File No. 190319 **Committee Item No.** 5
Board Item No.

COMMITTEE/BOARD OF SUPERVISORS

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Prepared by: John Carroll **Date:** March 29, 2019
Prepared by: John Carroll **Date:**

FILE NO. 190319 RESOLUTION NO.

[Opposing California State Senate Bill No. 50 (Wiener) - Housing Development: Incentives - Unless Amended]

Resolution opposing California State Senate Bill No. 50, authored by Senator Scott Wiener, which would undermine community participation in planning for the well-being of the environment and the public good, prevent the public from recapturing an equitable portion of the economic benefits conferred to private interests, and significantly restrict San Francisco's ability to protect vulnerable communities from displacement and gentrification, unless further amended.

WHEREAS, The California State Legislature is currently considering passage of State Senate Bill No. 50 (SB 50), which would entitle real estate developers to increase both residential and mixed use development with significantly less public review and in excess of many existing local plans developed often after extensive public participation and in concert with our regional governing agencies and consistent with state planning mandates; and

WHEREAS, The City and County of San Francisco along with many other communities is striving to address the social and environmental impacts of regional growth of private industry which include displacement of low income seniors, working families, and communities of color, and strained public transit and infrastructure; and

WHEREAS, SB 50 establishes an optional and only temporary exception from its mandated development incentives for formulaically defined 'Sensitive Communities' with the apparent purpose of controlling displacement while expanding growth; and

WHEREAS, SB 50 restricts the ability of the city to adopt long term zoning and land use policies to assure equitable and affordable development in those neighborhoods; denies the city the ability to adjust or expand the boundaries of those protected neighborhoods based upon community testimony and additional research; and SB 50's temporary 'Sensitive

Communities' exemption fails to encompass many of the areas threatened by development driven displacement and gentrification, including parts of the Mission, Chinatown, Western South of Market, Portola, the Bayview, Castro, Inner Richmond and others; and

WHEREAS, The upzoning proposed by SB 50 confers significant value to properties for increased development opportunity and yet is not tied to any increased affordability requirements for San Francisco above and beyond the baseline Inclusionary standard already required of development projects, which undermines sound public policy that requires any substantial value created by density increases or other upzoning be used, at least in part, to provide a meaningful net increase in affordable housing; and

WHEREAS, While SB 50's provisions standing alone may appear to preserve local demolition controls and other local planning processes, without further clarifying amendments the combination of SB 50's development incentives with other state laws undermine the ability of local governments to protect existing housing and small businesses and otherwise advance the public good; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco joins with other local jurisdictions and a growing statewide coalition of housing advocates in opposing SB 50 unless amended to cure these concerns; and, be it

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco is committed to working with its State Legislative Delegation to craft the necessary amendments to SB 50 in order to protect San Francisco's sovereign charter authority; and, be it

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

AMENDED IN SENATE MARCH 11, 2019

SENATE BILL **No. 50**

Introduced by Senator Wiener
(Coauthors: Senators Caballero, Hueso, Moorlach, ~~and Skinner~~ *Skinner, and Stone)*
(Coauthors: Assembly Members Burke, *Diep, Fong,* Kalra, Kiley, Low, Robert Rivas, Ting, and Wicks)

December 3, 2018

An act to *amend Section 65589.5 of, and to* add Chapter 4.35 (commencing with Section 65918.50) to Division 1 of Title 7 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as amended, Wiener. Planning and zoning: housing development: ~~equitable communities incentive.~~ *incentives.*

Existing law, known as the Density Bonus Law, requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would require a city, county, or city and county to grant upon request an equitable communities incentive when a development proponent seeks and agrees to construct a residential development, as defined, that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project, as those terms are defined; the site does

not contain, or has not contained, housing occupied by tenants or accommodations withdrawn from rent or lease in accordance with specified law within specified time periods; and the residential development complies with specified additional requirements under existing law. The bill would require that a residential development eligible for an equitable communities incentive receive waivers from maximum controls on density and *minimum controls on* automobile parking requirements greater than 0.5 parking spots per unit, up to 3 additional incentives or concessions under the Density Bonus Law, and specified additional waivers if the residential development is located within a ½-mile or ¼-mile radius of a major transit stop, as defined. The bill would authorize a local government to modify or expand the terms of an equitable communities incentive, provided that the equitable communities incentive is consistent with these provisions.

The bill would include findings that the changes proposed by ~~this bill~~ *these provisions* address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The bill would also ~~declare the intent of the Legislature to~~ delay implementation of ~~this bill~~ *these provisions* in sensitive communities, as defined, until July 1, 2020, as provided.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The Housing Accountability Act prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes specified written findings based on a preponderance of the evidence in the record. That law provides that the receipt of a density bonus is not a valid basis on which to find a proposed housing development is inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision of that act.

This bill would additionally provide that the receipt of an equitable communities incentive is not a valid basis on which to find a proposed housing development is inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision of that act.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 65589.5 of the Government Code is amended to read:

65589.5. (a) (1) The Legislature finds and declares all of the following:

(A) The lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California.

(B) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.

(C) Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(D) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions that result in disapproval of housing development projects, reduction in density of housing projects, and excessive standards for housing development projects.

(2) In enacting the amendments made to this section by the act adding this paragraph, the Legislature further finds and declares the following:

(A) California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives.

(B) While the causes of this crisis are multiple and complex, the absence of meaningful and effective policy reforms to significantly enhance the approval and supply of housing affordable to Californians of all income levels is a key factor.

(C) The crisis has grown so acute in California that supply, demand, and affordability fundamentals are characterized in the negative: underserved demands, constrained supply, and protracted unaffordability.

(D) According to reports and data, California has accumulated an unmet housing backlog of nearly 2,000,000 units and must provide for at least 180,000 new units annually to keep pace with growth through 2025.

(E) California's overall homeownership rate is at its lowest level since the 1940s. The state ranks 49th out of the 50 states in homeownership rates as well as in the supply of housing per capita. Only one-half of California's households are able to afford the cost of housing in their local regions.

(F) Lack of supply and rising costs are compounding inequality and limiting advancement opportunities for many Californians.

(G) The majority of California renters, more than 3,000,000 households, pay more than 30 percent of their income toward rent and nearly one-third, more than 1,500,000 households, pay more than 50 percent of their income toward rent.

(H) When Californians have access to safe and affordable housing, they have more money for food and health care; they are less likely to become homeless and in need of government-subsidized services; their children do better in school; and businesses have an easier time recruiting and retaining employees.

(I) An additional consequence of the state's cumulative housing shortage is a significant increase in greenhouse gas emissions caused by the displacement and redirection of populations to states with greater housing opportunities, particularly working- and middle-class households. California's cumulative housing shortfall therefore has not only national but international environmental consequences.

(J) California's housing picture has reached a crisis of historic proportions despite the fact that, for decades, the Legislature has enacted numerous statutes intended to significantly increase the

approval, development, and affordability of housing for all income levels, including this section.

(K) The Legislature's intent in enacting this section in 1982 and in expanding its provisions since then was to significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects and emergency shelters. That intent has not been fulfilled.

(L) It is the policy of the state that this section should be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing.

(3) It is the intent of the Legislature that the conditions that would have a specific, adverse impact upon the public health and safety, as described in paragraph (2) of subdivision (d) and paragraph (1) of subdivision (j), arise infrequently.

(b) It is the policy of the state that a local government not reject or make infeasible housing development projects, including emergency shelters, that contribute to meeting the need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without complying with subdivision (d).

(c) The Legislature also recognizes that premature and unnecessary development of agricultural lands for urban uses continues to have adverse effects on the availability of those lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, in filling existing urban areas.

(d) A local agency shall not disapprove a housing development project, including farmworker housing as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, for very low, low-, or moderate-income households, or an emergency shelter, or condition approval in a manner that renders the housing development project infeasible for development for the use of very low, low-, or moderate-income households, or an emergency shelter, including through the use of design review standards,

unless it makes written findings, based upon a preponderance of the evidence in the record, as to one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article that has been revised in accordance with Section 65588, is in substantial compliance with this article, and the jurisdiction has met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the planning period for the income category proposed for the housing development project, provided that any disapproval or conditional approval shall not be based on any of the reasons prohibited by Section 65008. If the housing development project includes a mix of income categories, and the jurisdiction has not met or exceeded its share of the regional housing need for one or more of those categories, then this paragraph shall not be used to disapprove or conditionally approve the housing development project. The share of the regional housing need met by the jurisdiction shall be calculated consistently with the forms and definitions that may be adopted by the Department of Housing and Community Development pursuant to Section 65400. In the case of an emergency shelter, the jurisdiction shall have met or exceeded the need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. Any disapproval or conditional approval pursuant to this paragraph shall be in accordance with applicable law, rule, or standards.

(2) The housing development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

(3) The denial of the housing development project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without

rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible.

(4) The housing development project or emergency shelter is proposed on land zoned for agriculture or resource preservation that is surrounded on at least two sides by land being used for agricultural or resource preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(5) The housing development project or emergency shelter is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a revised housing element in accordance with Section 65588 that is in substantial compliance with this article. For purposes of this section, a change to the zoning ordinance or general plan land use designation subsequent to the date the application was deemed complete shall not constitute a valid basis to disapprove or condition approval of the housing development project or emergency shelter.

(A) This paragraph cannot be utilized to disapprove or conditionally approve a housing development project if the housing development project is proposed on a site that is identified as suitable or available for very low, low-, or moderate-income households in the jurisdiction's housing element, and consistent with the density specified in the housing element, even though it is inconsistent with both the jurisdiction's zoning ordinance and general plan land use designation.

(B) If the local agency has failed to identify in the inventory of land in its housing element sites that can be developed for housing within the planning period and are sufficient to provide for the jurisdiction's share of the regional housing need for all income levels pursuant to Section 65584, then this paragraph shall not be utilized to disapprove or conditionally approve a housing development project proposed for a site designated in any element of the general plan for residential uses or designated in any element of the general plan for commercial uses if residential uses are permitted or conditionally permitted within commercial designations. In any action in court, the burden of proof shall be on the local agency to show that its housing element does identify

adequate sites with appropriate zoning and development standards and with services and facilities to accommodate the local agency's share of the regional housing need for the very low, low-, and moderate-income categories.

(C) If the local agency has failed to identify a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit, has failed to demonstrate that the identified zone or zones include sufficient capacity to accommodate the need for emergency shelter identified in paragraph (7) of subdivision (a) of Section 65583, or has failed to demonstrate that the identified zone or zones can accommodate at least one emergency shelter, as required by paragraph (4) of subdivision (a) of Section 65583, then this paragraph shall not be utilized to disapprove or conditionally approve an emergency shelter proposed for a site designated in any element of the general plan for industrial, commercial, or multifamily residential uses. In any action in court, the burden of proof shall be on the local agency to show that its housing element does satisfy the requirements of paragraph (4) of subdivision (a) of Section 65583.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the congestion management program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 or the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) (1) Nothing in this section shall be construed to prohibit a local agency from requiring the housing development project to comply with objective, quantifiable, written development standards, conditions, and policies appropriate to, and consistent with, meeting the jurisdiction's share of the regional housing need pursuant to Section 65584. However, the development standards, conditions, and policies shall be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development.

(2) Nothing in this section shall be construed to prohibit a local agency from requiring an emergency shelter project to comply with objective, quantifiable, written development standards, conditions, and policies that are consistent with paragraph (4) of subdivision (a) of Section 65583 and appropriate to, and consistent with, meeting the jurisdiction's need for emergency shelter, as identified pursuant to paragraph (7) of subdivision (a) of Section 65583. However, the development standards, conditions, and policies shall be applied by the local agency to facilitate and accommodate the development of the emergency shelter project.

(3) This section does not prohibit a local agency from imposing fees and other exactions otherwise authorized by law that are essential to provide necessary public services and facilities to the housing development project or emergency shelter.

(4) For purposes of this section, a housing development project or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project or emergency shelter is consistent, compliant, or in conformity.

(g) This section shall be applicable to charter cities because the Legislature finds that the lack of housing, including emergency shelter, is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(2) "Housing development project" means a use consisting of any of the following:

(A) Residential units only.

(B) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.

(C) Transitional housing or supportive housing.

