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DEPARTMENT OF ELECTIONS

## The Affordable Homes Now Initiative

NOTE: Unchanged Code text and uncodified text are in plain font. Additions to Code are *single-underline italics font*. Deletions from Code are ~~*strikethrough italics font*~~. Asterisks (\* \* \* \*) indicate the omission of unchanged subsections.

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

### **Section 1. Title.**

This measure shall be known and may be cited as the "Affordable Homes Now Initiative" (the "Initiative").

### **Section 2. Findings and Purposes.**

The People of the City and County of San Francisco hereby find as follows:

(a) San Francisco is experiencing a severe housing shortage. The shortage of affordable housing has forced lower income and middle class families out of the city. There is a need to make it easier to build affordable and middle-income housing to keep our city diverse, and provide homes for lower and middle income workers, including teachers, nurses, firefighters, small business owners, retail and non-profit workers, and Muni drivers. In the midst of this severe housing shortage and affordability crisis, San Francisco must immediately remove barriers to building housing for low and middle income residents and working families.

(b) San Francisco must plan for the development of 82,069 units in its Housing Element for the period between 2023 and 2031, according to the Regional Housing Need Allocation adopted in 2021 by the Association of Bay Area Governments. This includes 13,717 units for moderate-income and middle-income households.

(c) Teachers and other employees of the San Francisco Unified School District and Community College District suffer acutely from the city's severe housing shortage, with hundreds of teachers leaving the school district every year, many due to frustration with high housing costs and the escalating cost of living. When it comes to providing quality public education for our students, it is far preferable for teachers to live in the city and district in which they teach.

(d) Many of our service sector employers, including homeless service providers, mental health providers, child care facilities, restaurants, retail stores, and other small business operators cannot hire sufficient employees to keep their businesses fully operational because these employees cannot afford to live in San Francisco, leading to storefront vacancies, restaurant closures, and the inability to provide services to the most vulnerable communities in the city.

(e) Affordable housing is a national issue and is an especially paramount concern in San Francisco. San Francisco has one of the highest housing costs in the nation, but San Francisco's economy and culture rely on a diverse workforce at all income levels. It is the policy of the City to enable these workers to afford housing in San Francisco and ensure that they pay a reasonably proportionate share of their incomes to live in adequate housing and to not have to commute ever-increasing distances to their jobs.

(f) One major obstacle to the goal of increasing affordable housing in San Francisco is that the City's current planning and appeals process unnecessarily delays the development of new affordable housing, even in locations that have already undergone extensive environmental and neighborhood review. According to a 2018 study by the Turner Center for Housing Innovation at the University of California at Berkeley, it takes an average of four years from the date of application for a housing project in San Francisco to get a permit to start construction, and six years before families are able to move in. This Initiative remedies that cumbersome planning and appeal process by allowing eligible affordable housing projects to move forward without delay. The purpose of the Affordable Homes Now Initiative is to facilitate the development and construction of housing affordable at all income levels in San Francisco.

(g) Another major obstacle to the goal of increasing affordable housing in San Francisco is that the city lacks a large, stable, and productive construction workforce. A 2020 survey by the Association of Bay Area Governments found that "Construction Workforce Availability" is a significant housing production constraint. A 2018 report by the Construction Industry Institute based at the University of Texas, Austin further found that projects with skilled workforce shortages experience cost and schedule overruns and increased safety incidents. Construction trades workers are severely underrepresented within San Francisco's resident working population, constituting only 2 percent of the civilian workforce contrasted with 5 percent of the civilian workforce nationwide, according to U.S. Census Bureau statistics for 2019. Construction workers who do manage to live in the city often struggle financially given low wages and the lack of necessary benefits like health care. Construction contractors often compete for housing construction contracts on the basis of low labor costs rather than on greater productivity and quality, thereby worsening working conditions and lowering compensation to levels that fail to attract and sustain a larger, more stable, and more productive housing workforce. In the San Francisco metropolitan area, residential construction workers receive approximately 40 percent less annual pay than the average employee, according to statistics from the U.S. Bureau of Labor Statistics. Additionally, one out of every four California construction workers is uninsured, a rate that is two and one-half times greater than the overall rate for working Californians, according to analysis of U.S. Census Bureau survey data. An additional 23 percent of California construction workers are insured by a public health plan such as Medi-Cal. Only one-third of California construction workers are covered by a health plan through their employer. Bay Area construction worker households are nearly 40 percent more likely than all other working households to be burdened by housing expenses that exceed 30 percent of their households' incomes, according to U.S. Census Bureau

statistics. Improving the quality of construction jobs will help to achieve San Francisco's General Plan policy goal of increasing the number of workers that can afford to live in San Francisco.

(h) Encouraging construction employers to contribute towards coverage of workers' health care costs and invest in state-approved apprenticeship programs will promote the development of a skilled, stable, productive, and diverse construction workforce by growing opportunities for residents to enter the construction industry, gain necessary training and skills, and attain living wages and health security. State-approved apprenticeship programs are proven and regulated methods of career training that introduce workers to new careers and give them high-quality practical and classroom training in all the skills they need to succeed on the job. A majority of state-approved construction trades apprentices and graduates are people of color and come from state-designated low-income and/or disadvantaged census tracts. State-approved apprenticeship programs grow living wages: a majority of apprentices and graduates of state-approved apprenticeship programs earn a living wage according to Strong Workforce Program data published by California's Community College Office of the Chancellor. Research by Mathematica Policy Research has also shown that state-approved apprenticeships boost participating construction workers' lifetime career incomes by \$240,000. Additionally, state-approved apprenticeship programs increase health security for its participants as all state-approved apprentices are paid a state-regulated hourly rate that includes either employer contributions for a health plan or money sufficient to purchase a health plan.

(i) San Francisco's General Plan is designed to help the City achieve a variety of policy goals in a way that recognizes the unique nature of San Francisco's diverse neighborhoods. The General Plan contains 19 neighborhood-based Area Plans and three sub-Area Plans, which represent decades of community-based planning and which helped set the underlying zoning. These Area Plans also contemplate tens of thousands of units of housing needed to support the goals of the General Plan.

(j) Streamlined review enables cities like San Francisco to expedite development of housing projects that conform to general plan and zoning controls, allowing the City to expand its housing and affordable housing supply by reducing the time and expense associated with long project review periods and multiple appeal proceedings. According to a draft report sponsored by the California Air Resources Board, the median time frame for approval of housing development projects in San Francisco is 27 months, significantly longer than other large California cities. For example, median approval time frames are 18 months in San Jose, 14 months in San Diego, and 10 months in Los Angeles. San Francisco's current lengthy, complicated and ever-changing permit approval process favors larger developers who are able to hire lawyers and expeditors to navigate the City's bureaucracy, translating into a higher cost of housing and less transparency in the approval process.

(k) San Francisco has a long history of using zoning laws to exclude minority and low income residents. The Cubic Air Ordinance was enacted in the 1880s to limit housing for Chinese immigrants. The first zoning code, adopted in 1921, restricted immigrant owned businesses in residential areas. Over the years, housing

density across the city was repeatedly reduced, eliminating an estimated 180,000 legally buildable homes and further concentrating development in communities of color. In 1954, San Francisco began allowing discretionary review of any project, even if it met all zoning requirements, thereby further enabling a system where those individuals with access to resources had a louder voice in how neighborhoods grew. A 2018 study by the Berkeley Law Center for Law, Energy and the Environment found that out of five Bay Area cities, San Francisco is the only city that allows discretionary review on all developments or that requires more than one discretionary approval for each project. Analysis of citizen participants in planning and zoning meetings have found that such meetings amplify the voices of certain communities over those who are more underrepresented.

(1) The purpose of the Affordable Homes Now Initiative is to facilitate the development and construction of housing affordable at all income levels in San Francisco and to grow a skilled, stable, productive and diverse construction workforce. This Initiative remedies the City's cumbersome and inequitable planning and appeal process by allowing housing projects that advance the City's affordable housing goals and that provide health care security and participate in state-approved apprenticeship programs to move forward without delay.

