

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
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MEMORANDUM

LAND USE AND TRANSPORTATION COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

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

DATE: March 1, 2022

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, March 1, 2022

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting, Tuesday, March 1, 2022. This item was acted upon at the Committee Meeting on Monday, February 28, 2022, at 1:30 p.m., by the votes indicated.

Item No. 32 **File No. 211207**

Resolution urging the Planning Department, in partnership with the Mayor's Office of Housing and Community Development or other City agencies, to create a Housing Development Incentive Program for homeowners that supports San Francisco residents to build new housing.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Vote:
Supervisor Myrna Melgar - Aye
Supervisor Dean Preston - Aye
Supervisor Aaron Peskin - Aye

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

Vote:
Supervisor Myrna Melgar - Aye
Supervisor Dean Preston - Aye
Supervisor Aaron Peskin - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Anne Pearson, Deputy City Attorney
Kristen Jensen, Deputy City Attorney

File No. 211207 Committee Item No. 3
 Board Item No. 32

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date February 28, 2022

Board of Supervisors Meeting Date March 1, 2022

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI 112221</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Melgar Comm Rpt Memo 022322</u> |
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Completed by: Erica Major Date February 24, 2022
 Completed by: Erica Major Date March 1, 2022

1 [Housing Development Incentive Program for Homeowners]

2

3 **Resolution urging the Planning Department, in partnership with the Mayor’s Office of**
4 **Housing and Community Development or other City agencies, to create a Housing**
5 **Development Incentive Program for homeowners that supports San Francisco**
6 **residents to build new housing.**

7

8 WHEREAS, The housing production deficit has been especially acute for units
9 affordable to moderate-income households, producing only 27% of its Regional Housing
10 Needs Allocation goal for moderate income housing (80-120% AMI), according to the San
11 Francisco Planning Department’s 2020 Housing Inventory Report; and

12 WHEREAS, In 2016, San Francisco expanded its Accessory Dwelling Unit (ADU)
13 Program to allow ADUs in all zoning districts, and in 2020, Assembly Bill 68 (Ting) passed,
14 allowing the construction of a junior ADU in addition to a standard ADU in single family
15 homes; and

16 WHEREAS, State housing policy such as Senate Bill 9 (Atkins) has created new
17 opportunities to increase housing density in single-family home neighborhoods; and

18 WHEREAS, Stabilizing homeowners and expanding affordable rental opportunities
19 strengthens neighborhood communities and supports community asset building; and

20 WHEREAS, Expanding single family homes by adding ADUs and additional units can
21 meet the needs of multigenerational families, tenants, seniors, and the broader community if
22 they are affordable; and

23 WHEREAS, Homeowners face multiple barriers to expand their homes beyond land
24 use controls, including the need for technical assistance, financial assistance, and overall
25 support navigating a building project; and

1 WHEREAS, This is especially the case for low-income, immigrant, and non-English
2 speaking homeowners; and homeowners who are house rich and cash poor, at risk of
3 economic displacement, or otherwise facing housing instability; and

4 WHEREAS, Many of San Francisco’s single family home neighborhoods such as the
5 Sunset District, Oceanview Merced Ingleside and Bayview Hunter’s Point have historically
6 provided affordable housing and homeownership opportunities for working and middle class
7 families, generations of immigrants, and communities of color; and

8 WHEREAS, Newly constructed, market-rate housing in San Francisco’s single family
9 home neighborhoods is often unaffordable to moderate-income households and can
10 contribute to gentrification and displacement; and

11 WHEREAS, Smaller lot sizes in typical single family home neighborhoods typically
12 result in smaller-scale developments that do not trigger inclusionary requirements and
13 therefore do not add to the housing affordability stock; and

14 WHEREAS, Deeper incentives and new policies are required to increase the number of
15 affordable units produced in typical single family home neighborhoods; and

16 WHEREAS, In 2021, the San Francisco Planning Department, in partnership with the
17 office of Supervisor Gordon Mar, launched the Accessory Dwelling Unit (ADU) Incentives Pilot
18 Program in District 4 to provide technical assistance to District 4 property owners interested in
19 adding an ADU, which may be a good model for an expanded program to support
20 homeowners citywide to build duplexes, triplexes, and quadplexes in Residential Housing
21 (RH) neighborhoods; and

