

BOARD of SUPERVISORS



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MEMORANDUM

TO: Daniel Adams, Director, Mayor's Office of Housing and Community Development
Kelly Dearman, Executive Officer, Department of Disability and Aging Services

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: April 5, 2024

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Peskin on March 12, 2024.

File No. 240243

Hearing to receive presentations on the City's concrete plans to finance, underwrite and/or build the Housing Element's stated annual goal of 1,748 Extremely-Low Income (ELI) units, or 13,981 ELI units total over eight years, including concrete financing mechanisms and progress benchmarks; and requesting the Mayor's Office of Housing and Community Development and Department of Disability and Aging Services to report.

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: john.carroll@sfgov.org.

cc:

Offices of Chair Melgar and Supervisor Peskin
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
Sheila Nickolopoulos, Mayor's Office of Housing and Community Development
Jill Nielsen, Department of Disability and Aging Services

Housing Element Update 2022 – Needs of Extremely Low-Income Households

San Francisco’s recently adopted Housing Element requires San Francisco to build 13,981 housing units affordable to extremely low-income households (30% of AMI and below) from 2023-2031. This is 17% of the total RHNA goals for SF and amounts to an annual target of 1,748 units.

Table 2. San Francisco 2023-2031 RHNA by Income Group

	<i>Units</i>	<i>Annual Target</i>	<i>Percent of Total</i>
Extremely Low Income ¹	13,981	1,748	17%
Very Low Income	6,886	861	8%
Low Income	12,014	1,502	15%
Moderate Income	13,717	1,715	17%
Above Moderate Income	35,471	4,434	43%
Total RHNA	82,069	10,258	100%

Source: Bay Area Metro. SF Planning.

Page 8 of "Appendix A: Housing Needs Assessment and Assessment of Fair Housing"

Goal 4, Objective a. speaks to this need explicitly:

4. Provide sufficient housing for existing residents and future generations for a city with diverse cultures, family structures, and abilities.
 - a. Substantially expand the amount of permanently affordable housing for extremely low- to moderate-income households. (Policies 3, 8, 15, 19, 22, 23, 24, 26, 27, 28, 29, 30).

Quotes from the Housing Element 2022 Update further speaking to needs of ELI housing:

1. “The City will also increase the supply of deeply affordable housing as a homelessness prevention strategy for extremely low- and very low-income households as those households bear a higher risk of homelessness.” (p 25)
2. “Building housing permanently affordable to people with extremely low- to moderate incomes requires subsidy to cover the gap between the cost of development and operations and the reduced revenue due to lower rents and prices.” (p 46)
3. “Substantial expansion of permanently affordable housing for extremely low to moderate income households is a critical pillar of addressing housing needs and housing our workforce. Without that investment the City will continue to lose its racial, social, and cultural diversity. To achieve this objective, the City must seek new paths to substantially expand funding sources for affordable housing whether through new local sources, or expanded State and Federal funding.” (p 47)

Several Policy Actions in the Housing Element are also specifically targeted to the needs of ELI households, some are listed below:

Policy Action #	Housing Element Category	Policy Action
1.5.4 - Short	Deep Affordability and Rent Assistance for Lowest Income Renters	Reduce severe cost burdens and increase stability for extremely low- and very low-income renters through ongoing rental assistance for qualifying vulnerable households, including people harmed by past government discrimination, seniors, people with disabilities, transgender people, and families with children, particularly those living in SROs.
1.5.5 - Short	Deep Affordability and Rent Assistance for Lowest Income Renters	Engage with target communities to determine needs and advocate for expanded tenant and building-based rental assistance programs at the federal and state and local levels to meet the needs of extremely and very low-income households and households with fixed incomes, such as seniors and people with disabilities, as also referenced in Actions 2.1.2, 3.2.1, 1.5.4.
6.1.2 - Short	Families With Children	Establish programs to assist extremely low and very low-income families with children to relocate from SROs and overcrowded living conditions to appropriate permanently affordable housing.
6.3.1 - Short	Seniors and People with Disabilities and Chronic Illness	Expand the Senior Operating Subsidy (SOS) program to allow extremely and very low-income seniors to be eligible for new senior Below Market Rate rental units.
6.3.9 - Short	Seniors and People with Disabilities and Chronic Illness	Explore a Disabled Operating Subsidy (DOS) program to allow extremely and very low-income people with disabilities better access to permanently affordable housing units.
1.5.1 - Medium	Deep Affordability and Rent Assistance for Lowest Income Renters	Increase production of housing affordable to extremely low and very low-income households and increase the share of units affordable to these households in affordable housing. This includes identifying and deploying operating subsidies necessary to serve these income groups.
1.5.3 - Medium	Deep Affordability and Rent Assistance for Lowest Income Renters	Increase housing that is affordable to extremely low and very low-income households in Well-resourced Neighborhoods, as well as in Priority Equity Geographies and Cultural Districts, through City-funded permanently affordable housing projects.
6.3.2 - Long	Seniors and People with Disabilities and Chronic Illness	Increase permanently affordable senior housing along transit corridors to improve mobility of aging adults and seniors, particularly for extremely and very low-income households including through expansion of Senior Operating Subsidies as referenced in Action 6.3.1.

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)



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

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor inquires..."
- 5. City Attorney Request
- 6. Call File No. from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes No

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

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: