BOARD of SUPERVISORS

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M E M O R A N D U M

TO: Greg Wagner, City Controller
Anne Taupier, Executive Director, Office of Economic and Workforce Development
Daniel Adams, Director, Mayor's Office of Housing and Community Development

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: July 31, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Melgar on July 22, 2025.

File No. 250790

Resolution expressing interest in forming an Enhanced Infrastructure Financing District (EIFD) to support funding Affordable Housing in Well-Resourced Neighborhoods and requesting the Controller's Office, Office of Economic Workforce Development, and Mayor's Office of Housing and Community Development to explore options for establishing an EIFD and other innovative financing options.

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: john.carroll@sfgov.org.

cc:
Office of Chair Melgar
ChiaYu Ma, Office of the Controller
Ayeesha Hossain, Office of the Controller
Claire Stone, Office of the Controller
Mark dela Rosa, Office of the Controller
Alesandra Lozano, Office of Economic and Workforce Development
Lydia Ely, Mayor's Office of Housing and Community Development
Maria Benjamin, Mayor's Office of Housing and Community Development
Sheila Nickolopoulos, Mayor's Office of Housing and Community Development
Kyra Geithman, Mayor's Office of Housing and Community Development
Julia Sabory, Mayor's Office of Housing and Community Development

[Expressing Interest in the Formation of an Enhanced Infrastructure Financing District to Support Affordable Housing in Well-Resourced Neighborhoods]

Resolution expressing interest in forming an Enhanced Infrastructure Financing District (EIFD) to support funding Affordable Housing in Well-Resourced Neighborhoods and requesting the Controller's Office, Office of Economic Workforce Development, and Mayor's Office of Housing and Community Development to explore options for establishing an EIFD and other innovative financing options.

WHEREAS, San Francisco's Housing Element was adopted in 2023 and requires the City to implement a plan to meet the goal of constructing 82,069 units by 2030 with a focus on increasing capacity in neighborhoods that historically built less housing; and

WHEREAS, The City is facing a significant shortage of affordable housing and has not been able to meet housing goals for low and moderate-income households requiring the need to plan for additional 20,300 very low-income units, 11,640 low-income units, and 8,400 moderate-income units; and;

WHEREAS, This affordability crisis disproportionately affects low and middle-income residents, many of whom play essential roles in San Francisco's community, and includes educators, healthcare workers, first responders, construction workers, and service workers; and

WHEREAS, Building affordable housing is a crucial aspect of any strategy to alleviate San Francisco's affordability crisis, but has been challenging due to limited funding sources such as including investments from regional, State and Federal agency resources (including municipal bonds), tax credits, and developer impact fees, which are subject to the volatility of the market; and

WHEREAS, "Well Resourced Neighborhoods" have not seen a proportional share of affordable housing development in decades, leading to geographic wealth inequalities and severely limited housing options; and

WHEREAS, The City will be implementing Housing Element through a proposed rezoning effort that will primarily focus on increasing housing capacity in Well-Resourced Neighborhoods, and this effort includes adopting inclusionary housing policies to increase housing opportunities to create a more equitable distribution of housing throughout the city; and

WHEREAS, The Housing Element included a goal to build between 25% and 50% of the City's newly permanently affordable housing in Well Resourced Neighborhoods over the next two RHNA cycles, but does not include funding strategies to build housing for low and moderate incomes; and

WHEREAS, Enhanced Infrastructure Financing Districts ("EIFDs") could provide a steady source of funding by allowing future property tax revenue growth within set boundaries to be dedicated to affordable housing developments and other infrastructure costs; and

WHEREAS, The Housing Element includes an Implementation Program (Action 1.1.4) that suggests exploring the development of public financing tools including EIFDs; and

WHEREAS, The City already established EIFDs for large development sites, including Potrero Power Station and more recently for 3333 & 3700 California and Stonestown; and

WHEREAS, Exploring the possibility of an EIFD focused on Well-Resourced Neighborhoods is a crucial step towards providing affordable housing and robust infrastructure in Well Resourced Neighborhoods as a component of the City's Housing Element; and

WHEREAS, The establishment of an EIFD would potentially allow San Francisco to expedite the development of affordable housing on the Westside, allowing more low and middle-income households to stay in San Francisco; now, therefore, be it

RESOLVED, That the Board of Supervisors expresses interest in establishing an EIFD within the boundaries of the Well-Resourced Neighborhoods of San Francisco, with the stated goal of supporting and bolstering affordable housing development and associated infrastructure costs in Well-Resourced Neighborhoods, thereby making housing more affordable and equitable; and, be it

FURTHER RESOLVED, That the Board of Supervisors requests the Office of the Controller, Office of Economic & Workforce Development, and the Mayor's Office of Housing and Community Development to explore the formation of the aforementioned EIFD and to provide recommendations on scenario options, including revenue calculations, feasibility, scope, and other implementation considerations by November 1, 2025, and, be it

FURTHER RESOLVED, That the Board of Supervisors requests the Office of the Controller, Office of Economic & Workforce Development, and the Mayor's Office of Housing and Community Development to also include in their recommendations other innovative financing tools to support the development of affordable housing in Well-Resourced Neighborhoods and more stable development particularly during economic downturns; and be it

FURTHER RESOLVED, That this Resolution is not a "Resolution of Intention" for purposes of California Government Code, Section 53398.59; and

FURTHER RESOLVED, That the Board of Supervisors directs the Clerk of the Board to transmit copies of this Resolution to the Office of the Controller, the Office of Economic Workforce Development, and the Mayor's Office of Housing and Community Development.

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

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

- [x] 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- [ ] 2. Request for next printed agenda (For Adoption Without Committee Reference)
  (Routine, non-controversial and/or commendatory matters only)
- [ ] 3. Request for Hearing on a subject matter at Committee
- [ ] 4. Request for Letter beginning with "Supervisor _____ inquires…"
- [ ] 5. City Attorney Request
- [ ] 6. Call File No. _____ from Committee.
- [ ] 7. Budget and Legislative Analyst Request (attached written Motion)
- [ ] 8. Substitute Legislation File No. _____
- [ ] 9. Reactivate File No. _____
- [ ] 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

☐ Yes ☐ No

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

Sponsor(s):

Supervisor Melgar

Subject:

Resolution Expressing Interest in the Formation of an Enhanced Infrastructure Financing District to Support Affordable Housing in Well-Resourced Neighborhoods

Long Title or text listed:

Resolution expressing interest in forming an Enhanced Infrastructure Financing District (EIFD) to support funding Affordable Housing in Well-Resourced Neighborhoods and requesting the Controller's Office, Office of Economic Workforce Development, and Mayor's Office of Housing and Community Development to explore options for establishing an EIFD and other innovative financing options.

Signature of Sponsoring Supervisor: /s/Myrna Melgar