(3) "Housing for very low, low-, or moderate-income households" means that either (A) at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, or (B) 100

percent of the units shall be sold or rented to persons and families of moderate income as defined in Section 50093 of the Health and Safety Code, or persons and families of middle income, as defined in Section 65008 of this code. Housing units targeted for lower income households shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

(4) "Area median income" means area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for very low or low-income households in accordance with the provisions of this subdivision for 30 years.

(5) "Disapprove the housing development project" includes any instance in which a local agency does either of the following:

(A) Votes on a proposed housing development project application and the application is disapproved, including any required land use approvals or entitlements necessary for the issuance of a building permit.

(B) Fails to comply with the time periods specified in subdivision (a) of Section 65950. An extension of time pursuant to Article 5 (commencing with Section 65950) shall be deemed to be an extension of time pursuant to this paragraph.

(i) If any city, county, or city and county denies approval or imposes conditions, including design changes, lower density, or a reduction of the percentage of a lot that may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, that have a substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households, and the denial of the development or the imposition of conditions on the development is the subject

of a court action which challenges the denial or the imposition of conditions, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivision (d) and that the findings are supported by a preponderance of the evidence in the record. For purposes of this section, "lower density" includes any conditions that have the same effect or impact on the ability of the project to provide housing.

(j) (1) When a proposed housing development project complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by a preponderance of the evidence on the record that both of the following conditions exist:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(2) (A) If the local agency considers a proposed housing development project to be inconsistent, not in compliance, or not in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision as specified in this subdivision, it shall provide the applicant with written documentation identifying the provision or provisions, and an explanation of the reason or reasons it considers the housing development to be inconsistent, not in compliance, or not in conformity as follows:

(i) Within 30 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains 150 or fewer housing units.

(ii) Within 60 days of the date that the application for the housing development project is determined to be complete, if the housing development project contains more than 150 units.

(B) If the local agency fails to provide the required documentation pursuant to subparagraph (A), the housing development project shall be deemed consistent, compliant, and in conformity with the applicable plan, program, policy, ordinance, standard, requirement, or other similar provision.

(3) For purposes of this section, the receipt of a density bonus pursuant to Section 65915 *or an equitable communities incentive pursuant to Section 65918.51* shall not constitute a valid basis on which to find a proposed housing development project is inconsistent, not in compliance, or not in ~~conformity,~~ *conformity* with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision specified in this subdivision.

(4) For purposes of this section, a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan. If the local agency has complied with paragraph (2), the local agency may require the proposed housing development project to comply with the objective standards and criteria of the zoning which is consistent with the general plan, however, the standards and criteria shall be applied to facilitate and accommodate development at the density allowed on the site by the general plan and proposed by the proposed housing development project.

(5) For purposes of this section, "lower density" includes any conditions that have the same effect or impact on the ability of the project to provide housing.

(k) (1) (A) The applicant, a person who would be eligible to apply for residency in the development or emergency shelter, or a housing organization may bring an action to enforce this section. If, in any action brought to enforce this section, a court finds that either (i) the local agency, in violation of subdivision (d), disapproved a housing development project or conditioned its

approval in a manner rendering it infeasible for the development of an emergency shelter, or housing for very low, low-, or moderate-income households, including farmworker housing, without making the findings required by this section or without making findings supported by a preponderance of the evidence, or (ii) the local agency, in violation of subdivision (j), disapproved a housing development project complying with applicable, objective general plan and zoning standards and criteria, or imposed a condition that the project be developed at a lower density, without making the findings required by this section or without making findings supported by a preponderance of the evidence, the court shall issue an order or judgment compelling compliance with this section within 60 days, including, but not limited to, an order that the local agency take action on the housing development project or emergency shelter. The court may issue an order or judgment directing the local agency to approve the housing development project or emergency shelter if the court finds that the local agency acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section. The court shall retain jurisdiction to ensure that its order or judgment is carried out and shall award reasonable attorney's fees and costs of suit to the plaintiff or petitioner, except under extraordinary circumstances in which the court finds that awarding fees would not further the purposes of this section. For purposes of this section, "lower density" includes conditions that have the same effect or impact on the ability of the project to provide housing.

(B) (i) Upon a determination that the local agency has failed to comply with the order or judgment compelling compliance with this section within 60 days issued pursuant to subparagraph (A), the court shall impose fines on a local agency that has violated this section and require the local agency to deposit any fine levied pursuant to this subdivision into a local housing trust fund. The local agency may elect to instead deposit the fine into the Building Homes and Jobs Fund, if Senate Bill 2 of the 2017–18 Regular Session is enacted, or otherwise in the Housing Rehabilitation Loan Fund. The fine shall be in a minimum amount of ten thousand dollars ($10,000) per housing unit in the housing development project on the date the application was deemed complete pursuant to Section 65943. In determining the amount of fine to impose,

the court shall consider the local agency's progress in attaining its target allocation of the regional housing need pursuant to Section 65584 and any prior violations of this section. Fines shall not be paid out of funds already dedicated to affordable housing, including, but not limited to, Low and Moderate Income Housing Asset Funds, funds dedicated to housing for very low, low-, and moderate-income households, and federal HOME Investment Partnerships Program and Community Development Block Grant Program funds. The local agency shall commit and expend the money in the local housing trust fund within five years for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households. After five years, if the funds have not been expended, the money shall revert to the state and be deposited in the Building Homes and Jobs Fund, if Senate Bill 2 of the 2017–18 Regular Session is enacted, or otherwise in the Housing Rehabilitation Loan Fund, for the sole purpose of financing newly constructed housing units affordable to extremely low, very low, or low-income households.

(ii) If any money derived from a fine imposed pursuant to this subparagraph is deposited in the Housing Rehabilitation Loan Fund, then, notwithstanding Section 50661 of the Health and Safety Code, that money shall be available only upon appropriation by the Legislature.

(C) If the court determines that its order or judgment has not been carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled, including, but not limited to, an order to vacate the decision of the local agency and to approve the housing development project, in which case the application for the housing development project, as proposed by the applicant at the time the local agency took the initial action determined to be in violation of this section, along with any standard conditions determined by the court to be generally imposed by the local agency on similar projects, shall be deemed to be approved unless the applicant consents to a different decision or action by the local agency.

(2) For purposes of this subdivision, "housing organization" means a trade or industry group whose local members are primarily engaged in the construction or management of housing units or a nonprofit organization whose mission includes providing or advocating for increased access to housing for low-income

households and have filed written or oral comments with the local agency prior to action on the housing development project. A housing organization may only file an action pursuant to this section to challenge the disapproval of a housing development by a local agency. A housing organization shall be entitled to reasonable attorney's fees and costs if it is the prevailing party in an action to enforce this section.

(*l*) If the court finds that the local agency (1) acted in bad faith when it disapproved or conditionally approved the housing development or emergency shelter in violation of this section and (2) failed to carry out the court's order or judgment within 60 days as described in subdivision (k), the court, in addition to any other remedies provided by this section, shall multiply the fine determined pursuant to subparagraph (B) of paragraph (1) of subdivision (k) by a factor of five. For purposes of this section, "bad faith" includes, but is not limited to, an action that is frivolous or otherwise entirely without merit.

(m) Any action brought to enforce the provisions of this section shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure, and the local agency shall prepare and certify the record of proceedings in accordance with subdivision (c) of Section 1094.6 of the Code of Civil Procedure no later than 30 days after the petition is served, provided that the cost of preparation of the record shall be borne by the local agency, unless the petitioner elects to prepare the record as provided in subdivision (n) of this section. A petition to enforce the provisions of this section shall be filed and served no later than 90 days from the later of (1) the effective date of a decision of the local agency imposing conditions on, disapproving, or any other final action on a housing development project or (2) the expiration of the time periods specified in subparagraph (B) of paragraph (5) of subdivision (h). Upon entry of the trial court's order, a party may, in order to obtain appellate review of the order, file a petition within 20 days after service upon it of a written notice of the entry of the order, or within such further time not exceeding an additional 20 days as the trial court may for good cause allow, or may appeal the judgment or order of the trial court under Section 904.1 of the Code of Civil Procedure. If the local agency appeals the judgment of the trial court, the local agency shall post a bond, in an amount to be

determined by the court, to the benefit of the plaintiff if the plaintiff is the project applicant.

(n) In any action, the record of the proceedings before the local agency shall be filed as expeditiously as possible and, notwithstanding Section 1094.6 of the Code of Civil Procedure or subdivision (m) of this section, all or part of the record may be prepared (1) by the petitioner with the petition or petitioner's points and authorities, (2) by the respondent with respondent's points and authorities, (3) after payment of costs by the petitioner, or (4) as otherwise directed by the court. If the expense of preparing the record has been borne by the petitioner and the petitioner is the prevailing party, the expense shall be taxable as costs.

(o) This section shall be known, and may be cited, as the Housing Accountability Act.

~~SECTION 1.~~

SEC. 2. Chapter 4.35 (commencing with Section 65918.50) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 4.35. EQUITABLE COMMUNITIES INCENTIVES

65918.50. For purposes of this chapter:

~~(a) "Affordable" means available at affordable rent or affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate incomes, as specified in context, and subject to a recorded affordability restriction for at least 55 years.~~

~~(b)~~

(a) "Development proponent" means an applicant who submits an application for an equitable communities incentive pursuant to this chapter.

~~(c)~~

(b) "Eligible applicant" means a development proponent who receives an equitable communities incentive.

~~(d)~~

(c) "FAR" means floor area ratio.

~~(e)~~

(d) "High-quality bus corridor" means a corridor with fixed route bus service that meets all of the following criteria:

(1) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive,

and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.

(2) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 ~~a.m.,~~ *p.m.,* inclusive, on Monday through Friday.

(3) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.

(e) (1) "Jobs-rich area" means an area identified by the Department of Housing and Community Development in consultation with the Office of Planning and Research that is both high opportunity and jobs rich, based on whether, in a regional analysis, the tract meets the following:

(A) The tract is higher opportunity and its characteristics are associated with positive educational and economic outcomes for households of all income levels residing in the tract.

(B) The tract meets either of the following criteria:

(i) New housing sited in the tract would enable residents to live in or near a jobs-rich area, as measured by employment density and job totals.

(ii) New housing sited in the tract would enable shorter commute distances for residents, compared to existing commute levels.

(2) The Department of Housing and Community Development shall, commencing on January 1, 2020, publish and update, every five years thereafter, a map of the state showing the areas identified by the department as "jobs-rich areas."

(f) "Job-rich housing project" means a residential development within an area identified *as a jobs-rich area* by the Department of Housing and Community Development ~~and~~ *in consultation with* the Office of Planning and Research, based on indicators such as proximity to jobs, high area median income relative to the relevant region, and high-quality public schools, as an area of high opportunity close to jobs. A residential development shall be deemed to be within an area designated as job-rich if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of the job-rich area.

(2) No more than 10 percent of residential units or 100 units, whichever is less, of the development are outside of the job-rich area.

(g) "Local government" means a city, including a charter city, a county, or a city and county.

(h) "Major transit stop" means ~~a site containing an existing~~ rail transit station or a ferry terminal ~~served by either bus or rail transit service.~~ *that is a major transit stop pursuant to subdivision (b) of Section 21155 of the Public Resources Code.*

(i) "Residential development" means a project with at least two-thirds of the square footage of the development designated for residential use.

(j) "Sensitive community" means ~~an~~ *either of the following:*

(1) Except as provided in paragraph (2), an area identified by the Department of Housing and Community Development, *which identification shall be updated every five years,* in consultation with local community-based organizations in each *metropolitan planning* region, as an area ~~vulnerable to displacement pressures, based on indicators such as percentage of tenant households living at, or under, the poverty line relative to the region.~~ *where both of the following apply:*

(A) Thirty percent or more of the census tract lives below the poverty line, provided that college students do not compose at least 25 percent of the population.

(B) The location quotient of residential racial segregation in the census tract is at least 1.25 as defined by the Department of Housing and Community Development.

(2) In the Counties of Alameda, Contra Costa, Marin, Napa, Santa Clara, San Francisco, San Mateo, Solano, and Sonoma, areas designated by the Metropolitan Transportation Commission on December 19, 2018, as the intersection of disadvantaged and vulnerable communities as defined by the Metropolitan Transportation Commission and the San Francisco Bay Conservation and Development Commission, which identification of a sensitive community shall be updated at least every five years by the Department of Housing and Community Development.

(k) "Tenant" means a person ~~residing in~~ *who does not own the property where they reside, including residential situations that are* any of the following:

(1) Residential real property rented by the person under a long-term lease.

(2) A single-room occupancy unit.

(3) An accessory dwelling unit that is not subject to, or does not have a valid permit in accordance with, an ordinance adopted by a local agency pursuant to Section 65852.22.

(4) A residential motel.

(5) A mobilehome park, as governed under the Mobilehome Residency Law (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2 of Division 2 of the Civil Code), the Recreational Vehicle Park Occupancy Law (Chapter 2.6 (commencing with Section 799.20) of Title 2 of Part 2 of Division 2 of the Civil Code), the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code), or the Special Occupancy Parks Act (Part 2.3 (commencing with Section 18860) of Division 13 of the Health and Safety Code).

~~(5)~~

(6) Any other type of residential property that is not owned by the person or a member of the person's household, for which the person or a member of the person's household provides payments on a regular schedule in exchange for the right to occupy the residential property.

(*l*) "Transit-rich housing project" means a residential development the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor. A project shall be deemed to be within ~~a one-half mile~~ *the* radius ~~of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor~~ if both of the following apply:

(1) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

(2) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality bus corridor.

65918.51. ~~(a)~~ A local government shall, upon request of a development proponent, grant an equitable communities incentive, as specified in Section 65918.53, when the development proponent seeks and agrees to construct a residential development that satisfies the requirements specified in Section 65918.52.

~~(b) It is the intent of the Legislature that, absent exceptional circumstances, actions taken by a local legislative body that increase residential density not undermine the equitable communities incentive program established by this chapter.~~

65918.52. In order to be eligible for an equitable communities incentive pursuant to this chapter, a residential development shall meet all of the following criteria:

(a) The residential development is either a job-rich housing project or transit-rich housing project.

(b) The residential development is located on a site that, at the time of application, is zoned to allow housing as an underlying use in the zone, including, but not limited to, a residential, mixed-use, or commercial zone, as defined and allowed by the local government.

(c) (1) If the local government has adopted an inclusionary housing ordinance requiring that the development include a certain number of units affordable to households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code, and that ordinance requires that a new development include levels of affordable housing in excess of the requirements specified in paragraph (2), the residential development complies with that ordinance. *The ordinance may provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, offsite construction, or acquisition and rehabilitation of existing units.*

(2) *(A)* If the local government has not adopted an inclusionary housing ordinance, as described in paragraph (1), ~~and the residential development includes ____ or more residential units,~~ the residential development includes ~~onsite~~ *an* affordable housing *contribution* for households with incomes that do not exceed the limits for extremely low income, very low income, and low income specified in Sections 50093, 50105, and 50106 of the Health and Safety Code. ~~It is the intent of the Legislature to require that any development of ____ or more residential units receiving an equitable communities incentive pursuant to this chapter include housing affordable to low, very low or extremely low income households, which, for projects with low or very low income units, are no less than the number of onsite units affordable to low or~~

~~very low income households that would be required pursuant to subdivision (f) of Section 65915 for a development receiving a density bonus of 35 percent.~~

(B) For purposes of this paragraph, the residential development is subject to one of the following:

(i) If the project has 10 or fewer units, no affordability contribution is imposed.

(ii) If the project has 11 to 20 residential units, the development proponent may pay an in-lieu fee to the local government for affordable housing, where feasible, pursuant to subparagraph (C).

(iii) If the project has more than 20 residential units, the development proponent shall do either of the following:

(I) Make a comparable affordability contribution toward housing offsite that is affordable to lower income households, pursuant to subparagraph (C).

(II) Include units on the site of the project that are affordable to extremely low income, as defined in Section 50105 of the Health and Safety Code, very low income, or low-income households, as defined in Section 50079.5 of the Health and Safety Code, as follows:

Project Size	*Inclusionary Requirement*
21– 200 units	*15% low income; or*
	8% very low income; or
	6% extremely low income
201–350 units	*17% low income; or*
	10% very low income; or
	8% extremely low income
351 or more units	*25% low income; or*
	15% very low income; or
	11% extremely low income

(C) The development proponent of a project that qualifies pursuant to clause (ii) or subclause (I) of clause (iii) of subparagraph (B) may make a comparable affordability contribution toward housing offsite that is affordable to lower income households, as follows:

(i) The local government collecting the in-lieu fee payment shall make every effort to ensure that future affordable housing will be sited within one-half mile of the original project location within

the boundaries of the local government by designating an existing housing opportunity site within a one-half mile radius of the project site for affordable housing. To the extent practicable, local housing funding shall be prioritized at the first opportunity to build affordable housing on that site.

(ii) If no housing opportunity sites that satisfy clause (i) are available, the local government shall designate a site for affordable housing within the boundaries of the local government and make findings that the site for the affordable housing development affirmatively furthers fair housing, as defined in Section 8899.50.

(D) Affordability of units pursuant to this paragraph shall be restricted by deed for a period of 55 years for rental units or 45 years for units offered for sale.

(d) The site does not contain, or has not contained, either of the following:

(1) Housing occupied by tenants within the seven years preceding the date of the application, including housing that has been demolished or that tenants have vacated prior to the application for a development permit.

(2) A parcel or parcels on which an owner of residential real property has exercised ~~his or her~~ *their* rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years prior to the date that the development proponent submits an application pursuant to this chapter.

(e) The residential development complies with all applicable labor, construction employment, and wage standards otherwise required by law and any other generally applicable requirement regarding the approval of a development project, including, but not limited to, the local government's conditional use or other discretionary permit approval process, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or a streamlined approval process that includes labor protections.

(f) The residential development complies with all other relevant standards, requirements, and prohibitions imposed by the local government regarding architectural design, restrictions on or oversight of demolition, impact fees, and community benefits agreements.

(g) The equitable communities incentive shall not be used to undermine the economic feasibility of delivering low-income housing under the state density bonus program or a local implementation of the state density bonus program, or any locally adopted program that puts conditions on new development applications on the basis of receiving a zone change or general plan amendment in exchange for benefits such as increased affordable housing, local hire, or payment of prevailing wages.

65918.53. (a) ~~A residential development~~ *Any transit-rich or jobs-rich housing project* that meets the criteria specified in Section 65918.52 shall receive, upon request, an equitable communities incentive as follows:

~~(1) Any eligible applicant shall receive the following:~~

~~(A)~~

(1) A waiver from maximum controls on density.

~~(B)~~

(2) A waiver from ~~maximum~~ *minimum* automobile parking requirements greater than 0.5 automobile parking spots per unit.

~~(C)~~

(3) Up to three incentives and concessions pursuant to subdivision (d) of Section 65915.

~~(2)~~

(b) An eligible applicant proposing a residential development that is located within a one-half mile radius, but outside a one-quarter mile radius, of a major transit stop ~~and includes no less than ____ percent affordable housing units~~ shall receive, in addition to the incentives specified in ~~paragraph (1),~~ *subdivision (a),* waivers from all of the following:

~~(A)~~

(1) Maximum height requirements less than 45 feet.

~~(B)~~

(2) Maximum FAR requirements less than 2.5.

~~(C)~~

(3) Notwithstanding subparagraph (B) of paragraph (1), any maximum automobile parking requirement.

~~(3)~~

(c) An eligible applicant proposing a residential development that is located within a one-quarter mile radius of a major transit ~~and includes no less than ____ percent affordable housing units~~

stop shall receive, in addition to the incentives specified in ~~paragraph (1),~~ *subdivision (a),* waivers from all of the following:

~~(A)~~

(1) Maximum height requirements less than 55 feet.

~~(B)~~

(2) Maximum FAR requirements less than 3.25.

~~(C)~~

(3) Notwithstanding ~~subparagraph (B) of~~ paragraph ~~(1),~~ *(1) of subdivision (b),* any ~~maximum~~ *minimum* automobile parking requirement.

~~(4)~~

(d) Notwithstanding any other law, for purposes of calculating any additional incentive or concession in accordance with Section 65915, the number of units in the residential development after applying the equitable communities incentive received pursuant to this chapter shall be used as the base density for calculating the incentive or concession under that section.

~~(5)~~

(e) An eligible applicant proposing a project that meets all of the requirements under Section 65913.4 may submit an application for streamlined, ministerial approval in accordance with that section.

~~(b)~~

(f) The local government may modify or expand the terms of an equitable communities incentive provided pursuant to this chapter, provided that the equitable communities incentive is consistent with, and meets the minimum standards specified in, this chapter.

65918.54. The Legislature finds and declares that this chapter addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this chapter applies to all cities, including charter cities.

65918.55. (a) ~~It is the intent of the Legislature that implementation~~ *Implementation* of this chapter *shall* be delayed in sensitive communities until July 1, 2020.

~~(b) It is further the intent of the Legislature to enact legislation that does all of the following:~~

~~(1)~~

(b) Between January 1, 2020, and ____, ~~allows~~ a local government, in lieu of the requirements of this chapter, ~~to~~ *may* opt for a community-led planning process *in sensitive communities* aimed toward increasing residential density and multifamily housing choices near transit ~~stops.~~ *stops, as follows:*

~~(2) Encourages sensitive~~

(1) Sensitive communities ~~to opt for~~ *that pursue* a community-led planning process at the neighborhood level ~~to develop~~ *shall, on or before January 1, 2025, produce a community plan that may include* zoning and *any* other policies that encourage multifamily housing development at a range of income levels to meet unmet needs, protect vulnerable residents from displacement, and address other locally identified priorities.

~~(3) Sets minimum performance standards for community plans, such as minimum~~

(2) Community plans shall, at a minimum, be consistent with the overall residential development capacity and the minimum affordability standards set forth in this ~~chapter.~~ *chapter within the boundaries of the community plan.*

~~(4) Automatically applies the~~

(3) The provisions of this chapter *shall apply* on January 1, 2025, to sensitive communities that ~~do~~ *have* not ~~have~~ adopted community plans that meet the minimum standards described in paragraph ~~(3),~~ *(2),* whether those plans were adopted prior to or after enactment of this chapter.

~~SEC. 2.~~

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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March 27, 2019

The Honorable Scott Wiener
Chair, Senate Housing Committee
State Capitol, Room 2209
Sacramento, CA 95814

RE: SB 50 – Significant Concerns

Dear Senator Wiener and members of the committee,

On behalf of the below signed organizations, we write to express our significant concerns with SB 50, as currently drafted. Our organizations are dedicated to ensuring that all Californians have a healthy and stable home that they can afford. Over the last several months we have valued your work to solicit our input and review the detailed feedback we have provided. However, SB 50, as drafted, does not yet address our most serious concerns and will further exacerbate the housing challenges experienced by low income people, people of color, and other vulnerable people, the very populations being hit hardest by California's affordability crisis. Our concerns reflect input we have gathered from dozens of tenant organizing groups, non profit developers, legal service organizations, local, state, and national equity organizations, and other community based institutions, and fall into three broad categories: affordable housing, protections for sensitive communities, and preservation of local affordable housing policies and plans.

SB 50 does not generate affordable housing at a level commensurate with the incentives it provides.

SB 50 developments must include meaningful on-site affordable housing to mitigate indirect displacement pressures, advance environmental objectives by creating affordable housing near transit, and ensure inclusive housing opportunities for all Californians. SB 50 falls short of this important standard. The bill includes a provision making sites ineligible for "equitable communities incentives" if they have been occupied by tenants in the past 7 years or had Ellis Act evictions in the last 15 years, and this is essential to decrease direct displacement. However, this single provision on its own is insufficient to address the harm that the bill could cause. SB 50 must go further to protect vulnerable communities and increase affordable housing opportunities.

On February 5 – well before the most recent amendments to the bill – several of the undersigned organizations provided your office with comprehensive affordable housing policy recommendations for SB 50 that would promote inclusive development near transit. This proposal balances the needs of low-income families with feasibility for developers. It adjusts affordability obligations based on the new density created by SB 50 on a project-by-project basis - recognizing that the greater the density increase, the more value is being given to the developer. It does so by building off an existing statewide model, the Density Bonus Law, and by creating a simplified system of tiers with minimum and maximum required affordability at different density increases. This proposal will create new units for people most burdened by our state's housing crisis, Extremely Low Income households, and ensure affordable housing options for those most vulnerable to homelessness. This proposal draws on the lived experiences in low-income communities, and applies lessons from successful programs like LA's Transit Oriented Communities (TOC) program. If SB 50 had included this proposal, it could have been a tool for addressing the needs of those most impacted by California's housing crisis.