### **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 amending Sections 4.105, 4.106, 4.135, 5.103, and 9.118, to read as follows:

#### **SEC. 16.126. STREAMLINED REVIEW OF AFFORDABLE, INCREASED AFFORDABILITY, AND EDUCATOR HOUSING PROJECTS.**

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

*Affordable Housing. Residential units that are restricted as follows: (1) units shall have a maximum affordable purchase price or affordable rent set at 140% of the unadjusted area median family income (AMI) determined by MOHCD on an annual basis and derived from the HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; (2) at a rent that shall not exceed 30% of the applicable household income limit for a rental unit, or at a purchase price with an annual housing cost that shall not exceed 33% of the applicable income limit for an owner-occupied unit, as each may be adjusted for household size and bedroom count; and (3) for the life of the project or a minimum of 55 years, whichever is longer, by a recorded regulatory agreement and consistent with any federal, state or local government regulatory requirements of general application to inclusionary housing projects. MOHCD shall set income eligibility requirements consistent with methodology outlined in the Mayor's Office of Housing Preferences and Lottery Procedures Manual, as amended from time to time.*

*Affordable Housing Project. A project for the development of Multi-Family housing where 100% of the residential units are Affordable Housing, with up to a maximum overall average of 120% AMI across all*

residential units in the project. In the alternative, an Affordable Housing Project is a mixed-use development consisting of Multi-Family residential uses and nonresidential uses on the ground floor, and where all Multi-Family residential uses are restricted as Affordable Housing, with up to a maximum overall average of 120% of AMI across all residential uses in the project. An Affordable Housing Project may also include nonresidential uses that are accessory to and supportive of the residents and the Affordable Housing, and such uses shall not be considered a non-residential use. Notwithstanding the foregoing requirements for an Affordable Housing Project, the maximum affordable rent or sales price for the Affordable Housing in such project may be no higher than 20% below median market rents or sales prices for the neighborhood in which the Affordable Housing Project is located, which neighborhood shall be defined in accordance with the American Community Survey Neighborhood Profile Boundaries Map. MOHCD shall determine the allowable rents and sales prices, and the eligible households for such units accordingly.

Educator Housing Project. A project that meets the requirements of Planning Code Sections 206.9(b) and 206.9(c), as amended from time to time.

Increased Affordability Housing Project. A Multi-Family housing development project consisting of 10 or more residential units that provides on-site Affordable Units required by the City's Inclusionary Affordable Housing Program, or if applicable, the inclusionary requirements 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 15% of the number of such on-site Affordable Units required by the City's Inclusionary Affordable Housing Program or Planning Code Section 206.3, as applicable.

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

Multi-Family. Multi-Family housing shall mean two or more residential units and shall not include a single family home.

(b) Eligibility. To be eligible for streamlining under this Section 16.126, projects shall meet the following requirements:

(1) The project is an Affordable Housing Project, an Increased Affordability Housing Project, or 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; (B) is not located in a zoning district that prohibits dwelling units; (C) does not cause any removal or demolition of a designated state or national landmark, a designated City landmark, 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; (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 does not demolish, remove, or convert a Movie Theater use or Nighttime

Entertainment use; 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) For projects consisting of 10 or more residential units, all construction workers employed in the construction of the development 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 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 under the terms and conditions of Labor Code Section 1777.5.

(4) For projects consisting of 40 or more residential units, prior to the City issuing development entitlements, the project proponent shall certify that the project complies with Planning Code Section 16.126(b)(3) and that each construction contractor at every tier that will work on the project satisfies either (A) or (B):

(A)

(i) A construction contractor that will employ apprenticeable construction craft employees for a total of at least 1,000 hours on the project shall participate in an apprenticeship program approved by the State of California Division of Apprenticeship Standards or has requested and will continue to request the dispatch of apprentices from such state-approved apprenticeship programs under the terms and conditions of California Labor Code Section 1777.5. A construction contractor without construction craft employees shall show a contractual obligation that all of its subcontractors comply with the requirements in this subsection; and

(ii) A construction contractor that will employ construction craft employees for a total of at least 1,000 hours on the project shall also provide medical coverage, or make monetary contributions to a Healthy San Francisco medical reimbursement account, for all of its construction craft employees during periods of employment. A construction contractor contributing to Healthy San Francisco accounts shall do so at a rate of at least \$11.90 per hour worked subject to annual adjustment by the Director of Health based on changes since the prior year in the average of monthly premiums for Health Maintenance Organization plans designed to provide benefits that are actuarially equivalent to at least 90 percent of the full actuarial value of such plans' benefits and according to regulations enacted pursuant to this Charter. A construction contractor without construction craft employees shall show a contractual obligation that all of its subcontractors comply with the requirements in this subsection.

(B) A construction contractor is a signatory to a valid collective bargaining agreement that requires participation in a Joint Apprenticeship Program approved by the State of California, Division of Apprenticeship Standards, expressly provides for health coverage, and provides for enforcement of such obligations through an arbitration procedure.

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

discretionary review or approvals by the City. Therefore, notwithstanding any other provision of law, including but not limited to other provisions of this Charter, Business and Tax Regulation Code Section 26 and Sections 311 and 312 of the Planning Code, no Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project shall be subject to discretionary review or approval by the Planning Commission, the Board of Supervisors, the Historic Preservation Commission, the Art Commission, the Board of Appeals, or any other body, commission or officer, and no requests for discretionary review shall be accepted by the City for the Project. The exemption shall be construed broadly, and notwithstanding any contrary provision in the San Francisco Planning Code, the San Francisco Municipal Code or the San Francisco Charter, any government agency action or approval required or necessary for implementation of the project or any portion thereof, including issuance of permits, including without limitation demolition permits, grading permits, site permits, building permits, sewer and water connection permits, major and minor encroachment permits, street improvement permits, tree removal permits, and certificates of occupancy shall be ministerial, as defined by California Code of Regulations, Title 14, Section 15369, except as required by state or federal law.

(d) Implementation and Application.

(1) The Planning Department, in consultation with MOHCD, and the Office of Labor Standards Enforcement may adopt regulations to implement this Section 16.126.

(2) Notwithstanding any other provision of this Charter, the City may enact ordinances applying the controls of this Section 16.126 and Sections 4.105, 4.106, 4.135, 5.103, and 9.118 to additional forms of housing or housing projects but may not limit or otherwise condition the application of Section 16.126 to Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects.

(3) The City shall not enact or adopt any regulations or requirements that are applicable solely to 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. Regulations or requirements enabling the Office of Labor Standards Enforcement to implement Section 16.126 do not constitute more burdensome regulations under this provision.

**SEC. 4.105. PLANNING COMMISSION.**

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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 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 Affordable Housing Project, an Increased Affordability Housing Project, or an Educator Housing Project, as defined in Charter Section 16.126, shall not require approval by the Commission prior to issuance. The Commission may delegate its this approval function over all other permits and licenses 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.

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**SEC. 4.106. BOARD OF APPEALS.**

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(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 license pursuant to a conditional use authorization, or any permit or license for an eligible Affordable Housing Project, an Increased Affordability Housing Project, or an Educator Housing Project as defined in Charter Section 16.126, provided that the Board shall hear and determine appeals of building permits for an eligible Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126, solely to consider whether such permits comply with the objective standards set forth in the Building Code, including the Electrical, Housing, Mechanical, and Plumbing Codes. No requests for jurisdiction to the Board of Appeals shall be permitted for an eligible Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project.

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**SEC. 4.135. HISTORIC PRESERVATION COMMISSION.**

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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, 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 Affordable Housing Project, an Increased Affordability Housing Project, or an Educator Housing Project, as defined in Charter Section 16.126, in a historic district.

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.

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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 Affordable Housing Project, an Increased Affordability Housing Project, or an 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.

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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. An eligible Affordable Housing Project, an Increased Affordability Housing Project, or an 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.

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**SEC. 5.103. ARTS COMMISSION.**

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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 Affordable Housing Project, an Increased Affordability Housing Project, or an 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 section 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.

**SEC. 9.118. CONTRACT AND LEASE LIMITATIONS.**

(a) Unless otherwise provided for in this Charter, contracts entered into by a department, board, or commission having anticipated revenue to the City and County of one million dollars or more, or the modification, amendment, or termination of any contract which when entered into had anticipated revenue of one million dollars or more, shall be subject to approval of the Board of Supervisors by resolution. Notwithstanding the foregoing sentence, contracts for an eligible Affordable Housing Project, an Increased Affordability Housing Project, or an Educator Housing Project, as defined in Charter Section 16.126, shall not be subject to approval of the Board of Supervisors.

(b) Unless otherwise provided for in this Charter, and with the exception of construction contracts entered into by the City and County, any other contracts or agreements entered into by a department, board, or commission having a term in excess of ten years, or requiring anticipated expenditures by the City and County of ten million dollars, or the modification or amendments to such contract or agreement having an impact of more than \$500,000 shall be subject to approval of the Board of Supervisors by resolution. Notwithstanding the foregoing sentence, contracts or agreements for an eligible Affordable Housing Project, an Increased Affordability

Housing Project, or an Educator Housing Project, as defined in Charter Section 16.126, shall not be subject to approval of the Board of Supervisors.

(c) Unless otherwise provided for in this Charter, any lease of real property for a period of ten or more years, including options to renew, or having anticipated revenue to the City and County of one million dollars or more; the modification, amendment, or termination of any lease, which when entered into was for a period of ten or more years, including options to renew, or had anticipated revenue to the City and County of one million dollars or more; and any sale or other transfer of real property owned by the City and County, shall first be approved by resolution of the Board of Supervisors. Leases of property under the jurisdiction of the Port Commission for maritime use shall be exempt from the requirements of this ~~s~~Section 9.118(c). *Ground leases of property for an eligible Affordable Housing Project, an Increased Affordability Housing Project, or an Educator Housing Project, as defined in Charter Section 16.126, shall be exempt from the requirements of this Section 9.118(c), provided that the ground lease is no less than 55 years.*

#### **Section 4. Planning Code Amendments.**

The Planning Code is hereby amended by adding new Section 344, and revising Section 101.1, to read as follows:

#### **SEC. 344. STREAMLINED REVIEW OF AFFORDABLE, INCREASED AFFORDABILITY, AND EDUCATOR HOUSING PROJECTS**

(a) Purpose and Amendment. It is the intent of this Section 344 to exempt Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects, as defined in Charter section 16.126, from any requirements for discretionary review or approval by the Planning Commission, Historic Preservation Commission, Board of Supervisors, or Board of Appeals consistent with the Charter. The Board of Supervisors may expand the application of this Section 344, Planning Code Section 101.1, and Business and Tax Regulation Code Section 26 to other forms of housing by ordinance, except the Board shall not restrict or otherwise condition the application of the above sections to Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects, as defined in Charter Section 16.126. The Board of Supervisors may by ordinance amend any part of this Section 344 if the amendments are technical and non-substantive in nature, and consistent with the intent of this Section 344, and are initiated by the Planning Commission.

(b) Definitions and Eligibility.

(1) Definitions.

Affordable Housing. Affordable Housing shall have the meaning set forth in Charter Section 16.126(a).

Affordable Housing Project. An Affordable Housing Project shall have the meaning set forth in Charter Section 16.126(a).

Increased Affordability Housing Project. An Increased Affordability Housing Project shall have the meaning set forth in Charter Section 16.126(a).

Educator Housing Project. An Educator Housing Project shall have the meaning set forth in Charter Section 16.126(a).

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

(2) Eligibility. To be eligible for streamlining under this Section 344, projects (A) shall meet the eligibility requirements of Charter Section 16.126(b), and (B) shall not include non-residential uses that require conditional use authorization by the Planning Commission under the Planning Code. The Planning Department shall publish a checklist of objective standards defining what constitutes a complete application and shall deem an application complete and eligible to use the streamlined process set forth in this Planning Code if the application meets such objective standards. The Planning Department shall not require the completeness or submittal of the application to be conditioned by the completion of other project review processes, such as a Preliminary Project Assessment process or the pre-application meeting process, nor require the application to include materials or information that are more detailed than required to reasonably confirm consistency with objective Planning Code standards. The determination of whether an application is complete shall be made by the Planning Department within 60 days of submittal of an application. If the Planning Department determines that the application is incomplete, it shall provide the applicant with an exhaustive list of items that were not complete. That list shall be limited to those items actually required on the Planning Department's application checklist. If the Planning Department determines that the application is ineligible for to use the streamlining process, it shall provide the applicant written documentation exhaustively identifying the provision or provisions that the application conflicts with and why the application conflicts with those provisions, and an explanation of the reason or reasons it considers the project not eligible for streamlining. If the Planning Department fails to provide the required documentation for an incomplete or deemed ineligible application within 60 days of the initial application submittal, the application shall be deemed eligible for the streamlined process, except that such 60-day period may be extended at the discretion of the Planning Director for no more than one additional 60 day period if, (i) during the initial 60-day review period, a state of emergency affecting staffing availability is in effect in the City under federal, state, or City law, or (ii) if the Planning Director determines that there is a significant and unusual staffing shortage affecting the number of Planning Department staff available to review applications as compared to the previous year, the duration of which emergency or staffing shortage event may not exceed one year. 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 streamlined 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. 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 streamlined 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 Regulation Code Section 26, and Sections 311 and 317 of this Code, an eligible 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 requires 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 Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects shall not require review or authorization by the Historic Preservation Commission or the Planning Commission that otherwise may be required by the Planning Code, including any requirement for a Certificate of Appropriateness under Planning Code Article 10 or a Permit to Alter under Planning Code Article 11, or for review for new or replacement construction under Planning Code Section 1113.*

*(4) No requests for discretionary review shall be accepted by the Planning Department or heard by the Planning Commission for eligible Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects.*

*(d) Modifications. Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects may, at the project sponsor's request, use any of the bonus programs listed in Planning Code Section 206 et seq., including modifications listed therein, and any exceptions listed in Planning Code Section 328(d), and shall be considered compliant with objective standards. If a project does not elect to use the bonus programs listed in Planning Code Section 206 et seq, or another density bonus program as permitted by state or federal law, the project may receive any of the following modifications, and Planning Commission or Zoning Administrator discretionary approval shall not be required:*

*(1) any of the zoning modifications set forth in Section 206.3(d)(1), (3), and (4);*

(2) modifications to dwelling unit exposure requirements under 206.3(d)(4)(B) may be satisfied by an unobstructed open area that is no less than 15 feet in every horizontal direction; and,

(3) a minimum lot coverage percentage of 80% at all residential levels except on levels in which all residential units face onto a public right-of-way in lieu of the rear yard requirements of Section 134.

(e) Design Review. The Planning Department shall conduct a review of the aesthetic elements of Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects within 60 days of the submission of a complete development application from the sponsor of an Affordable Housing Project, an Increased Affordability Housing Project, or an Educator Housing Project. Design review shall be limited to the aesthetic aspects and design of the 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. In the event the Planning Department does not provide design review comments within 60 days of submission of a complete development application, the aesthetic elements of the Affordable Housing Projects, or Increased Affordability Housing Project, or Educator Housing Project shall be deemed compliant, for no more than one additional 60 day period if, during the initial 60-day review period, a state of emergency affecting staffing availability is in effect in the City under federal, state, or City law, or if the Planning Director determines that there is a significant and unusual staffing shortage affecting the number of Planning Department staff available to review applications as compared to the previous year, the duration of which emergency or staffing shortage event may not exceed one year.

(f) Compliance with Planning Code Article 4. An Affordable Housing Project, an Increased Affordability Housing Project, or an 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. Any additional on-site Affordable Housing unit in an Increased Affordability Housing Project may be provided as a unit affordable to households at any lower average income level of the average income levels specified in Section 415.6(a) for a Rental Housing Project or an Ownership Housing Project, as applicable.

(g) Approval. Building permit applications for eligible 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 90 days of submittal of a complete development application for projects with 150 dwelling units or less, and within 180 days of submittal of a complete development application for projects with more than 150 dwelling units. Building permits shall be issued by the Department of Building Inspection and shall not be subject to Business and Tax Regulation 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) Permit Validity and Expiration.*

*(1) Building permits issued for Affordable Housing Projects and Educator Housing Projects shall not expire.*

*(2) Increased Affordability Housing Projects shall commence construction within 36 months of building or site permit issuance, or the permit shall expire. However, the time to commence construction shall be extended for the number of days equal to the period of any litigation challenging its validity.*

**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 be produced to meet the needs of City residents today and tomorrow.

(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 California 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 California 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.

(c) Notwithstanding anything to the contrary in this Section 101.1, an eligible 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 shall be amended by revising Section 26 of Article 1, to read as follows:

#### **SEC. 8. METHOD OF APPEAL TO THE BOARD OF APPEALS.**

\* \* \* \*

(c) Appeals to the Board of Appeals of permit decisions made pursuant to Planning Code Section 207, subsection (c)(6) and appeals to the Board of Appeals of permit decisions for an Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project made pursuant to Charter Section 4.106 shall be taken within 10 days of the permit decision.

\* \* \* \*

#### **SEC. 16. REHEARINGS.**

Rehearings may be had only upon motion of a member of the Board and upon the vote of at least four members thereof, or if a vacancy exists, by a vote of three members. No rehearing may be had for building permits associated with an eligible Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126

**SEC. 26. FACTS TO BE CONSIDERED BY DEPARTMENTS.**

(a) Subject to Subsection (b), in the granting or denying of any permit, or the revoking or the refusing to revoke any permit, *except for permits associated with an eligible Affordable Housing Project, Increased Affordability Housing Project, or Educator Housing Project, as defined in Charter Section 16.126*, 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 shall be amended by revising Chapter 6, Article II, Section 6.24 to add new subparagraph (d) and by revising Chapter 14, Section 14.4 to add new subparagraph (f), to read as follows:

**SEC. 6.24. OFFICE OF LABOR STANDARDS ENFORCEMENT; PREVAILING WAGE REQUIREMENTS**

\* \* \* \*

*(d) The Labor Standards Enforcement Officer shall establish an administrative procedure to address allegations of labor standards violations in connection with the Affordable Housing Now workforce standards requirements of the Charter of the City and County of San Francisco, Section 16.126. Such procedures shall include but are not limited to:*

*(1) Requiring the project sponsor and construction contractors to provide to the Office of Labor Standards Enforcement, on a monthly basis during development and while the construction contracts are being performed, a report demonstrating compliance with such apprenticeship and health care requirements. A monthly report provided to the Office of Labor Standards Enforcement pursuant to this sub clause shall be a public record under the California Public Records Act (California Government Code Section 6250 et seq.) and shall be open to public inspection. Project sponsor and any construction contractor that fails to provide the monthly report shall be subject to a civil penalty of ten thousand dollars (\$10,000) per month for each month for which the report has not been provided. Any contractor or subcontractor that fails to provide the monthly reports shall be subject to a civil penalty of two hundred dollars (\$200) per day for each worker employed in contravention of the apprenticeship or health care requirements.*

*(2) Requiring the project sponsor and all construction contractors to maintain and verify payroll records pursuant to Section 1776 of the California Labor Code. All Contractors shall submit payroll records directly to the Office of Labor Standards Enforcement at least monthly in a format prescribed by the Office of Labor Standards Enforcement, pursuant to Administrative Code Section 6.22. Such records shall include*

Statements of Fringe Benefits. Upon request by a joint labor-management cooperation committee established pursuant to the Federal Labor Management Cooperation Act of 1978 (29 U.S.C. Section 175a), such records shall be provided in a format prescribed by the Office of Labor Standards Enforcement.

(3) Requiring the project sponsor and all construction contractors to report any change in apprenticeship program participation or health care coverage to the Office of Labor Standards Enforcement before the change goes into effect. Such report will constitute a public record pursuant to the California Public Records Act (California Government Code Section 6250 et seq.) and shall be open to public inspection.

