SAN FRANCISCO
VOTER GUIDE
NOVEMBER 2015 | Ballot analysis and recommendations

- **A**: Affordable Housing Bond - **VOTE YES**
- **B**: Paid Parental Leave - **VOTE YES**
- **C**: Expenditure Lobbyists - **VOTE NO**
- **D**: Mission Rock Project - **VOTE YES**
- **E**: Public Meetings - **VOTE NO**
- **F**: Short-Term Residential Rentals - **VOTE NO**
- **G**: Restrictions for CleanPowerSF - **VOTE NO**
- **H**: Defining Renewable Energy - **NO POSITION**
- **I**: Mission Housing Moratorium - **VOTE NO**
- **J**: Legacy Business Fund - **VOTE NO**
- **K**: Surplus Public Lands - **VOTE YES**

MAKE YOUR VOTE COUNT.
WHAT THE MEASURE WOULD DO

Proposition A calls for San Francisco to incur bond indebtedness in the amount of $310 million for affordable housing. Like all city bonds, it must win at least two-thirds of the vote in order to pass.

The proposed program includes:

- Construction, development and rehabilitation of affordable rental housing near transit or in priority development areas
- Acquisition and rehabilitation of existing rent-controlled housing
- Repair and reconstruction of dilapidated public housing
- Creation of a middle-income rental housing program
- Expansion of the city’s existing down payment assistance loan program to increase middle-income homeownership opportunities
- Renewal of an existing program that assists teachers with their first home purchase
- Acquisition, preservation and development of affordable housing in the Mission Area Plan

Though Prop. A does not dictate how the bond proceeds would be divided among these uses, the city’s official Housing Bond Report provides the following expenditure plan: $150 million for low-income and moderate-income housing, including $50 million dedicated to the Mission neighborhood; $80 million for public housing revitalization; and $80 million for middle-income housing.¹

The city’s long-term capital plan includes anticipated bond sales that can be made while keeping the property tax rate stable. This recent good news has allowed the city to fit this bond into its capital plan and increase it to $310 million without negatively impacting other planned capital projects or increasing the tax rate.

THE BACKSTORY

San Francisco is experiencing an acute housing affordability crisis. Prop. A is one part of a larger, $2.7 billion strategy to make the city more affordable over the next 20 years. The city projects that over the next five years, it will generate $1.1 billion to invest in a variety of housing programs.

In May, Mayor Lee and six supervisors introduced a $250 million general obligation housing bond for the November ballot. A competing $500 million housing bond was tabled when the total amount of the Prop. A bond was negotiated up to $310 million. The mayor and all 11 supervisors now support the bond.

¹ The definition of low-, moderate- and middle-income housing is determined by the U.S. Department of Housing and Urban Development and varies across jurisdictions. In San Francisco, low-income housing is currently priced to be affordable (i.e., less than 30 percent of household income) to people making up to 80 percent of the Area Median Income (AMI). Moderate-income housing is affordable to people making up to 120 percent of AMI, and middle-income is up to 150 percent of AMI. Area Median Income in San Francisco is currently $71,350 for one person and $101,900 for a family of four. The Mayor’s Office of Housing has a helpful chart of the various income definitions: http://sf-moh.org/modules/showdocument.aspx?documentid=8829
Affordable Housing Bond

PROS

• The bond would generate much-needed funds to develop and preserve San Francisco’s affordable housing supply.
• This bond has been sized so that property tax rates would not increase.
• The bond would likely offer economic value to San Franciscans beyond the households that directly benefit — for example, by reducing demand on the private housing market, which would help other low-income households, and by generating construction spending.²

CONS

• While it’s an important step, a bond of this size is not sufficient to address the full scope of the housing crisis. Because it is so expensive to build affordable housing, this bond will not be able to help more than a very small number of the people who cannot afford housing in San Francisco.

SPUR’S RECOMMENDATION

The most urgent problem facing San Francisco is the high cost of housing. The affordability crisis requires that the city take decisive action to increase our supply of affordable housing. While only a part of the solution, this bond measure would have a significant impact on many low-, moderate- and middle-income households, which would benefit from the affordable housing created or preserved by this funding.

Vote YES on Prop. A.

Amends the City Charter to augment paid parental leave policies for city employees.

WHAT THE MEASURE WOULD DO

Proposition B would amend the City Charter to make two changes to existing parental leave policies for city employees. San Francisco’s existing 12-week paid parental leave benefit must be split when both parents are city employees caring for the same new child. Current paid parental leave — for birth, adoption or child placement — kicks in only after an employee exhausts all other accrued paid time off.

Proposition B would make the following changes:

• When both partners in a couple are city employees, they would each receive a full 12-week paid parental leave benefit.
• City employees would be permitted to retain up to 40 hours of accrued sick leave after the use of their paid parental leave. This change would allow employees to retain sick leave that they have already earned; it would not generate additional sick time for employees.

The amendment would not change who is eligible for the benefit: It would apply to city employees who have worked at least part time for at least six months. The controller estimates that Prop. B’s provision to extend full paid parental leave to parents who are both employees of the city would apply to about 15 people; the ability to retain sick leave could apply to about 300.

THE BACKSTORY

San Francisco voters created the city’s first paid parental leave program in 2002. This measure is required to go on the ballot because it amends Proposition I, the 2002 ballot measure that established San Francisco’s existing policy.

This proposed change to parental leave policy for city workers is part of a yearlong effort to bolster policies for working parents across San Francisco’s many public and private employers.

PROS

• Adequate paid leave for new parents is important to families and communities.
• This measure would allow San Francisco to continue to serve as a model for strong parental leave policies.
• Employees who earned up to 40 hours of sick leave could retain it and use it later to care for their families; it’s not unusual to need to use paid time off during the first year as a new parent.

