limit.

- (1) No office development may be approved during any approval period if the additional office space in that office development, when added to the additional office space in all other office developments previously approved during that approval period, would exceed 950,000 square feet or any lesser amount resulting from the application of Section 321.1. To the extent the total square footage allowed in any approval period is not allocated, the unallocated amount shall be carried over to the next approval period.
- (2) The following amounts of additional office space shall count against the maximum set in Subsection (a)(1):
 - (A) All additional office space in structures for which the first building or site permit is approved for issuance during the approval period and which will be located on land under the jurisdiction of the San Francisco Port Commission or under the jurisdiction of the San Francisco Redevelopment Agency; provided, however, that no account shall be taken of structures which are exempt under Section 320(g)(2);
 - (B) The amount of added additional office space approved after the effective date of this ordinance in structures which are exempt under Section 320(g)(3);
 - (C) All additional office space in structures owned or otherwise under the jurisdiction of the State of California, the federal government or any State, federal or regional government agency, which structures are found to be otherwise exempt from this Section 321 or Section 322 by force of other applicable law;
 - (D) All additional office space in structures exempt under Section 320(g)(4) or 320(g)(6) or the last sentence of Section 175.1(b), or which satisfy the substantive terms of either of said exemptions but for which the first building or site permit is authorized or conditional use or variance approved by the Planning Commission after June 15, 1985 but before the effective date of this ordinance.

The additional office space described in Subsection (a)(2)(A) shall be taken into account with respect to all proposed office developments which are considered after the first site or building permit is approved for issuance for the described project. The additional office space described in Subsections (a)(2)(B) and (a)(2)(D) shall be taken into account with respect to all proposed office developments which are considered during the approval period and after the project or the added additional office space is first authorized or a conditional use or variance approved by the Planning Commission. The

additional office space described in Subsection (a)(2)(C) shall be taken into account with respect to all proposed office developments which are considered during the approval period and after commencement of construction of the described structures. Modification, appeal or disapproval of a project described in this Section shall affect the amount of office space counted under this Section in the time and manner set forth for office developments in Section 321(c).

(3) The Planning Department shall maintain and shall make available for reasonable public inspection a list showing:

(A) All office developments and all projects subject to Section 321(a)(2) for which application has been made for a project authorization or building or site permit and, if applicable, the date(s) of approval and of approval for issuance of any building or site permit;

(B) The total amount of additional office space and, if applicable, replacement office space, approved with respect to each listed development;

(C) Approved office developments (i) which are subsequently disapproved on appeal; (ii) the permit for which expires or is cancelled or revoked pursuant to Subsection (d)(1) of this Section; or (iii) the approval of which is revoked pursuant to Subsection (d)(2) of this Section; and

(D) Such other information as the Department may determine is appropriate.

(4) Not less than six months before the last date of the approval period, the Planning Department shall submit to the Board of Supervisors a written report, which report shall contain the Planning Commission's recommendation with respect to whether, based on the effects of the limitation imposed by this Section on economic growth and job opportunities in the City, the availability of housing and transportation services to support additional office development in the City, office vacancy and rental rates, and such other factors as the Commission shall deem relevant, there should continue to be a quantitative limit on additional office space after the approval period, and as to what amount of additional office space should be permitted under any such limit.

(5) Every holder of a site permit issued on or after July 1, 1982 for any office development, as defined in Section 320(g) without regard to Subsections (g)(2) through (g)(5), shall provide to the Planning Commission reports containing data and information with respect to the following:

(A) Number of persons hired for employment either in construction of the development or, to the extent such information is available to the permittee, by users of the completed building;

(B) The age, sex, race and residence, by City, of each such person;

(C) Compensation of such persons, classified in \$5,000 increments, commencing with annualized compensation of \$10,000;

(D) The means by which each such person most frequently travels to and from the place of employment.

Such reports shall commence on October 1, 1985 and continue quarterly thereafter during the approved period. A report containing information by quarter for the period between July 1, 1982 and the effective date of the ordinance shall be submitted not later than December 31, 1985. The Planning Commission shall have full access to all books, records and documents utilized by any project sponsor in preparation of the written reports referred to above, and shall inspect such books, records and documents from time to time for purposes of authenticating information contained in such reports.

(b) Guidelines.

(1) During the approval period, the Planning Commission, and the Board of Supervisors and Board of Appeals on appeal from the Planning Commission shall approve, within the allowable limit, subject to Subsection (b)(2) of this Section, only those office developments which they shall determine in particular promote the public welfare, convenience and necessity, and shall be empowered under this Section to disapprove the remainder. The Planning Department shall issue to office developments so approved, in accord with Sections 320 through 323 of this Code, a project authorization.

(2) The following proposed office developments, subject to all other applicable sections of this Code and other applicable law, shall be approved under this Section in preference to all others:

(A) All proposed developments to the extent approval is required by court order; and, thereafter,

(B) Subject to Subsection (a)(1) of this Section, all proposed office developments which were approved by the Planning Commission during the approval period, but subsequently disapproved by any administrative appellate body or court, if and when said disapproval is later reversed.

(3) In determining which office developments best promote the public welfare, convenience and necessity, the Board of Supervisors, Board of Appeals and Planning Commission shall consider:

(A) Apportionment of office space over the course of the approval period in order to maintain a balance between economic growth, on the one hand, and housing, transportation and public services, on the other;

(B) The contribution of the office development to, and its effects on, the objectives and policies of the General Plan;

(C) The quality of the design of the proposed office development;

(D) The suitability of the proposed office development for its location, and any effects of the proposed office development specific to that location;

(E) The anticipated uses of the proposed office development, in light of employment opportunities to be provided, needs of existing businesses, and the available supply of space suitable for such anticipated uses;

(F) The extent to which the proposed development will be owned or occupied by a single entity;

(G) The use, if any, of TDR by the project sponsor.

Payments, other than those provided for under applicable ordinances, which may be made to a transit or housing fund of the City, shall not be considered.

(4) Reserve for Smaller Buildings. In each approval period at least 75,000 square feet of office development shall be reserved for buildings between 25,000 and 49,999 square feet in gross floor area of office development. To the extent the total square footage allowed under this Subsection in any approval period is not allocated, the unallocated amount shall be carried over to the next approval period and added only to the Reserve for Smaller Buildings.

(5) With respect to any office development which shall come before the Board of Supervisors for conditional use review, that Board shall consider, in addition to those criteria made applicable by other provisions of law, the criteria specified in Subsection (b)(3). As to any such office development, the decision of the Board of Supervisors with respect to the criteria specified in Subsection (b)(3) shall be a final administrative determination and shall not be reconsidered by the Planning Commission or Board of Appeals.

(6) The Planning Commission shall establish procedures for coordinating review of project authorization applications under Section 322 with review under Section 309 of this Code. The Commission may hold hearings under Sections 309 and 322 in such sequence as it may deem appropriate, but may not issue any project authorization until the requirements of Section 309 have been satisfied.

(c) Appeal and Modification.

(1) If an approved office development is disapproved, or if a previously unapproved office development is approved, by a court or appellate agency, the list described in Subsection (a)(3) of this Section shall be revised accordingly at the time that the period for rehearing before the appellate body in question shall have lapsed. Approval on appeal of any office development, if conditioned on disapproval of another office development which was previously approved, shall not be effective before the time for rehearing with respect to the disapproval shall have lapsed.

(2) The amount of additional office space of any development shall not count against the maximum for the approval period, beginning from the time the office development loses its approved status on the Planning Department list under Subsection (c)(1); provided, however, that if a decision disapproving an office development permits construction of a part of the project, the permitted additional office space only shall continue to count against the maximum, unless and until all building or site permits for the development expire or are cancelled, revoked or withdrawn.