As currently drafted, however, SB 50 does not adequately ensure that new developments will provide affordable homes at a level commensurate with the benefit they receive through the new incentive program.

- SB 50 currently rejects a value capture framework – affordable housing standards aren't tied to density increase, creating arbitrary outcomes and leaving significant affordability on the table. Unlike State Density Bonus Law, SB 50 breaks the connection between the value of the incentives and the amount of affordable housing required. A 50 unit project might receive a substantial density increase where existing height limits are low, while a 300 unit project might receive a lower density increase where existing height limits are relatively higher.
- SB 50 undermines the state's density bonus law by awarding triple the density increase (or more) of state density bonus law, without any increase in affordability for most projects. It also remains unclear whether the bill would offer additional incentives to SB50 projects under density bonus law that could further dilute the already inadequate affordable housing provisions.
- SB 50 makes Extremely Low Income units optional, which could leave the most vulnerable families left out altogether, or pit their needs against those of Low Income households.
- SB 50 provides no guarantee that projects would provide any additional affordable units in jurisdictions with local inclusionary housing requirements, despite conferring significant additional value to a project.
- SB 50 includes a major loophole by offering a fee option that would allow any development to avoid onsite affordability. This will create delays in new affordable

housing, less affordability near transit, more pollution, and more segregated communities.
- As currently drafted, SB 50 does not include any affordability contributions for projects under 10 units.
- The new amendments to SB 50 also deleted a provision that would have helped close a major loophole where projects can bypass the incentive program entirely and gain density without affordability through a zone change.

Despite these serious concerns, we are encouraged that your office has re-engaged with us on this important issue in the last week. We sincerely hope that these conversations lead to amendments to SB 50 that address our concerns prior to its next committee hearing. To highlight some of our key asks (as detailed in Attachment A), SB 50 must:

- Apply a value capture model where affordable housing requirements are appropriately scaled to the amount of value and density created by the bill.
- At each tier of density increase, projects should provide a required subset of units affordable to Extremely Low Income households, along with a choice between additional Very Low Income units or a higher amount of additional Low Income units.
- DO NOT allow SB 50 projects to avoid inclusivity by paying an in-lieu fee.
- Projects utilizing "equitable communities incentives" should provide additional affordable housing beyond what would otherwise be required by a local inclusionary zoning policy.

SB 50 provides inadequate protections for sensitive communities at risk of displacement.

Every community in the state has a role to play in addressing the affordable housing crisis. But our cities, towns and communities have been shaped by different histories, economic drivers and present-day conditions. State policy must be responsive to these differences. Race and class inequality and top-down policies that excluded people of color and low income people, such as redlining and Urban Renewal, have had devastating, multi-generational consequences on these communities while further concentrating wealth and opportunity in others. SB 50's preemption of local zoning and planning must not repeat and exacerbate the deliberate harms of the past.

To protect sensitive communities, SB 50 must accurately identify all sensitive communities *and* preserve meaningful self-determination in those communities so that they can plan for an inclusive future. Some of our key asks to accomplish these objectives (as detailed in Attachment B) include:

1. Vulnerable communities in each region must be engaged in developing sensitive communities maps to ensure that *all* sensitive communities are protected. Dramatic

variation in demographics and displacement dynamics means that a top-down statewide approach to mapping will inevitably fail to reflect the reality on the ground. Vulnerable populations, including low-income people, people of color, renters, and others, must have the power and flexibility to use their real world expertise to ensure that *all* at-risk neighborhoods are fully reflected in sensitive communities maps. Implementation of SB 50's equitable communities incentives must be delayed for this mapping process.

SB 50 does not currently meet this standard, instead relying on a crude top-down approach to identifying sensitive communities. This is flawed in numerous ways: it provides no way for vulnerable communities to ensure the maps fully identify their neighborhoods; it identifies only the poorest census tracts, excluding areas at high risk where gentrification is already under way; and it relies on census tract level data, which creates problems both in urban areas – where this can leave single neighborhoods as a patch-work of protected and unprotected areas – and in rural areas where geographically large census tracts can hide sensitive communities altogether. One example of the flawed nature of the current methodology is the almost complete lack of identification of any sensitive communities between Merced and Modesto, despite the fact that this area, comprised of a number of high poverty predominantly Latino neighborhoods and communities, is facing rapid housing cost increases and housing instability due to the influx of coastal Californians.

SB 50's reliance on MTC's "CASA" maps is also problematic. MTC disrupted CASA's months-long stakeholder mapping efforts at the very end of the CASA process, rejecting the work done by community stakeholders in favor of an entirely new methodology and maps. These MTC maps do not reflect the expertise of vulnerable communities or realities on the ground, and fail to accurately identify sensitive communities in the region. More work is needed to get the Bay Area's sensitive communities maps right.

2. Sensitive Communities should enjoy full self-determination about whether to opt-in to SB 50's "equitable communities incentives" or to adopt an alternative neighborhood plan. Decisions about opting-in or planning should be made with neighborhood-level control, not simply by municipal governments, and this decision-making process should prioritize engagement of low-income people, renters, and other vulnerable community members.

   SB 50 currently vests local government bodies with the sole authority to make decisions about sensitive communities, which could leave neighborhoods that often lack political power with little meaningful self-determination. Mechanisms are necessary to ensure that low-income people, renters, and other vulnerable groups that call sensitive communities home are able to exercise decision-making authority about their

neighborhoods. Moreover, the bill currently leaves open the window within which communities may opt for local plans rather than SB 50 default zoning standards.

3. Neighborhood plans in sensitive communities, whenever they were adopted, should take precedence over SB 50 defaults, as long as they meet basic minimum community engagement, affordable housing, and labor standards.

   This appears to be the current intent of SB 50, as currently drafted, but the bill text should make affordable housing and labor standards more explicit. Language about existing community plans may need to be clarified as well.

SB 50 must fully protect local affordable housing policies and strong local plans.

Across California, local jurisdictions are grappling with the dual challenge of increasing income inequality and rising housing prices. To tackle these problems, communities have adopted a range of strategies aimed at increasing the supply of housing affordable to their most vulnerable residents, and protecting existing residents from displacement. These strategies include incentive programs such as the Transit Oriented Communities program in Los Angeles and the HOME-SF program. They also include neighborhood plans that balance the need for new multi-family housing development with preservation of existing community assets.

SB 50 does not include clear guidance as to how these local policies and plans will be treated. The bill should be amended to fully protect and build on these local initiatives – including authorizing local governments to modify or adopt new programs after bill enactment – and ensure that it does not supplant them.

In closing, we hope that over the coming days and weeks we can work with you and your bill sponsors to address our serious concerns and craft a policy that will truly protect and benefit our most vulnerable Californians.

Sincerely,

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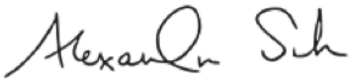

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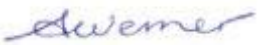

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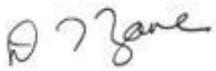

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Attachments:

A. Proposal from Equity Groups on Affordable Housing
B. Proposal from Equity Groups on Sensitive Communities

Attachment A: Proposed SB 50 Affordability Standards

PROPOSED SB 50 AFFORDABLE HOUSING STANDARDS

SUMMARY

On February 5, 2019, a statewide network of organizations working on affordable housing and equitable development submitted a proposal to Senator Wiener's office for a meaningful affordable housing program in SB 50.

Our February 5th proposal is balanced, adjusting the affordability obligations depending on the actual new density created by SB 50 on a project-by-project basis. It accounts for the challenges in applying affordability standards across different regions and markets in California by building off of an already existing statewide model. It also ensures simplicity and feasibility by establishing tiers with minimum and maximum required affordability. And it will create new units affordable to Extremely Low Income households, resulting in new housing not being produced by any other state zoning program and ensuring affordable housing options for those most vulnerable to homelessness. This proposal complements accompanying recommendations that can further ground SB 50 in equity, through anti-displacement measures and provisions protecting sensitive communities.

PROBLEM:

California is in the midst of an unprecedented and unconscionable affordable housing crisis.

California is facing a shortfall of 1.5 million affordable rental homes, and the state's lowest-income renters spend 66% of income on rent, leaving little left for food, transportation, health care, and other essentials. (California Housing Partnership Corporation, April 2018). In many parts of the state, speculative real estate investment and gentrification pressures are catalyzing the displacement of low-income residents and the complete destabilization of low-income communities and communities of color. This affordable housing and displacement crisis is fueling a growing homelessness crisis. More than 134,000 people experience homelessness in California on a given night – nearly one-quarter of the entire nation's homeless population. Market rate housing, alone, will not solve this problem, and in many communities, building exclusively market rate housing without corresponding affordability and tenant protections will exacerbate the crisis. To ensure that our communities are developed for *all* Californians, upzoning policies must be paired with significant affordability provisions that strengthen and don't undermine local programs, along with full protections against displacement for renters.

The current version of SB 50 falls short on affordability and fails to meet basic value capture principles.

On March 12, 2019, SB 50 was amended to include new affordable housing provisions. However, these amendments are very different from, and fall well short of the standards in our February 5 proposal, as described below. Unlike the March 12 amendments, our proposal is grounded in proven value capture principles and builds from existing state law. ***The current version of SB 50 does not include adequate affordable housing standards and fails to meet basic value capture principles.***

SB 50 would grant eligible projects an "equitable communities incentive," which includes a waiver of any maximum controls on density, reduced or eliminated parking requirements, and additional incentives and concessions. Depending on proximity to rail, certain eligible projects would also receive a waiver of maximum height requirements up to 45 or 55 feet, and a waiver of maximum FAR requirements up to 2.5

or 3.25. Allowable height could be increased even further with the use of an incentive and concession. Put simply, SB 50 would enable a significant increase in the number of allowable housing units and a much larger overall building envelope for many properties across the state. This would confer enormous new value to covered properties.

Sound public policy requires that these density increases come with meaningful affordable housing. In the midst of an unprecedented and devastating affordable housing crisis, the state must ensure that any upzoning legislation will contribute to solving the problem, not worsening it.

The current version of SB 50, as amended March 12, 2019, does not meet this standard. There are numerous problems with the affordability provisions in the March 12 amendments, including:

- In most scenarios, the affordability standards are lower than LA's TOC program and other successful affordable housing incentive programs.
- NOT a value capture program - affordability isn't tied to value conferred through density increase, leaving significant affordability on the table. For example, under this proposal, a project receiving a 200+% density increase could have the same affordable housing obligation as a project receiving a 40% density increase.
- Undermines state housing law – in many cases SB 50 would give triple the density (or more) for the same affordability as density bonus law.
- Unclear if a development could add a density bonus on top of SB 50 for even greater density without corresponding affordable housing.
- Despite creating new value for covered properties, there is no guarantee SB 50 would exceed local inclusionary requirements.
- No affordability contribution at all for projects under 10 units
- Includes a major loophole by providing a fee option that allows any development to avoid onsite affordability, creating delays in new affordable housing, less affordability near transit, more pollution, & more segregated communities.
- Does not require any housing for extremely low income populations hardest hit by the housing crisis.

SOLUTION

ACT-LA and other affordable housing and equity organizations from across the state have developed a better affordable housing program for SB 50, which is both consistent with core values of equity and inclusion, *and* builds from existing statewide value capture programs, as follows:

Guiding Principles

- An "equitable communities incentive" must lead with equity and include meaningful affordability.
- As a value capture policy, the affordability required under SB 50 should correspond to the amount of additional value conferred to a project. Because SB 50 provides for an increase in height and FAR up to a limit, but does not alter the *base* density, the additional value created by SB 50 will vary from project to project. Therefore, there should be different levels of affordable housing requirements depending on the actual density increase created by SB 50 for each project.
- State density bonus law is the only existing *statewide* law that aligns density increases with affordable housing. SB 50 should build off this existing sliding scale formula.
- Because SB 50 enables new development to leverage the value of public investment in transit infrastructure, while providing even more generous parking incentives than existing state density bonus law, SB 50 inclusionary rates should exceed density bonus requirements.

- Because many California families do not make enough to afford LI and VLI housing costs, and because there is a dramatic shortfall in housing options for this growing population, SB 50 inclusionary rates should include a required set-aside for ELI households.

Proposal

1. Every SB 50 project of 10 or more units will have a particular "density increase" - the percent increase in the number of units proposed within the SB 50 standards, over the number of units that would be allowed by the underlying zoning (a percent increase in the number of allowable units).

2. Establish three tiers of density increase: (1) up to 50%; (2) 51%-80%; and (3) greater than 80%.

3. In each tier, the required minimum set-aside will be: (a) the amount of affordable units that would be required if the density bonus law sliding scale percentages are extended by formula upwards beyond 35%; plus (b) an additional 5% of the total project for ELI units.

Density increase	**On-site Affordable Housing Contribution**
Up to 50%	11% VLI OR 20% LI*; AND 5% ELI** (total: **16% or 25%**)
51% - 80%	16% VLI OR 28% LI*; AND 5% ELI** (total: **21% or 33%**)
Greater than 80%	18% VLI OR 30% LI*; AND 5% ELI** (total: **23% or 35%**)
* These percentages are derived from the existing state density bonus law sliding scale formula, converted to an equivalent percentage of total project (see methodology steps 1 and 2). ** This represents an additional affordability contribution, beyond state density bonus law, commensurate with the additional value created by the SB 50 super density bonus.	

4. Nothing prevents a project from voluntarily providing more affordability (e.g., 100% AH projects).

5. To qualify for SB 50, projects of less than 10 units will provide a fee, dedicated for affordable housing.

6. Affordable housing contribution should exceed what is already required by a local inclusionary ordinance. *Proposed language forthcoming*.

Methodology

Our SB 50 affordable housing proposal is grounded in a logical approach that draws on existing proven statewide programs, addresses pressing statewide needs, and ensures certainty and feasibility. We arrived at the above proposal through the following four steps:

Step 1. Extend Density Bonus Law Sliding Scale. Because state density bonus law (DBL) already applies in every jurisdiction in the state, it is a logical starting point when creating a new statewide value capture program. DBL aligns density with affordability along a sliding scale. The scale starts with a 20% density increase, which can be accessed by providing either 5% Very Low Income (VLI) units, or 10% Low Income (LI) units. From there, a project would receive a 2.5% density increase for each additional 1% increase in VLI units, or a 1.5% increase in density for each 1% increase in LI units. DBL is capped at a 35% density increase, but using this formula, we can easily extend the sliding scale.

Step 2. Convert to a Percent of Total Project. DBL applies the affordability percentage to the base project, before any extra density is added. As a result, the percentages under DBL do not reflect the actual percentage of the final project. To convert the DBL sliding scale from percent of base to percent of total, we simply divide the DBL percent of the base by 1.XX, where XX = the percent density increase.

Step 3. Simplify the DBL Sliding Scale into Tiers. Any density increase could be assigned a corresponding affordability requirement using the sliding scale formula described above. However, a tier system is easier to understand and implement. By creating tiers in SB 50, developers and stakeholders can look at the law and know how much affordable housing will be included in a project without doing a series of calculations. A Tier system also creates a de facto minimum and maximum required affordability contribution. We propose three tiers of density increase: (1) 0-50%; (2) 51-80%; and (3) greater than 80%. For any SB 50 project, the "density increase" would be the percent increase in the number of units proposed under SB 50 over the number of units that would be allowed under the base zone. For any SB 50 project, this "density increase" would situate the project within one of the three tiers above.

Step 4. Enhance the Affordable Housing Rates in Each Tier to Account for the Additional Value Created by SB 50. SB 50 confers significantly more value to a project, especially in the form of parking reductions, than does DBL. Therefore, SB 50 affordability standards should be greater. But rather than just increasing the percentages, SB 50 should also address the increasing need for units affordable to Extremely Low Income (ELI) households. Adding an ELI contribution *in addition to* the DBL sliding scale percentages achieves several key objectives: (a) it gives developers some flexibility in meeting affordability standards; while (b) ensuring and ELI contribution in each project; and (c) establishing overall affordability rates that slightly exceed the DBL formula. To do this, in each tier, we simply require that a project provide 5% of the total units affordable to ELI households, and provide the corresponding state DBL sliding scale contribution for that tier in either VLI or LI units.

Examples

Project A: Assume site with a base zone that allows 56 units, and SB 50 standards allow 100 units
Project B: Assume site with a base zone that allows 100 units, and SB 50 standards allow 188 units.
Project C: Assume base R2 (duplex) zone, but SB 50 standards allow 18 units.

	SB 50 affordability rate	***Total affordable units***
Project A	16% VLI or 28% LI ; and 5% ELI.	16 VLI units or 28 LI units; and 5 ELI units (**21** ELI+VLI units or **33** ELI+LI units total)
Project B	18% VLI or 30% LI; and 5% ELI.	34 VLI units or 57 LI units; and 10 ELI units (**44** ELI+VLI units or **67** ELI+LI units total)
Project C	18% VLI or 30% LI; and 5% ELI.	4 VLI units or 6 LI units; and 1 ELI unit (**5** ELI+VLI units or **7** ELI+LI units total.)

SB 50 Affordable Housing

Core principles

- Any "equitable communities incentive" must lead with equity and maximize affordability.
- Because SB 50 enables new development to leverage the value of public investment in transit infrastructure, while providing more generous incentives than existing state density bonus law, SB 50 inclusionary rates should exceed density bonus requirements.
- Because many California families do not make enough to afford LI and VLI housing costs, and because there is a dramatic shortfall in housing options for this growing population, SB 50 inclusionary rates should include a required set-aside for ELI households.
- As a value capture policy, SB 50 inclusionary rates should correspond to the amount of additional value conferred to a project (density, height, parking restrictions, other incentives). Because SB 50 provides a limit on height and FAR, but does not alter the base zoning, the additional value created by SB 50 will vary from project to project. SB 50 inclusionary rates should vary accordingly.
- Because SB 50 applies across different jurisdictions and markets, the inclusionary rate should build off of the existing sliding scale formula in state density bonus law, but with a maximum requirement.
- Because SB 50 is creating additional value beyond what any local inclusionary ordinance provides, SB 50 inclusionary rates should always exceed local inclusionary requirements.
- As a value capture policy, SB 50 should include affordability contributions from all projects that benefit from the policy, including smaller projects with fewer than 10 units.

Policy points

SB 50 on-site inclusionary (10+ units)

- Every SB 50 project will have a particular "density increase" - the percent increase in the number of units proposed within the SB 50 standards, over the number of units that would be allowed by the underlying zoning (a percent increase in the number of allowable units).
- Establish three tiers of density increase: (1) up to 50%; (2) 51%-80%; and (3) greater than 80%.
- In each tier, the required minimum set-aside will be: (a) the amount of affordable units that would be required if the density bonus law sliding scale percentages are extended by formula upwards beyond 35%; plus (b) an additional 5% of the total project for ELI units.

Density increase	**On-site Affordable Housing Contribution**
Up to 50%	5% ELI; AND: 11% VLI OR 20% LI *of total** (16% or 25% total)
51% - 80%	5% ELI; AND: 16% VLI OR 28% LI *of total** (21% or 33% total)
Greater than 80%	5% ELI; AND: 18% VLI OR 30% LI *of total** (23% or 35% total)
* Percentages converted from DBL percent of base to equivalent percentage of <u>total</u> project.	

- Nothing prevents a project from voluntarily providing more affordability (e.g., 100% AH projects).

SB 50 small project affordability contribution

- To qualify for SB 50, projects with fewer than 10 units will provide a fee, to be set aside for affordable housing.

Interaction with local inclusionary zoning policies

- Projects taking advantage of SB 50 incentives should provide affordable housing in addition to what is already required by a local inclusionary ordinance.

Attachment B: SB 50 Sensitive Communities Proposal from Equity Groups

Every community in the state has a role to play in addressing the affordable housing crisis. But our cities, towns and communities have been shaped by different histories, economic drivers and present-day conditions: state policy must be responsive to these differences. Specifically, race and class inequality and top-down policies that ignored the voices of people of color, such as redlining and Urban Renewal, have burdened specific communities while concentrating wealth in others. As the Bay Area's CASA Compact observed, "segregated housing patterns — both by race and by income — are a legacy of decades of discriminatory government policies and private sector lending practices" and therefore there must be "protections for neighborhoods and residents most affected by that horrible history."

As applied to SB 50, the "equitable communities incentives" that would override local zoning and planning should be deferred in sensitive communities that are vulnerable to displacement. This is a common-sense middle-ground - recognizing that these communities can grow and change, but that they deserve sufficient time and self-determination to plan for an inclusive future for their neighborhoods.

The fundamental purpose of deferring state preemption of local zoning and land use authority in sensitive communities is to ensure communities vulnerable to displacement have an opportunity for self determination so that they can thrive rather than being displaced. To accomplish this purpose, it is essential that impacted communities be engaged in all aspects of the process - from the mapping of sensitive communities through decisions about "opting-in" or adopting alternative local plans.

Core Principles for SB 50 Sensitive Communities Policy

1. **Low-income communities and communities of color in each region must be engaged in ground-truthing sensitive communities maps.** Statewide data can help identify parameters to guide sensitive communities mapping, but the enormous diversity in local conditions around the state means that local input from community-based organizations and community members is essential to get the maps right. We recommend the identification of general data to inform sensitive communities mapping (see comments on data below), with a robust process for regional refinement of these maps to ground-truth them based on local knowledge and conditions.
    a. **Community Process**. To ensure meaningful community involvement, we recommend:
        i. A working group in each region to shape the maps for each region. The work groups should be representative of vulnerable populations in the region, such as renters, low-income people, and people of color.
        ii. A public hearing process in low-income communities throughout the region, held at accessible times, locations, and manners. Ideally community-based organizations should be resourced to help plan and run these meetings.
    b. **HCD Oversight**. HCD should review regional maps and be the arbiter of edge cases, as opposed to local governments. Its greater distance from local political pressures should result in less mis-identification of neighborhoods. An appeal process to HCD should rest with a neighborhood, rather than requiring action by a local city council or board of supervisors, because sensitive communities often lack political power with these bodies.
    c. **Geographic Units.** For urban areas, a sensitive community may comprise one or more contiguous census tracts. For rural areas, census block group data may be necessary since lower population density means tract-level data often fails to capture local conditions.

d. **Dynamic vs. Static Data Points**. Data considered for identification of sensitive communities should measure change over time, not simply a static point in time metric, as many vulnerable communities have already experienced some degree of gentrification and displacement and may not appear vulnerable if only on snapshot is considered. Useful data points might include rising property values, and a high (and/or declining) number of low-income renters. Similarly, data should measure *potential* for displacement if SB 50 were to apply, not just actual displacement under non-SB 50 conditions.
e. **Tailored Data Analysis**. Data used must be adjusted for variations across regions of income, racial demographics, percentage of renters, etc. Vulnerability to displacement is something that must be examined within the local context, not something that can be measured by fixed statewide standards (e.g. % poverty using a fixed dollar amount for poverty level). Maps should be reassessed periodically.
f. **Problems with Bay Area Mapping:** The MTC-generated maps in the CASA compact do not represent the consensus of community groups in the Bay Area and need to be expanded to include additional vulnerable communities, since some areas in more advanced stages of gentrification did not show up in MTC's methodology. The maps may also be over-inclusive of some census tracts with a large percentage of college students.

2. **Implementation of SB 50's equitable communities incentives should be delayed until sensitive community maps have been developed.** We cannot be sure that vulnerable communities are protected until they have been identified, and they cannot accurately be identified without community engagement. We propose, at minimum, a one year delay in implementation of the "equitable community incentives" to allow for this process.
3. **Application of SB 50 upzoning and development standards should be automatically deferred in sensitive communities** to allow these communities the opportunity to adopt plans for growth that will support rather than displace them. The deferral period shall be indefinite, but shall allow communities to opt-in at any time, see below.
    a. During this deferral, however, any spot or plan-based upzoning should still be required to meet at least the minimum affordability and anti-displacement provisions in SB50.
4. **Sensitive Communities should have the option to "opt-in" to SB 50's equitable communities incentives through a neighborhood-level process at any time.** This must involve meaningful neighborhood-level leadership in any decision to opt-in, including but not limited to:
    a. A Community Advisory Committee (CAC) shall be established by for each jurisdiction and/or for each sensitive community to determine whether to "opt-in" to SB 50 default standards. Each local government shall appoint a CAC that is representative of sensitive community residents by tenure (% renter, % homeowner), income, and other important characteristics of vulnerability to displacement.
    b. Community Hearings. The local agency with jurisdiction over land use and zoning, in partnership with the CAC, shall conduct substantial public consultation with residents of the identified sensitive communities, with a minimum of three public hearings in the community, to consider a proposal to opt-in.
5. **Existing or future neighborhood plans should take precedence over SB 50 defaults in sensitive communities, as long as they meet basic minimum standards.** Suggested standards:
    a. Neighborhood plans must require at least the minimum affordability levels, labor standards, and anti-displacement protections in SB 50. If these standards are lower in a

neighborhood plan, then SB 50 affordability minimums should apply, with the neighborhood plan governing in other respects.

b. Neighborhood plans must include some residentially zoned capacity for development of multifamily housing at density levels in SB 50.
c. Neighborhood plans should be explicitly permitted to include zoning and development standards designed to protect residents and local businesses, historic and cultural resources, and other community assets.
d. Neighborhood plans must include a localized assessment of displacement risks to residents, businesses, cultural and community organizations, and other cultural and community assets. The drivers of those risks must be analyzed, and policies put in place to avoid or substantially mitigate those risks.
e. Neighborhood plans must be developed through a meaningful public process that facilitates and results in engagement by a significant and diverse subset of the population. Actions taken to engage the public and outcomes shall be demonstrated.

6. **Community planning should be resourced, with funding for engagement, capacity building, and technical assistance specifically earmarked to support participation of low-income residents.** The state should commit meaningful funding to support these local planning processes.

The following organizations share these concerns (sign-ons in process):

ACT-LA

East Bay Housing Organizations

The Greenlining Institute

Housing California

KIWA (Koreatown Immigrant Workers Alliance)

Legal Services for Prisoners with Children

LA Forward

Organize Sacramento

PolicyLink

Public Advocates

Public Counsel

Rural Community Assistance Corporation

Strategic Actions for a Just Economy (SAJE)

Carroll, John (BOS)

From: Mchugh, Eileen (BOS)
Sent: Thursday, March 28, 2019 4:33 PM
To: Carroll, John (BOS)
Subject: FW: SF Chamber Letter re: Oppose File No. 190319
Attachments: 3.28.19_Oppose File No. 190319.pdf

Categories: 190319

From: Mary Young <myoung@sfchamber.com>
Sent: Thursday, March 28, 2019 2:56 PM
To: Yee, Norman (BOS) <norman.yee@sfgov.org>
Cc: Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Breed, Mayor London (MYR) <mayorlondonbreed@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Mar, Gordon (BOS) <gordon.mar@sfgov.org>; Brown, Vallie (BOS) <vallie.brown@sfgov.org>; Haney, Matt (BOS) <matt.haney@sfgov.org>; Mandelman, Rafael (BOS) <rafael.mandelman@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Walton, Shamann (BOS) <shamann.walton@sfgov.org>; Cohen, Emily (DPH) <emily.cohen@sfgov.org>; senator.wiener@senate.ca.gov; Ann.Fryman@sen.ca.gov; Karunaratne, Kanishka (MYR) <kanishka.cheng@sfgov.org>
Subject: SF Chamber Letter re: Oppose File No. 190319

Dear President Yee,

Please see attached letter from the San Francisco Chamber of Commerce opposing Board of Supervisors File No. 190319.

Thank you,

Mary Young
Manager, Public Policy
San Francisco Chamber of Commerce
235 Montgomery St., Ste. 760, San Francisco, CA 94104
(O) 415-352-8803 • (E) myoung@sfchamber.com

SAN FRANCISCO CHAMBER OF COMMERCE

235 Montgomery St., Ste. 760, San Francisco, CA 94104
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March 28, 2019

The Honorable Norman Yee, President
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: Oppose File #190319, Resolution to Oppose California State Senate Bill 50 (Wiener) – Housing Development Incentives – Unless Amended

Dear President Yee and Members of the Board of Supervisors,

The San Francisco Chamber of Commerce, representing thousands of local businesses, urges you to oppose File #190319, Supervisor Mar's resolution opposing California State Senate Bill No. 50 (SB 50), authored by Senator Scott Wiener, which allows for greater housing density along public transportation corridors and near job centers.

The Chamber supports SB 50, and believes this Resolution is a step backwards in our collective efforts to build more housing at all levels of affordability in San Francisco neighborhoods, throughout the Bay Area and across California. Senator Wiener's bill, which is supported by three-quarters of San Francisco voters according to a recent Chamber of Commerce poll, will help break the gridlock imposed by long-standing zoning and permitting restrictions that still reflect the exclusionary housing policies of a bygone era.

Increasing density close to transit and job centers will enable more residents to live near our workplaces, reducing traffic congestion and the overcrowding of our beleaguered public transportation systems. It will lower carbon emissions and help reduce the destructive impacts of climate change across the state by reversing development patterns and incentives that lead to urban and suburban sprawl.

Most important, SB 50 will result in an increase of vitally needed affordable housing stock, as more units will be built in areas currently zoned ineligible for 100% affordable housing. Legalizing more multi-unit buildings will result in the construction of inclusionary housing that provides below market-rate units for San Franciscans who cannot afford our city's exorbitant real estate and rental prices.

Contrary to assertions in the Resolution, under SB 50 San Francisco will retain its approval process for individual projects and community members will have the same opportunities to provide input as they do now. The city will continue to capture local impact fees directed to transportation and streetscape improvements. Local demolition protections will remain in place.

SAN FRANCISCO CHAMBER OF COMMERCE

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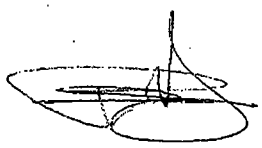
The San Francisco Chamber of Commerce has long supported policies that increase housing density to help alleviate the city's significant housing shortage, especially for middle and low-income residents. This Resolution may stymie efforts at the state level to meet our challenges of providing housing at all levels of affordability locally, in San Francisco and across the Bay Area. We therefore urge the Board of Supervisors to oppose this Resolution when it comes before you for a vote.

Sincerely,



Rodney Fong
President and CEO
San Francisco Chamber of Commerce

cc: Clerk of the Board of Supervisors, to be distributed to all Supervisors; Mayor London Breed; State Senator Scott Wiener

Carroll, John (BOS)

From: Board of Supervisors, (BOS)
Sent: Thursday, March 28, 2019 10:12 AM
To: Carroll, John (BOS)
Subject: FW: Please Support SB50

Categories: 190319

-----Original Message-----
From: Jacob Medaris <jacobmedaris@icloud.com>
Sent: Wednesday, March 27, 2019 10:29 PM
To: Yee, Norman (BOS) <norman.yee@sfgov.org>
Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Please Support SB50

Dear Supervisor Yee,

As a resident of your district, I urge you to support SB 50 in the state legislature. San Francisco has been underproducing housing for decades and we need to reduce the stranglehold exclusionary zoning has had in our city to cause it to have one of the highest rents and real estate prices in the world. We need more homes for everyone, not just the rich. I live in a neighborhood filled with mega mansions, I would like to see some more apartment buildings in District 7 that are transit accessible.

Please do not the BOS resolution to oppose Senator Weiner's bill. My future depends on the passage of SB 50.

Thank you,

Jacob Medaris
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California State Senate

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GOVERNANCE AND FINANCE
GOVERNMENTAL ORGANIZATION
HUMAN SERVICES
PUBLIC SAFETY
JOINT LEGISLATIVE
AUDIT COMMITTEE
JOINT RULES COMMITTEE

March 25, 2019

The Honorable Gordon Mar
Member, Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Your Proposed Resolution Opposing Senate Bill 50

Dear Supervisor Mar:

I hope this letter finds you well. I write regarding a resolution you introduced on March 18 to oppose a bill I am authoring, Senate Bill 50. A recent poll of San Francisco voters showed 74% support for SB 50, with the highest level of support coming from your district. SB 50 will expand all forms of housing in San Francisco, including affordable housing. It will legalize affordable housing in your district. (Affordable housing is currently illegal in a large majority of your district due to widespread single-family home zoning.) It will reduce sprawl and carbon emissions. And, it will ensure that *all* cities, including wealthy cities, help solve our housing crisis.

If the Board of Supervisors were to adopt your resolution and oppose SB 50, San Francisco would be aligning itself with some of the wealthiest and most housing-resistant communities in California. For example, some of the most vocal critics of the bill are the anti-growth Mayors of Palo Alto, Beverly Hills, and Los Altos, as well as anti-growth advocates in Cupertino and Marin County.

In addition, while I respect anyone's right to have whatever opinion they want about my bills, I do ask that people not mischaracterize those bills. Unfortunately, your resolution contains significant factual inaccuracies about SB 50, as described later in this letter.

Why SB 50 and What the Bill Does

The purpose of SB 50 is to address one of the root causes of California's housing crisis: hyper-low-density zoning near jobs and transit, in other words, cities banning apartment buildings and affordable housing near jobs and transit. This restrictive and exclusionary zoning was originally created one hundred years ago to keep people of color and low income people out of white neighborhoods, and it is currently exacerbating racial and income segregation.

Bans on apartment buildings and affordable housing in huge swaths of California — i.e., zoning that bans all housing other than single-family homes — have fueled our state's housing affordability crisis, helped generate California's 3.5 million home deficit (a deficit equal to the combined deficits of the other 49

states), made a large part of California and San Francisco off-limits to affordable housing, and directly led to sprawl development since it is illegal to build enough housing near jobs and transit.

Hyper-low-density zoning in places like San Francisco also worsens climate change. It leads to sprawl development that covers up farmland and open space, pushes people into multi-hour commutes, clogs our freeways, and increases carbon emissions. By advocating against a bill like SB 50, your resolution is advocating for sprawl, for increased carbon emissions, and against equitable placement of affordable housing (for example, in your own district, which is extremely low density and thus has very little affordable housing). Your resolution advocates for the housing status quo, which has resulted in so many working class families being pushed out of San Francisco.

SB 50 gets to the heart of this zoning problem by allowing increased density near quality public transportation and in job centers. SB 50 will allow more people to live near transit and close to where they work. It will help alleviate California's housing crisis by creating more housing and legalizing affordable housing where it is currently illegal.

Over the past year and a half, we have engaged in intensive stakeholder outreach with cities (including San Francisco), tenant advocates, environmentalists, neighborhoods groups, and others, in an effort to fine-tune the bill and respond to constructive feedback. For example, we changed the bill so that, overwhelmingly, it respects local height limits and setbacks. And where the bill does require 45- and 55-foot heights (near rail and ferry stops), it will barely affect San Francisco building heights, since in the overwhelming majority of our residential neighborhoods, the height limit is already 40 feet. In other words, in San Francisco, SB 50 will result in either no height increase or a one-story increase.

SB 50 also defers to local inclusionary housing requirements, unless those requirements fall below a minimum standard, in which case the bill imposes a baseline inclusionary percentage. The bill thus extends inclusionary housing requirements to many cities that do not currently have them. SB 50 respects local demolition restrictions, with the exception that it creates a statewide blanket demolition ban on buildings where a tenant has lived in the past 7 years or where an Ellis Act eviction has occurred in the past 15 years. These are the strongest such tenant protections ever created under California law. It also defers to local design standards and local setback rules. Of significance, SB 50 does not change the local approval process. If a conditional use, CEQA review, discretionary review, or other process is currently required under San Francisco law, SB 50 will not change that process.

Because of SB 50's benefits for housing affordability and the environment, a broad coalition of labor, environmental, affordable housing, senior, and student organizations are supporting the bill, including the California Building and Construction Trades Council, the Nonprofit Housing Association of Northern California, the California League of Conservation Voters, Habitat for Humanity, AARP, the University of California Student Association, and various local elected officials, including Mayors London Breed, Michael Tubbs, Libby Schaaf, Sam Liccardo, and Darrell Steinberg.

Benefits of SB 50 for San Francisco

What SB *will* change in San Francisco is (1) ending the inequitable development patterns we currently see in our city, (2) legalizing affordable housing throughout the city, not just in a few neighborhoods, and (3) dramatically increasing the number of below market rate homes produced.

Because approximately 70% of San Francisco is zoned single-family or two-unit — in other words, all forms of housing other than single family and two units are banned — it is illegal to build even a small

apartment building or affordable housing project in the large majority of San Francisco, including in the lion's share of your own district. Dense housing is thus concentrated in just a few areas — Districts 3, 6, 9, and 10 — with only a few exceptions. Your opposition to SB 50 perpetuates this geographic inequity in San Francisco.