22 WHEREAS, In its 2022-2023 Budget, the Board of Supervisors appropriated \$10m for
23 a Housing Innovation Fund to incubate new ideas for housing production and new housing
24 models; now, therefore, be it

25

1 RESOLVED, That the City of San Francisco is committed to supporting low and
2 moderate-income homeowners as an essential component of addressing the housing
3 affordability and housing stability crisis; and, be it

4 FURTHER RESOLVED, That the Board of Supervisor urges the Planning Department
5 in partnership with the Mayor’s Office of Housing and Community Development or other City
6 agencies to create a Housing Development Incentive Program for Homeowners (Program)
7 that supports San Francisco residents to expand their homes to build new housing, which
8 would include technical assistance (e.g. for predevelopment, construction, and property
9 management), financial assistance (e.g. grants, no or low interest loans), and streamlined
10 permitting through pre-approved plans, with the goal to increase the number of housing units
11 developed by homeowners and local small property owners; and, be it

12 FURTHER RESOLVED, That the Program should target low- and moderate- income
13 homeowners in Residential Housing (RH) zoned neighborhoods and in areas vulnerable to
14 displacement as identified in the Displacement Gentrification map by the UC Berkeley Urban
15 Displacement Project; and, be it

16 FURTHER RESOLVED, That, to promote the creation of stable and affordable housing
17 units, the Program should also include greater financial incentives for homeowners who rent
18 or sell the new units to low- and moderate-income households at an affordable level; and, be
19 it

20 FURTHER RESOLVED, That this program be created and operationalized by
21 September 1, 2022.

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2022 UPDATE



Housing Element



San Francisco
Planning

Kimia Haddadan

February 28, 2022

Community Directives: Housing Element Outreach and Engagement



Community Directives:

1. Increase wealth building opportunities
2. Promote equitable distribution of housing
3. Build the kind of housing that vulnerable communities want in their neighborhoods

The Housing Development Incentive Program promotes goals and policies in the Housing Element 2022 Update



- *Ensures stability for low and moderate-income homeowners throughout the city who are primarily households of color*
- *Expands small and mid-rise multi-family buildings*
- *Supports affirmatively furthering fair housing goals by increasing units in well-resourced neighborhoods; units can serve moderate and middle-income households*

**HOUSING DEVELOPMENT
INCENTIVE PROGRAM**

Draft 2 : Policy Direction



Policy 14- Increase **mid-rise and small multi-family housing types in Well-resourced Neighborhoods** near transit, including along SFMTA Rapid Network and other transit, and throughout lower-density areas.

Policy 26- Facilitate **small and mid-rise multi-family buildings as a prominent housing type that private development can deliver to serve middle-income households** without deed restriction...

Policy 27- Promote and **facilitate aging in place for seniors and multi-generational living that supports extended families** and communal households.