(3) Any modification of an approved office development, including, without limitation, modification by a court or administrative appellate agency, shall be governed by this Subsection, subject, in the case of a court order, to Subsection (b)(2)(A).

(A) Any office development which is modified for any reason after it is first approved so as to increase its amount of additional office space shall lose its approved status on the list described in Subsection (a)(3) at the time such modification is approved, and may be approved as modified only subject to the limits of Subsection (a)(1). Such a modified development shall not be constructed or carried out based on its initial approval. Approval on appeal of such a modified development, if approval would violate the maximum set forth in Subsection (a)(1) of this Section but for disapproval of another previously approved office development, shall not be effective, nor grounds for reliance, until the time for rehearing with respect to the disapproval shall have lapsed.

(B) An approved office development may be modified so as to reduce the amount of additional office space, subject to all authorizations otherwise required by the City. No additional office space shall become available for any other development during the approval period on account of such a modification, unless the modification is required by any appellate administrative agency or a court, in which case additional office space shall become available when the time for rehearing has lapsed.

(d) Unbuilt Projects; Progress Requirement.

(1) The maximum amount of additional office space for the approval period shall be increased by the amount of such space included in office developments which were previously approved during the period but for which during such period an issued site or building permit has been finally cancelled or revoked, or has expired, with the irrevocable effect of preventing construction of the office development.

(2) Construction of an office development shall commence within 18 months of the date the project is first approved, or, in the case of development in the C-3-O(SD) District the development shall commence within three (3) years. Notwithstanding the above provision, office projects larger than 500,000 gross square feet in the C-3-O(SD) District shall commence construction within five (5) years. Failure to begin work within that period, or thereafter to carry the development diligently to completion, shall be grounds to revoke approval of the office development. Neither the Department of Building Inspection nor the Board of Appeals shall grant any extension of time inconsistent with the requirements of this Subsection (d)(2).

(3) The Department of Building Inspection shall notify the Planning Department in writing of its approval for issuance and issuance of a site or building permit for any office development, and for any development under the jurisdiction of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco or the Port Commission subject to Section 321(a)(2), and of the revocation, cancellation, or expiration of any such permit.

(e) **Rules and Regulations.** The Planning Commission shall have authority to adopt such rules and regulations as it may determine are appropriate to carry out the purposes and provisions of this Section and Sections 320, 322 and 323.

SEC. 321.1. ANNUAL LIMIT ADJUSTMENT.

(a) It is the intention of the people of San Francisco that the annual limit on office development be reduced to account for the square footage resulting from the excessive number of building, alteration and site permits that were issued after November 29, 1984, the date the Planning Commission amended the General Plan to include the Downtown Plan.

(b) Not later than January 1, 1987 and January 1st of each subsequent year, the Planning Department shall survey the records of the Central Permit Bureau and any other necessary records to develop a list of the square footage of all office development projects for which building, alteration or site permits were issued after November 29, 1984 that have not lapsed or otherwise been revoked, and all office development projects reapproved by the City, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco or the San Francisco Port Commission after November 29, 1984. Reapproval specifically includes any project reconsidered by any agency pursuant to a Court decision. This process shall continue until the Department is able to certify that all projects with approval dates on or before November 4, 1986 have received permits, have been abandoned or are no longer subject to litigation challenging their approval. Notwithstanding any other provision of the Planning Code or the former provisions of Subsection 320(g), all projects in excess of 24,999 square feet of additional office space shall be included in the survey. The list shall not include permits for projects authorized pursuant to the office development competition set out in Subsection 321(b) and Section 322.

(c) Not later than February 1, 1987 and February 1st of each subsequent year as set out above, the Department shall certify in writing to the Planning Commission at a public hearing the list of all projects enumerated in Subsection (b) above, including the square footage of each project and the total of all such projects.

(d) Within 30 days of receipt of the Department's certification, the Commission shall reduce the 950,000 square foot annual limit established in Subsection 321(a)(1) by 475,000 square feet per approval period until the amount of square footage remaining on the Department's list is reduced to zero.

