

BOARD of SUPERVISORS



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MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development
Christina Varner, Acting Executive Director, Rent Board

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: November 17, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Chan on November 9, 2021:

File No. 211180

Resolution urging the Planning Department to institutionalize a sensitive communities map in the City's 2022 Housing Element Update of the General Plan; to preserve at-risk housing and provide long-term stability to existing communities; and to apply policies that specifically incentivize affordable housing production within sensitive communities and all across San Francisco.

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: erica.major@sfgov.org.

cc: Lydia Ely, Mayor's Office of Housing and Community Development
Brian Cheu, Mayor's Office of Housing and Community Development
Maria Benjamin, Mayor's Office of Housing and Community Development

1 [Urging the Planning Department to Institutionalize a Sensitive Communities Map in the
2 General Plan Housing Element]

3 **Resolution urging the Planning Department to institutionalize a sensitive communities**
4 **map in the City's 2022 Housing Element Update of the General Plan; to preserve at-risk**
5 **housing and provide long-term stability to existing communities; and to apply policies**
6 **that specifically incentivize affordable housing production within sensitive**
7 **communities and all across San Francisco.**

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9 WHEREAS, The Housing Element 2022 Update of the General Plan is meant to
10 express San Francisco's collective vision and values for the future of housing in the City,
11 identify priorities for decision makers, guide resource allocation for housing programs and
12 services, and define how and where the City should create new homes for San Franciscans
13 and future residents; and

14 WHEREAS, This update is due late 2022 and will need to accommodate the creation of
15 82,069 total units in San Francisco by 2031, of which 57% (or 46,598 homes) need to be
16 below-market-rate units affordable for very-low to moderate income San Franciscans, a target
17 set by State and Regional Agencies that has been tripled compared to the City's current
18 targets; and

19 WHEREAS, Between 2015 and 2020, San Francisco produced 148% of the market-
20 rate units needed to reach its current target in the City's General Plan Housing Element for
21 above-moderate income housing, but only produced 35% of the affordable units needed to
22 reach its targets for very-low to moderate income housing, demonstrating a need for
23 innovative policies and priorities that incentivize more affordable housing development to
24 achieve an equitable housing balance; and

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1 WHEREAS, Community outreach and engagement for the 2022 Housing Element
2 update began in June 2020, and the second phase of outreach was launched in April 2021
3 with the release of the first draft goals, policies, and actions; and

4 WHEREAS, In 2015, researchers at the Urban Displacement Project of UC Berkeley
5 (UDP) collaborated with the San Francisco Mayor’s Office of Housing and Community
6 Development to better understand and predict where gentrification and displacement was
7 happening and would likely occur in the Bay Area through a community-engaged research
8 process; and

9 WHEREAS, Through this process, UDP created interactive gentrification and
10 displacement typology maps that summarized housing market dynamics and displacement
11 and gentrification risk into a number of “typologies” at the census tract level, including at risk
12 of gentrification, early gentrification, advanced gentrification, and ongoing displacement, which
13 are necessary to inform strategies and protective measures in communities undergoing
14 different stages of displacement; and

15 WHEREAS, More recently, a statewide "Sensitive Communities" detailed analysis and
16 mapping has been formally published by UDP to assist policymakers across California cities
17 in identifying communities where residents may be particularly vulnerable to displacement in
18 the context of rising property values and neighborhood change; and

19 WHEREAS, The Sensitive Communities project (sensitivecommunities.org) developed
20 a methodology to measure displacement and gentrification based on relevant literature, data
21 analysis, and extensive stakeholder engagement of academics, advocates, and policymakers
22 to ground truth and refine maps and selection criteria, on file with the Clerk of the Board of
23 Supervisors in File No. _____, which is hereby declared to be a part of this Resolution as if
24 set forth fully herein; and

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1 WHEREAS, This robust methodology to identify sensitive communities is based on the
2 following criteria:

3 1. Sensitive communities currently have populations vulnerable to displacement in
4 the event of increased redevelopment and drastic shifts in housing cost, defined as over 20%
5 share of very low-income residents AND two of the following criteria:

6 a.) Over 40% share of renters;

7 b.) over 50% share of people of color; or

8 c.) Share of very low-income households (50% AMI or below) that are severely rent
9 burdened is above the county median;

10 2. Sensitive communities are experiencing displacement pressures, defined as
11 percent change in rent above county median for rent increases for a five-year period OR
12 Difference between the tract’s median rent and the median rent for surrounding tracts is
13 above median for all tracts in county (rent gap); and

14 WHEREAS, In the decade since the last Housing Element update, San Francisco’s
15 housing policies have continued to result in a dramatic out-migration of low-income Black,
16 Indigenous, Immigrant, and People of Color (BIPOC) communities due to gentrification and
17 displacement, and significant increase in housing vulnerability among these communities,
18 particularly in areas identified in the Sensitive Communities map; and

19 WHEREAS, In January 2021, Mayor Breed and Supervisors Ronen, Mar and
20 Mandelman wrote to the regional Association of Bay Area Governments (ABAG) expressing
21 the concerns of both the executive and legislative branches of San Francisco's elected
22 leadership that “one of the main drivers of economic inequality has been the decades long
23 push to focus housing production to limited areas most often occupied by communities of
24 color;” and

