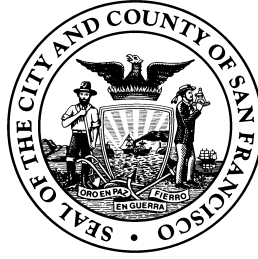


BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Youth Commission
FROM: Alisa Miller, Clerk, Land Use and Economic Development Committee
Board of Supervisors
DATE: October 30, 2013
SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use & Economic Development Committee

The Board of Supervisors' Land Use and Economic Development Committee has received the following proposed legislation, which is being referred to the Youth Commission, per Charter Section 4.124, for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 130968

Ordinance amending the Administrative and Planning Codes to provide a preference in occupying units or receiving assistance under all affordable housing programs administered or funded by the City, including all former San Francisco Redevelopment Agency affordable housing programs administered or funded by the City, to certain tenants being evicted under the Ellis Act, California Government Code, Section 7060 et seq.; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

\*\*\*\*\*

RESPONSE FROM YOUTH COMMISSION Date: \_\_\_\_\_

\_\_\_ No Comment

\_\_\_ Recommendation Attached

Chairperson, Youth Commission

[Administrative, Planning Codes - Ellis Act Displaced Emergency Assistance Ordinance]

**Ordinance amending the Administrative and Planning Codes to provide a preference in occupying units or receiving assistance under all affordable housing programs administered or funded by the City, including all former San Francisco Redevelopment Agency affordable housing programs administered or funded by the City, to certain tenants being evicted under the Ellis Act, California Government Code, Section 7060 et seq.; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
**Additions to Codes** are in *single-underline italics Times New Roman font*.  
**Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.  
**Board amendment additions** are in double-underlined Arial font.  
**Board amendment deletions** are in ~~strikethrough Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. \_\_\_ and is incorporated herein by reference.

(b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code  
4 Amendments will serve the public necessity, convenience, and welfare for the reasons set  
5 forth in Planning Commission Resolution No. \_\_\_\_\_ and the Board incorporates such  
6 reasons herein by reference. A copy of Planning Commission Resolution No. \_\_\_\_\_ is on file  
7 with the Board of Supervisors in File No. \_\_\_\_\_.

8  
9 Section 2. The Administrative Code is hereby amended by revising Section 24.8 to  
10 read as follows:

11 **SEC. 24.8. PREFERENCE IN ALL CITY AFFORDABLE HOUSING PROGRAMS**  
12 **FOR CERTIFICATE OF PREFERENCE HOLDERS AND DISPLACED TENANTS.**

13 This Section shall apply to all programs related to the provision of affordable housing,  
14 unless specified otherwise. To the extent permitted by law, the Mayor's Office of Housing *and*  
15 *Community Development ("MOHCD")* or its successor shall give, or require project sponsors or  
16 their successors in interest funded through MOHCD to give, preference in occupying units or  
17 receiving assistance under all City affordable housing programs, *including all former San*  
18 *Francisco Redevelopment Agency affordable housing programs administered or funded by the City,*  
19 first to Residential Certificate of Preference Holders under the San Francisco Redevelopment  
20 Agency's Property Owner and Occupant Preference Program, as reprinted September 11,  
21 2008 and effective October 1, 2008 and on file with the Clerk of the Board in File No.  
22 080521, who meet all of the qualifications for the unit or assistance; *and second to any Displaced*  
23 *Tenant, as defined herein, who meets all of the qualifications for the unit or assistance, provided that*  
24 *the following limitations shall apply to the Displaced Tenant preference: (i) a Displaced Tenant may*  
25 *apply the preference to existing, currently-occupied developments only for three years from the date the*

1 landlord filed with the Residential Rent Stabilization and Arbitration Board ("Rent Board") a notice of  
2 intent to withdraw the tenant's unit from the rental market pursuant to the Ellis Act, California  
3 Government Code Section 7060 et seq. and the corresponding provisions of the San Francisco Rent  
4 Stabilization and Arbitration Ordinance ("Rent Ordinance"), Administrative Code Sections 37.9(a)(13)  
5 and 37.9A; (ii) a Displaced Tenant may apply the preference to new developments going through the  
6 initial occupancy process only for six years from the date the landlord filed with the Rent Board a  
7 notice of intent to withdraw the tenant's unit from the rental market pursuant to the Ellis Act, cited  
8 above, and the corresponding provisions of the Rent Ordinance; and (iii) for any new residential  
9 development going through the initial occupancy process, the Displaced Tenant preference shall apply  
10 only to twenty percent (20%) of the units in such development. The Displaced Tenant's preference  
11 shall still apply even if such Displaced Tenant declines a unit offered through application of the  
12 preference, but upon accepting and occupying a unit obtained using the preference, such Displaced  
13 Tenant's preference terminates.