San Francisco will see a significant increase in affordable homes under SB 50. With more multi-unit zoning, parcels currently ineligible for 100% affordable projects (e.g., single-family-zoned parcels) will now be candidates for such projects, including in your district. In addition, legalizing more multi-unit buildings, as SB 50 does, will mean that many more projects will trigger San Francisco's inclusionary housing requirements and dramatically increase the number of below-market-rate units produced. Indeed, as noted by the San Francisco Planning Department in its analysis of SB 50: "SB 50 is likely to result in significantly greater housing production across all density-controlled districts, and thus would produce *more* affordable housing through the on-site inclusionary requirement."

Inaccuracies in Your Resolution

Your resolution contains a number of highly inaccurate statements about SB 50. If you are committed to bringing this resolution to a vote — despite all the benefits SB 50 can bring to San Francisco and California — I request that you at least correct these inaccuracies:

1. Your resolution falsely states that SB 50 will "undermine community participation in planning" and "result in significantly less public review."

As noted above, SB 50 does not in any way change the approval process for individual projects. Nor does it change the city's ability to adopt anti-displacement protections, demolition controls, inclusionary housing requirements, design standards, and so forth. The community is in no way removed from the planning process.

2. Your resolution falsely states that SB 50 will undermine the "well-being of the environment."

SB 50 has been described as an incredibly powerful tool against climate change, as it will allow more people to live near jobs and transit and avoid being "super-commuters." That is why various environmental groups are supporting it. What undermines the environment and our fight against climate change is low-density zoning in job/transit centers like San Francisco — low density zoning for which you appear to be advocating.

3. Your resolution falsely states that SB 50 will "prevent the public from recapturing an equitable portion of the economic benefits conferred to private interests."

As noted above, SB 50 does not override local inclusionary housing requirements. Nor does it override local impact fees, such as transportation, park, sewer, and other development fees. San Francisco will continue to have full latitude to recapture value from development. Indeed, San Francisco will collect significantly more impact fees, since these fees are usually based on the size of the building and SB 50 will allow larger buildings in terms of density.

4. Your resolution falsely states that SB 50 restricts the city's ability to adopt policies to ensure "equitable and affordable development" in sensitive communities.

SB 50 contains a 5-year delayed implementation for "sensitive communities," which are defined as communities with significant low income populations and risk of displacement. We are working with tenant advocates to continue to flesh out the details of this provision. This 5-year delay will give communities the opportunity to engage in local anti-displacement planning.

You point to several San Francisco neighborhoods that are not entirely classified as sensitive communities, for example, the Mission, Chinatown, and SOMA. Please note that Chinatown, SOMA, the Tenderloin, and much of the Mission will be minimally impacted, if at all, by SB 50, because they are already zoned as densely or more densely than SB 50 requires. Indeed, this is exactly why SB 50 will increase equity. Historically, low income communities have disproportionately been zoned for density, while wealthier communities have not. Why should density be concentrated in low income communities? SB 50 seeks to break this inequitable status quo, which is why the bill is being aggressively attacked by the Mayors of Palo Alto, Beverly Hills, and Los Altos, and by anti-growth advocates in Cupertino and Marin County. Your resolution, by contrast, perpetuates that inequitable status quo.

5. Your resolution falsely states that SB 50 does not allow San Francisco to ensure "a meaningful net increase in affordable housing."

As described above, the exact opposite is true: As confirmed by the San Francisco Planning Department, SB 50 will result in a significant increase in affordable housing, because far more parcels will be zoned for density and thus candidates for affordable housing (only densely zoned parcels can have affordable housing) and because more multi-unit projects mean more below market rate units under San Francisco's inclusionary housing ordinance. Currently, affordable housing is illegal in 70% of San Francisco due to low density zoning. SB 50 changes that status quo, whereas your resolution perpetuates the status quo.

6. Your resolution falsely states that SB 50 does not protect against demolitions and does not allow San Francisco to protect against demolitions.

SB 50 maintains local demolition protections and increases those protections for buildings in which tenants have resided in the past 7 years or where an Ellis Act eviction has occurred in the past 15 years. Your resolution is simply wrong about this subject.

I hope you will reconsider your effort to oppose SB 50 or, at a minimum, correct the significant factual inaccuracies in your resolution. As always, I am available to discuss this or any other issue.

Sincerely,

Scott Wiener

Scott Wiener
Senator

cc: All Members of the Board of Supervisors
Clerk, Board of Supervisors
Mayor London Breed
San Francisco Planning Department

Carroll, John (BOS)

From: Mike Forster <mike@mikeforster.net>
Sent: Monday, March 11, 2019 12:08 PM
Cc: 'Mike Forster'
Subject: SB 50 and Daylight Planes - Restricted Building, Eminent Domain, and Solar Impaired

March 11, 2019

To:
State Senator Scott Wiener
Council Members of Palo Alto
Supervisors of San Francisco, San Mateo, and Santa Clara Counties
Council Members of the City of Palo Alto
NRDC
CALPIRG
Environment California
AARP

SB 50 and Daylight Planes - Restricted Building, Eminent Domain, and Solar Impaired. Daylight planes will interact with California Senate bill SB 50 - the More Homes Act - to restrict building options, generate large eminent domain costs and legal challenges, impair solar power, or all of the above.

Restricted development. Often, the property immediately behind a commercial property along a thoroughfare such as El Camino Real is a residence. In Palo Alto, a residential owner has the purchased, expected, and historic right to a daylight plane starting 10 feet above the property line extending at a 45-degree angle; many cities have similar regulations. So, adjacent housing could not reach SB-50's maximum height of 55 feet closer than 45 feet to the property line. This would make tall developments practically and financially infeasible in many locations.

Eminent domain. If new housing were allowed to intrude on the daylight plane, government would have to use eminent domain to compensate the residential owner for the permanent reduction in property value. Daylight access is a key feature of a property, with value. Per our Constitution, government would have to compensate owners for this loss in value. Caltrain noise could be considered a detriment comparable to daylight access. A quick study of 8 homes sold in Palo Alto's South Gate neighborhood between 2016 and 2018 shows that homes next to the Caltrain tracks sold for an average of 17% or $308 per square foot less, or $511,000 dollars per home, than comparable homes 2 to 3 blocks from Caltrain. Other less expensive cities

would have lower cost impacts - but even so, with likely thousands of such properties statewide, SB 50 could cause a huge cost to our government, as well as court challenges.

Solar impaired. Any intrusion into the daylight plane could also impair access to rooftop solar power for those residences adjacent to new SB 50 developments, by shading the rooftops and reducing the solar power production.

A better approach - Mandate maximums under current zoning laws. Instead of SB 50, the state could mandate that all new construction in the desired areas - near mass transit or along transit corridors - maximize the height, useable floor space, and housing units according to existing local zoning regulations. This would maintain local control, but maximize the number of units in the desired areas.

Mike Forster, Palo Alto

Mike Forster
420 Stanford Ave
Palo Alto, CA 94306
mike@mikeforster.net
650 464 9425

Carroll, John (BOS)

From: zrants <zrants@gmail.com>
Sent: Monday, February 25, 2019 11:54 PM
To: Board of Supervisors, (BOS)
Cc: Fewer, Sandra (BOS); Stefani, Catherine (BOS); Peskin, Aaron (BOS); Mar, Gordon (BOS); Brown, Vallie (BOS); Haney, Matt (BOS); Yee, Norman (BOS); MandelmanStaff, [BOS]; Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)
Subject: RE: hearing on CASA and SB-50

Dear Supervisor:

I am requesting a public hearing on CASA & SB-50.

I urge you to craft a resolution and vote on the matter. We are concerned about the escalation of state power over local jurisdiction that these efforts on the part of our state legislators are pushing.

Thank you.

Mari Eliza, concerned citizen

Carroll, John (BOS)

From: Kathy Howard <kathyhoward@earthlink.net>
Sent: Wednesday, February 20, 2019 12:31 PM
To: Board of Supervisors, (BOS); Stefani, Catherine (BOS); Mar, Gordon (BOS); MandelmanStaff, [BOS]; Walton, Shamann (BOS); Peskin, Aaron (BOS); Safai, Ahsha (BOS); Ronen, Hillary; Cohen, Malia (BOS); Yee, Norman (BOS); Fewer, Sandra (BOS); Brown, Vallie (BOS)
Subject: Please hold a public hearing on SB-50 and CASA

Follow Up Flag: Follow up
Flag Status: Flagged

Please hold a public hearing on CASA & SB-50.
Please also craft a resolution and vote on the matter.
Thank you.

Katherine Howard
San Francisco, CA

Carroll, John (BOS)

From:	Susan Kirsch <susankirsch@hotmail.com>
Sent:	Monday, February 18, 2019 9:51 AM
Cc:	2Preserve LA
Subject:	SB-50 Teleconference Tonight Mon. 2/18 at 7 pm
Attachments:	SB 50 Coalition to Preserve LA Analysis.docx

Dear ABAG Reps & Alternates - ***Tonight*** - Mark your calendar for a 7:00 pm call about SB-50, one of the bills coming forward under the CASA Compact. Forward this notice to others on your City Council, Planning Commission, and Neighborhood Leaders' lists. Help get word out to help create informed policy.

Partners of **Livable California**, the **Coalition to Preserve LA, is** hosting a teleconference about SB-50 tonight (Monday) at 7:00 pm. Dial in to find out what you need to know about SB-50.

Call-in number: (605) 313-4400 Access Code: 870559

Please RSVP to 2preservela@gmail.com (above), for a head count. Not required, but appreciated.

Review the attached SB-50 analysis for impact on homeowners. You'll see a few specifics for LA, but most of the analysis applies to the entire state.

Critics of SB-50 call it the **California Gentrification, Displacement, and Environmental Destruction Act**. Others call it the **Real Estate Investor and Developer Enhancement Act.** Few people see promise to address the issue of housing affordability. Sen. Scott Wiener (author of SB-50) and colleagues, influenced by global corporations working under umbrella organizations like the Bay Area Council, the Silicon Leadership Group, and MTC (which created CASA) are organized and funded to promote profit, not people. Learn how SB-50 dismantles your communities' authority to manage your own growth, infrastructure, and long-term well-being.

Coalition to Preserve LA describes the Monday night call like this: SB 50 is a Russian Nesting Egg, one egg within another, until you get to its rotten core. *Leading media outlets have misunderstood, and utterly failed, to un-peel this rotten egg.* On the call, we'll peel back the layers.

SB 50 is the greatest attack on single-family home ownership, and the most extreme gentrification tool, ever floated by Sacramento. It rebrands quiet streets as either "transit rich" or "above-median/good schools/jobs-rich," in order to up-zone single-family areas to 75- and 85-foot apartments.
We'll explain why SB 50's claim to protect renters is trash talk. SB 50 will gentrify indiscriminately and push renters and the working-class from their homes.

We've confirmed that if SB 50 passes, cities can't reject these "by-right" luxury towers. **Cities can only challenge the developer if the project threatens public safety.**

Do you want to un-peel the Russian Nesting Egg with us?

Please dial into **(605) 313-4400 Access Code: 870559 #** on Monday, Feb. 18 at 7 p.m.!

Coalition to Preserve LA: 2preservela.org
Or on Twitter click here
Facebook: @PreserveLA

Susan Kirsch, Founder
Livable California
415-686-4375

Carroll, John (BOS)

From: Board of Supervisors, (BOS)
Sent: Friday, January 18, 2019 1:52 PM
To: Mandelman, Rafael (BOS); Yee, Norman (BOS)
Subject: FW: CASA: Reasons To Oppose Authorization To Sign
Attachments: CASA_letter.Final.pdf; Handout.Final (1).pdf

From: susankirsch@livableca.org <susankirsch@livableca.org>
Sent: Wednesday, January 16, 2019 12:53 PM
To: Susan Kirsch <susankirsch@hotmail.com>
Subject: CASA: Reasons To Oppose Authorization To Sign

LIVABLE CALIFORNIA

January 16, 2019

Dear ABAG Delegate:

Elected and community leaders from throughout the 9-County Bay Area appeal to you to **oppose authorizing ABAG President Rabbit to sign the CASA Compact.**

Attached are resources to support our recommendation.

