

1 [Accept and Expend Grant - Retroactive - United States Department of Housing and
2 Urban Development - Round 2 Application: Pathways to Removing Obstacles to Housing
(PRO Housing) - \$7,000,000]

3

4 **Resolution retroactively authorizing the Planning Department to accept and expend a**
5 **grant award of \$7,000,000 for the period from January 22, 2025, through September 30,**
6 **2030, from the United States Department of Housing and Urban Development’s**
7 **Pathways to Removing Obstacles to Housing (“PRO Housing”) grant program;**
8 **approving the grant agreement pursuant to Charter, Section 9.118(a); and authorizing**
9 **the Director of the Planning Department to enter into amendments or modifications to**
10 **the grant agreement that are necessary to effectuate the purposes of the grant**
11 **agreement or this Resolution.**

12

13 WHEREAS, San Francisco is facing a severe housing crisis, with housing costs among
14 the highest in the country - the median home price exceeds \$1.4 million, and rents average
15 \$3,500 per month for a one-bedroom apartment; and

16 WHEREAS, Key drivers of the crisis include limited land, restrictive zoning, high
17 construction costs, and lengthy permitting processes, especially for small builders; and

18 WHEREAS, In January 2023, San Francisco adopted the Housing Element 2022
19 Update, a comprehensive vision for preserving, producing, and protecting housing, with a
20 target of producing 82,000 new units, including at least 33,000 units affordable at very low
21 and low incomes and 14,000 units affordable at moderate incomes, by 2031; and

22 WHEREAS, The Housing Element includes more than 42 policy goals and over 350
23 implementation programs that center racial and social equity in the planning process, as well
24 as prioritizing an increase in housing production, while seeking to redress harm from past
25

1 government actions, such as redlining and urban renewal projects that devastated
2 communities of color; and

3 WHEREAS, In February 2023, the Mayor issued the “Housing for All” Executive
4 Directive to implement the Housing Element and direct City agencies to reduce barriers to
5 producing affordable and mixed-income housing; and

6 WHEREAS, San Francisco has already accomplished many efforts to reduce barriers
7 to building affordable and mixed-income housing, by reducing impact fees, and removing
8 unnecessary processes and hearings; and

9 WHEREAS, To meet its housing goals, the City continues to explore additional
10 opportunities, including through the rehabilitation of low-income housing, rezoning to allow
11 more multifamily housing and affordable housing in high-opportunity areas, supporting new
12 funding streams for affordable housing, streamlining permit approvals, and continuing to invest
13 in the stabilization of residents and communities at risk of displacement; and

14 WHEREAS, The City previously applied for, but did not receive \$2,000,000 in grant
15 funding as part of the Round 1 Pathways to Removing Obstacles to Housing (“PRO Housing”)
16 grant program; and

17 WHEREAS, In anticipation of that the Round 1 PRO Housing grant funding, the City
18 appropriated \$2,000,000 in the Fiscal Year 24/25 budget towards activities related to
19 increasing housing opportunity; and

20 WHEREAS, On August 13, 2024, the U.S. Department of Housing and Urban
21 Development, issued a Notice of Funding Opportunity for Round 2 of the PRO Housing grant
22 program to identify and remove barriers to affordable housing production and preservation;
23 and

24 WHEREAS, The Planning Department on October 15, 2024, submitted its application
25 titled, “Round 2 Application: FY 24 Pathways to Removing Obstacles to Housing;” and

1 WHEREAS, The grant program runs through September 30, 2030, and would enable
2 the City to improve housing conditions for its equity communities and increase production and
3 preserve housing for current and future populations; and

4 WHEREAS, On January 14, 2025, the U.S. Department of Housing and Urban
5 Development issued a notice that San Francisco was selected to receive \$7,000,000 in
6 funding over a period of five years, from January 22, 2025, through September 30, 2030; and

7 WHEREAS, Pursuant to the grant terms, the City will leverage \$9,915,627 in City staff
8 time and matching grants to yield higher impact across the grant activities; and

9 WHEREAS, The grant will provide funding for the Planning Department to: integrate its
10 permitting systems and updates its municipal codes to improve permitting; improve
11 consistency and transparency in the entitlement process; preserve affordable housing by
12 assessing and updating the City’s inventory of Single Room Occupancy buildings and partner
13 with faith-based organizations to build affordable housing; expand housing typologies,
14 especially in high-resourced neighborhoods; and prioritize community benefits in equity
15 communities; and

16 WHEREAS, The grant does not require an amendment to the Annual Salary Ordinance;
17 and

18 WHEREAS, The grant budget does not include any indirect costs; and

19 WHEREAS, The following accompanying documents are required in an “Accept and
20 Expend” package submitted to the Board of Supervisors to be placed on file with the Clerk of
21 the Board of Supervisors in File No. 250234: 1) proposed grant resolution signed by the
22 Planning Department, the Mayor, and the Controller; 2) grant information form, including a
23 disability checklist; 3) grant budget; 4) grant application; 5) grant award letter from funding
24 agency; 6) ethics form 126 (if applicable); 7) contract and/or, leases (if applicable), or
25 agreements (if applicable); 8) grant agreement; 9) and other forms (if applicable); and

1 WHEREAS, The Planning Department submits with this resolution all of the above-
2 listed required documents that are applicable to this grant, including the grant information
3 form, with disability checklist, grant agreement, grant application, grant budget, and the grant
4 award letter from the funding agency; now, therefore, be it

5 RESOLVED, That the Director of the Planning Department is hereby authorized to
6 accept the United States Department of Housing and Urban Development grant award of
7 \$7,000,000 on behalf of the City, in accordance with the purposes and goals for the funding;
8 and, be it

9 FURTHER RESOLVED, That the Director of the Planning Department is hereby
10 authorized to enter into and execute the grant agreement, and amendments thereto, and to
11 execute agreements between the City and various agencies consistent with the
12 aforementioned proposal and necessary to carry out the purpose of the grant; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
14 indirect costs as part of this grant budget; and, be it

15 FURTHER RESOLVED, That under Charter, Section 9.118(a), the Board of
16 Supervisors approves the grant agreement; and, be it

17 FURTHER RESOLVED, The Planning Department shall be hereby authorized to
18 expend the United States Department of Housing and Urban Development grant award of
19 \$7,000,000.