14 ~~The Mayor's Office of Housing shall develop procedures and amend its regulations within 90~~  
15 ~~days of the effective date of this legislation to implement the requirements of this Section~~ MOHCD shall  
16 implement the Certificate of Preference Holder requirements of this Section by developing procedures  
17 and amending its applicable regulations within 90 days of the effective date of Ordinance No. 232-08,  
18 and MOHCD shall implement the Displaced Tenant preference requirements of this Section by  
19 developing procedures and amending its applicable regulations within 90 days of the effective date of  
20 the ordinance creating the Displaced Tenant preference. Said procedures and regulations shall be  
21 subject to approval by Resolution of the Board of Supervisors. The requirements of this  
22 paragraph are directory rather than mandatory.

23 For purposes of this Section, "Displaced Tenant" shall mean any tenant residing in San  
24 Francisco who on or after January 1, 2012 has received a notice that his or her landlord plans to  
25 withdraw the tenant's unit from the rental market pursuant to the Ellis Act, cited above, and the

1 corresponding provisions of the Rent Ordinance, cited above, and, who, as of the date of receipt of the  
2 notice of withdrawal from the rental market, has resided in his or her unit continuously for: (i) at least  
3 ten years; or (ii) at least five years, if the tenant can verify that he or she is suffering from a life  
4 threatening illness as certified by his or her primary care physician. MOHCD shall establish a process  
5 for a tenant to verify his or her status as a "Displaced Tenant," which, at a minimum, shall require a  
6 tenant to show: (i) that the landlord filed with the Rent Board a notice of intent to withdraw the tenant's  
7 unit from the rental market; (ii) tenant meets the ten or five year residency requirement stated above;  
8 and (iii) tenant either: (A) is listed on the notice of withdrawal; (B) is listed on the lease for the unit in  
9 question; or (C) has other evidence sufficient to establish, in MOHCD's reasonable discretion, that he  
10 or she has lived in the unit for the required five or ten year period, as applicable. In addition, if  
11 required to qualify as homeless or at-risk of homelessness to be eligible for a particular unit or  
12 assistance, a Displaced Tenant shall hereby be deemed by operation of law to qualify as homeless or  
13 at-risk of homelessness.

14 The Board of Supervisors shall hold a hearing on the status of this Section~~legislation~~  
15 within 2 years of the effective date of Ordinance 232-08~~this legislation~~ to assess its impact, or at  
16 such time as the Mayor's Office of Housing~~MOHCD~~ certifies to the Board of Supervisors that, in  
17 any one fiscal year, the percent of Residential Certificate of Preference holders obtaining an  
18 affordable housing unit by taking advantage of the applicable preferences in this  
19 Section~~legislation~~ in all of the City's affordable housing programs combined exceeds 50% of  
20 the total number of units made available through the City's affordable housing programs in  
21 that year.

22 The Board of Supervisors shall hold a hearing to assess the impact of the Displaced Tenant  
23 preference within one year of the effective date of the ordinance creating the Displaced Tenant  
24 preference.

1 Section 3. The Administrative Code is hereby amended by revising Sections 10.100-  
2 110, 10.100-370, and 43.3.4 to read as follows:

3 **SEC. 10.100-110. MAYOR'S HOUSING AFFORDABILITY FUND.**

4 (a) Establishment of Fund. The Mayor's Housing Affordability Fund is created as a  
5 category two fund to receive any prior legally binding obligations, any grants, gifts, bequests  
6 from private sources for the purposes *cited* in *subsection* (b), any monies repaid to the City as  
7 a result of loans made by *the* City to developers to assist in the development of affordable  
8 housing, any repayments of monies to *the* City where the City is beneficiary under a  
9 promissory note which was acquired as a result of *the* City's housing affordability assistance,  
10 any repayments of loans made from this fund and any monies otherwise appropriated to the  
11 fund.

12 (b) Use of Fund. The fund shall be used exclusively for the purpose of providing  
13 financial assistance to for-profit and nonprofit housing developers, where the contribution of  
14 monies from the fund will allow units in a project to be affordable to persons and families of  
15 low and moderate income. City departments may recover any costs of administering any  
16 project receiving funds from the Mayor's Housing Affordability Fund. The Mayor's Office of  
17 Housing *and Community Development ("MOHCD")* shall develop procedures and amend its  
18 regulations such that, for all projects funded by this fund, it requires the project sponsor or its  
19 successor in interest to give preference in occupying units or receiving assistance first to  
20 Residential Certificate of Preference Holders under the San Francisco Redevelopment  
21 Agency's Property Owner and Occupant Preference Program, as reprinted September 11,  
22 2008 and effective October 1, 2008 and on file with the Clerk of the Board in File No. 080521,  
23 who meet all of the qualifications for the unit or assistance; *and second to any Displaced Tenant,*  
24 *as defined in Administrative Code Section 24.8, who meets all of the qualifications for the unit or*  
25 *assistance, provided that the following limitations shall apply to the Displaced Tenant preference: (i) a*

1 Displaced Tenant may apply the preference to existing, currently-occupied developments only for three  
2 years from the date the landlord filed with the Residential Rent Stabilization and Arbitration Board  
3 ("Rent Board") a notice of intent to withdraw the tenant's unit from the rental market pursuant to the  
4 Ellis Act, California Government Code Section 7060 et seq. and the corresponding provisions of the  
5 San Francisco Rent Stabilization and Arbitration Ordinance ("Rent Ordinance"), Administrative Code  
6 Sections 37.9(a)(13) and 37.9A; (ii) a Displaced Tenant may apply the preference to new developments  
7 going through the initial occupancy process only for six years from the date the landlord filed with the  
8 Rent Board a notice of intent to withdraw the tenant's unit from the rental market pursuant to the Ellis  
9 Act, cited above, and the corresponding provisions of the Rent Ordinance; and (iii) for any new  
10 residential development going through the initial occupancy process, the Displaced Tenant preference  
11 shall apply only to twenty percent (20%) of the units in such development. The Displaced Tenant's  
12 preference shall still apply even if such Displaced Tenant declines a unit offered through application of  
13 the preference, but upon accepting and occupying a unit obtained using the preference, such Displaced  
14 Tenant's preference terminates. The Mayor's Office of Housing shall develop procedures and amend  
15 its regulations within 90 days of the effective date of this legislation to implement the requirements of  
16 this Section.

17 MOHCD shall implement the Certificate of Preference Holder requirements of this Section by  
18 developing procedures and amending its applicable regulations within 90 days of the effective date of  
19 Ordinance No. 232-08, and MOHCD shall implement the Displaced Tenant preference requirements of  
20 this Section by developing procedures and amending its applicable regulations within 90 days of the  
21 effective date of the ordinance creating the Displaced Tenant preference. Said procedures and  
22 regulations shall be subject to approval by Resolution of the Board of Supervisors. The  
23 requirements of this paragraph are directory rather than mandatory.

1           **SEC. 10.100-370. SAN FRANCISCO HOPE SF FUND.**

2           (a) Establishment of Fund. The HOPE SF Fund is hereby established as a category  
3 four fund for the purpose of assisting in the replacement and/or rehabilitation of distressed  
4 public housing projects in the City and County of San Francisco.

5           \* \* \* \*

6           (d) Administration of Fund. The fund shall be administered by the Mayor's Office of  
7 Housing and Community Development ("MOHCD"). The Director of ~~MOHCD~~~~the Mayor's Office of~~  
8 ~~Housing~~ shall promulgate such rules and regulations as he or she may deem appropriate to  
9 carry out the provisions of the fund. Such rules and regulations shall be developed in  
10 consultation with any appropriate agencies or organizations with which the Director, or his or  
11 her designee, may choose to consult. The rules and regulations shall be subject to a public  
12 hearing and approved by resolution of the Board of Supervisors. ~~The Mayor's Office of Housing~~  
13 ~~MOHCD~~ shall develop procedures such that, for all projects funded by the HOPE SF Fund,  
14 ~~MOHCD the Mayor's Office of Housing~~ requires the project sponsor or its successor in interest to  
15 give preference in occupying units first to any current occupants of a housing development  
16 receiving Funds, *and* second to Residential Certificate of Preference Holders under the San  
17 Francisco Redevelopment Agency's Property Owner and Occupant Preference Program, as  
18 reprinted September 11, 2008 and effective October 1, 2008 and on file with the Clerk of the  
19 Board in File No. 080521, who meet all of the qualifications for the unit; and third to any  
20 Displaced Tenant, as defined in Administrative Code Section 24.8, who meets all of the qualifications  
21 for the unit or assistance, provided that the following limitations shall apply to the Displaced Tenant  
22 preference: (i) a Displaced Tenant may apply the preference to existing, currently-occupied  
23 developments only for three years from the date the landlord filed with the Residential Rent  
24 Stabilization and Arbitration Board ("Rent Board") a notice of intent to withdraw the tenant's unit  
25 from the rental market pursuant to the Ellis Act, California Government Code Section 7060 et seq. and