1. Five points of rebuttal to the staff recommendation for endorsement from Livable CA.
2. *CASA's secret New York junket* published in *"48 Hills" 1/15/19* https://48hills.org/2019/01/casas-secret-new-york-junket/
3. Handout: The Bay Area is experiencing a Success Crisis; CASA is not the answer!
4. Video links from the Rohnert Park City Council meeting, 1/8/19:

Local officials were not kept informed "Why didn't you get input from us?" (90-seconds)

https://www.youtube.com/watch?v=5jJ2C_a_Zkg&index=7&list=PL9L1bX8p45x8NZ6KsVzbRxT6mpZneNDGT

CASA harms cities (60-seconds)

https://www.youtube.com/watch?v=6UedTFv-RSU&index=4&list=PL9L1bX8p45x8NZ6KsVzbRxT6mpZneNDGT

SB-50, state zoning and loss of local control (2-minutes)

https://www.youtube.com/watch?v=yGgO-NcoHvA&list=PL9L1bX8p45x8NZ6KsVzbRxT6mpZneNDGT&index=14

Thank you for representing your constituency.

Susan Kirsch, Founder
Livable California
415-686-4375
LivableCalifornia.org

LIVABLE CALIFORNIA

January 16, 2019

To: ABAG Executive Board
From: Livable California
Subject: CASA Compact Authorization to Sign

We appreciate the work that went into creating the CASA Compact. We agree there is a housing problem that impacts everyone in the Bay Area. It requires long-term thinking and collaborative problem solving. However, on behalf of elected officials, community leaders, and residents of the nine-county Bay Area, we appeal to you to reject authorization for President Rabbitt to sign the CASA Compact.

1. **It's unfair to exclude local elected officials from planning and then not allow time for feedback re: a 15-Year Emergency Policy to Confront the Housing Crisis in the San Francisco Bay Area.**
   1.1. About 70% of the Bay Area's population live in the 98 cities that were NOT represented during the development of the Compact.
   1.2. The Outreach meetings were an afterthought that began in December, 18-months after the CASA process started. A typical presentation allowed 45 minutes of PowerPoint presentation with just 10-15 minutes for questions; inadequate for meaningful deliberation on a 15-year policy to address the housing crisis!
   1.3. Local officials were not kept informed. This 90-second video demonstrates the frustration of the Rohnert Park Mayor Gina Belforte when she asks Jake Mackenzie, MTC Chair, member of the CASA Technical Committee, and ABAG rep, "Why didn't you get input from us?"https://www.youtube.com/watch?v=5jJ2C_a_Zkg&index=7&list=PL9L1bX8p45x8NZ6KsVzbRxT6mpZneNDGT.
   1.4. In another sleight of hand, the staff memo (1/10/19) describes the 5-point "gradients of agreement" system, used to report MTC and CASA Committee approval. Typically, a 5-point scale registers 1 and 2 as favorable; 3 as neutral or undecided; and 4 and 5 as unfavorable. But MTC/CASA clustered all 1-4 ratings as favorable, stacking the deck against getting an honest summary of opinions.

2. **The Compact will exacerbate transit woes without solving the housing dilemma.**
   2.1. MTC has failed in its mission to provide safe, coordinated, efficient, and reliable transportation systems. With contraction of routes, ridership on bus and light rail is declining. CalTrain ridership is maxed out. Yet MTC seeks to usurp the long-standing authority of cities to plan for growth and housing–without offering transit improvements.

2.2. Displacement from new construction near transit will force low-income people to outlying areas that lack public transportation, thereby increasing traffic.

2.3. Residents of new units built near transit will not necessarily use transit, but there is clear evidence that failure to provide parking will result in cars being parked in adjoining neighborhoods.

3. The Compact fails to identify the root causes of the housing dilemma. The proposed "solutions" have predictable, adverse consequences.

3.1. Silicon Valley and other big cities' rapid expansion of commercial space has created over four million jobs and great wealth. But cities didn't require and corporations didn't cover their fair share of housing. In Cupertino, thousands of homes have been permitted, but developers are not building.

3.2. Governor Newsom is on the right track to challenge corporate leaders to be part of a solution. For example, Google's parent company, Alphabet, has a market cap of $700B. What is their fair share of solving the housing crisis? CASA proposes to tax local governments, homes and purchases, putting the cost burden in the wrong place and on the most vulnerable.

3.3. The CASA report fails to provide analysis of why housing construction has lagged behind commercial development or how to factor for rising costs of land, lumber, and labor. Office development that outstrips housing and transportation will worsen conditions, reduce critical services and infrastructure. New building will displace low- and middle-income residents.

3.4. CASA blames cities for the housing crisis and sets out to divert local control to a regional, unelected agency. However, cities don't build. They plan, zone, monitor and respond, with participation from the community. Elected officials will point with well-deserved pride to their General Plans, Housing Elements, and Design Guidelines.

3.5. A commercial/housing project in Cupertino, driven by SB-35, includes 2,000 housing units + 1.8M sf of office space + 400K sf of retail space = ~8,000 jobs. If 2,000 housing units house 3,000 workers, where do the other 5,000 live? This legislation-driven project makes the Housing Crisis *worse*, not better. We need time for the plethora of recent housing laws and local initiatives to be evaluated before adding more state mandates.

4. Most of the 10 elements weaken local decision-making and the authority of elected officials, while empowering unelected bureaucrats.

4.1. CASA proposes a new Regional Housing Enterprise funded by raiding the revenues that cities rely on to provide essential services. In this 60-second video, Rohnert Park City Council member Stafford says, "Absolutely Not."
https://www.youtube.com/watch?v=6UedTFv-RSU&index=4&list=PL9L1bX8p45x8NZ6KsVzbRxT6mpZneNDGT

4.2. The new SB-50, successor to SB-827, is introduced under the umbrella of CASA. It retains a heavy-handed, top-down mandate of high-density housing near transit, giving the state the right to determine local zoning. Watch this 2-minute video to hear the staff report on

the multiple-negative impacts of SB-50 on Rohnert Park, typical of many cities throughout the region. https://www.youtube.com/watch?v=yGgO-NcoHvA&list=PL9L1bX8p45x8NZ6KsVzbRxT6mpZneNDGT&index=14

5. **The proposed funding structure raids local revenue, constrains future options and indicates the culture of things to come.**
   5.1. The "menu" of funding options takes 20% of property tax increases and imposes other local taxes and fees. CASA ignores how cities with fewer resources will provide new residents with education, public safety, water, sewer and other services.
   5.2. Few know better than you who have served on the ABAG Executive Board about the tactics and culture of MTC. After years of serving as a representative body with accountability to the community, MTC dismantled your role with the merger. In the corporate world it might have been called a hostile take-over. Now with the CASA Compact, MTC has shown arrogance and increasing disrespect and disregard to small and medium-sized cities. The proposal for a Regional Housing Enterprise creates a risk that cities will be reduced to ceremonial players under the thumb of an unelected bureaucracy with taxing and distribution authority.

We urge you to reject authorization for President Rabbit to sign the CASA Compact. Don't be persuaded by arguments of "oh, it's nothing" or "it's a housing crisis, and we have to do something." Planning and problem solving to find solutions to the housing dilemma must continue. But bring the process back to solid footing grounded in a cooperative, not adversarial, model. Cast your vote to oppose signing. Make it a vote to reclaim respectful listening, inclusion, and democratic process that promotes a culture of caring.

Consider these steps:

1. Vote to oppose authorization to sign until after a meeting of the ABAG General Assembly.
2. Form an ABAG Executive Board team to visit 12 or more cities from the 9-county Bay Area and gather feedback on the CASA Compact. Learn what cities and businesses are doing to bring jobs and housing into balance.
3. Convene a General Assembly to report the findings and give proper deliberation to the CASA Compact. Include the public.
4. Recommend a delay in introducing more housing legislation until the singular and cumulative impact of the 25-30 bills passed in recent years has been assessed.

Thank you for your service.

Susan Kirsch, Founder

Livable California

Contact: Susan Kirsch (415) 686-4375

The Bay Area is experiencing a Success Crisis

As the world's technology center, we benefit from great wealth and over 4 million jobs, but our success has led to a

Housing Crisis

Here's what it would take to house Google HQ employees – in 800-square-foot apartments – back in 2015. Today's cost, at $500,000/unit excluding land, would be $5 Billion. That does not include affordable housing for lower-paid workers.

What's the solution?

How do we, as a community, address this crisis with its attendant problems of traffic congestion, inadequate public transit, schools, water and climate change, and infrastructure?

LIVABLE CALIFORNIA

CASA is not the answer!

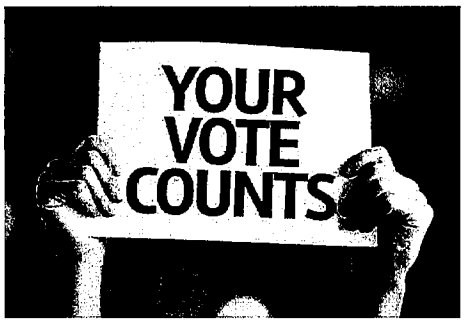
CASA is an end run around democracy.

- The hostile takeover of ABAG by MTC is a disturbing sign of things to come.
- 98 of 101 cities impacted by CASA were excluded from the committee.
- Blaming communities and so-called NIMBYs for the housing crisis is an excuse to wrest local control from cities, while excusing the corporations and developers who are responsible.
- Local governments will be reduced to ceremonial players under the thumb of a regional agency, run by political appointees.
- Municipal zoning laws will be overturned.

Livable California says, "Fix the process!"

ABAG was intended to be a representative, collaborative body.

1. Vote to oppose authorization of CASA.
2. Convene a General Assembly of the 9-county ABAG delegates to give proper hearing to the CASA Compact. Include broad public participation.
3. Support Governor Newsom's challenge to corporate leaders to partner with the state to solve the housing crisis. CASA's plan to tax homes, purchases and local governments puts the burden in the wrong place and won't come close to producing enough funding. Google's parent company, Alphabet, has a market cap of $700B, Facebook $415B, and Apple's net profits over nine years is more than $350B. They can, and should, step up.
4. Delay further housing legislation until the singular and cumulative impact of the 25-30 bills passed in previous years has been assessed.



Just say NO to CASA!

LIVABLE CALIFORNIA

Member, Board of Supervisors
District 4

City and County of San Francisco

GORDON MAR
馬兆明

DATE: March 27, 2019

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Mar
Chairperson

RE: Government Audit and Oversight Committee
COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Government Audit and Oversight Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, April 9, 2019, as a Committee Report:

File No. 190319 **[Opposing California State Senate Bill No. 50 (Wiener) - Housing Development: Incentives - Unless Amended]**
Resolution opposing California State Senate Bill No. 50, authored by Senator Scott Wiener, which would undermine community participation in planning for the well-being of the environment and the public good, prevent the public from recapturing an equitable portion of the economic benefits conferred to private interests, and significantly restrict San Francisco's ability to protect vulnerable communities from displacement and gentrification, unless further amended.

This matter will be heard in the Government Audit and Oversight Committee on April 4, 2019, at 10:00 a.m.

BOARD OF SUPERVISORS
SAN FRANCISCO
2019 MAR 26 AM 9:10
BY

City Hall • 1 Dr. Carlton B. Goodlett Place • Room 244 • San Francisco, California 94102-4689 • (415) 554-7460
Fax (415) 554-7432 • TDD/TTY (415) 554-5227 • E-mail: Gordon.Mar@sfgov.org

BOS-11, Hubs, CUB, Leg Dep. - LU Clerk, GA Clerk, Dep. City Atty.

President, District 7
BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Norman Yee

BOARD OF SUPERVISORS
SAN FRANCISCO
2019 MAR 27 AM 9:00
BY

PRESIDENTIAL ACTION

Date: 3/25/2019

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____ _____ (Primary Sponsor)

Title. _____

☒ Transferring (Board Rule No 3.3)

File No. 190319 Mar (Primary Sponsor)

Title. Opposing California State Senate Bill No. 50 (Wiener) - Housing Development: Incentives - Unless Amended

From: Land Use & Transportation Committee

To: Government Audit & Oversight Committee

☐ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ (Date) _____ (Committee) Meeting

Norman Yee

Norman Yee, President
Board of Supervisors

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

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

- [x] 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):

Mar; Mandelman, Yee, Fewer, Peskin

Subject:

Opposing Unless Amended California State Senate Bill 50 (Wiener) - Housing Development: Incentives

The text is listed:

Resolution opposing unless further amended California Senate Bill 50, authored by Senator Wiener, which would significantly restrict San Francisco's ability to protect vulnerable communities from displacement and gentrification, prevent the public from recapturing an equitable portion of the economic benefits conferred to private interests, and undermine citizen participation in planning for the well being of the environment and the public good.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only