

File No. 160660

Committee Item No. \_\_\_\_\_

Board Item No. 48

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

Date: \_\_\_\_\_

Board of Supervisors Meeting

Date: June 14, 2016

#### Cmte Board

- |                          |                                     |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/>            | Motion                                       |
| <input 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 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

(Click the text below for a direct link to the document)

- |                          |                                     |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Comment Letter - SF Chamber of Commerce - June 6, 2016</u> |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____   |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____   |

Prepared by: John Carroll

Date: June 10, 2016

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Urging the San Francisco Legislative Delegation to Amend or Oppose the Proposed "By  
2 Right Housing Approvals" Budget Trailer Bill]

3 **Resolution urging the San Francisco Legislative Delegation to amend or oppose the**  
4 **"By Right Housing Approvals" proposed Trailer Bill in recognition of San Francisco's**  
5 **local planning tools and significant contributions to regional housing development.**  
6

7 WHEREAS, The California Department of Finance (DOF) estimates the Bay Area  
8 added 38,300 housing units between April 2010 and January 2014; and

9 WHEREAS, The same DOF calculation counts San Francisco among the top five  
10 counties responsible for 51% of the total growth of new regional housing between 2010 and  
11 the end of 2013, with San Francisco and San Jose counties alone accounting for 37% of the  
12 total regional housing growth during this same period; and

13 WHEREAS, The last Regional Housing Needs Assessment (RHNA) documented San  
14 Francisco's significant contributions to the regional housing supply, including the creation of  
15 7,064 permanently affordable low- and moderate-income housing units and 13,391 above  
16 moderate-income housing units; and

17 WHEREAS, Based on the same Regional Housing Needs Assessment, San Francisco  
18 produced a housing balance of 35% permanently affordable units relative to total housing  
19 production; and

20 WHEREAS, There are more than 11,000 fully-entitled housing units awaiting  
21 construction, and the latest Pipeline Report from the City's Planning Department shows that  
22 there are an additional nearly 20,000 units being reviewed for approval; and

23 WHEREAS, The City and County of San Francisco has developed a diverse toolkit of  
24 local planning requirements and housing development incentives tailored to address the  
25 unique pressures of the Bay Area housing market and maximize San Francisco's limited land

1 assets, including an Inclusionary Housing policy currently requiring 12% low-income  
2 affordable units and a proposal before San Francisco voters on June 7, 2016, to increase that  
3 requirement to 25% low-income and moderate/middle-income affordable units, and an  
4 ordinance pending Board of Supervisors adoption for an Affordable Housing Bonus Program;  
5 and

6 WHEREAS, On May 16, 2016, the California Governor introduced a Budget Trailer Bill  
7 proposal for "By-Right Housing Approvals" which pre-empts local land use policies and  
8 housing development requirements to allow multi-unit development approvals as-of-right if a  
9 proposed development includes 10% affordable units, which effectively means all  
10 development projects of 10 units or larger in the City and County of San Francisco; and

11 WHEREAS, A state pre-emption to establish statewide minimum affordable housing  
12 standards should recognize and respect established local Inclusionary Housing requirements  
13 that meet or exceed the state standard, and moreover the value of any as-of-right  
14 development approval pre-emption over local permitting discretion should be recaptured by an  
15 increased "premium" above that local Inclusionary Housing standard, subject to technical  
16 analysis to determine that conveyed value to developers under local real estate market  
17 conditions; and

18 WHEREAS, The presumed objective of a "approvals streamlining" bill is that  
19 development projects are actually constructed as quickly as possible once approved in order  
20 to provide housing units "on the ground," not just as-of-right paper entitlements; and

21 WHEREAS, Any policy to incentivize development should include protection of existing  
22 housing from demolition; and

23 WHEREAS, The By-Right Housing Approvals trailer bill is intended to incentivize  
24 housing development in local jurisdictions that are underperforming with respect to regional  
25

1 housing goals and is not uniformly applicable throughout the 482 cities and 58 counties of the  
2 State of California; and

3 WHEREAS, By-Right Development pre-emptions would restrict the future potential to  
4 use development incentives to further increase affordability beyond the existing requirements,  
5 and likely undermine the 35% balance of affordable and market-rate housing that San  
6 Francisco has been able to achieve; and

7 WHEREAS, The ability for local cities to establish Inclusionary Housing requirements to  
8 increase affordable housing in private developments has continued to be hampered by the  
9 "Palmer" case in 2011, and repeated attempts at state law reform to re-establish local  
10 authority to impose inclusionary standards has been contested in the legislature and in 2014  
11 was vetoed by the Governor; and

12 WHEREAS, Displacement of residents from San Francisco through real estate  
13 speculation is a continuing crisis, with over 800 housing units removed from affordability  
14 protections through Ellis evictions since 2012, and attempted state law reform in 2014 to  
15 prevent abuse of the Ellis Act was thwarted in the legislature; and