1 the corresponding provisions of the San Francisco Rent Stabilization and Arbitration Ordinance  
2 ("Rent Ordinance"), Administrative Code Sections 37.9(a)(13) and 37.9A; (ii) a Displaced Tenant may  
3 apply the preference to new developments going through the initial occupancy process only for six  
4 years from the date the landlord filed with the Rent Board a notice of intent to withdraw the tenant's  
5 unit from the rental market pursuant to the Ellis Act, cited above, and the corresponding provisions of  
6 the Rent Ordinance; and (iii) for any new residential development going through the initial occupancy  
7 process, the Displaced Tenant preference shall apply only to twenty percent (20%) of the units in such  
8 development. The Displaced Tenant's preference shall still apply even if such Displaced Tenant  
9 declines a unit offered through application of the preference, but upon accepting and occupying a unit  
10 obtained using the preference, such Displaced Tenant's preference terminates.~~The Mayor's Office of~~  
11 ~~Housing and Community Development shall develop procedures and amend its regulations within 90~~  
12 ~~days of the effective date of this legislation to implement the preference described in this Section.~~

13 MOHCD shall implement the Certificate of Preference Holder requirements of this Section by  
14 developing procedures and amending its applicable regulations within 90 days of the effective date of  
15 Ordinance No. 232-08, and MOHCD shall implement the Displaced Tenant preference requirements of  
16 this Section by developing procedures and amending its applicable regulations within 90 days of the  
17 effective date of the ordinance creating the Displaced Tenant preference. Said procedures and  
18 regulations shall be subject to approval by Resolution of the Board of Supervisors. The  
19 requirements of this paragraph are directory rather than mandatory.

#### 21 **SEC. 43.3.4. PROPOSED USE OF BOND PROCEEDS.**

22 Following payment of costs of issuance, 85 percent of the bond proceeds will be used  
23 for the development of affordable rental housing through the development account described  
24 in the regulations, and 15 percent of the bond proceeds will be used for downpayment  
25 assistance for low and moderate income first-time homebuyers through the downpayment

1 assistance loan account described in the program regulations; including all legally permissible  
2 administrative costs related to the program. The Mayor's Office of Housing *and Community*  
3 *Development ("MOHCD")* shall develop procedures and amend its regulations such that, for all  
4 projects funded by this affordable housing and home ownership bond program, including  
5 multifamily rental projects and down payment assistance to individual households, it requires  
6 the project sponsor or its successor in interest to give preference in occupying units or  
7 receiving assistance first to Residential Certificate of Preference Holders under the San  
8 Francisco Redevelopment Agency's Property Owner and Occupant Preference Program, as  
9 reprinted September 11, 2008 and effective October 1, 2008 and on file with the Clerk of the  
10 Board in File No. 080521, who meet all of the qualifications for the unit or assistance; *and*  
11 *second to any Displaced Tenant, as defined in Administrative Code Section 24.8, who meets all of the*  
12 *qualifications for the unit or assistance, provided that the following limitations shall apply to the*  
13 *Displaced Tenant preference: (i) a Displaced Tenant may apply the preference to existing, currently-*  
14 *occupied developments only for three years from the date the landlord filed with the Residential Rent*  
15 *Stabilization and Arbitration Board ("Rent Board") a notice of intent to withdraw the tenant's unit*  
16 *from the rental market pursuant to the Ellis Act, California Government Code Section 7060 et seq. and*  
17 *the corresponding provisions of the San Francisco Rent Stabilization and Arbitration Ordinance*  
18 *("Rent Ordinance"), Administrative Code Sections 37.9(a)(13) and 37.9A; (ii) a Displaced Tenant may*  
19 *apply the preference to new developments going through the initial occupancy process only for six*  
20 *years from the date the landlord filed with the Rent Board a notice of intent to withdraw the tenant's*  
21 *unit from the rental market pursuant to the Ellis Act, cited above, and the corresponding provisions of*  
22 *the Rent Ordinance; and (iii) for any new residential development going through the initial occupancy*  
23 *process, the Displaced Tenant preference shall apply only to twenty percent (20%) of the units in such*  
24 *development. The Displaced Tenant's preference shall still apply even if such Displaced Tenant*  
25 *declines a unit offered through application of the preference, but upon accepting and occupying a unit*

1 obtained using the preference, such Displaced Tenant's preference terminates. The Mayor's Office of  
2 Housing shall develop procedures and amend its regulations within 90 days of the effective date of this  
3 legislation to implement the requirements of this Section.

4 MOHCD shall implement the Certificate of Preference Holder requirements of this Section by  
5 developing procedures and amending its applicable regulations within 90 days of the effective date of  
6 Ordinance No. 232-08, and MOHCD shall implement the Displaced Tenant preference requirements of  
7 this Section by developing procedures and amending its applicable regulations within 90 days of the  
8 effective date of the ordinance creating the Displaced Tenant preference. Said procedures and  
9 regulations shall be subject to approval by Resolution of the Board of Supervisors. The  
10 requirements of this paragraph are directory rather than mandatory.

