

1 [Resolution of Intention to Create a Housing Trust Fund]

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3 **Resolution supporting the formation of a Housing Trust Fund, which includes a Charter**
4 **Amendment and companion legislation to support balanced growth and economic**
5 **development by funding the production and preservation of affordable housing,**
6 **increasing moderate income housing and homeownership opportunities, and**
7 **stimulating market-rate housing production.**

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9 WHEREAS, San Francisco has among the highest cost of living anywhere in the
10 United States, with significant housing affordability gaps for all households earning up to
11 120% of Area Median Income (“AMI”), or middle income levels; and

12 WHEREAS, The financial inability to rent or purchase affordable housing contributes to
13 out-migration of working class and middle income residents, and over the past decade, the
14 population of households earning 51% to 80% of AMI has declined by 11%, and the
15 population of households earning 81%-120% has declined by 8%; and

16 WHEREAS, Housing production plays an important role in our economy, creating jobs
17 and increasing tax revenue to support essential City programs and services; and

18 WHEREAS, For every 100 units of housing produced, approximately 120 construction-
19 related jobs and 30 permanent jobs are created, and for every market-rate unit created, the
20 annual net increase to the general fund, accounting for the cost to provide services, is
21 approximately \$2,400; and

22 WHEREAS, High housing costs are a major reason why San Francisco has been the
23 slowest-growing job center in the Bay Area over the past 25 years; and

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1 WHEREAS, The Association of Bay Area Governments (“ABAG”) projects that over the
2 next thirty years, San Francisco will grow by over 100,000 households and will need to create
3 more than 90,000 additional housing units to absorb this growth; and

4 WHEREAS, San Francisco has the zoning capacity to absorb this growth in areas of
5 the City already envisioned for more residential density. Specifically, over the past decade,
6 San Francisco has implemented major new area plans and projects throughout the city and
7 has the capacity to absorb 73,700 new residential units, according to the 2009 Housing
8 Element; and

9 WHEREAS, San Francisco has a robust pipeline of planned and entitled residential
10 projects. There are approximately 45,000 units of housing that have received project
11 approvals, with at least 9,000 units intended to be permanently affordable; and

12 WHEREAS, State and federal funding to support the creation of affordable and
13 moderate-income housing are in steep decline. State funding through Proposition 1C has
14 been almost completely depleted, and federal housing programs such as Community
15 Development Block Grants and the HOME program have experienced cuts of up to 40% in
16 recent years; and

17 WHEREAS, Local capacity to fund the creation of affordable and moderate-income
18 housing has been decimated with the elimination of Redevelopment Agencies and the ability
19 to generate resources through tax-increment financing; and

20 WHEREAS, The City’s ability to match housing production with housing need will
21 reduce the affordability gap between what people have to pay for housing and what they can
22 afford, and will increase the economic competitiveness and the economic well-being of the
23 City; now, therefore, be it

24 RESOLVED, That the Board of Supervisors will work collectively to address the
25 housing needs of the City’s current and future residents, and support the balanced growth and

1 economic development of the City, through the creation of a consistent and predictable source
2 of funding for housing production and preservation through a revenue-neutral General Fund
3 set-aside, and will enact policies to effectuate the comprehensive implementation of the
4 Housing Trust Fund; and, be it

5 FURTHER RESOLVED, That as part of the complete implementation of the Housing
6 Trust Fund, and conditioned upon approval by voters on the November 2012 ballot of the
7 funding set-aside for housing, the Board of Supervisors intends to provide incentives to build
8 moderate income units within private residential projects by reducing the on-site inclusionary
9 housing cost obligation by 20%, and provide increased certainty to market rate development
10 by stabilizing affordable housing fees within existing plan areas; and, be it

11 FURTHER RESOLVED, That if the funding set-aside for housing is approved by voters
12 on the November 2012 ballot, the Board of Supervisors intends update the Planning Code to:
13 1) exempt small properties consisting of fewer than 10 units from the Inclusionary Housing
14 requirements of Planning Code Section 415; 2) for properties of 10 units and greater,
15 implement the 20% on-site inclusionary housing cost obligation reduction through the creation
16 of a "dial" of options up to 80% A.M.I. for rental and 120% AMI for ownership projects to meet
17 the on-site inclusionary housing obligation, and 3) permit the extension of deferral of only
18 affordable housing fees for residential projects with building heights greater than 120 feet;
19 and, be it

20 FURTHER RESOLVED, That the Board of Supervisors intends to establish a Housing
21 Review Committee comprised of the directors of the Mayor's Office of Housing, the Office of
22 Economic and Workforce Development, and the Planning Department, to define, in
23 consultation with relevant stakeholders, "changes in zoning that significantly increase
24 residential development potential" for areas of 40 acres or more, since these areas will be
25 exceptions from the provisions of the fee stabilization portions of the charter amendment.