16 WHEREAS, Efforts to secure a state permanent source for affordable housing  
17 production since the 2011 dissolution of Redevelopment tax increment financing continue to  
18 be frustrated, with repeated attempts proposing a modest document recording fee on real  
19 estate transactions as a source for affordable housing having been prevented in the  
20 legislature; and

21 WHEREAS, The Governor's trailer bill is scheduled to be heard in both the Senate and  
22 Assembly during May and early June as part of the State Budget process; now, therefore, be  
23 it

24 RESOLVED, That the Board of Supervisors recognizes the impressive legislative  
25 records and ongoing and effective work of Assembly Members Chiu and Ting, as well as

1 State Senator Leno (the "San Francisco Legislative Delegation"), in representing the best  
2 interests of San Francisco constituents; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
4 Francisco does hereby urge the San Francisco Legislative Delegation to offer amendments to  
5 the By-Right Housing Approvals Trailer Bill and an amendment that states the By-Right  
6 Approvals pre-emption shall not apply to jurisdictions whose "performance" of housing  
7 production for very low, low and moderate-income residents constitutes at least 25% of its  
8 total housing production, as documented in the most recent completed Residential Housing  
9 Needs Assessment (RHNA) cycle and as documented in a current annual Housing Element  
10 Progress Report, and additional amendments to the Trailer Bill that prohibit demolition of  
11 existing housing, that set local Inclusionary Housing standard plus a premium increase, as  
12 determined by technical analysis, as the minimum baseline, and that require approved  
13 development projects to begin construction within 180 days, which is twice the duration  
14 allowed in the Trailer Bill for project review, or otherwise without these amendments the Board  
15 of Supervisors of the City and County of San Francisco does hereby urge the San Francisco  
16 Legislative Delegation to oppose the Trailer Bill, as it would restrict critical local jurisdiction  
17 discretion regarding multi-family housing development, and, be it

18 FURTHER RESOLVED, That San Francisco is committed to utilizing all affordable  
19 housing policy tools to achieve local housing balance goals for all income levels and  
20 recognizes that a uniform statewide By-Right Housing Approvals pre-emption without such  
21 amendments would hamper the City's ability to achieve those Housing Balance goals; and, be  
22 it

23 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
24 Francisco also urges the state legislature and the Governor to recommit to adopting reforms  
25 that prevent abuse of the state Ellis Act, to recommit to clarifying the authority of local

1 governments to establish Inclusionary Housing requirements, and to recommit to adopting a  
2 state permanent source of financing for affordable housing; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San  
4 Francisco directs the Clerk of the Board to transmit this resolution to the respective offices of  
5 the San Francisco Legislative Delegation upon final passage.

6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



File No. 160660

June 6, 2016

The Honorable London Breed, President  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

RE: "By Right Housing Approvals" State Budget Trailer Legislation  
Opposing Resolution File No. 160660, in Opposition to the State Legislation

Dear President Breed and Members of the Board of Supervisors:

The San Francisco Chamber of Commerce, representing over 2,500 local businesses, urges the Board of Supervisors to oppose, or refer to committee, the resolution contained in File No. 160660, opposing Governor Brown's legislation to streamline affordable housing approvals, on Tuesday's immediate adoption calendar.

While, San Francisco leads the region in the development of affordable housing, our approval process leaves much to be desired, with a process which contributes to chronic delay, high costs and under-supply. The Governor's legislation will cut through much of the red-tape, which is just as prevalent in San Francisco as it is in the suburbs, red-tape that delays construction of needed in-fill housing construction.

The Governor's proposal will not circumvent local zoning. What it will do in San Francisco is make zoning matter, allowing more certainty for those who develop work force and lower income housing.

San Francisco was downzoned over 40 years ago. This legislation will not change that zoning – it will only expedite development of housing that meets that lower density zoning, bringing more supply on line in the city and throughout the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Lazarus". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jim Lazarus  
Senior Vice President of Public Policy

cc: Mayor Ed Lee, Clerk of the Board to be distributed to all members of the Board of Supervisors

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

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 [redacted] inquires"
- 5. City Attorney request.
- 6. Call File No. [redacted] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. ~~76060~~
- 9. Reactivate File No. [redacted]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [redacted]

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 a Imperative Form.

Sponsor(s):

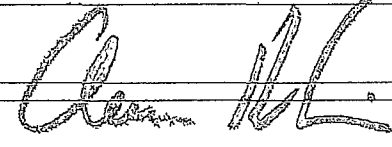
Supervisor Aaron Peskin

Subject:

Urging the San Francisco Legislative Delegation to Amend or Oppose the Proposed "By Right Housing Approvals" Budget Trailer Bill

Where text is listed below or attached:

Resolution urging the San Francisco Legislative Delegation to amend or oppose the "By Right Housing Approvals" Proposed Trailer Bill in recognition of San Francisco's local planning tools and significant contributions to regional housing development.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: