

August 4, 2022

Chair Packard and Members of the Ballot Simplification Committee
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102
Via email: publications@sfgov.org

RE: Affordable Housing – Board of Supervisors and Initiative Petition

Dear Chair Packard and Members of the Ballot Simplification Committee,

Thanks for your diligence and hard work on drafting the ballot digests. We respectfully request amendments to both of the digests for the Affordable Housing – Board of Supervisors and Initiative Petition to further clarify for voters the differences between the two housing measures on November’s ballot.

1. Add a chart quantifying to voters how Area Median Income is applied in affordable housing

We respectfully request reconsideration of the apparent decision to not include the chart of “Area Median Income” (AMI) levels provided by Supervisor Chan in her letter to demonstrate to voters how this abstract concept translates into real numbers that voters can relate to. The approved digests refer to 80%, 120%, and 140% AMI levels but everyday people have little idea of what those levels means. A chart is essential to make that concept understandable. Additionally, one key distinction between the two measures is AMI – the Board of Supervisors measure does not amend the qualifications to apply for affordable housing, while the Initiative Petition allows new affordable housing units to be up to 140% AMI. We suggest the below chart based on the AMI percentages referenced in both digests:

<u>Income Definition</u>	1 Person	2 Person	3 Person	4 Person
80% of Median	\$77,600	\$88,700	\$99,750	\$110,850
100% of Median	\$97,000	\$110,850	\$124,700	\$138,550
120% of Median	\$116,400	\$133,000	\$149,650	\$166,250
140% of Median	\$135,950	\$155,200	\$174,600	\$193,950

Further, as Supervisor Connie Chan mentioned in her remarks to the Committee on August 3, the voter digest has previously included AMI charts in both the “Words to Know” Section and in the ballot digest itself (screenshot below; see Attachment C for source).



The chart below shows Area Median Income (AMI) for certain households in San Francisco:

Income Definition	1 Person	2 Person	3 Person	4 Person
55% OF MEDIAN	\$39,250	\$44,850	\$50,450	\$56,050
80% OF MEDIAN	\$57,100	\$65,200	\$73,350	\$81,500
100% OF MEDIAN	\$71,350	\$81,500	\$91,700	\$101,900
120% OF MEDIAN	\$85,600	\$97,800	\$110,050	\$122,300

A “YES” Vote Means: If you vote “yes,” you want to amend the Charter to:

- increase affordable housing requirements for private developers of new market-rate housing projects of 25 or more units until the Board of Supervisors passes an ordinance changing those requirements and
- authorize the Board of Supervisors to change affordable housing requirements by ordinance.

A “NO” Vote Means: If you vote “no,” you do not want to make these changes to the Charter.

amendment and the enactment of a future ordinance. These interim requirements are higher than those currently established in the Charter, and are likely to increase the proportion of units in these developments that are affordable or result in an increase in the one-time fees paid to the City to develop affordable housing. Increases in fees paid at these interim levels are likely to be offset by reductions in property taxes given lower assessed taxable value of affordable housing units versus market rate units. To the extent that requirements established in this interim period or in future ordinances slow the development of market-rate housing in the City, the loss of property tax revenues would be more pronounced.

This statement does not address the potential impacts of the proposed amendment on the local economy or housing prices generally.

How “C” Got on the Ballot

On March 1, 2016, the Board of Supervisors voted 11 to 0 to place Proposition C on the ballot. The Supervisors voted as follows:

While AMI percentages do change from year to year, it is important to note that the AMI chart for income levels and rental prices are set by the Federal Department of Housing and Urban Development by calendar year. Again, we would urge the Committee to consider including a chart to further differentiate the two measures for voters.

2. Add clarifying detail to define “affordable housing”

Under “The Way It Is Now:” the description of affordable housing could be expanded upon to clarify for voters that affordable housing is historically a lower rental or ownership price than market-rate housing.

The City has affordable housing programs, [which allows certain residents to own or rent below market rate housing](#). Affordable housing has restrictions on eligibility for households, such as maximum household income.

3. Clarify or remove the term “discretionary review”

A key distinction between the two measures is the fact that the Initiative Petition uses broad and general language to remove any and all ability of the public to request a public hearing to review the impacts of a particular development proposal. One of the processes that is currently available is a process called Discretionary Review. This is a Planning Department process whereby a member of the public can respond to a public notice from Planning to request a hearing before the Planning Commission about a development proposal.

Another form of Discretionary Review is initiated by Planning Department staff. The result is the same which is a hearing about the project’s impacts at the Planning Commission. The language in the Initiative Petition is intentionally vague so as to nullify either of these potential pathways

for discretionary review, which voters should understand is a significant change to the public's ability to have input before a public body about impacts a development might have. Therefore, we offer the following requests for consideration for the Initiative Petition, under section "**The Proposal:**"

Proposition ___ would accelerate the approval process by allowing exempting these affordable housing developments to proceed without possibility of a hearing before a public body from most discretionary approvals by the City if those developments comply with the Planning and Building codes. When the City leases its property or provides financing for housing, the Board of Supervisors approval would ~~not~~ **no longer** be required.

We would also call your attention to the language in each digest discussing the Board of Supervisors' approval of public financing and leases on City property. The language describing Board of Supervisors' approval needs to conform within each digest and with the powers of the Board of Supervisors under the City Charter. In addition to eliminating discretionary review, the Initiative Petition measure proposes to eliminate the budgetary and fiduciary authority of the Board of Supervisors to approve public financing and leases on City property. The removal of the Board's budget and fiduciary oversight is a significant change in the checks and balances between the legislative and executive branches of San Francisco's government.

Therefore, we respectfully request the Commission reconsider the digest language for the Initiative Ordinance to indicate that Board of Supervisors' approval will *no longer* be required as follows:

Projects that use City property or City financing would ~~not~~ **no longer** require Board of Supervisors' ~~discretionary~~ approval.

Since both measures need not use the word "discretion" and, based upon the discussion the Ballot Simplification Committee members had at the August 3 meeting, the Committee has made a point to remove "discretionary" before the word "approvals". Instead, we suggest the Committee simply keep the term "approval" for leases and public financing, and delete mention of the word "discretionary". This way, voters will not conflate the approval of financing and City property with discretionary review that each measure would eliminate.

This would be reflected as such in the Board of Supervisors digest:

Under section "**The Proposal:**" only "discretionary" needs to be removed as the public can still weigh in on projects built under this measure.

Proposition ___ would accelerate the approval process by exempting these affordable housing developments from most ~~discretionary~~ approvals by the City if those developments comply with the Planning and Building codes. When the City leases its

property or provides financing for housing, the approval by the Board of Supervisors may be necessary.

Under section “**A ‘YES’ Vote Means:**”

Projects that use City property or City financing would continue to require Board of Supervisors’ **discretionary** approval.

Thank you again for your work in crafting these voter digests. We appreciate the Ballot Simplification Committee considering these points, and the Committee’s efforts to make sure the language in the ballot handbook on this measure can be crafted to minimize any ambiguity and voter confusion.

Sincerely,

San Francisco Anti-Displacement Coalition (SFADC)
Race & Equity in all Planning Coalition (REP-SF)

Attachment A: Proposed Edits for Affordable Housing – Board of Supervisors

Attachment B: Proposed Edits for Affordable Housing – Initiative Petition

Attachment C: [Voter Information Pamphlet & Sample Ballot](#)

ATTACHMENT A: PROPOSED EDITS FOR AFFORDABLE HOUSING – BOARD OF SUPERVISORS

Affordable Housing – Board of Supervisors *
Digest by the Ballot Simplification Committee

Status: Approved Digest

On: Wednesday, August 3, 2022

Members: Packard, Anderson, Merrill, Patterson

Deadline to Request Reconsideration: 4:30pm Thursday August 4, 2022

The Way It Is Now: Under City law, various City boards, commissions and officials generally must review and make decisions to approve or deny the development of new housing. Development of new housing must comply with the City’s Planning and Building codes. State law generally requires the project to be evaluated for impacts on the environment.

The City has affordable housing programs, which allows certain residents to own or rent below market rate housing. Affordable housing has restrictions on eligibility for households, such as maximum household income.

The chart below shows Area Median Income (AMI) for certain households in San Francisco:

<u>Income Definition</u>	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>
<u>80% of Median</u>	<u>\$77,600</u>	<u>\$88,700</u>	<u>\$99,750</u>	<u>\$110,850</u>
<u>100% of Median</u>	<u>\$97,000</u>	<u>\$110,850</u>	<u>\$124,700</u>	<u>\$138,550</u>
<u>120% of Median</u>	<u>\$116,400</u>	<u>\$133,000</u>	<u>\$149,650</u>	<u>\$166,250</u>
<u>140% of Median</u>	<u>\$135,950</u>	<u>\$155,200</u>	<u>\$174,600</u>	<u>\$193,950</u>

The Proposal: Proposition ___ would accelerate approval of three types of multifamily affordable housing:

- Multifamily housing where all residential units are affordable for households with income up to 120% of area median income (AMI). The average household income for all residential units can be no more than 80% of AMI.
- Multifamily housing with 10 or more residential units and that provides on-site affordable units required by City law, plus additional affordable housing units equal to at least 8% of the total number of units in the entire project. For example, as of July 2022, if a project has 100 residential rental units, the project must include 22 affordable units on-site. Under this measure, the project must provide 8 additional affordable housing units on-site, which is 8% of the total units of the entire project for a total of 30 affordable units to include both two- and three-bedroom units. Additionally, construction must begin within 24 months of Planning Department approval.

- Multifamily housing, or a development that includes housing and other commercial uses, where all residential units are for households that include at least one San Francisco Unified School District or City College employee, with certain household income restrictions.

Proposition ___ would accelerate the approval process by exempting these affordable housing developments from most **discretionary** approvals by the City if those developments comply with the Planning and Building codes. When the City leases its property or provides financing for housing, the approval by the Board of Supervisors may be necessary.

Under the measure, the City would have six months to approve these developments, in addition to the time required for any Board of Supervisors' approvals, if necessary.

This measure may also allow these developments to proceed without environmental review under state law.

This measure requires the mayor to provide annual affordable housing reports with the mayor's proposed budget.

Under this proposition, the Board of Supervisors could not amend City law to apply these accelerated approvals to additional types of housing projects.

Contractors who build projects under this measure must pay their employees prevailing wages. Contractors who build projects for educators or projects of 25 units or more that provide additional affordable housing units must also use a skilled and trained workforce that includes a certain percentage of workers who have graduated from apprenticeship programs.

If Proposition ___ passes with more votes than Proposition [initiative], then Proposition [initiative] would have no legal effect.

A "YES" Vote Means: If you vote "yes," you want to accelerate approval of affordable housing projects that provide:

- multifamily housing where all of the units are for households with income up to 120% of area median income;
- additional on-site affordable units equal to 8% of the total number of units in the entire project; or
- that all residential units are for households that include at least one San Francisco Unified School District or City College employee, with certain household income restrictions.

Projects that use City property or City financing would continue to require Board of Supervisors' **discretionary** approval.

The Board of Supervisors could not amend City law to apply these accelerated approvals to additional types of housing projects.

In certain projects, contractors must use a skilled and trained workforce that includes workers who have graduated from apprenticeship programs.

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

ATTACHMENT B: PROPOSED EDITS FOR AFFORDABLE HOUSING – INITIATIVE PETITION

Affordable Housing – Initiative Petition *

Digest by the Ballot Simplification Committee

Status: Approved Digest

On: Wednesday August 3, 2022

Members: Packard, Anderson, Merrill, Patterson

Deadline to Request Reconsideration: 4:30pm Thursday August 4, 2022

The Way It Is Now: Under City law, various City boards, commissions and officials generally must review and make decisions to approve or deny the development of new housing. Development of new housing must comply with the City’s Planning and Building codes. State law generally requires the project to be evaluated for impacts on the environment.

The City has affordable housing programs, which allows certain residents to own or rent below market rate housing. Affordable housing has restrictions on eligibility for households, such as maximum household income.

The chart below shows Area Median Income (AMI) for certain households in San Francisco:

<u>Income Definition</u>	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>
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<u>100% of Median</u>	<u>\$97,000</u>	<u>\$110,850</u>	<u>\$124,700</u>	<u>\$138,550</u>
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<u>140% of Median</u>	<u>\$135,950</u>	<u>\$155,200</u>	<u>\$174,600</u>	<u>\$193,950</u>

The Proposal: Proposition ___ would accelerate approval of three types of multifamily affordable housing:

- Multifamily housing where all residential units are affordable for households with income up to 140% of area median income (AMI). The average household income of all residential units can be no more than 120% of AMI.
- Multifamily housing with 10 or more residential units and that provides on-site affordable units required by City law, plus additional affordable housing units equal to at least 15% of the number of affordable on-site units required. For example, as of July 2022, if a project has 100 residential rental units, the project must include 22 affordable units on-site. Under this measure, the project must provide 3 additional affordable housing units on-site, which is 15% of the 22 on-site affordable units for a total of 25 affordable units.
- Multifamily housing, or a development that includes housing and other commercial uses, where all residential units are for households that include at least one San Francisco Unified School District or City College employee, with certain household income restrictions.

Proposition ___ would accelerate the approval process by allowing exempting these affordable housing developments to proceed without possibility of a hearing before a public body from most discretionary approvals by the City if those developments comply with the Planning and Building codes. When the City leases its property or provides financing for housing, the Board of Supervisors approval would ~~not~~ no longer be required.

Under the measure, the City would have five to eight months to approve these developments, depending on the number of units.

This measure may also allow these developments to proceed without environmental review under state law.

Under this proposition, the Board of Supervisors could amend City law to apply these accelerated approvals to additional types of housing projects.

Contractors who build projects under this measure must pay their employees prevailing wages. Contractors who build projects with 40 or more units must also provide health care benefits and offer apprenticeship opportunities.

If Proposition ___ passes with more votes than Proposition [BOS measure], then Proposition [BOS measure] would have no legal effect.

A "YES" Vote Means: If you vote "yes," you want to accelerate approval of affordable housing projects that provide:

- multifamily housing where all of the units are for households with income up to 140% of area median income;
- additional affordable housing units equal to at least 15% of the number of affordable on-site units required; or
- that all residential units are for households that include at least one San Francisco Unified School District or City College employee, with certain household income restrictions.

Projects that use City property or City financing would ~~not~~ no longer require Board of Supervisors' discretionary approval.

The Board of Supervisors could amend City law to apply these accelerated approvals to additional types of housing projects.

In certain projects, contractors must provide health care benefits and offer apprenticeship opportunities.

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