CONS

• Extending paid leave for city employees would add to the local tax burden and cost of living.
• It’s unfortunate that this human resources policy for a small group of people must live in the City Charter. Benefits for city workers would be better determined through thorough evaluation and collective bargaining, not by ballot measure.

SPUR’S RECOMMENDATION

Adequate paid leave for new parents is important to families and communities. San Francisco’s leadership on parental benefits should continue.

Vote YES on Prop. B.
In-depth ballot analysis, made possible by our members.

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WHAT THE MEASURE WOULD DO

Proposition C would amend the Campaign and Governmental Conduct Code to require expenditure lobbyists to register with the Ethics Commission and file monthly disclosures regarding their activities. The measure defines an expenditure lobbyist as a person or group that spends money to “urge others to contact city officials in order to influence a city decision.” This type of advocacy includes mobilizing groups of people to speak at a public hearing or sign a petition in order to urge a vote or other legislative or administrative action. This is also known as “grassroots lobbying.” Prop C. would impose registration and reporting requirements on any person or entity — including individuals, business entities, labor unions and nonprofit organizations — that meets the above definition of an expenditure lobbyist.

The types of expenditures that would count toward the $2,500 reporting threshold include advertising; public relations; public outreach; and research, investigations, reports, analyses and studies. Importantly, these types of costs would only count toward the threshold to the extent that the payments were made in connection with urging others to contact city officials in order to influence a city decision.

Types of expenditures that would not count toward the $2,500 reporting threshold include payments to registered lobbyists, membership dues, costs an organization incurs communicating to its members, and expenditures made by a news media organization to develop and distribute its publications.

A person or entity that qualifies as an expenditure lobbyist would register with the city, pay an annual $500 registration fee and file reports with the Ethics Commission on a monthly basis. The reports would disclose the action that the lobbyist sought to influence and the amount of money spent to influence the action. For each payment of $1,000 or more, the individual or group would need to report who received the payment and describe what the expenditure was for. Campaign contributions of $100 or more would be reported as well.

THE BACKSTORY

San Francisco law previously required the disclosure of grassroots lobbying activities. In 2010, the law was amended to remove the provisions requiring disclosure of these activities.

Prop. C was placed on the ballot by the San Francisco Ethics Commission to reinstate the registration and disclosure requirements for grassroots lobbyists. However, the measure differs from the previous requirements in two ways: It would set a lower spending threshold at which registration and disclosure were required, and it would require monthly rather than quarterly reporting. The measure would apply to corporations, individuals, unions and nonprofit 501(c)(3) organizations.

Disclosure: SPUR is a 501(c)(3) organization.

Proponents have cited the use of grassroots lobbying tactics by for-profit companies like Uber and Airbnb as a motivation to expand disclosure requirements. While traditional lobbyists who have direct contact with elected officials must register with the city and disclose who paid them, indirect lobbying is currently unregulated.
SPUR’S RECOMMENDATION

Prop. C overreaches in its broad application of new disclosure requirements and fees to those participating in the public policy-making process. By including individuals and nonprofit organizations within its scope, it could deter many valuable forms of information sharing and advocacy and have a chilling effect on the representation of genuine public interests.

Vote NO on Prop. C.
Mission Rock Affordable Housing, Parks, Jobs and Historic Preservation Initiative

Approves a change in building height limits for a portion of the area known as Mission Rock in order to build a new mixed-use development.

WHAT THE MEASURE WOULD DO

Proposition D would change the allowable building height limits on up to 10 acres in Mission Rock, a 28-acre waterfront area located south of AT&T Park, across McCovey Cove. (For site location and proposed building heights, see maps on page 9.) This change would allow a mixed-use development that would include the following major features:

- Approximately 1,000 to 1,950 residential units, most of which would be rentals and at least 40 percent of which would be affordable to low- and middle-income households
- Eight acres of parks, open spaces and recreational opportunities
- The preservation of Pier 48, which would be rehabilitated and renovated to historic standards
- Space for restaurants, retail shops, production and manufacturing uses, artist studios, and small business and nonprofit offices
- 3,100 parking spaces, including an above-ground structure with up to 2,300 spaces

All aspects of development other than the height increase would continue to be subject to existing public approval processes, including environmental review under the California Environmental Quality Act. Also, a development plan would still need to be approved by the Port of San Francisco, the Planning Commission and the Board of Supervisors. The measure specifically states that in approving such a plan, the mayor and Board of Supervisors should confirm that the plan is consistent with the public benefits described in Prop. D.

THE BACKSTORY

California state law generally limits what can be built on waterfront property. In 2007, new state legislation lifted some use restrictions on Seawall Lot 337 to allow its owner, the Port of San Francisco, to generate revenues from development and spend them on its other properties.

In 2007, after a multi-year community planning process, the port adopted a vision statement for mixed-use development of Mission Rock. In 2009, through a competitive bid process, it selected the San Francisco Giants to develop the 28-acre site. The project proposal in Prop. D has been developed through an eight-year community planning process led by the San Francisco Giants. It received unanimous endorsement from the San Francisco Board of Supervisors and the Port of San Francisco in 2013.

