

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [BOS Legislation \(BOS\)](#); [Major, Erica \(BOS\)](#)
Subject: FW: Inclusionary and Developer Impact Fee Reduction package
Date: Thursday, July 13, 2023 1:43:11 PM

Hello,

Please see below for communication from Lorraine Petty regarding File Nos. 230769 and 230764.

File No. 230769 - Planning, Administrative Codes - Development Impact Fee Reductions
(Peskin, Safai)

File No. 230764 - Planning, Building Codes - Development Impact Fee Indexing, Deferral, and
Waivers; Adoption of Nexus Study (Mayor)

Sincerely,

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From: lgpetty@juno.com <lgpetty@juno.com>
Sent: Wednesday, July 12, 2023 10:17 PM
To: Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>; BOS-Legislative Aides <bos-legislative_aides@sfgov.org>
Subject: Re: Inclusionary and Developer Impact Fee Reduction package

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July 12, 2023

Dear Supervisor, below is a copy of email urging CONTINUATION of proposed Inclusionary legislation sent today to the Planning Commissioners

Re:Inclusionary and Development Impact Fee Reduction proposals for July 13, 2023
2023-005422PCA (Board file 230769) and 2023-005461PCA (Board file 230764) Items #15 and 16

Dear President Tanner and Planning Commissioners:

I urge you to continue this Inclusionary and Developer Impact Fee Reduction package. There may be a need for these in the future, but I believe there is no justifiable reason to cut the affordable units and fee requirements on new market rate construction:

Because the Inclusionary requirements are not THE cause, or even partial cause, for the slowdown in market rate construction. And since we have a huge surplus of ready-to-rent or buy market rate apartments and condos, there is no lack of move-in available market rate units.

San Franciscans have confirmed, in survey after survey, their Number One overwhelming need is for affordable housing. And the State RHNA's require 46,000 affordable units be built in San Francisco by 2031. Clearly, now is not the time to reduce any contribution to affordable housing.

Market rate construction has slowed down lately because of the FED raising interest rates and the sharp decrease in high-income people moving into San Francisco. Some developers indeed admitted that they can't "pencil out" until there are enough high income people to pay high asking prices.

Similarly, I believe there is no reason to reduce Developer Impact Fees which would force San Francisco to pick up the tab for infrastructure required for new market rate construction—whether PDR, housing or commercial. Any and all of it requires more city services and physical street improvements that developers are supposed to cover in return for increased value and profits.

This Impact Fee aspect of today's proposal has received hardly any attention in the press and for that reason alone should require more time for the public to be fully informed. An issue that needs more scrutiny is whether these "temporary" reductions would lead to a stockpiling of fee-less and affordable unit-less entitlements, subject to extension by some unknown future Board of Supervisors.

Looking at the larger picture -- the combined sum of density, fee and zoning changes being enacted is already fulfilling an enormous deregulation wish list, mostly for market rate developers.

We are adding density while slashing neighborhood notification and public hearings-- somewhat upon orders of the State, but, in my view, going far beyond what is mandated in what seems like a panicky reaction to a not unexpected, and temporary, economic slowdown.

I can only conclude that this Inclusionary AND Impact Fee reduction plan is just some completely gratuitous icing on the cake: uncalled for, and inappropriate under this context. Not to mention that it's astonishing that anyone could propose cutting affordable housing when the need is practically infinite.

Further, to reduce affordable housing and infrastructure fees now, would be to break faith with voters and all those counting on these contributions --breaching cultural, neighborhood and geographical agreements, as well as our present and future social and equity contracts.

Furthermore, if this legislation is promoted on the basis that it was recommended by the Inclusionary Housing Technical Advisory Committee--that is a false premise. The committee is divided between affordable building advocates and market rate building proponents. What they presented was a list of irreconcilable suggestions, some of which stray beyond the Committee's scope. It was not a collaborative consensus. Nor was it a prescribed program with specific components and parameters.

Turning to provisions for the future composition of Advisory Committees, I believe the terms of members should be finite. The process of appointing Advisory Committee members and their terms should not be altered. To do so would invite even more politics and pre-determined agendas into Committee discussions.

In conclusion, it may be prudent to improve fee-collecting processes; but dangerous to throw away a

major portion of the actual fees.
I urge you to continue these proposals.
Thank you for your consideration.

Lorraine Petty
Affordable housing & tenant protection advocate for Seniors and people with disabilities
District 2 resident