

1 [Opposing California State Assembly Bill No. 2063 (Berman) - Expanded State Density Bonus
2 Law - Unless Amended]

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3 **Resolution opposing California State Assembly Bill No. 2063, authored by Assembly**
4 **Member Marc Berman, and urging the San Francisco Legislative Delegation to amend**
5 **Assembly Bill No. 2063, in recognition of San Francisco’s local planning and affordable**
6 **tools.**

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8 WHEREAS, California Assembly Bill No. 2063 (AB 2063) is intended to “prohibit
9 affordable housing impact fees, including inclusionary zoning fees, in-lieu fees, and public
10 benefit fees, from being imposed on a housing development’s [State] density bonus units,”
11 according to the author’s bill language, on file with the Clerk of the Board of Supervisor in File
12 No. 220246 which is hereby declared to be a part of this Resolution as if set forth fully herein;
13 and

14 WHEREAS, AB 2063’s prescription that “By imposing new restrictions on the ability of
15 a local government to impose affordable housing impact fees, the bill would impose a state-
16 mandated local program,” would have the debilitating effect of revoking the City and County of
17 San Francisco’s ability to continue collecting fees to build affordable housing relative to the
18 extra market-rate housing “bonus” units granted to a housing development under the State
19 Density Bonus Law; and

20 WHEREAS, Some local jurisdictions in California, because of local market conditions,
21 depend on granting significant development incentives in order to produce affordable units
22 within private housing development; and

23 WHEREAS, San Francisco, because of its unique local market conditions, has
24 repeatedly demonstrated that private development can and will bear higher affordability
25 requirements; and

1 WHEREAS, San Francisco voters have consistently expressed through their votes a
2 desire for robust affordable housing programs that prioritize the needs of the City’s most
3 vulnerable residents; and

4 WHEREAS, In June 2016, the voters of San Francisco overwhelmingly adopted
5 Proposition C which modernized and strengthened the City’s “Inclusionary Housing” policy,
6 including ensuring that market-rate housing projects availing themselves of State Density
7 Bonus Law “bonus units” would still provide equivalent affordable housing contributions to the
8 City; and

9 WHEREAS, AB 2063’s proposed state preemption from considered and equitable local
10 policies and established development standards handcuffs local jurisdictions, including San
11 Francisco, from determining how to apply affordable housing requirements in the context of
12 local market conditions; and

13 WHEREAS, San Francisco has one of the highest median rents in the United States
14 with the average rent for a two-bedroom listing at \$3,570 according to the San Francisco
15 Planning Department’s 2020 Housing Inventory based on data from Zumper.com and
16 Priceconomics; and

17 WHEREAS, San Francisco also comprises one of the highest-priced home ownership
18 markets in the United States with a median home sales price of \$1.581 million, a 9% increase
19 from the previous year according to the San Francisco Planning Department’s 2020 Housing
20 Inventory based on data from the California Association of Realtors; and

21 WHEREAS, The Mayor’s Office of Housing and Community Development (“MOHCD”)
22 continues to see a widening affordability gap and significant under-production of affordable
23 homes to meet its Regional Housing Needs Allocation (RHNA) obligations for extremely-low,
24 low and middle-income households in both the rental and homeownership markets; and

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1 WHEREAS, The housing affordability gap has the greatest impact on extremely-low
2 and low-income households, such as seniors, persons with disabilities, low-income working
3 families and veterans, and inhibits San Francisco from ensuring that economic diversity is
4 maintained; and

5 WHEREAS, Limited state and federal resources and the high cost of housing
6 development put a greater burden on local government to contribute its own limited resources,
7 and consequently the City's supply of affordable housing has not kept pace with demand; and

8 WHEREAS, The State Density Bonus Law preemptions proposed by AB 2063, if
9 applied to the existing Inclusionary affordable housing requirements on market-rate housing
10 development in San Francisco, would result in a very significant reduction of affordable units;
11 and

12 WHEREAS, The Board of Supervisors has historically and consistently adopted
13 Resolutions, as a matter of City policy, opposing unless amended State Bills that would
14 preempt San Francisco's local authority to maximize recapture of land value for public benefit,
15 weaken San Francisco's voter-supported Inclusionary Housing policy, and restrict the City's
16 ability to build affordable housing at a range of income levels; and

17 WHEREAS, The failure to build sufficient affordable housing in San Francisco to meet
18 the needs of low- and moderate-income essential workers, including educators, healthcare
19 workers, service providers, hotel and hospitality staff, trades workers, commercial drivers and
20 many others, results in long commutes, road congestion, and environmental harm as people
21 seek affordable housing at ever-greater distances from where they work; now, therefore, be it

22 RESOLVED, That San Francisco is committed to continuing to utilize all affordable
23 housing policy tools to achieve local housing balance goals for all income levels in
24 accordance with its Regional Housing Needs Allocation obligations; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
2 Francisco opposes AB 2063 unless amended to allow San Francisco to continue applying
3 affordable housing fees to market rate “bonus” units granted under the State Density Bonus
4 Law to mitigate the cuts to its local Inclusionary Housing policy imposed by the State Density
5 Bonus; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
7 Francisco does hereby urge the San Francisco Legislative Delegation to oppose AB 2063, as
8 it would eliminate a critical San Francisco affordable housing tool; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
10 Francisco will continue to collaborate with its State Legislative Delegation to consider ways to
11 make the State Density Bonus law more equitable in dense urban environments like San
12 Francisco which have proudly championed strong existing local affordable housing policies;
13 and, be it

14 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
15 Francisco directs the Clerk of the Board to transmit copies of this Resolution to the California
16 State Legislature and the City Lobbyist upon passage.

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