11  
12 Section 4. The Planning Code is hereby amended by revising Sections 413.10, 415.5,  
13 415.6 and 415.7 to read as follows:

14 **SEC. 413.10. CITYWIDE AFFORDABLE HOUSING FUND.**

15 All monies contributed pursuant to Sections 413.6 or 413.8 or assessed pursuant to  
16 Section 413.9 shall be deposited in the special fund maintained by the Controller called the  
17 Citywide Affordable Housing Fund ("Fund"). The receipts in the Fund are hereby appropriated  
18 in accordance with law to be used solely to increase the supply of housing affordable to  
19 qualifying households subject to the conditions of this Section. The Mayor's Office of Housing  
20 and Community Development ("MOHCD")MOH shall develop procedures such that, for all  
21 projects funded by the Citywide Affordable Housing Fund, MOHCD requires the project  
22 sponsor or its successor in interest to give preference in occupying units first to Residential  
23 Certificate of Preference Holders under the San Francisco Redevelopment Agency's Property  
24 Owner and Occupant Preference Program, as reprinted September 11, 2008 and effective  
25 October 1, 2008 and on file with the Clerk of the Board in File No. 080521, who meet all of the

1 qualifications for the unit; and second to any Displaced Tenant, as defined in Administrative Code  
2 Section 24.8, who meets all of the qualifications for the unit or assistance, provided that the following  
3 limitations shall apply to the Displaced Tenant preference: (i) a Displaced Tenant may apply the  
4 preference to existing, currently-occupied developments only for three years from the date the landlord  
5 filed with the Residential Rent Stabilization and Arbitration Board ("Rent Board") a notice of intent to  
6 withdraw the tenant's unit from the rental market pursuant to the Ellis Act, California Government  
7 Code Section 7060 et seq. and the corresponding provisions of the San Francisco Rent Stabilization  
8 and Arbitration Ordinance ("Rent Ordinance"), Administrative Code Sections 37.9(a)(13) and 37.9A;  
9 (ii) a Displaced Tenant may apply the preference to new developments going through the initial  
10 occupancy process only for six years from the date the landlord filed with the Rent Board a notice of  
11 intent to withdraw the tenant's unit from the rental market pursuant to the Ellis Act, cited above, and  
12 the corresponding provisions of the Rent Ordinance; and (iii) for any new residential development  
13 going through the initial occupancy process, the Displaced Tenant preference shall apply only to  
14 twenty percent (20%) of the units in such development. The Displaced Tenant's preference shall still  
15 apply even if such Displaced Tenant declines a unit offered through application of the preference, but  
16 upon accepting and occupying a unit obtained using the preference, such Displaced Tenant's  
17 preference terminates. The Mayor's Office of Housing shall develop procedures and amend its  
18 regulations within 90 days of the effective date of this legislation to implement the requirements of this  
19 Section.

20 MOHCD shall implement the Certificate of Preference Holder requirements of this Section by  
21 developing procedures and amending its applicable regulations within 90 days of the effective date of  
22 Ordinance No. 232-08, and MOHCD shall implement the Displaced Tenant preference requirements of  
23 this Section by developing procedures and amending its applicable regulations within 90 days of the  
24 effective date of the ordinance creating the Displaced Tenant preference. Said procedures and  
25

1 regulations shall be subject to approval by Resolution of the Board of Supervisors. The  
2 requirements of this paragraph are directory rather than mandatory.

3 The Fund shall be administered and expended by the Director of MOHCD, who shall  
4 have the authority to prescribe rules and regulations governing the Fund which are consistent  
5 with Section 413.1et seq. No portion of the Fund may be used, by way of loan or otherwise, to  
6 pay any administrative, general overhead, or similar expense of any entity.

7  
8 **SEC. 415.5. AFFORDABLE HOUSING FEE.**

9 \* \* \* \*

10 (f) Use of Fees. All monies contributed pursuant to this Section shall be deposited in  
11 the special fund maintained by the Controller called the Citywide Affordable Housing Fund.  
12 MOH The Mayor's Office of Housing and Community Development ("MOHCD") shall use the funds  
13 in the following manner:

14 (1) Except as provided in subsection (2) below, the receipts in the Fund are  
15 hereby appropriated in accordance with law to be used to:

16 (Aa) increase the supply of housing affordable to qualifying households subject  
17 to the conditions of this Section; and

18 (Bb) provide assistance to low and moderate income homebuyers; and

19 (Ce) pay the expenses of MOHCD in connection with monitoring and  
20 administering compliance with the requirements of the Program. MOHCD is authorized to use  
21 funds in an amount not to exceed \$200,000 every 5 years to conduct follow-up studies under  
22 Section 415.9(e) and to update the affordable housing fee amounts as described above in  
23 Section 415.5(b). All other monitoring and administrative expenses shall be appropriated  
24 through the annual budget process or supplemental appropriation for MOHCD. The fund shall  
25

1 be administered and expended by MOHCD, which shall have the authority to prescribe rules  
2 and regulations governing the Fund which are consistent with this Section.

3 (2) "Small Sites Funds."

4 (A) Designation of Funds. MOHCD shall designate and separately account for  
5 10% percent of all fees that it receives under Section 415.1et seq., excluding fees that are  
6 geographically targeted such as those in Sections 415.6(a)(1) and 827(b)(C), to support  
7 acquisition and rehabilitation of Small Sites ("Small Sites Funds"). MOHCD shall continue to  
8 divert 10 percent of all fees for this purpose until the Small Sites Funds reach a total of \$15  
9 million at which point, MOHCD will stop designating funds for this purpose. At such time as  
10 designated Small Sites Funds are expended and dip below \$15 million, MOHCD shall start  
11 designating funds again for this purpose, such that at no time the Small Sites Funds shall  
12 exceed \$15 million. When the total amount of fees paid to the City under Section 415.1et seq.  
13 totals less than \$10 million over the preceding 12 month period, MOHCD is authorized to  
14 temporarily divert funds from the Small Sites Fund for other purposes. MOHCD must keep  
15 track of the diverted funds, however, such that when the amount of fees paid to the City under  
16 Section 415.1et seq. meets or exceeds \$10 million over the preceding 12 month period,  
17 MOHCD shall commit all of the previously diverted funds and 10 percent of any new funds,  
18 subject to the cap above, to the Small Sites Fund.

19 (B) Use of Small Sites Funds. The funds shall be used exclusively to acquire or  
20 rehabilitate "Small Sites" defined as properties consisting of less than 25 units. Units  
21 supported by monies from the fund shall be designated as housing affordable to qualifying  
22 households as defined in Section 415.1 for no less than 55 years. Properties supported by the  
23 Small Sites Funds must be either

24 (i) rental properties that will be maintained as rental properties;  
25

1 (ii) vacant properties that were formerly rental properties as long as those  
2 properties have been vacant for a minimum of two years prior to the effective date of this  
3 legislation,

4 (iii) properties that have been the subject of foreclosure or

5 (iv) a Limited Equity Housing Cooperative as defined in Subdivision Code  
6 Sections 1399.1 et seq. or a property owned or leased by a non-profit entity modeled as a  
7 Community Land Trust.

8 (C) Initial Funds. If, within 18 months from the date of adoption of this ordinance,  
9 MOHCD dedicates an initial one-time contribution of other eligible funds to be used initially as  
10 Small Sites Funds, MOHCD may use the equivalent amount of Small Sites Funds received  
11 from fees for other purposes permitted by the Citywide Affordable Housing Fund until the  
12 amount of the initial one-time contribution is reached.

13 (D) Annual Report. At the end of each fiscal year, MOHCD shall issue a report to  
14 the Board of Supervisors regarding the amount of Small Sites Funds received from fees under  
15 this legislation, and a report of how those funds were used.

16 (E) Intent. In adopting this ordinance regarding Small Sites Funds, the Board of  
17 Supervisors does not intend to preclude MOHCD from expending other eligible sources of  
18 funding on Small Sites as described in this Section, or from allocating or expending more than  
19 \$15 million of other eligible funds on Small Sites.

20 (3) For all projects funded by the Citywide Affordable Housing Fund, MOHCD requires the  
21 project sponsor or its successor in interest to give preference in occupying units first to Residential  
22 Certificate of Preference Holders under the San Francisco Redevelopment Agency's Property Owner  
23 and Occupant Preference Program, as reprinted September 11, 2008 and effective October 1, 2008 and  
24 on file with the Clerk of the Board in File No. 080521, who otherwise meet all of the requirements for a  
25 unit; and second to any Displaced Tenant, as defined in Administrative Code Section 24.8, who meets