In June 2014, voters passed the Waterfront Height Limit Right to Vote Act, which requires that all height limit changes on port property go before the voters. The San Francisco Giants put this measure on the ballot through petition signatures. The project sponsors continued to refine the project even after the signature gathering had begun. Although it is not in the language of the ballot measure, the final negotiated terms commit the project to 40 percent affordable housing on the site.
Prop. D would allow for the creation of new affordable housing, jobs and parks at Mission Rock, as well as the restoration of historic Pier 48. Owned by the Port of San Francisco, the land is currently being used as a surface parking lot.
Mission Rock Project

PROS

- The Mission Rock project would create a new neighborhood for San Francisco residents, workers and visitors on a site of citywide importance that is currently being used as a surface parking lot.
- The building heights proposed would be appropriate at this location. The public transit investments made at the site and nearby make it an appropriate place for more intensive use.
- The project would include numerous community benefits, such as affordable housing, parks and open space, a renovated historic Pier 48 and improved public access to the waterfront. The project's commitment to 40 percent affordable housing for a mix of lower- and middle-income residents is significantly higher than the city requirement and would expand the supply of much-needed affordable housing in San Francisco.
- The project is expected to create 13,500 construction jobs and 11,000 permanent jobs, many of which would be made available to San Franciscans.
- The project is expected to generate $25 million per year in revenue for city services.
- The community engagement and planning process for the site has been extensive and has significantly shaped the proposed project plans.

CONS

- The project could block some views of the bay.

SPUR’S RECOMMENDATION

The proposed project at Mission Rock would make a positive contribution to the waterfront in this currently underutilized area of San Francisco. We believe the focus on affordable housing, open space and the adaptive reuse of the historic pier would make Mission Rock a place San Franciscans will be proud of. In particular, the project proponent’s commitment to build 600 units of much-needed affordable housing would contribute to one of the city’s most urgent priorities.

Vote YES on Prop. D.
We delve into the details so that you don’t have to.

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WHAT THE MEASURE WOULD DO

The ordinance would amend the San Francisco Administrative Code to create the following requirements for public meetings:

• All meetings must be streamed live via the Internet.
• All meetings must be set up to accommodate remote/virtual comment by members of the public on agenda items while meetings are taking place.
• All remote public comment must be translated into English.
• All bodies must provide the option of a “time certain” designation for agenda items, meaning that designated agenda items must begin at predetermined times. Under Prop. E, any member of the policy body, or 50 or more members of the public, could petition for this designation for an agenda item up to 48 hours before the meeting.

Proposition E would apply to every public meeting of every board, commission, oversight committee and advisory committee in the City and County of San Francisco, as well as their subcommittees — an estimated 120 bodies with a combined 2,000 meetings a year. The City and County of San Francisco’s policy bodies would have six months from the date of Prop. E’s passage to meet these requirements.

It is difficult to say how the requirements imposed by this measure would be implemented in the thousands of meetings it would cover. While many meetings are already live-streamed on the web, hundreds are not, and many occur in facilities that are not equipped for live streaming. The measure would provide no additional funding for implementation.

Certain requirements of the measure are potentially in logistical and legal conflict with each other. For example, it is the current practice in San Francisco that meetings accommodate every member of the public who wishes to give public comment, which results in hearings of unpredictable length. The implications of unlimited remote/virtual public comment could result in meetings of even greater and less predictable length, which would conflict with the time certain requirement for designated agenda items. If policy bodies imposed a time limit on public testimony, additional virtual public testimony might come at the expense of in-person testimony.

THE BACKSTORY

Prop. E was introduced by a San Francisco State University professor who developed it with students in an American government class.

The measure’s proponents decided to gather signatures to place the measure on the ballot after speaking to city officials and being unsatisfied with their response. The Sunshine Ordinance Task Force, the San Francisco Department of Technology (which would be tasked with much of the implementation) and the Controller’s Office (which provides estimates of the cost of changes to city policy) have all issued statements of concern that Prop. E’s requirements might not be implementable within the time frame given and that they would likely incur significant and unpredictable costs to the city over time.

Prop. E introduces a new concept in public process. Some of the ideas in this measure have been considered by legislatures in other cities, but no other city in the country has yet implemented an equivalent package of requirements for public meetings.

As the legislation is written, each policy body would write its own rules for implementation. The Board of Supervisors would not be able to amend Prop. E, if it passes, except to “further its purposes.”
SPUR’S RECOMMENDATION

Creating a more open and accessible government is a laudable goal, and emerging technologies provide new tools for getting there. However, setting up systems for the use of new technology in government will require experimentation, flexibility and adjustment. By enacting this measure at the ballot, San Francisco will not be able to go through this process of learning and adjustment.

The problems of participatory democracy require more nuanced solutions than Prop. E offers. Our current public forums fail on multiple counts: They don’t involve enough people; they are not representative of the full diversity of San Francisco’s population; and they don’t involve authentic deliberation and debate — most participants show up with scripted sound bites. Prop. E will not solve these problems. Instead, it could be disastrous for the public process.

Vote NO on Prop. E.
The growing popularity of short-term rentals and the increasing pressures on the San Francisco housing market have formed the backdrop for a series of attempts at regulating short-term residential rentals in San Francisco.

In October 2014, the San Francisco Board of Supervisors approved an ordinance creating a legal framework for short-term rentals. After the passage of the ordinance, numerous parties, including the Planning Department, raised concerns about the legislation’s enforceability and sought amendments. In July 2015, the Board of Supervisors passed reform legislation to create a better enforcement mechanism, including a “one-stop shop” office to handle issues related to short-term rentals. Meanwhile, ShareBetter SF sponsored Prop. F and placed it on the ballot through voter signatures.

Each measure — the October 2014 ordinance, the July reform legislation and Prop. F — sets forth a different combination of regulations, such as how many nights a unit may be rented and how the limit will be enforced. (See Figure 2 on page 15 and 16 for a detailed comparison of the differences among the three.) Prop. F is more restrictive than either of the policies created by the Board of Supervisors and, if passed by the voters, could only be amended by a ballot measure in another election.

The measure would require individual hosts to work with the Planning Department to notify their neighbors that their unit has been approved for short-term rental use. Prop. F would also give neighbors and certain organizations, such as nonprofit housing groups, the ability to sue for enforcement of its regulations. Under Prop. F, interested parties could sue a resident for hosting a short-term rental even if the Planning Department decided that the short-term rental in question was not in violation of the law and even if the city didn’t otherwise pursue enforcement.

WHAT THE MEASURE WOULD DO

“Short-term residential rentals” refers to the practice of renting homes or rooms for thirty days at a time or less. Most people know these as Airbnb or VRBO rentals, after two of the most well known websites used to facilitate these transactions.

Many cities are now weighing and debating the positive and negative impacts of short-term rentals on permanent residents. Advocates say short-term rentals provide important income for residents, allow people to benefit from previously underutilized urban space, and create economic and social benefits for communities. Detractors say short-term rentals can cut into the housing available for people who want to live in a city permanently and also create a nuisance for neighbors. Cities are just beginning to gather data to study these impacts and try out policies that can regulate them.

Proposition F was placed on the ballot by a group called ShareBetter SF, which believes San Francisco regulations to date have not gone far enough in limiting short-term rentals. Prop. F would revise existing city regulations, reducing the total days that a San Francisco resident could rent space in his or her home on a short-term basis to 75 days per year. It would also prohibit accessory dwelling units (i.e., secondary or “in-law” apartments) from being used for short-term rentals.

Prop. F would require hosting platforms such as Airbnb and VRBO to ensure that units listed on their sites have registered with the San Francisco Planning Department. It would also require these platforms to prevent the listing of a unit online once the unit has exceeded the maximum number of rental days allowed. Under the measure, hosting platforms would submit quarterly reports reflecting the number of nights units are used for short-term rentals. Platforms that fail to do this would face monetary penalties under Prop. F.

The measure would require individual hosts to work with the Planning Department to notify their neighbors that their unit has been approved for short-term rental use. Prop. F would also give neighbors and certain organizations, such as nonprofit housing groups, the ability to sue for enforcement of its regulations. Under Prop. F, interested parties could sue a resident for hosting a short-term rental even if the Planning Department decided that the short-term rental in question was not in violation of the law and even if the city didn’t otherwise pursue enforcement.
## FIGURE 2: How Does Prop. F Differ From Existing Regulations?

<table>
<thead>
<tr>
<th>REGULATORY ISSUE</th>
<th>INITIAL 2014 REGULATION</th>
<th>CURRENT REGULATION</th>
<th>PROP F. PROPOSAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many nights can a unit be rented each year?</td>
<td>90 days for rentals where the host is not present; unlimited days for rentals where the host is present</td>
<td>Same as initial regulation</td>
<td>75 days for any type of rental</td>
</tr>
<tr>
<td>Are hosting platforms prohibited from listing a unit if it has reached the limit of rentable nights?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the data-sharing requirement?</td>
<td>Permanent residents must submit an annual report to the Planning Department regarding usage of unit. No reporting requirement for hosting platforms.</td>
<td>Permanent residents must submit quarterly reports to the Planning Department regarding usage of unit. No reporting requirement for hosting platforms.</td>
<td>Permanent residents and hosting platforms must submit quarterly reports to the Planning Department regarding usage of unit.</td>
</tr>
<tr>
<td>Who is defined as an “interested party” and can take action to enforce the regulations?</td>
<td>Permanent residents of building, homeowners’ associations, housing nonprofits, unit owners.</td>
<td>Permanent residents of building, permanent residents or owners within 100 feet of building, homeowners’ associations, housing nonprofits, unit owners.</td>
<td>Permanent residents of building, permanent residents within 100 feet of building, homeowners’ associations, housing nonprofits.</td>
</tr>
<tr>
<td>What is the enforcement process?</td>
<td>Someone files a complaint; Planning Department determines if there is a violation; if so, city or interested party may file lawsuit against owner of unit.</td>
<td>City attorney can take action directly. Otherwise, someone files a complaint or planning director initiates an investigation. If planning director determines there is a violation, city or interested party can sue. If Planning Department doesn’t respond to complaint within 135 days and city attorney doesn’t file suit, a subset of interested parties can sue owner. The ordinance also requires the mayor to create a new Office of Short-Term Rental Administration and Enforcement.</td>
<td>City attorney can take action directly. Otherwise, someone files a complaint. Planning Department has 90 days to determine if there is a violation (and can issue subpoenas if necessary). If there is a violation, Planning Department can issue cease and desist order. City attorney can then file suit. If city attorney doesn’t file suit or if complainant doesn’t agree with Planning Department determination, an interested party can move forward with lawsuit.</td>
</tr>
</tbody>
</table>
## Short-Term Residential Rentals

### How Does Prop. F Differ From Existing Regulations?

<table>
<thead>
<tr>
<th>REGULATORY ISSUE</th>
<th>INITIAL 2014 REGULATION</th>
<th>CURRENT REGULATION With reforms passed in July</th>
<th>PROP F. PROPOSAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can accessory dwelling units be used for short-term rentals?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Must application for short-term rental demonstrate building-owner approval?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the notification process if unit is registered with the city?</td>
<td>Notification sent to owner of unit when application approved.</td>
<td>Notification sent to owner of unit when application approved. In areas zoned for single-family detached homes, notice of pending application must be sent to homeowners' associations, property owners and residents within 300 feet of property and must include 45-day window for public comment.</td>
<td>After application is approved, permanent resident must post a sign/notice on building for 30 days indicating intent to use unit for short-term rental. Notification must be sent to tenants in building, neighbors within 100 feet and neighborhood groups that have indicated interest.</td>
</tr>
<tr>
<td>Who must post unit registration number on website listing?</td>
<td>Permanent resident is responsible.</td>
<td>Permanent resident is responsible.</td>
<td>Permanent resident and hosting platform are responsible.</td>
</tr>
<tr>
<td>Can units be used as short-term rentals if they were built as inclusionary housing or are designated as below market rate or a “residential hotel”?</td>
<td>No</td>
<td>No. Also prohibits use of units that were taken off the market by the Ellis Act within five years prior to short-term rental application.</td>
<td>No.</td>
</tr>
<tr>
<td>Can rent-controlled units be rented for more than what the long-term tenant pays?</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
SPUR'S RECOMMENDATION

Whether the value that short-term rentals provide to city residents outweighs their negative impacts is a matter of opinion. We agree that it’s important to protect housing that could be rented by long-term residents from being cannibalized for short-term vacation rentals. But we also believe that home sharing can provide valuable benefits for residents and visitors and is something people should be allowed to do.

It doesn’t make sense to tie up this emerging policy issue at the ballot. Current regulations on short-term rentals have been on the books for less than a year and will likely be adjusted and improved as the city gathers data and learns more about how short-term rentals affect the city. Passage of Prop. F would prevent that from happening by locking in regulations that could only be changed by another lengthy, difficult and costly ballot measure process.

PROS

• By restricting all types of short-term rentals to a total of 75 days or fewer per year, Prop. F would reduce the economic incentive and likelihood that San Franciscans would convert a spare room into a short-term rental instead of finding a long-term occupant. This could help prevent short-term rentals from reducing the supply of long-term housing.
• The measure could provide neighbors with more knowledge about units that are being utilized for short-term rentals.
• The measure would simplify enforcement by removing the current unenforceable requirement that the Planning Department determine if a rental is “hosted” or “unhosted” (i.e., whether or not a host is present during a rental).

CONS

• Prop. F’s tighter restrictions on the total number of days a unit could be rented would reduce revenue for property owners and permanent residents who offer short-term rentals. For some hosts, this revenue is an important source of income.
• By allowing any neighbor or interested organization to sue someone who is renting out a unit for short-term use, regardless of whether the Planning Department determines there was a violation, Prop. F could lead to an increase in unmerited lawsuits, including between neighbors.
• This ordinance, and all the changes it would make to the current regulations and enforcement process, would not be amendable through the regular legislative process. If Prop. F passes, the minutia in this initiative would only be amendable by future ballot measures.

Vote NO on Prop. F.
Restrictions for CleanPowerSF

WHAT THE MEASURE WOULD DO

The City of San Francisco is poised to launch a Community Choice Aggregation (CCA) Program called CleanPowerSF. Community Choice Aggregation is a state law that allows local governments to purchase and sell energy to residents and businesses within their jurisdictions. The purpose of CleanPowerSF is to provide San Franciscans with a choice of electricity providers and a high percentage of renewable energy. CCA programs are subject to the same requirements as other electricity providers, such as PG&E; they must maintain a minimum amount of renewable energy in their portfolios and disclose this amount to the public. Under current state law, all electricity suppliers must meet annual targets that escalate to 33 percent renewable energy by 2020.

Proposition G creates a new, unique definition for “renewable, greenhouse-gas free” electricity that would apply only to CleanPowerSF. State law already defines “eligible renewable energy resources” and apports them into three categories depending on where and when the electricity is generated. But Prop. G would limit the definition of “eligible renewable energy resources” to include only certain power generated within or adjacent to California’s borders, as well as electricity that’s derived from the city’s Hetch Hetchy hydroelectric power facilities. The new definition would not include rooftop solar panels in San Francisco.

The measure would prohibit the San Francisco Public Utilities Commission (SFPUC) from describing, advertising, marketing or making public statements about CleanPowerSF as “clean,” “green” or any similar term unless its electricity mix fully conformed to this newly defined term. That means that CleanPowerSF would be subject to more stringent requirements than other utilities. Other electricity providers typically source power from natural gas, nuclear and large hydroelectric plants for the portion of the energy they deliver once they’ve met their California renewable requirements.

Prop. G would also require the SFPUC to send out a third notification to customers prior to their enrollment in CleanPowerSF. (State law currently requires two notifications to be sent prior to enrollment, and two following enrollment.) Automatic enrollment is mandated by the state CCA law, but customers may opt out freely and easily. According to an analysis of Prop. G by the Office of the Controller, each additional mailing would cost the city $125,000, increasing the administrative cost of the program.

THE BACKSTORY

This measure was put on the ballot by a signature campaign sponsored by IBEW Local 1245, an electrical workers’ union. After Prop. G qualified for the ballot, the proponents of the campaign subsequently negotiated Prop. H with the city and have since rescinded their support for Prop. G. However, by then it was too late to remove Prop. G from the ballot.
SPUR’S RECOMMENDATION

The city’s CleanPowerSF program is planning to provide consumers with a choice of green, renewable power, sourced largely from California renewable resources. It plans to surpass state requirements in the percentage of renewable electricity that it delivers to customers. Forcing the program to adhere to a higher standard and a boutique definition of clean power would limit how the city can market the program, might make reporting and implementation of the program more difficult and expensive, and would be confusing for voters and energy consumers. Furthermore, even its proponents are now opposing it.

Vote NO on Prop. G.
WHAT THE MEASURE WOULD DO

This measure is a response to Proposition G. For complete background on the issue, start with our discussion of Prop. G on page 18.

Proposition H would make it city policy that terms such as “clean energy,” “green energy” and “greenhouse-gas free energy” hew to the state’s definition of “California-eligible renewable energy.” The measure would also make it city policy for the CleanPowerSF program to limit its purchases of “unbundled” renewable energy credits, to the extent feasible, for the portion of renewable energy that the program is expected to deliver above state requirements. “Unbundled” renewable energy credits are certificates associated with renewable power that are separate commodities from the electricity itself. These credits can be purchased out of state and do not necessarily represent or encourage investment in new, renewable power in California. State law requires that utilities use a diminishing amount of unbundled renewable energy credits by 2020 in order to comply with the state’s renewable portfolio standard.