(e) If the City has authorized more than 475,000 square feet as part of the office development competition set out in Subsection 321(b) and Section 322 prior to November 4, 1986, any amount exceeding 475,000 square feet shall be separately deducted from otherwise allowable square feet calculated pursuant to Subsection (d) above for the approval period and for subsequent approval periods until the total amount of square footage is reduced to zero.

SEC. 321.2. LEGISLATIVE REDUCTION OF ANNUAL LIMIT.

The Board of Supervisors is permitted to reduce the annual limit defined in Subsection 321(a)(1).

SEC. 321.3. VOTER APPROVAL OF EXEMPTIONS OF OFFICE PROJECTS AUTHORIZED BY DEVELOPMENT AGREEMENTS.

Any office development approved pursuant to a development agreement under Government Code Section 65865 or any successor Section may only be exempted from the annual limit set forth in Subsection 321(a)(1) after the exemption for such office development has been approved by the voters at a regularly scheduled election.

SEC. 322. PROCEDURE FOR ADMINISTRATION OF OFFICE DEVELOPMENT LIMIT.

(a) **Project Authorization Required.** During the approval period, every site or building permit application for an office development must, before final action on the permit, include a copy of a project authorization for such office development, certified as accurate by the Planning Department. No such application shall be considered complete and the Department of Building Inspection shall not issue any such site or building permit unless such a certified copy is submitted. No site or building permit shall be issued for an office development except in accordance with the terms of the project authorization for such office development. Any such site or building permit which is inconsistent with the project authorization shall be invalid.

(b) **Application for Project Authorization.** During the approval period, an applicant for approval of an office development shall file an application for a project authorization with the Planning Department contemporaneously with the filing of an application for environmental evaluation for such development. Such application shall state such information as the Planning Department shall require; provided, however, that an application for a project authorization for each office development for which an environmental evaluation application has been filed prior to the effective date of this Section, shall be deemed to have been filed effective as of the date such environmental evaluation application was filed.

(c) Processing of Applications.

(1) The approval period shall be divided into such review periods as the Planning Commission shall provide by rule. The first review period shall commence on the effective date.

(2) Applications for project authorizations shall be considered by the Planning Commission during a specific review period in accordance with the following procedures:

(A) During a specific review period the Planning Commission shall consider all project authorization applications for which, prior to the first day of

such review period, a final Environmental Impact Report has been certified, or a final Negative Declaration has been issued, or other appropriate environmental review has been completed; provided, however, that during the first review period, the Planning Commission shall consider only those office developments for which (i) an environmental evaluation application and a site or building permit application were submitted prior to June 1, 1985, or (ii) a draft environmental impact report or a preliminary negative declaration was published prior to the effective date.

(B) The Planning Commission may hold hearings on all project authorization applications assigned to a specific review period before acting on any such application.

(C) In reviewing project authorization applications, the Planning Commission shall apply the criteria set forth in Section 321, and shall, prior to the end of such a review period, approve, deny, or, with the consent of the applicant, continue to the next subsequent review period each such application based on said criteria.

(D) Notwithstanding any other provisions of this Section or Section 321, the Planning Commission may at any time, after a noticed hearing, deny or take other appropriate action with respect to any application for a project authorization as to which environmental review, in the judgment of the Commission, has not been or will not be completed in sufficient time to allow timely action under applicable law.

(E) Any project authorization application which is denied by the Planning Commission, unless such denial is reversed by the Board of Appeals or Board of Supervisors, shall not be resubmitted for a period of one year after denial.

(d) **Appeal of Project Authorization.** The Planning Commission's determination to approve or deny the issuance of a project authorization may be appealed to the Board of Appeals within 15 days of the Commission's issuance of a dated written decision pursuant to the procedural provisions of Section 308.2 of this Code, except in those instances where a conditional use application was filed. In cases in which a conditional use application was filed, the decision of the Planning Commission may be appealed only to the Board of Supervisors pursuant to Section 308.1 of this Code. The decision on the project authorization by the Board of Appeals or Board of Supervisors shall be the final administrative determination as to all matters relating to the approval of the office development that is the subject of the project authorization, except for matters, not considered in connection with the project authorization, which arise in connection with a subsequent building or site permit application for the development in question.

(e) **Modification of Project Authorization.** The Planning Commission may approve a modified project authorization, after a noticed hearing, during the review period in which the initial project authorization was approved or a subsequent review period. Approval or denial of a modified project authorization shall be subject to appeal in accord with Subsection (d).

(f) **No Right to Construct Conveyed.** Neither approval nor issuance of a project authorization shall convey any right to proceed with construction of an office development, nor any right to approval or issuance of a site or building permit or any other license, permit, approval or authorization which may be required in connection with said office development.

SEC. 323. OFFICE DEVELOPMENT: PREAPPLICATION PROCEDURE.

The Planning Commission may by rule permit such persons as elect to do so, to submit a preliminary application on a proposed office development before submitting any application for a project authorization. Such a preliminary application shall contain such information as the Commission may require. With respect to each proposed office development for which all the information required by the Planning Department is timely submitted to the Department, the Director of Planning or his designee shall, in writing, issue an advisory opinion to the person submitting such information, as to whether he or she at that time intends to recommend, based on the information submitted to him or her, the proposed development for denial by the Planning Commission. The advice and recommendation of the Director shall neither convey, nor foreclose, any right to proceed with a project authorization application or the development and shall constitute neither approval nor denial of the development. The Director's recommendations under this Section shall be governed by Section 321(b) of this Code.

SEC. 324. FINDINGS.

- (a) The Board of Supervisors declares that it is the policy of the City and County of San Francisco to:
 - (1) Provide a quality living and working environment for residents and workers;
 - (2) Foster the diversified development of the City, providing a variety of economic and job opportunities;
 - (3) Maintain a balance between economic growth, on the one hand, and housing, transportation and public services in general, on the other, and encourage a rate of growth consistent with transportation and housing capacity;
 - (4) Prevent undesirable effects of development on local air quality and other environmental resources; and
 - (5) Encourage development projects of superior design, optimum location and other desirable characteristics.
- (b) In recent years, office development in the City has increased dramatically. Office development has already affected housing, transportation and parking capacities.
- (c) The City has only limited legal authority to direct or control physical development, whether for office use or not, on land covered by approved redevelopment plans or under the jurisdiction of the Port Commission.
- (d) There are competing legitimate public interests which must be balanced in the planning process. Environmental concerns are of great importance, but must be balanced against the need for continued, healthy economic growth and job creation, maintenance of municipal revenues for the provision of social services, effective preservation of historic buildings and other considerations.
- (e) Based on developments proposed to date, general economic conditions affecting San Francisco, and the trend in recent years of an increasing rate of office development, it is likely that excessive office development will come before City agencies for authorization and approval during the years 1985 through 1988, and possible that excessive development would continue thereafter. It is therefore appropriate to approve during the three years after adoption of this ordinance only particular, proposed developments which serve the public interest, convenience and necessity, and to similarly limit approvals for further periods to the extent excessive development might otherwise continue to occur.
- (f) Sections 320 through 324 of this ordinance are intended to further the policies noted in Subsection (a) and to aid in responding to the effects noted in Subsection (b), with due regard to the factors set forth in Subsections (c) and (d), by authorizing more effective regulation of the rate, distribution, type and quality of office development in the City and County of San Francisco. Control of office development will afford additional time to analyze and meet its effects.

SEC. 325. SUNSET CLAUSE.

The limit on office development set out in Planning Code Sections 320, 321, 322, 323 and 324 as of October 17, 1985, as amended by the voters on November 4, 1986, shall remain in effect until amended or repealed by the voters of San Francisco at a regularly scheduled election.