(4) Enabling a joint labor-management cooperation committee established pursuant to the Federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) to have standing to enforce this section, including monetary contributions for medical coverage, through the provisions of California Labor Code Sections 218.7 or 218.8.

\* \* \* \*

#### **SEC. 14.4. ADMINISTRATION AND ENFORCEMENT.**

\* \* \* \*

(f) Contributions made pursuant to City and County of San Francisco Charter Section 16.126 (b)(4)(B) shall be \$11.90 per hour worked, but not to exceed \$476.00 in any week as of the operative date of the Charter amendment. Beginning with fiscal year 2023-2024, and for each following fiscal year, the Director of Health shall propose adjustments to the hourly rate and weekly maximum fee provided in this subsection based on changes since the prior year in the average monthly premiums for Health Maintenance Organization plans in Covered California rating areas that comprise the counties of the San Francisco Bay Area that are designed to provide benefits that are actuarially equivalent to at least 90% of the full actuarial value of the benefits provided under the plan and that provide coverage for all services described in the California Essential Health Benefit Benchmark Plan of the Center for Medicare and Medicaid Services. The Health Director shall submit the proposed adjustments, together with proposed adjustments under Section 12Q.3(a)(2), to the Controller by March 1. The Controller shall make appropriate adjustments to the hourly rate and weekly maximum fee without further action by the Board of Supervisors. The adjusted hourly rate and weekly maximum fee shall take effect on July 1. Any dispute as to the determination of the correct rate is directly subject to court review under California Code of Civil Procedure Section 1085.

\* \* \* \*

#### **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 Charter Amendment and Initiative Ordinance is consistent with the objectives and policies of the San Francisco General Plan (including the Housing Element and the Commerce and Industry Element) and the Priority

Policies set forth in San Francisco Planning Code Section 101.1 and would affirmatively promote the objectives and policies of the City's General Plan, and the actions in this ordinance will serve the public necessity, convenience, and welfare pursuant to San Francisco Planning Code Section 302.

**Section 8. Conflict with Other Measures.**

This 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 Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects, as defined in Charter Section 16.126, whether the measure does so by specific application or as a more general enactment that could otherwise be applied to Affordable Housing Projects, Increased Affordability Housing Projects, or Educator Housing Projects. In the event this Initiative and any other measure 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 any other conflicting measure appearing on the same ballot, this Initiative shall control in its entirety and the other measures shall be rendered void and without any legal effect. If this Initiative is approved by a majority of the voters but not does not receive a greater number of affirmative votes than any other conflicting initiative, this Initiative shall take effect to the extent permitted by law.

**Section 9. 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 10. Policy.**

It is the Policy of the People of the City that the City shall encourage the timely development of 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 Affordable Housing Projects, Increased Affordability Housing Projects, and Educator Housing Projects.

**Section 11. Implementation**

(a) Upon the effective date of this Initiative, the Charter amendment contained in this initiative is hereby inserted into the Charter and the Municipal Code amendments are hereby inserted into the Municipal Code.

(b) To the extent permitted and required by law, the City shall amend any other elements or provisions of the General Plan or Municipal Code, and all other City ordinances, policies and implementation programs or practices (including the Inclusionary Affordable Housing Monitoring and Procedures Manual or successor regulations) as soon as possible in order to implement this Initiative and to ensure consistency between this Initiative and other elements of the General Plan or Municipal Code.

**Section 12. 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.

**Section 13. Interpretation.**

This Initiative must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. Subject to the foregoing, the provisions of this Initiative shall 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."

**Section 14. Statute of Limitations.**

Unless a shorter statute is enacted by the state Legislature, all provisions of this Initiative shall be deemed subject to Government Code Section 65009(c), and no action or proceeding challenging all or any part of this Initiative shall be maintained unless commenced and service made within 90 days of the date of the legislative body's decision. We intend the date of the legislative body's decision to be the date of the election at which the voters adopt this Initiative. If such date cannot lawfully be deemed the date of the legislative body's decision, then we intend the date of the legislative body's decision to be the earliest possible