1 all of the qualifications for the unit or assistance, provided that the following limitations shall apply to  
2 the Displaced Tenant preference: (i) a Displaced Tenant may apply the preference to existing,  
3 currently-occupied developments only for three years from the date the landlord filed with the  
4 Residential Rent Stabilization and Arbitration Board ("Rent Board") a notice of intent to withdraw the  
5 tenant's unit from the rental market pursuant to the Ellis Act, California Government Code Section  
6 7060 et seq. and the corresponding provisions of the San Francisco Rent Stabilization and Arbitration  
7 Ordinance ("Rent Ordinance"), Administrative Code Sections 37.9(a)(13) and 37.9A; (ii) a Displaced  
8 Tenant may apply the preference to new developments going through the initial occupancy process only  
9 for six years from the date the landlord filed with the Rent Board a notice of intent to withdraw the  
10 tenant's unit from the rental market pursuant to the Ellis Act, cited above, and the corresponding  
11 provisions of the Rent Ordinance; and (iii) for any new residential development going through the  
12 initial occupancy process, the Displaced Tenant preference shall apply only to twenty percent (20%) of  
13 the units in such development. The Displaced Tenant's preference shall still apply even if such  
14 Displaced Tenant declines a unit offered through application of the preference, but upon accepting and  
15 occupying a unit obtained using the preference, such Displaced Tenant's preference terminates.  
16 Otherwise, it is the policy of the City to treat all households equally in allocating affordable units under  
17 this Program.

18  
19 **SEC. 415.6. ON-SITE AFFORDABLE HOUSING ALTERNATIVE.**

20 If a project sponsor is eligible and elects to provide on-site units pursuant to Section  
21 415.5(g), the development project shall meet the following requirements:

22 \* \* \* \*

23 (d) Marketing the Units: MOH The Mayor's Office of Housing and Community Development  
24 ("MOHCD") shall be responsible for overseeing and monitoring the marketing of affordable  
25 units under this Section. In general, the marketing requirements and procedures shall be



1 contained in the Procedures Manual as amended from time to time and shall apply to the  
2 affordable units in the project. MOHCD may develop occupancy standards for units of different  
3 bedroom sizes in the Procedures Manual in order to promote an efficient allocation of  
4 affordable units. MOHCD may require in the Procedures Manual that prospective purchasers  
5 complete homebuyer education training or fulfill other requirements. MOHCD shall develop a  
6 list of minimum qualifications for marketing firms that market affordable units under Section  
7 415.5et seq., referred to the Procedures Manual as Below Market Rate (BMR units). No  
8 developer marketing units under the Program shall be able to market affordable units except  
9 through a firm meeting all of the minimum qualifications. The Notice of Special Restrictions or  
10 conditions of approval shall specify that the marketing requirements and procedures  
11 contained in the Procedures Manual as amended from time to time, shall apply to the  
12 affordable units in the project.

13 (1) Lottery: At the initial offering of affordable units in a housing project and when  
14 ownership units become available for re-sale in any housing project subject *to* this Program  
15 after the initial offering, MOHCD must require the use of a public lottery approved by MOHCD  
16 to select purchasers or tenants.

17 (2) Preferences: MOHCD shall create a lottery system that gives *the following*  
18 preferences: *(A)* first to Residential Certificate of Preference Holders under the San Francisco  
19 Redevelopment Agency's Property Owner and Occupant Preference Program, as reprinted  
20 September 11, 2008 and effective October 1, 2008 and on file with the Clerk of the Board in  
21 File No. 080521, who meet the qualifications of the Program; *(B)* ~~and~~ second to *any Displaced*  
22 *Tenant, as defined in Administrative Code Section 24.8, who meets all of the qualifications for the unit*  
23 *or assistance, provided that the following limitations shall apply to the Displaced Tenant preference:*  
24 *(i) a Displaced Tenant may apply the preference to existing, currently-occupied developments only for*  
25 *three years from the date the landlord filed with the Residential Rent Stabilization and Arbitration*

1 Board ("Rent Board") a notice of intent to withdraw the tenant's unit from the rental market pursuant  
2 to the Ellis Act, California Government Code Section 7060 et seq. and the corresponding provisions of  
3 the San Francisco Rent Stabilization and Arbitration Ordinance ("Rent Ordinance"), Administrative  
4 Code Sections 37.9(a)(13) and 37.9A; (ii) a Displaced Tenant may apply the preference to new  
5 developments going through the initial occupancy process only for six years from the date the landlord  
6 filed with the Rent Board a notice of intent to withdraw the tenant's unit from the rental market  
7 pursuant to the Ellis Act, cited above, and the corresponding provisions of the Rent Ordinance; and  
8 (iii) for any new residential development going through the initial occupancy process, the Displaced  
9 Tenant preference shall apply only to twenty percent (20%) of the units in such development; and (C)  
10 third to people who live or work in San Francisco who meet the qualifications of the Program.  
11 The Displaced Tenant's preference shall still apply even if such Displaced Tenant declines a unit  
12 offered through application of the preference, but upon accepting and occupying a unit obtained using  
13 the preference, such Displaced Tenant's preference terminates. MOHCD shall propose policies and  
14 procedures for implementing these preferences to the Planning Commission for inclusion in  
15 the Procedures Manual. Otherwise, it is the policy of the ~~Board of Supervisors~~ City to treat all  
16 households equally in allocating affordable units under this Program.

#### 17 18 **SEC. 415.7. OFF-SITE AFFORDABLE HOUSING ALTERNATIVE.**

19 If the project sponsor is eligible and selects pursuant to Section 415.5(g) to provide off-  
20 site units to satisfy the requirements of Section 415.1et seq., the project sponsor shall notify  
21 the Planning Department and the Mayor's Office of Housing and Community Development  
22 ("MOHCD") MOH of its intent as early as possible. The Planning Department and MOHCD  
23 shall provide an evaluation of the project's compliance with this Section prior to approval by  
24 the Planning Commission or Planning Department. The development project shall meet the  
25 following requirements:

1 \* \* \* \*

2 (e) Marketing the Units: MOHCD shall be responsible for overseeing and monitoring  
3 the marketing of affordable units under this Section. In general, the marketing requirements  
4 and procedures shall be contained in the Procedures Manual as amended from time to time  
5 and shall apply to the affordable units in the project. MOHCD may develop occupancy  
6 standards for units of different bedroom sizes in the Procedures Manual in order to promote  
7 an efficient allocation of affordable units. MOHCD may require in the Procedures Manual that  
8 prospective purchasers complete homebuyer education training or fulfill other requirements.  
9 MOHCD shall develop a list of minimum qualifications for marketing firms that market  
10 affordable units under Section 415.1 et seq., referred to the Procedures Manual as Below  
11 Market Rate (BMR units). No project sponsor marketing units under the Program shall be able  
12 to market BMR units except through a firm meeting all of the minimum qualifications. The  
13 Notice of Special Restrictions or conditions of approval shall specify that the marketing  
14 requirements and procedures contained in the Procedures Manual as amended from time to  
15 time, shall apply to the affordable units in the project.

16 (1) Lottery: At the initial offering of affordable units in a housing project and when  
17 ownership units become available for resale in any housing project subject to this Program  
18 after the initial offering, MOHCD must require the use of a public lottery approved by MOHCD  
19 to select purchasers or tenants.

20 (2) Preferences: MOHCD shall create a lottery system that gives *the following*  
21 preferences: (A) first to Residential Certificate of Preference Holders under the San Francisco  
22 Redevelopment Agency's Property Owner and Occupant Preference Program, as reprinted  
23 September 11, 2008 and effective October 1, 2008 and on file with the Clerk of the Board in  
24 File No. 080521, who meet the qualifications of the Program; ~~(B)~~ *and* second to any Displaced  
25 Tenant, as defined in Administrative Code Section 24.8, who meets all of the qualifications for the unit


1 or assistance, provided that the following limitations shall apply to the Displaced Tenant preference:  
2 (i) a Displaced Tenant may apply the preference to existing, currently-occupied developments only for  
3 three years from the date the landlord filed with the Residential Rent Stabilization and Arbitration  
4 Board ("Rent Board") a notice of intent to withdraw the tenant's unit from the rental market pursuant  
5 to the Ellis Act, California Government Code Section 7060 et seq. and the corresponding provisions of  
6 the San Francisco Rent Stabilization and Arbitration Ordinance ("Rent Ordinance"), Administrative  
7 Code Sections 37.9(a)(13) and 37.9A; (ii) a Displaced Tenant may apply the preference to new  
8 developments going through the initial occupancy process only for six years from the date the landlord  
9 filed with the Rent Board a notice of intent to withdraw the tenant's unit from the rental market  
10 pursuant to the Ellis Act, cited above, and the corresponding provisions of the Rent Ordinance; and  
11 (iii) for any new residential development going through the initial occupancy process, the Displaced  
12 Tenant preference shall apply only to twenty percent (20%) of the units in such development; and (C)  
13 third to people who live or work in San Francisco who meet the qualifications of the Program.  
14 The Displaced Tenant's preference shall still apply even if such Displaced Tenant declines a unit  
15 offered through application of the preference, but upon accepting and occupying a unit obtained using  
16 the preference, such Displaced Tenant's preference terminates. MOHCD shall propose policies and  
17 procedures for implementing these preferences to the Planning Commission for inclusion in  
18 the Procedures Manual. Otherwise, it is the policy of the ~~Board of Supervisors~~City to treat all  
19 households equally in allocating affordable units under this Program.

20  
21 Section 5. Effective Date. This ordinance shall become effective 30 days after  
22 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
23 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
24 of Supervisors overrides the Mayor's veto of the ordinance.

1 Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
5 additions, and Board amendment deletions in accordance with the "Note" that appears under  
6 the official title of the ordinance.

7 APPROVED AS TO FORM:  
8 DENNIS J. HERRERA, City Attorney

9 By:

  
10 Evan A. Gross  
Deputy City Attorney

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