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EXHIBIT B (FOR INFORMATIONAL PURPOSES ONLY)

Text of Proposition M (November 1986)

PART 1—MASTER PLAN

Be it ordained by the people of the City and County of San Francisco that Part II, Chapter II, of the San Francisco Municipal Code (City Planning Code) is hereby amended by adding section 101.1 as follows:

SECTION 101.1. MASTER PLAN CONSISTENCY AND IMPLEMENTATION.

(a) The Master 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 City Planning Commission shall in one action amend the Master Plan by January 1, 1988.

(b) The following Priority Policies are hereby established. They shall be included in the preamble to the Master Plan and shall be the basis upon which inconsistencies in the Master 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;
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 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 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 City's Master 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 Master 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 City's Master Plan.

PART 2—ANNUAL LIMIT

Be it ordained by the people of the City and County of San Francisco that Part II, Chapter II, of the San Francisco Municipal Code (City Planning Code) is hereby amended as follows:

Subsections 320(b) and 320(g)(1) are amended as follows:

SECTION 320. OFFICE DEVELOPMENT: DEFINITIONS.

(b) "Approval period" shall mean the twelve month period beginning on October 17, 1985 and each subsequent twelve month period.

(g) "Office development" shall mean construction, modification or conversion of any structure or structures or portion of any structure or structures, with the effect of creating additional office space, excepting only:

1. Development which will result in less than 25,000 square feet of additional office space.

Subsection 320(g)(5) is deleted and the existing Subsections renumbered.

Subsection 320(k) is added as follows:

(k) "Preexisting office space" shall mean office space used primarily and continuously for office use and not accessory to any use other than office use for five (5) years prior to Planning Commission approval of an office development project which office use was fully legal under the terms of San Francisco law.

Subsection 321(a)(1) is amended as follows:

SECTION 321. OFFICE DEVELOPMENT: ANNUAL LIMIT.

(a) Limit.

1. No office development may be approved during any approval period if the additional office space in that office development, when added to the additional office space in all other office developments previously approved during that approval period, would exceed 950,000 square feet or any lesser amount resulting from the application of Section 321.1. To the extent the total square footage allowed in any approval period is not allocated, the unallocated amount shall be carried over to the next approval period.

A new Subsection 321(b)(4) is added as follows and existing subsections renumbered:

(4) Reserve for Smaller Buildings. In each approval period at least 75,000 square feet of office development shall be reserved for buildings between 25,000 and 49,999 square feet in gross floor area of office development. To the extent the total square footage allowed under this subsection in any approval period is not allocated, the unallocated amount shall be carried over to the next approval period and added only to the Reserve for Smaller Buildings.

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Section 321.1 is added as follows:

SECTION 321.1. ANNUAL LIMIT ADJUSTMENT.

(a) It is the intention of the people of San Francisco that the annual limit on office development be reduced to account for the square footage resulting from the excessive number of building, alteration and site permits that were issued after November 29, 1984, the date the City Planning Commission amended the Master Plan to include the Downtown Plan.

(b) Not later than January 1, 1987 and January 1 of each subsequent year the Department of City Planning shall survey the records of the Central Permit Bureau and any other necessary records to develop a list of the square footage of all office development projects for which building, alteration or site permits were issued after November 29, 1984 that have not lapsed or otherwise been revoked, and all office development projects reapproved by the City, the Redevelopment Agency or the San Francisco Port Commission after November 29, 1984. Reapproval specifically includes any project reconsidered by any agency pursuant to a Court decision. This process shall continue until the Department is able to certify that all projects with approval dates on or before November 4, 1986 have received permits, have been abandoned or are no longer subject to litigation challenging their approval. Notwithstanding any other provision of the City Planning Code or the former provisions of Subsection 320(g), all projects in excess of 24,999 square feet of additional office space shall be included in the survey. The list shall not include permits for projects authorized pursuant to the office development competition set out in Subsection 321(b) and Section 322.