SMALL AND MID-RISE
MULTI-FAMILY HOUSING
THROUGHOUT THE CITY

Draft 2 : Policy Direction

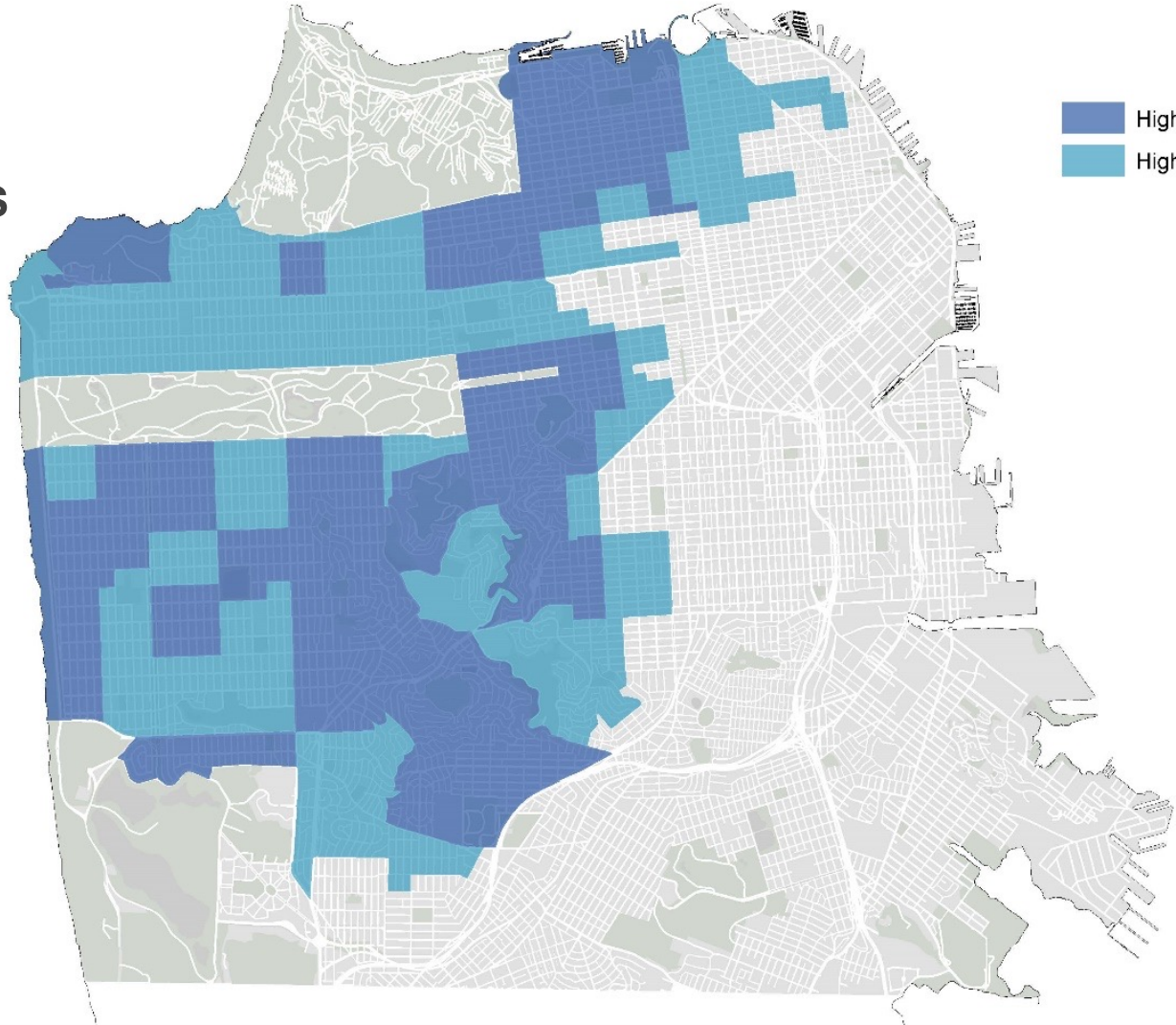


Policy 26, Action c- Create **low-interest construction loan programs for eligible lower-income homeowners**, to expand their existing homes with additional units or demolish and replace their homes with more units up the allowable maximum density.