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1 WHEREAS, The three big “hot market” cities of the Bay Area, San Francisco, San Jose
2 and Oakland, already build a majority of the new housing in the region, and already have an
3 enormous backlog of fully entitled housing units that have not been constructed, including
4 52,000 fully entitled units of market-rate housing in San Francisco alone; and

5 WHEREAS, Upzoning and streamlining in hot markets results in increasing land
6 values, which can exacerbate the instability of residents in sensitive communities with
7 increased market-rate development and impact the ability of the City and affordable housing
8 developers to compete for land; and

9 WHEREAS, Good housing policy demands a precautionary principle and a place-
10 based community stabilization approach to guide policies and uphold the right of lower-
11 income and BIPOC communities to community planning and self-determination after decades
12 of disenfranchisement on development decisions that affect their neighborhoods; and

13 WHEREAS, Sensitive communities have often suffered decades of racial and
14 economic inequities, often from redlining practices by the banking and real estate industry, by
15 urban renewal, by decades of disinvestment from schools and infrastructure, and the
16 disparate impact of environmental racism, and which today bear the brunt of evictions,
17 gentrification, and displacement pressures, and which are often the target for luxury
18 development due to their proximity to transit and other amenities; and

19 WHEREAS, Policies that incentivize increased market-rate development in sensitive
20 communities would result in additional concentrations of development marketed to higher-
21 wage newcomers that are unaffordable and inaccessible to existing lower income and BIPOC
22 communities and exclusionary to new lower income and BIPOC households, and lead to
23 increased gentrification and displacement; and

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1 WHEREAS, Not adding additional policies that further incentivize market-rate
2 development in sensitive communities would in no way stop or block market-rate housing, but
3 would allow sensitive communities to prioritize affordable housing strategies; and

4 WHEREAS, To provide housing access and affirmatively further fair housing for lower
5 income and BIPOC communities in San Francisco's "high opportunity" or "high resource"
6 areas, we must also significantly increase affordable housing incentives in those areas; and

7 WHEREAS, On June 11, 2020, the San Francisco Planning Commission adopted
8 Resolution No. 20738, centering the Planning Department's work program and resource
9 allocation on racial and social equity, on file with the Clerk of the Board of Supervisors in File
10 No. _____, which is hereby declared to be a part of this Resolution as if set forth fully herein;
11 and

12 WHEREAS, A recent University of Minnesota study, on file with the Clerk of the Board
13 of Supervisors in File No. _____, which is hereby declared to be a part of this Resolution as
14 if set forth fully herein, demonstrated that market-rate housing developments create localized
15 upward price pressure on nearby tenants who are paying lower rents, and numerous other
16 studies and reports have demonstrated the relationship between market rate development,
17 gentrification, and displacement, and as such any Housing Element that centers racial and
18 social equity must neutralize and counterbalance the impacts of market based strategies on
19 our cities' BIPOC communities; and

20 WHEREAS, The Planning Department has proclaimed the Housing Element 2022
21 Update of the General Plan to be San Francisco's first housing plan centered in racial and
22 social equity; now, therefore, be it

23 RESOLVED, That the San Francisco Board of Supervisors (Board) urges the Planning
24 Department to institutionalize a San Francisco Sensitive Communities map in the City's 2022
25 Housing Element Update of the General Plan based on the UC Berkeley Urban Displacement

1 Project Sensitive Communities methodology and mapping, and updated regularly with the
2 most recent census data; and, be it

3 FURTHER RESOLVED, That the Board supports the expansion of affordable housing
4 in every neighborhood across the City to affirmatively further fair housing opportunities for low
5 and moderate income San Franciscans; and, be it

6 FURTHER RESOLVED, That in order to protect sensitive communities from increased
7 gentrification and displacement, and to meet the target set by State and Regional agencies for
8 the City to produce 46,598 units affordable for very-low to moderate income households by
9 2031, any new development incentives applied in sensitive communities must specifically
10 encourage increased development of 100% affordable housing and mixed income housing
11 with a majority of units affordable for lower income and moderate income households; and, be
12 it

13 FURTHER RESOLVED, That policies incentivizing increased development in any part
14 of the City should also specifically preserve at-risk housing and provide long-term stability to
15 existing communities by prohibiting, or providing significant displacement mitigations for, any
16 redevelopment of existing multifamily housing, including no residential demolition of price-
17 restricted or rent-controlled housing without one-for-one replacement at the same affordability
18 level or rent-controlled status, resident relocation for the length of construction, a right to
19 return, restrictions on sites where evictions have occurred in the last five years, and
20 prohibition of use for short-term rentals; and, be it

21 FURTHER RESOLVED, That if the Planning Department does choose to create new
22 policies to further incentivize market-rate development in areas not identified as sensitive
23 communities, the Board urges the Department to demonstrate clearly how these policies and
24 any related affordability requirements will meet the City's racial equity goals and affirmatively
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1 further fair housing opportunities for low and moderate income households, and increase
2 access of these households to "high opportunity" or "high resource" areas.

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Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only