(c) Not later than February 1, 1987, and February 1 of each subsequent year as set out above, the Department shall certify in writing to the City Planning Commission at a public hearing the list of all projects enumerated in subsection (b) above, including the square footage of each project and the total of all such projects.

(d) Within 30 days of receipt of the Department's certification, the Commission shall reduce the 950,000 square foot annual limit established in Subsection 321(a)(1) by 475,000 square feet per approval period until the amount of square footage remaining on the Department's list is reduced to zero.

(e) If the City has authorized more than 475,000 square feet as part of the office, development competition set out in Subsection 321(b) and Section 322 prior to November 4, 1986, any amount exceeding 475,000 square feet shall be separately deducted from otherwise allowable square feet calculated pursuant to subsection (d) above for the approval period and for subsequent approval periods until the total amount of square footage is reduced to zero.

Section 321.2 is added as follows:

SECTION 321.2. LEGISLATIVE REDUCTION OF ANNUAL LIMIT.

(g) The Board of Supervisors is permitted to reduce the annual limit defined in Subsection 321(a)(1).

Section 321.3 is added as follows:

SECTION 321.3. VOTER APPROVAL OF EXEMPTION OF OFFICE PROJECTS AUTHORIZED BY DEVELOPMENT AGREEMENTS.

Any office development approved pursuant to a development agreement under Government Code Section 65865 or any successor section may only be exempted from the annual limit set forth in Subsection 321(a)(1) after the exemption for such office development has been approved by the voters at a regularly scheduled election.

Section 325 is amended as follows:

SECTION 325. SUNSET CLAUSE.

The limit on office development set out in Planning Code sections 320, 321, 322, 323 and 324 as of October 17, 1985, as amended by the voters on November 4, 1986, shall remain in effect until amended or repealed by the voters of San Francisco at a regularly scheduled election.

PART 3—EMPLOYMENT

Be it ordained by the people of the City and County of San Francisco that Part II, Chapter II, of the San Francisco Municipal Code (City Planning Code) is hereby amended as follows:

Subsection 164(a) is amended as follows:

SECTION 164. SAN FRANCISCO RESIDENT PLACEMENT AND TRAINING PROGRAM.

(a) The City has determined in its certification of the Downtown Plan Environmental Impact Report and in its findings and studies leading to the adoption of Section 313 of the Planning Code that San Francisco and regional traffic and transit problems will become more intolerable as the number of non-resident employees increases in San Francisco as a result of new office development. In order to mitigate those adverse traffic and transit impacts, while protecting the City's residential areas from unwanted increases in density, the people determine that a policy of maximizing resident employment training and placement opportunities is needed.

Subsections 164(d) and (e) are added as follows:

(d) In order to ensure, that the maximum number of San Francisco residents are trained and placed in employment opportunities in our City, the Board of Supervisors shall hold public hearings and not later than January 1, 1988 the City shall adopt legislation to establish a program which will coordinate the job training and placement efforts of the San Francisco Unified School District, the San Francisco Community College District, community-based non-profit employment and training programs, and other agencies from the public and private sectors, to assure maximum use of existing federal, state and local training and placement programs, and to develop such additional training and placement programs as deemed necessary.

(e) Should the Board of Supervisors determine that additional funds are needed for programs established pursuant to subsection (d) above, it shall consider the adoption of a San Francisco Resident Training and Placement Fee of not less than \$1.50 per square foot as a condition of the approval of any application for an office development project proposing the net addition of 50,000 or more gross square feet of office space.

PART 4—SEVERABILITY CLAUSE

If any part of this initiative is held invalid by a court of law, or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other parts of the initiative or applications which can be given effect without the invalid part or application hereof and to this end the sections of this initiative are separable.

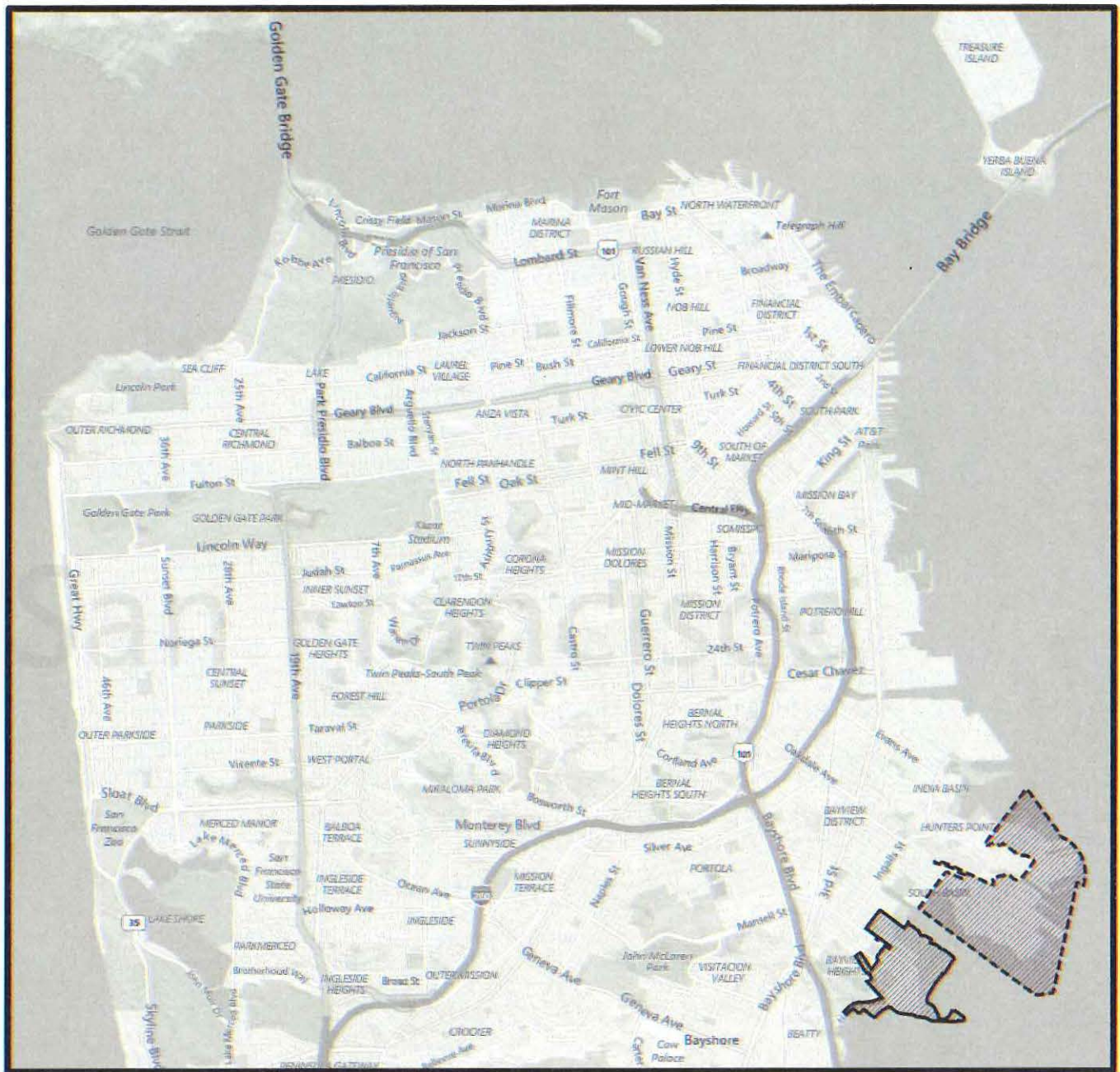
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EXHIBIT C

Map Demonstrating the Location of the Subject Property within the City and County of San Francisco (For Informational Purposes Only)



— Candlestick Point

- - - Hunters Point Shipyard
Phase 2

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