

Surplus City Property*

Digest by the Ballot Simplification Committee

Status: Draft for Consideration

On: Friday, July 31, 2015

Members: Packard, Fasick, Fraps, Jorgensen, Unruh

Word count: *(suggested 300-word limit)*

Deadline to Request Reconsideration: TBD

The Way It Is Now: San Francisco has adopted a policy of using real property the City does not need ("surplus property") to build affordable housing, or instead, selling the surplus property and using the proceeds to build affordable housing. Under the City's policy, affordable housing is housing that is affordable to households earning up to 60% of the area median income.

Local law requires City departments to go through an annual review process to identify surplus property for the potential development of affordable housing or for sale. After this review process, the City transfers the surplus property to the Mayor's Office of Housing and Community Development, which determines if the property is suitable for affordable housing. If so, the City solicits applications from non-profit organizations to build affordable housing on the property. City park land and other property under the control of enterprise departments, which include the Port, the Airport, the Public Utilities Commission, the Municipal Transportation Agency, and the Recreation and Parks Commission, are subject to the review process but exempt from the sale requirements.

State law requires the City to notify certain local agencies, including school districts and parks districts, before selling surplus property and to enter into negotiations with local agencies that want to buy the surplus property. State law generally requires that not less than 15% of housing units built on property sold by the City or other public agencies be affordable.

The Proposal: Proposition __ would:

- expand the allowable uses for surplus property to include building affordable housing for households with incomes up to 120% of the area median income, and, in certain circumstances, for mixed-income projects including some middle-income housing;
- expand the process for identifying surplus property; require the Mayor's Office of Housing and Community Development, after a public hearing, to determine whether surplus property is suitable for affordable housing development and make development recommendations;
- for surplus property that the City is considering developing for affordable housing, prohibit City departments from entering into contracts relating to the property for 120 days unless the Board of Supervisors approves the contract;
- require that 33% or more of the housing units created on surplus property sold by the City be affordable to households earning up to 120% of the area median income, with 15% or more of the housing units affordable to people earning up to 55% of the area median income;
- maintain existing exemptions for City parks and other enterprise department properties; and
- make it City policy to ask all other local agencies, such as the school district, to notify the City before selling property in San Francisco and give the City the opportunity to buy it for affordable housing, and encourage such agencies to sell the property at a low cost.

Proposition ____ would allow the Board of Supervisors to waive the requirements of this law for any project.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

A "YES" Vote Means: If you vote "yes," If you vote "yes," you want the City to use surplus City property to build affordable housing for people with incomes up to 120% of the area median income or to sell surplus City property and use the proceeds for these purposes; and make changes to the process of identifying and developing surplus City property.

A "NO" Vote Means: If you vote "no," you do not want to make these changes.