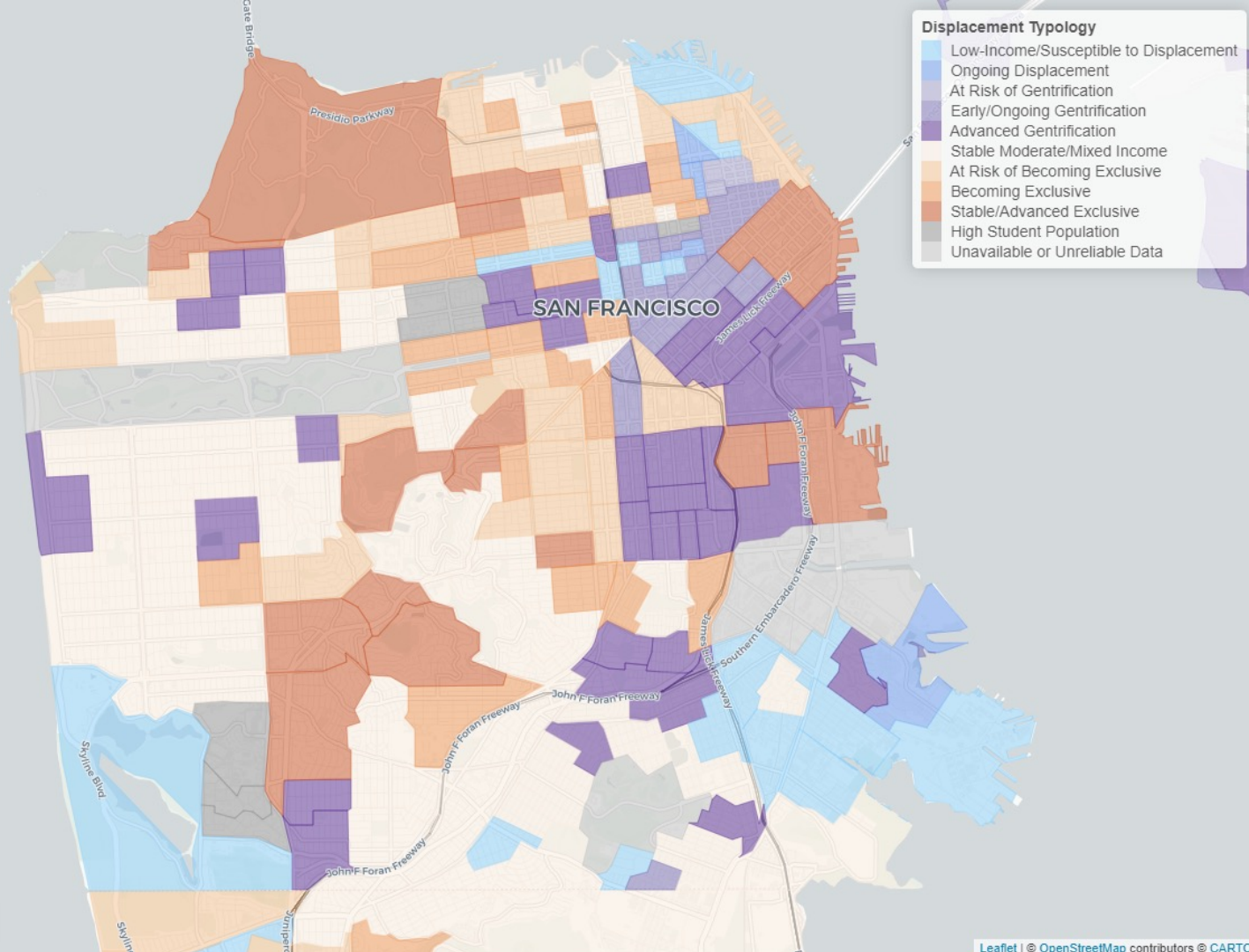
Policy 26, Action d- Create **technical assistance programs, as well as outreach and education programs for eligible homeowners interested in updating their property from single- to multi-family housing** (through ADUs or demolitions) **particularly targeting low-income property owners, households of color, seniors and people with disabilities.** Such programs should ensure accessible accommodations for aging adults and people with disabilities

SMALL AND MID-RISE
MULTI-FAMILY HOUSING
THROUGHOUT THE CITY

Map:
**Well-resourced
Neighborhoods**



Areas Undergoing Displacement and Gentrification





Housing Element

2022 UPDATE

*SHAPING THE FUTURE OF HOUSING
IN SAN FRANCISCO*

sfhousingelement.org

San Francisco
Planning



**GORDON
MAR**
馬兆明
DISTRICT 4 SUPERVISOR

The **D4 Affordable ADU Pilot Program** supports low- to moderate-income (with a focus on limited-English-proficient) homeowners in exploring ADU design and construction to address their desire for **multi-generational living and asset development.**

