Ordinance amending the Administrative Code to establish the Social Housing Program Stability Fund for the acquisition, creation, and operation of affordable Social Housing Developments, and establishing the Housing Stability Fund Oversight Board to advise the Board of Supervisors regarding the use of the Housing Stability Fund.

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. Article XIII of Chapter 10 of the Administrative Code is hereby amended by adding Section 10.100-33478, to read as follows:

SEC. 10.100-33478. SOCIAL HOUSING STABILITY PROGRAM FUND.

(a) Establishment of Fund. The Social Housing Stability Program Fund (the “Fund”) is established as a category four fund to receive any monies appropriated or donated for the purpose of providing funds for the acquisition, creation, operation, development, construction, or rehabilitation of Social Housing Developments as defined in subsection (e).

(b) Use of Fund. The Social Housing Stability Program Fund shall be used exclusively for the purpose of providing funds for Social Housing Developments including, but not limited to, the acquisition of land and/or improvements, preservation, development, rehabilitation, construction, operation, loans, grants, and other eligible uses determined by the Mayor’s Office of Housing and Community Development (“MOHCD”), and as included in any Social Housing Stability Program.
Fund regulations. Among the objectives of the Fund is to prioritize acquisition and creation of affordable housing that lacks access to traditional state and federal affordable housing funding.

(c) Administration of Fund. MOHCD shall administer the Social Housing Program Stability Fund, and in that capacity may expend funds for a range of eligible uses in accordance with annual program goals and priorities set for the Fund per subsection (d), and enter into loan or grant agreements under terms as determined in the Social Housing Stability Program Fund regulations.

(d) Reporting. MOHCD shall submit a report annually by February 15 September 1 to the Board of Supervisors and the Mayor, and the director of MOHCD shall present the report at a hearing of the Board of Supervisors Budget Committee on the use of the Social Housing Stability Fund during the preceding fiscal calendar year, which may include, but need not be limited to, the amounts approved for disbursement to specific uses, the number and size of sites acquired and type (including improved or vacant), the scope of rehabilitation work for improved sites, the number of units developed or assisted by the Social Program Housing Stability Fund, the neighborhoods/geography of projects funded, the impact on racial equity, and overall program implementation goals for the current fiscal year and proposed priorities for the next fiscal year. The report to the Board of Supervisors shall be accompanied by a draft motion for the Board to accept the report.

(e) Social Housing Developments. Social Housing Developments are housing developments that meet the following two criteria: (1) the City, a nonprofit, residents, or a residents association under binding regulatory agreement ensuring permanent affordability, retains an ownership interest in the land, improvements, or both, or has permanent loan and regulatory agreements for the property, and (2) the Social Housing Development serves all income qualified households with a maximum average of not more than 80% of area-median income across all units in a project, based on the median income within the zip code area where each the project is located.


determined and updated annually and published by MOHCD and affordable to such households applicable to a unit. Social Housing Developments shall include, but not be limited to, community land trusts, limited equity cooperative housing, nonprofit housing corporation housing, and municipal housing. MOHCD shall establish minimum regulatory requirements for all Social Housing Developments, including but not limited to, enforceable income and affordability restrictions for the useful life of the property but no less than 99 years through a recorded restriction or ground lease from MOHCD.

(f) **Fund Regulations.** The Director of MOHCD, or the Director’s designee, is authorized to develop program rules and regulations regarding use of monies in the Social Housing Stability Program Fund, including regulatory agreements to ensure permanent affordability of Social Housing Developments funded under this program, to best achieve the purposes of the Fund. No housing funded under this program shall be allowed to be used for Short-Term Residential Rental in accordance with Administrative Code Section 41A.4.

Section 2. Use of Housing Stability Funds through December 31, 2022.

It is the Board of Supervisors’ present intent that with respect to expenditures made from the Fund through December 31, 2022, a minimum of 20% of those funds be prioritized for Social Housing Developments that provide housing for educators in San Francisco.

Section 3. The Administrative Code is hereby amended by adding Article XLV, consisting of Sections 545.1 through 5.45-56, to Chapter 5, to read as follows:

**ARTICLE XLV: HOUSING STABILITY FUND OVERSIGHT BOARD**
SEC. 5.45-1. ESTABLISHMENT OF HOUSING STABILITY FUND OVERSIGHT BOARD.

The Board of Supervisors hereby establishes the Housing Stability Fund Oversight Board (the “Oversight Board”).

SEC. 5.45-2. MEMBERSHIP.

The Oversight Board shall consist of the following 15 voting members:

(a) Seats 1, 2, and 3 shall be held by persons who are residents of Social Housing Developments, as defined in Section 10.100-78 of the Administrative Code, as amended from time to time to be appointed by the Board of Supervisors.

(b) Seats 4, 5, and 6 shall be held by persons with experience owning, operating, or developing Social Housing Developments, as defined in Section 10.100-78 of the Administrative Code, to be appointed by the Board of Supervisors.

(c) Seats 7, 8, and 9 shall be held by persons with legal, academic, or financing expertise regarding affordable housing creation and policy, to be appointed by the Board of Supervisors.

(d) Seat 10 shall be held by a person with experience or expertise in advocacy on behalf of tenants or residents of affordable housing, to be appointed by the Board of Supervisors.

(e) Seat 11 shall be held by a person with experience or expertise in the organized labor community, to be appointed by the Board of Supervisors.

(f) Seat 12 shall be held by an employee of the Mayor’s Office of Housing and Community Development (MOHCD), to be appointed by the Director of MOHCD.

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(g) Seats 13, 14, and 15 and 11 shall be held by any resident of San Francisco with a demonstrated commitment to affordable housing and to racial and economic equity, to be appointed by the Board of Supervisors.

SEC. 5.45-3. ORGANIZATION AND TERMS OF OFFICE.

(a) Members of the Oversight Board shall serve at the pleasure of their respective appointing authorities and may be removed by the member’s appointing authority at any time. Each member may remain on the Oversight Board for a maximum of a four-year two full terms unless removed prior to the expiration of the term by the member's appointing authority, provided that such limitations to terms do not apply to Seat 129 (with such terms staggered so as to minimize the number of terms expiring simultaneously). The staggered terms will be applied as follows: the initial appointment for seats 2, 4, 6, and 11, 8 and 14 is two years and the initial appointment for seats 3, 6, 9 and 15 is three years, with the remaining seats, except seat 12, for being appointed to initial four-year terms. Thereafter, all terms shall be for four years. For purposes of the term limit, serving an initial term of two years, or serving more than half of a four-year term, shall count as serving a full term. A seat that is vacant on the Oversight Board shall be filled by the appointing authority for that seat.

(b) Members of the Oversight Board shall receive no compensation from the City, except that the member in Seat 129 may receive their regular City salary for time spent on the Oversight Board.

(c) Any member who misses three regular meetings of the Oversight Board within a twelve-month period without the express approval of the Oversight Board at or before each missed meeting shall be deemed to have resigned from the Oversight Board 10 days after the third unapproved absence. The Oversight Board shall inform the appointing authority and the Clerk of the Board of Supervisors of any such resignation.
(d) The Mayor’s Office of Housing and Community Development shall provide administrative and clerical support for the Oversight Board. All City officials and agencies shall cooperate with the Oversight Board in the performance of its functions.

SEC. 5.45-4. POWERS AND DUTIES.

(a) The Oversight Board shall provide oversight for the Housing Stability Program Fund established under Section 10.100-78 of Article XIII of Chapter 10 of the Administrative Code by making recommendations and providing guidance for the use of the Housing Stability Program Fund for Social Housing Developments, including, but not limited to, the acquisition of land and/or improvements, preservation, development, rehabilitation, construction, operation, loans, grants, and other eligible uses determined by MOHCD, and as included in any Housing Stability Fund regulations. The Oversight Board shall seek to make its recommendations through a racial and economic equity lens, with an eye toward the short-term and long-term impact on the use of the monies from the Housing Stability Program Fund.

(b) To aid the Oversight Board in making its recommendations and providing guidance, MOHCD shall submit a report to the Oversight Board by January 15 annually and present on the report at a subsequent Oversight Board meeting. MOHCD shall report on the use of the Housing Stability Fund during the preceding fiscal year, which report shall include, but need not be limited to, the amounts approved for disbursement for specific uses, the number and size of sites acquired and type (including improved or vacant), the scope of rehabilitation work for improved sites, the number of units developed or assisted by the Housing Stability Fund, the neighborhoods/geography of projects funded, and overall program implementation goals for the current fiscal year and proposed priorities for the next fiscal year.

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(c) The Controller’s Office shall provide a written report to the Board of Supervisors and the Oversight Board, by February 1 annually, with a summary of all revenues collected under real property transfer tax in the prior fiscal year.

(d) The Oversight Board shall make recommendations, including budget recommendations, to the Board of Supervisors by March 31 annually.

### SEC. 5.45-5. MEETINGS AND PROCEDURES.

(a) The Oversight Board shall hold its inaugural meeting not more than 90 days after the effective date of the ordinance in Board File No. 200610 enacting this Article XLVI. There shall be at least 10 days’ notice of the inaugural meeting. Following the inaugural meeting, the Oversight Board shall hold a regular meeting not less than once each quarter.

(b) The Oversight Board shall elect a Chair and such other officers as it deems appropriate, and may establish bylaws and rules for its organization and procedures.

### SEC. 5.45-6. OVERSIGHT BOARD - TERM.

Notwithstanding Rule 2.21 of the Board of Supervisors Rules of Order, which provides that advisory bodies created by the Board should sunset within three years, the Board intends the Oversight Board to exist indefinitely unless terminated by ordinance.

### Section 4. Background.

(a) It is the intent of the Board of Supervisors to appropriate to the Social Housing Stability Program Fund revenues from the General Fund generated from any real property transfer tax increase passed by the San Francisco electorate in the November 3, 2020 election, although nothing in this Section 23 or in Section 10.100-33478 of the Administrative
Code requires the City to appropriate any revenues from such real property transfer tax increase for this purpose.

(b) It is the intent of the Board of Supervisors to enact an ordinance establishing an advisory committee to provide policy advice and recommendations regarding the Social Housing Program Fund, and to monitor implementation of the Social Housing Program Fund, although nothing in this Section 2 or in Section 10.100-334 of the Administrative Code requires the City to enact such an ordinance.

Section 34. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

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

By:  /s/ Heidi J. Gewertz
HEIDI J. GEWERTZ
Deputy City Attorney
Ordinance amending the Administrative Code to establish the Housing Stability Fund for the acquisition, creation, and operation of affordable Social Housing Developments, and establishing the Housing Stability Fund Oversight Board to advise the Board of Supervisors regarding the use of the Housing Stability Fund.

October 19, 2020 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 19, 2020 Land Use and Transportation Committee - RECOMMENDED AS AMENDED

October 27, 2020 Board of Supervisors - PASSED ON FIRST READING
  Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

November 03, 2020 Board of Supervisors - FINALLY PASSED
  Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 11/3/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved