#### BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

April 13, 2022

The Honorable Erika Contreras Secretary of the Senate California State Senate California State Capitol, Room 3044 Sacramento, CA 95814

Re: Board of Supervisors Resolution No. 95-22

Dear Secretary Contreras:

On March 15, 2022, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 95-22 (Opposing California State Assembly Bill No. 2063 (Berman) - Expanded State Density Bonus Law - Unless Amended), which was enacted on March 25, 2022.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

One copy of Resolution No. 95-22 (File No. 220246)

If you have any questions or require additional information, please contact the Office of the Clerk of the Board at (415) 554-5184, or by e-mail: <a href="mailto:board.of.supervisors@sfgov.org">board.of.supervisors@sfgov.org</a>.

Sincerely,

Angela Calvillo Clerk of the Board

II:jw:bh:ams

c. Members of the Board of Supervisors, Supervisors Aaron Peskin, Connie Chan, Gordon Mar, Hillary Ronen, Dean Preston, Shamann Walton, Myrna Melgar, Rafael Mandelman Tom Paulino, Mayor's Liaison to the Board of Supervisors Eddie McCaffrey, Mayor's Manager of State and Federal Legislative Affairs Andres Power, Mayor's Policy Director Susanna Conine-Nakano, Mayor's Office Law - Unless Amended]

tools.

Resolution opposing California State Assembly Bill No. 2063, authored by Assembly Member Marc Berman, and urging the San Francisco Legislative Delegation to amend Assembly Bill No. 2063, in recognition of San Francisco's local planning and affordable

[Opposing California State Assembly Bill No. 2063 (Berman) - Expanded State Density Bonus

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

WHEREAS, AB 2063's prescription that "By imposing new restrictions on the ability of a local government to impose affordable housing impact fees, the bill would impose a statemandated local program," would have the debilitating effect of revoking the City and County of San Francisco's ability to continue collecting fees to build affordable housing relative to the extra market-rate housing "bonus" units granted to a housing development under the State Density Bonus Law; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco will continue to collaborate with its State Legislative Delegation to consider ways to make the State Density Bonus law more equitable in dense urban environments like San Francisco which have proudly championed strong existing local affordable housing policies; 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 California State Legislature and the City Lobbyist upon passage.



# City and County of San Francisco Tails

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

## Resolution

File Number:

220246

Date Passed: March 15, 2022

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

March 15, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220246

I hereby certify that the foregoing Resolution was ADOPTED on 3/15/2022 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Unsigned 3/25/2022 London N. Breed **Date Approved** Mayor

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Clerk of the Board

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April 13, 2022

The Honorable Sue Parker
Chief Clerk of the Assembly
California State Assembly
California State Capitol, Room 3196
Sacramento, CA 95814

Re: Board of Supervisors Resolution No. 95-22

Dear Chief Clerk Parker:

On March 15, 2022, the Board of Supervisors of the City and County of San Francisco adopted Resolution No. 95-22 (Opposing California State Assembly Bill No. 2063 (Berman) - Expanded State Density Bonus Law - Unless Amended), which was enacted on March 25, 2022.

The Board of Supervisors directs the Clerk of the Board to forward the following document to your attention:

One copy of Resolution No. 95-22 (File No. 220246)

If you have any questions or require additional information, please contact the Office of the Clerk of the Board at (415) 554-5184, or by e-mail: board.of.supervisors@sfgov.org.

Sincerely,

Angela Calvillo Clerk of the Board

II:jw:bh:ams

c. Members of the Board of Supervisors, Supervisors Aaron Peskin, Connie Chan, Gordon Mar, Hillary Ronen, Dean Preston, Shamann Walton, Myrna Melgar, Rafael Mandelman Tom Paulino, Mayor's Liaison to the Board of Supervisors Eddie McCaffrey, Mayor's Manager of State and Federal Legislative Affairs Andres Power, Mayor's Policy Director Susanna Conine-Nakano, Mayor's Office Law - Unless Amended]

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[Opposing California State Assembly Bill No. 2063 (Berman) - Expanded State Density Bonus

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

WHEREAS, AB 2063's prescription that "By imposing new restrictions on the ability of a local government to impose affordable housing impact fees, the bill would impose a statemandated local program," would have the debilitating effect of revoking the City and County of San Francisco's ability to continue collecting fees to build affordable housing relative to the extra market-rate housing "bonus" units granted to a housing development under the State Density Bonus Law; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco will continue to collaborate with its State Legislative Delegation to consider ways to make the State Density Bonus law more equitable in dense urban environments like San Francisco which have proudly championed strong existing local affordable housing policies; 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 California State Legislature and the City Lobbyist upon passage.



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File Number:

220246

Date Passed: March 15, 2022

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March 15, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220246

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> Angela Calvillo Clerk of the Board

Unsigned 3/25/2022 London N. Breed **Date Approved** Mayor

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Clerk of the Board

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April 13, 2022

Mr. Paul Yoder Ms. Karen Lange Ms. Erica Smith Shaw/Yoder/Antwih, Inc. 1415 L Street, Suite 1000 Sacramento, CA 95814

Re: Board of Supervisors Resolution No. 95-22

Dear Mr. Yoder, Ms. Lange, and Ms. Smith:

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> Angela Calvillo Clerk of the Board

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Clerk of the Board