

BOARD of SUPERVISORS



City Hall
1 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: John Rahaim, Director, Planning Department
Olson Lee, Director, Mayor's Office of Housing and Community
Development
Tiffany Bohee, Executive Director, Office of Community Investment and
Infrastructure

FROM:  Alisa Somera, Legislative Deputy Director
Board of Supervisors

DATE: June 22, 2016

SUBJECT: LEGISLATION INTRODUCED AND REFERRED TO COMMITTEE

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, which was referred to committee at the June 14, 2016, Board of Supervisors meeting. Supervisor Wiener introduced this matter on June 7, 2016:

File No. 160675

Resolution urging the San Francisco Legislative Delegation to work to amend the "By Right Housing Approvals" proposed Trailer Bill, in recognition of San Francisco's severe housing crisis and existing obstacles to sufficient regional and statewide housing creation.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: alisa.somera@sfgov.org.

c: Scott Sanchez, Planning Department
Sarah Jones, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Jeanie Poling, Planning Department
Sophie Hayward, Mayor's Office of Housing and Community Development
Claudia Guerra, Office of Community Investment and Infrastructure

1 [Urging the San Francisco Legislative Delegation to Work to Amend the Proposed “By Right
2 Housing Approvals” Budget Trailer Bill]

3 **Resolution urging the San Francisco Legislative Delegation to work to amend the “By**
4 **Right Housing Approvals” proposed Trailer Bill, in recognition of San Francisco’s**
5 **severe housing crisis and existing obstacles to sufficient regional and statewide**
6 **housing creation.**

7
8 WHEREAS, San Francisco and many parts of the Bay Area are in the midst of a
9 terrible housing affordability crisis; and

10 WHEREAS, This housing crisis threatens the very fabric of our community, leading to
11 evictions and displacement, making it exceedingly difficult for residents to move, creating
12 huge challenges for growing families to find adequate and affordable living space,
13 undermining economic growth and job creation, and undermining our region’s well-earned
14 reputation as a place where people can come from around the country and around the world
15 to make lives for themselves; and

16 WHEREAS, The people who suffer most from our housing crisis are low income people
17 and middle income people; and

18 WHEREAS, A key root cause of our housing crisis is our failure – as a city and as a
19 region – to create enough housing in the face of significant population growth, including
20 privately produced housing, subsidized below market rate housing, secondary units (“in-law
21 units”), student housing, senior housing, and other forms of housing; and

22 WHEREAS, San Francisco has grown by approximately 200,000 people since 1980, is
23 currently growing by about 10,000 people a year, and is projected to exceed one million
24 residents by 2040; and

1 WHEREAS, The Bay Area has grown by 2.5 million people since 1980 and is projected
2 to grow by over two million people by 2040; and

3 WHEREAS, Without meaningful efforts to create significantly more housing of all forms
4 and to make it less difficult, expensive, and time-consuming to create housing, our housing
5 crisis will only get worse; and

6 WHEREAS, The lack of new housing production throughout the Bay Area is seriously
7 exacerbating the housing affordability crisis in San Francisco; and

8 WHEREAS, It is critically important that as we create more housing, we do so in an
9 environmentally sustainable way, with sustainable design and siting of housing, with a focus
10 on transit-oriented housing instead of sprawl, and with a commitment to implementing the
11 goals and requirements of Senate Bill 375; and

12 WHEREAS, San Francisco, after decades of very little housing creation, recently
13 began to produce more housing and has significant housing in the development pipeline; and

14 WHEREAS, San Francisco has entitled a number of large developments and smaller
15 infill developments, has accelerated its production of subsidized below market rate housing,
16 has increased its inclusionary housing percentage for new developments, and has begun to
17 allow more secondary units; and

18 WHEREAS, It is important for San Francisco to maintain its recent momentum around
19 housing creation; and

20 WHEREAS, The California Legislative Analyst’s Office found in a 2015 study that each
21 additional layer of independent review for projects caused a four percent increase in prices,
22 proving that lengthy development approval timelines increase our affordability problem; and

23 WHEREAS, San Francisco supports discretionary planning tools that allow for
24 collaborative community input pertaining to architecture, urban design standards, setbacks,
25 affordability, preservation of historic buildings, preservation of rent-controlled housing stock,

1 demolition controls, labor standards (including prevailing wage), and environmental standards
2 (including conformity with Senate Bill 375); and

3 WHEREAS, Given the critical need for more housing, San Francisco supports
4 communities in California honoring local zoning rules and master plans that these
5 communities have adopted and, in doing so, ensuring that housing projects can be built to the
6 maximum height and number of housing units allowed by adopted local zoning for a specific
7 site, and San Francisco does not support the use of discretionary approval processes to
8 minimize or negotiate down the number of zoning-allowed residential units that can be built on
9 a specific site; and

10 WHEREAS, On May 16, 2016, Governor Jerry Brown introduced a Budget Trailer Bill
11 proposal for “By-Right Housing Approvals” which pre-empts all discretionary local land use
12 policies and housing development requirements to allow multi-unit development approvals as-
13 of-right if a proposed development includes 10% affordable units, which effectively means all
14 development projects in San Francisco 10 units or larger with on-site affordable housing; and

15 WHEREAS, A state pre-emption to establish statewide minimum housing standards
16 should recognize and respect established local standards unrelated to the number of units
17 allowed under applicable zoning – for example, honoring local standards around architecture,
18 urban design, setbacks, affordability, preservation of historic buildings, preservation of rent-
19 controlled housing stock, demolition controls, labor standards, and environmental standards;
20 and

21 WHEREAS, Any state legislation in this area should recognize the importance of
22 complying with the goals and standards of Senate Bill 375, as well as the importance of labor
23 standards, including prevailing wage; and

24 WHEREAS, The State has a role to play in ensuring good housing policy in California,
25 given that the housing crisis is spreading through various parts of the state and given that

1 local jurisdictions do not exist in a vacuum, with housing decisions in individual jurisdictions
2 impacting housing costs in other jurisdictions; and

3 WHEREAS, Any policy to incentivize housing creation should include protection of
4 existing housing from demolition, especially affordable and rent-controlled housing; and

5 WHEREAS, Displacement of residents from San Francisco through real estate
6 speculation is a continuing crisis, with over 800 housing units removed from affordability
7 protections through Ellis Act evictions since 2012, and attempted state law reform in 2014 to
8 prevent abuse of the Ellis Act was thwarted in the legislature; and

9 WHEREAS, Efforts to secure a state permanent source for affordable housing
10 production since the 2011 dissolution of Redevelopment tax increment financing continue to
11 be frustrated, with repeated attempts proposing a modest document recording fee on real
12 estate transactions as a source for affordable housing having been prevented in the
13 legislature; and

14 WHEREAS, Population and housing growth must be accompanied by investments in
15 and expansion of public transportation, so that development can truly be transit-oriented and
16 so that California's growth is environmentally sustainable; and

17 WHEREAS, The Governor's trailer bill is scheduled to be heard in both the Senate and
18 Assembly during May and early June as part of the State Budget process; now, therefore, be
19 it

20 RESOLVED, That the Board of Supervisors recognizes the impressive legislative
21 records and ongoing and effective work of Assembly Members Chiu and Ting, as well as
22 State Senator Leno (the "San Francisco Legislative Delegation") in representing the best
23 interests of San Francisco constituents; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors commends Governor Brown for
25 recognizing the dire housing and affordability crisis in California and pursuing policy solutions

1 that make residential housing creation faster and more predictable, within the limits imposed
2 by objective local planning standards, and will create significantly more housing of all forms
3 throughout our state and the Bay Area; and be it

4 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
5 Francisco does hereby urge the San Francisco Legislative Delegation to offer amendments to
6 the By-Right Housing Approvals Trailer Bill to guarantee the zoning-allowed height and
7 number of units by-right in order to address our city, regional, and statewide housing crisis, to
8 further promote infill transit-oriented development and limit sprawl, to allow local jurisdictions
9 to retain the ability to promote good architecture and urban design, including setbacks, to
10 adopt locally controlled inclusionary standards, to preserve historic buildings, affordable and
11 rent-controlled housing stock, to limit demolitions, and to adopt labor and environmental
12 standards; and

13 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
14 Francisco does hereby urge the San Francisco Legislative Delegation to pursue measures to
15 increase state support for public transportation investments, so that as our region and state
16 grow, our increased population and housing stock is supported by public transit and can truly
17 be transit-oriented; and

18 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
19 Francisco also urge the state legislature and the Governor to recommit to adopting reforms
20 that prevent abuse of the Ellis Act, to recommit to clarifying the authority of local governments
21 to establish Inclusionary Housing requirements, and to recommit to adopting a state
22 permanent source of financing for affordable housing; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
24 Francisco directs the Clerk of the Board to transmit this resolution to the respective offices of
25 the San Francisco Legislative Delegation upon final passage.