Prop. H contains a “poison pill” for Prop. G. If Prop. H were to get more votes than Prop. G, every part of Prop. G would be considered null and void.

THE BACKSTORY

Prop. H was put on the ballot as a counter-measure and poison pill for Prop. G. Disclosures Regarding Renewable Energy. After a signature campaign put Prop. G on the ballot, Prop. H was negotiated among the Board of Supervisors, the Mayor’s Office and IBEW Local 1245. A majority of the Board of Supervisors placed Prop. H on the ballot.

IBEW, the original proponent of Prop. G, has now rescinded support from Prop. G and is supporting Prop. H.

PROS

• This measure would express voters’ preference for the CleanPowerSF program’s planned approach, which is to use “California-eligible renewable resources” to the extent feasible, plus surplus Hetch Hetchy power, to deliver electricity to San Francisco customers.

CONS

• The city’s CleanPowerSF program is already planning to do what Prop. H aims for: provide consumers with a choice of green, renewable power (sourced largely from California renewable resources) and limit unbundled renewable energy credits to the extent feasible. This measure would change nothing about city policy and is mostly on the ballot for its poison pill, which would nullify the limiting terms of Prop. G.

• Neither Prop. H nor Prop. G should be on the ballot. Policies for the CleanPowerSF program can and should be made by the Board of Supervisors and the San Francisco Public Utilities Commission through the normal political process.

SPUR’S RECOMMENDATION

This measure does not meaningfully address a policy issue facing the city and, together with Prop. G, it creates confusion for voters. It could and should have been negotiated through the normal political process. However, voting “Yes” on Prop. H would help ensure the demise of Prop. G, a worse measure that would make CleanPowerSF harder and more expensive to implement, with outcomes voters probably do not intend (such as the exclusion of rooftop solar from the definition of clean, green energy). Weighing these considerations, we are unable to put our support behind either position.

SPUR has no recommended position on Prop. H.
WHAT THE MEASURE WOULD DO

Proposition I would apply interim zoning controls to the Mission Area Plan of the San Francisco General Plan, an area bounded roughly by the north side of Cesar Chavez Street, the west side of Potrero Avenue, the south side of Highway 101 and the east side of Guerrero Street. (See map on page 22.) Within this area, Prop. I would prohibit the city from issuing any permits that:

• Demolish, convert or construct a housing project of five units or more unless the new project is 100 percent below-market-rate affordable housing
• Demolish, convert or eliminate production, distribution and repair uses (including industrial, automotive, storage and wholesale) unless the action is needed to construct 100 percent below-market-rate affordable housing

Projects that are 100 percent affordable to households with incomes at or below 120 percent of the area median income ($85,600 for an individual, $122,300 for a family of four) for at least 55 years would be exempted from the moratorium. Prop. I would ban all other housing developments, including student housing, group housing and projects that have a high percentage of affordable units but less than 100 percent. The moratorium would be in place for 18 months and could be extended for up to 12 additional months by a majority vote of the Board of Supervisors.

Prop. I would also require that city departments (including the Planning Department, the Mayor’s Office, the Mayor’s Office of Housing and Community Development, and the Office of Economic and Workforce Development) develop a Neighborhood Stabilization Plan by January 31, 2017. The plan would need to meet the goals of 2014’s Proposition K, which committed the city to “strive to achieve” that at least 33 percent of new housing units be affordable to low- and moderate-income households and at least 50 percent of new units be affordable to low-, moderate- and middle-income households. The plan would have to include an affordable housing development strategy and a neighborhood stabilization strategy that helps to preserve and protect small businesses and arts and cultural organizations; facilitates the acquisition of properties by community-based nonprofits; and provides counseling for those at risk of displacement.

THE BACKSTORY

The Mission District has become a focus of the civic debate over the causes of the city’s housing affordability crisis and what policymakers should do about it. Because the Bay Area economy is so strong; because the Bay Area, including San Francisco, has failed to produce enough new housing to keep up with population growth; and because the Mission is such a walkable, livable neighborhood, demand to live in the Mission has sky-rocketed over the past 20 years, and it has become one of the most expensive neighborhoods in the country. The Mission has also been the longtime center of Latino cultural life in the city. When people are forced out of the neighborhood by high costs, the price pressures are experienced not just as a personal crisis but as a fight for the continued presence of the Latino community in San Francisco — and, by extension, a fight for the value of cultural diversity itself.

In early May 2015, Supervisor Campos, who represents part of the Mission District, proposed to the Board of Supervisors a 45-day moratorium on market-rate development in a 1.5-square-mile area of the neighborhood. The measure did not garner sufficient support to pass at the Board of Supervisors.

Subsequently, this more restrictive moratorium measure was submitted for the ballot. Prop. I would cover a larger area of the Mission and a longer period: 18 months instead of the Campos measure’s 45 days. Proponents collected the signatures to place Prop. I on the ballot.

Following the introduction of this measure, the Planning Department proposed interim zoning controls for six months to allow the department and the Mission community to work together on an initiative called Mission Action Plan 2020, which aims to preserve the socioeconomic diversity of the neighborhood. Under these controls, market-rate housing developments would need to make certain findings in order to get a conditional use permit before they could begin construction. In August, the Planning Commission voted to adopt a policy in lieu of adopting the proposed interim controls. The Planning Commission now has an explicit policy of increased scrutiny for Mission projects — particularly those that displace either commercial or residential tenants — and expects projects
Mission Housing Moratorium Location

Prop. I would prohibit the construction of new housing projects within the Mission District, unless 100 percent of the units were below-market-rate affordable housing. This moratorium on new housing would apply to the area shown in red for 18 months.
to mitigate their negative impacts through “social and economic contributions” such as building additional affordable housing units or space for a community organization, to cite two examples. The commission also expects developers to replace rent-controlled units and build a higher number of affordable units than required if feasible. The commission may still approve projects with this policy in place unless or until Prop. I passes.

PROS

• A long-term moratorium could drive down property values on a few of the developable sites in the Mission, making it possible for the city to acquire them for affordable housing at lower cost.

CONS

• Prop. I — and the likelihood that it will lead to a longer-lasting moratorium — would exacerbate some of the very causes of the housing crisis by limiting the overall supply of housing.

• Existing city policies that require market-rate developers to also build or pay for affordable housing generate a large amount of affordable housing in San Francisco: Building more market-rate housing generates more affordable housing. By halting construction on planned development, Prop. I could directly cause the loss of between 97 and 131 units for low-income residents.  

• The city and local community spent a decade working on the Eastern Neighborhoods Plan, which was adopted in 2009. This ballot measure undoes all of that work and many carefully negotiated compromises. It sets a troubling precedent for discarding neighborhood plans whenever one interest group believes it can prevail at the ballot.

SPUR’S RECOMMENDATION

As the Mission’s own history has shown, failure to build new housing simply increases the pressure on a popular neighborhood’s already limited housing stock. The Mission became hyper-gentrified with virtually no new housing development for decades.

The word “moratorium” implies a stop to evictions or a stop to high housing costs. But it only stops the creation of more places to live. A moratorium would have the opposite effect of what its supporters intend, making housing opportunities more scarce for everyone.

The refusal of neighborhoods to accept new housing has added up to a terrible affordability crisis for the region. This moratorium will, in aggregate, only make the affordability crisis worse.

Vote NO on Prop. I.
VOTE NO

WHAT THE MEASURE WOULD DO

Proposition J would make two changes to a recently adopted ordinance for “legacy” businesses, i.e., long-standing businesses that contribute to San Francisco’s history and identity. It would modify the definition of a legacy business and establish a new fund to provide annual subsidies to businesses that qualify.

Under the existing ordinance, a legacy business is one that is nominated by the mayor or Board of Supervisors and meets the following criteria:

- Has been operating in San Francisco for 30 years or more (with no break in business greater than two years)
- Has contributed to the neighborhood’s history or identity
- Is committed to maintaining the physical features or traditions that define the business

Prop. J would modify the definition of a legacy business in the following manner:

- Would eliminate a requirement that the business be founded in San Francisco or is currently headquartered there
- Would modify the years in operation to include businesses that have operated between 20 and 30 years if the Small Business Commission finds that the business “has significantly contributed to the history or identity of a particular neighborhood or community and … would face a significant risk of displacement”
- Would limit the total number of nominations of legacy businesses to 300 per fiscal year (but would not place any restriction on the number of nominations from any one supervisor or the mayor)

While Prop. J would not appropriate any funding to support legacy businesses, it would provide a mechanism to subsidize them by establishing a Legacy Business Historic Preservation Fund. If the city chose to appropriate monies from its General Fund for this purpose, the Legacy Business Historic Preservation Fund would then provide funding to legacy business owners and their landlords.

The subsidy to a legacy business owner would be $500 per full-time equivalent employee in San Francisco. The maximum subsidy for a business owner would be $50,000 per year per company (based on a maximum of 100 full-time equivalent employees). The subsidy to a property owner who extends a 10-year lease to a legacy business would be $4.50 per square foot of property. The maximum subsidy for the property owner would be $22,500 (based on a maximum of 5,000 square feet per location). These subsidies would increase each year based on inflation. Both the business and the property owner would need to apply for the funding on an annual basis, and in order to qualify they could not owe any fines, penalties or back taxes to the city. The measure would not fund any property owner who is a full or partial owner of the legacy business.

The measure does not recommend an amount of funding to seed the program. But it does specify that if qualified legacy businesses applied for more funding than exists in the fund, the Office of Small Business would distribute the funds on a proportionate basis to the qualified businesses. It also includes a provision for the Small Business Commission to ask for a supplemental appropriation from the Board of Supervisors in the event that a legacy business faces an immediate risk of displacement. In this circumstance, the supplemental funding will be first used to pay for the business at risk of displacement before it is used on newly eligible businesses.

THE BACKSTORY

An increasing number of long-standing businesses are closing in San Francisco. According to the city’s Budget and Legislative Analyst, 518 businesses that had been in operation for at least five years closed or changed locations in 1992. That number increased to more than 2,000 in 1999 and further increased to 3,657 in 2011. Some of these businesses closed in part because of their inability to pay market rents and/or their landlords’ unwillingness to sign long-term leases.

In March 2015, the Board of Supervisors unanimously approved an ordinance to establish a registry of legacy businesses. San Francisco is the first city in the United States to create such a registry. That legislation did not include any financial support for legacy businesses.

Prop. J, an ordinance amending this program, was placed on the ballot with the signatures of four supervisors.

SPUR’S RECOMMENDATION

We wanted to be able to support this measure. We have watched beloved stores and restaurants close as a result of rising commercial rents. We agree that the loss of older businesses affects the character of neighborhoods and the overall experience of the city.

However, Prop. J, as written, is not an effective or fair way to go about preserving legacy businesses. Tying public subsidies to a politician’s endorsement would leave too much room for political abuse. The program’s design might lead to city funds subsidizing property owners to raise rents. And the idea of using public tax dollars to subsidize certain favored businesses simply does not seem fair. We ask: Is this really a legitimate use of public funds when the city has so many needs that are truly public? And is it fair to new small businesses to have to compete against a long-established business that is receiving subsidies?

We understand the good intentions behind this measure. But we think Prop. J would not work as intended, could lead to political abuse and should not be on the ballot.

Vote NO on Prop. J.
WHAT THE MEASURE WOULD DO

Local and state ordinances govern the use of city-owned land that is considered “surplus.” The city’s existing Surplus City Property Ordinance, passed in 2002, created a central process to identify surplus and underutilized property and to put this property to use as housing, shelter or services for low-income households and the homeless. Proponents of the current ordinance have concerns that the 2002 measure has not been effective.

Proposition K would update the Surplus City Property Ordinance to expand its affordability requirements and strengthen the annual process for implementation and information sharing. It would apply to city-owned property in San Francisco that is one-quarter acre or larger in area, not including public rights-of-way or land owned by the Recreation and Parks Department, the airport or the port. Prop. K would expand the city’s existing priorities for affordable housing to include housing for moderate-income households and occasionally middle-income households, in addition to the homeless and low-income populations targeted under the current law. The measure would also compel the Board of Supervisors to appropriate funds to the City Administrator’s Office to actively manage the process of identifying surplus city property. Under Prop. K, the City Administrator’s Office would play a greater role in determining whether properties are surplus or underutilized.

Finally, Prop. K would change the timeline and process for identifying surplus parcels and would require an annual public hearing on the Surplus Property Report. At this meeting, the Board of Supervisors would be able to decide if any properties should be transferred to the Mayor’s Office of Housing and Community Development (MOHCD) and treated as surplus. If MOHCD did not deem affordable housing to be feasible, then steps would be taken to sell the properties, with the sale proceeds going to MOHCD for use in affordable housing development on other sites. City departments would receive no compensation for surplus properties that went to MOHCD.

Properties that fall under the control of the city’s “enterprise agencies” — the San Francisco Municipal Transportation Agency, the San Francisco Public Utilities Commission, the Fine Arts Museums of San Francisco, the San Francisco Unified School District and City College — would be included in the surplus property analysis and reporting process, but ultimately the Board of Supervisors could only make a recommendation to those agencies. It couldn’t compel them to sell or otherwise transfer their property.

The proposed measure also cross-references the state’s surplus land law, which requires other public agencies (including school districts, BART and others) to give MOHCD 120 days advance notice of all San Francisco property dispositions and to offer MOHCD the opportunity to negotiate for their acquisition. If a public agency and the city negotiate in good faith but cannot agree on terms, and if the agency subsequently disposes of the property as a residential project of 10 units or more, then 15 percent of the units are required to be affordable for the life of the project.

Prop. K would give the Board of Supervisors flexibility to waive any of the requirements of this ordinance as they applied to a particular property in order to further the purpose of affordable housing or for other public purposes. The board could also legislatively amend the requirements relating to the reporting and public hearing timeline.
SPUR'S RECOMMENDATION

There is an urgent need for strategies to increase San Francisco’s supply of affordable housing. While we have real reluctance about locking in this particular prioritization of surplus land for all time at the ballot, we believe the scale of public investment in housing that this measure represents is appropriate for what is one of the long-standing and highest priorities for the city. We also appreciate that this measure has been well crafted to allow some flexibility as public priorities evolve or as particular circumstances dictate. In the midst of an ongoing housing crisis, where we need to be using all of the resources at our disposal, we think Prop. K would be a helpful new tool.

THE BACKSTORY

Four supervisors introduced this ordinance, and the Board of Supervisors unanimously voted to place it on the ballot. A previous draft of the ordinance was withdrawn in order for this more flexible compromise measure to move forward. There have been numerous local and state efforts in the past year to bolster the city’s ability to prioritize public land for housing needs. In 2014, the Planning Department and the Office of Economic and Workforce Development launched an interagency effort to better utilize land owned by the city and its enterprise agencies, with a focus on housing. And in 2014, California Assembly Bill 2135 gave affordable housing development projects the right to negotiate to obtain surplus land held by local governments; housing projects that are 100 percent affordable now receive first priority. Prop. K is intended to work in tandem with these existing efforts and, in the case of the state bill, to provide a process for implementing it locally.

PROS

• Making city-owned land available, at a discount, for affordable housing is essentially another way for the city to fund affordable housing, which is a top priority for public funds.
• The existing Surplus City Property Ordinance has not yielded very many sites for affordable housing. This proposal would make the process more robust and require the appropriation of funding for the City Administrator’s Office to manage the process.
• The measure would give the Board of Supervisors flexibility to make exceptions on individual projects if they meet public purposes.

CONS

• By preempting the discussion about policy priorities and locking in affordable housing as the de facto first priority for surplus property, this measure has the effect of de-prioritizing other public purposes that could otherwise make use of funds from the sale of surplus land.
• This measure does not need to be on the ballot. The original 2002 Surplus City Property Ordinance was enacted legislatively.

Vote YES on Prop. K.
Eleven city propositions appear on the San Francisco ballot on November 3, 2015. As we do every election, SPUR provides in-depth analysis and recommendations on each one.

We evaluate measures based on two sets of factors:

Outcomes
• Will the measure make the city better?
• Do the positive impacts of the measure outweigh any negative impacts?

Process
• Is it necessary and appropriate to be on the ballot?
• Is it written in a clear and straightforward way?
• Will it be implementable?
• Does the measure make it easier or harder to make future governance and management decisions?

San Francisco faces many urgent issues. Ballot measures that offer solutions, reflect broad community consensus and allow flexibility in implementation can move the city forward. SPUR supports such good public policy.

By the same token, complex challenges won't be solved by inadequate public policy. Sometimes the intentions behind a measure are laudable, but the policy as written will not have its desired effect — and may have negative unintended consequences. Often the ballot is not the best way to move forward on an issue.

SPUR focuses on outcomes, not ideology. The goal of the SPUR Voter Guide is to provide objective analysis and advise voters on which measures will deliver real solutions.