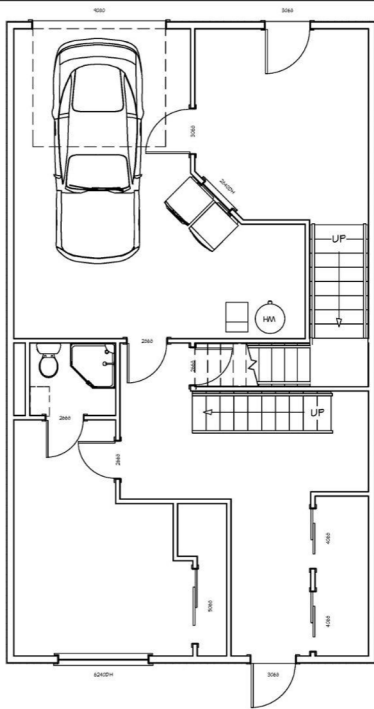
Presented by Lamar Heystek, President



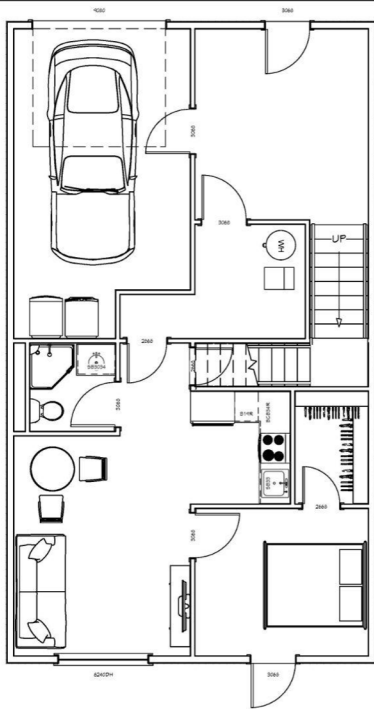


Support services provided to 30 homeowners:

- ✓ In-person site visits
- ✓ Conceptual design renderings
- ✓ Detailed checklists
- ✓ Cost estimates
- ✓ Financial counseling
- ✓ Post-site-visit interviews



EXISTING LAYOUT
1095 SQ. FT.



PROPOSED LAYOUT
1065 SQ. FT.

Key Takeaways & Next Steps:

- ☑ Over 25% of homeowners surveyed concluded that after TA, they could now proceed with ADU development
 - streamlined and are ready for warm handoff to Planning Dept.
 - projected outcomes include multi-generational housing and asset building for LMIs
- ☑ Over a third said they would definitely access City incentives to develop affordable ADUs
 - e.g. property tax credits, low- or no-interest ADU loans

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MEMORANDUM

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

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

DATE: November 22, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Mar on November 22, 2021:

File No. 211202

Ordinance amending the Planning Code to provide a density limit exception for Lots in RH (Residential, House) zoning districts, to permit up to four dwelling units per lot, exclusive of accessory dwelling units and subject to maximum rental rates and sales prices determined to be affordable at 100% of area median income; amending the Administrative Code to limit initial rental rates and rental rate increases for specified units; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

File No. 211207

Resolution urging the Planning Department in partnership with the Mayor's Office of Housing and Community Development or other City agencies to create a Housing Development Incentive Program for Homeowners that supports San Francisco residents to build new housing.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

Board of Supervisors
Land Use and Transportation Committee
Referral
Page 2

cc: Eugene Flannery, Mayor's Office of Housing and Community Development
Lydia Ely, Mayor's Office of Housing and Community Development
Brian Cheu, Mayor's Office of Housing and Community Development
Maria Benjamin, Mayor's Office of Housing and Community Development
Kurt Fuchs, Office of the Assessor Recorder
Holly Lung, Office of the Assessor Recorder

Member, Board of Supervisors
District 7



City and County of San Francisco

MYRNA MELGAR

DATE: February 23, 2022

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee *MM*

RE: Land Use and Transportation Committee
COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matter is of an urgent nature and request it be considered by the full Board on Tuesday, March 1, 2022, as a Committee Report:

File No. 211207

Housing Development Incentive Program for Homeowners

Sponsor: Mar

This matter will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, February 28, 2022, at 1:30pm.

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

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

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

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

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only