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| Prepared by: Prepared by: | Brent Jalipa | Date: | June 9, 2016 |

[Urging the San Francisco Legislative Delegation to Work to Amend the Proposed "By Right Housing Approvals" Budget Trailer Bill]

Resolution urging the San Francisco Legislative Delegation to work to amend the "By Right Housing Approvals" proposed Trailer Bill, in recognition of San Francisco's severe housing crisis and existing obstacles to sufficient regional and statewide housing creation.

WHEREAS, San Francisco and many parts of the Bay Area are in the midst of a terrible housing affordability crisis; and

WHEREAS, This housing crisis threatens the very fabric of our community, leading to evictions and displacement, making it exceedingly difficult for residents to move, creating huge challenges for growing families to find adequate and affordable living space, undermining economic growth and job creation, and undermining our region's well-earned reputation as a place where people can come from around the country and around the world to make lives for themselves; and

WHEREAS, The people who suffer most from our housing crisis are low income people and middle income people; and

WHEREAS, A key root cause of our housing crisis is our failure – as a city and as a region – to create enough housing in the face of significant population growth, including privately produced housing, subsidized below market rate housing, secondary units ("in-law units"), student housing, senior housing, and other forms of housing; and

WHEREAS, San Francisco has grown by approximately 200,000 people since 1980, is currently growing by about 10,000 people a year, and is projected to exceed one million residents by 2040; and

WHEREAS, The Bay Area has grown by 2.5 million people since 1980 and is projected to grow by over two million people by 2040; and

WHEREAS, Without meaningful efforts to create significantly more housing of all forms and to make it less difficult, expensive, and time-consuming to create housing, our housing crisis will only get worse; and

WHEREAS, The lack of new housing production throughout the Bay Area is seriously exacerbating the housing affordability crisis in San Francisco; and

WHEREAS, It is critically important that as we create more housing, we do so in an environmentally sustainable way, with sustainable design and siting of housing, with a focus on transit-oriented housing instead of sprawl, and with a commitment to implementing the goals and requirements of Senate Bill 375; and

WHEREAS, San Francisco, after decades of very little housing creation, recently began to produce more housing and has significant housing in the development pipeline; and

WHEREAS, San Francisco has entitled a number of large developments and smaller infill developments, has accelerated its production of subsidized below market rate housing, has increased its inclusionary housing percentage for new developments, and has begun to allow more secondary units; and

WHEREAS, It is important for San Francisco to maintain its recent momentum around housing creation; and

WHEREAS, The California Legislative Analyst's Office found in a 2015 study that each additional layer of independent review for projects caused a four percent increase in prices, proving that lengthy development approval timelines increase our affordability problem; and

WHEREAS, San Francisco supports discretionary planning tools that allow for collaborative community input pertaining to architecture, urban design standards, setbacks, affordability, preservation of historic buildings, preservation of rent-controlled housing stock,

demolition controls, labor standards (including prevailing wage), and environmental standards (including conformity with Senate Bill 375); and

WHEREAS, Given the critical need for more housing, San Francisco supports communities in California honoring local zoning rules and master plans that these communities have adopted and, in doing so, ensuring that housing projects can be built to the maximum height and number of housing units allowed by adopted local zoning for a specific site, and San Francisco does not support the use of discretionary approval processes to minimize or negotiate down the number of zoning-allowed residential units that can be built on a specific site; and

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

WHEREAS, A state pre-emption to establish statewide minimum housing standards should recognize and respect established local standards unrelated to the number of units allowed under applicable zoning – for example, honoring local standards around architecture, urban design, setbacks, affordability, preservation of historic buildings, preservation of rent-controlled housing stock, demolition controls, labor standards, and environmental standards; and

WHEREAS, Any state legislation in this area should recognize the importance of complying with the goals and standards of Senate Bill 375, as well as the importance of labor standards, including prevailing wage; and

WHEREAS, The State has a role to play in ensuring good housing policy in California, given that the housing crisis is spreading through various parts of the state and given that

local jurisdictions do not exist in a vacuum, with housing decisions in individual jurisdictions impacting housing costs in other jurisdictions; and

WHEREAS, Any policy to incentivize housing creation should include protection of existing housing from demolition, especially affordable and rent-controlled housing; and

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

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

WHEREAS, Population and housing growth must be accompanied by investments in and expansion of public transportation, so that development can truly be transit-oriented and so that California's growth is environmentally sustainable; and

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

RESOLVED, That the Board of Supervisors recognizes the impressive legislative records and ongoing and effective work of Assembly Members Chiu and Ting, as well as State Senator Leno (the "San Francisco Legislative Delegation") in representing the best interests of San Francisco constituents; and, be it

FURTHER RESOLVED, That the Board of Supervisors commends Governor Brown for recognizing the dire housing and affordability crisis in California and pursuing policy solutions

that make residential housing creation faster and more predictable, within the limits imposed by objective local planning standards, and will create significantly more housing of all forms throughout our state and the Bay Area; 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 offer amendments to the By-Right Housing Approvals Trailer Bill to guarantee the zoning-allowed height and number of units by-right in order to address our city, regional, and statewide housing crisis, to further promote infill transit-oriented development and limit sprawl, to allow local jurisdictions to retain the ability to promote good architecture and urban design, including setbacks, to adopt locally controlled inclusionary standards, to preserve historic buildings, affordable and rent-controlled housing stock, to limit demolitions, and to adopt labor and environmental standards; and

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco does hereby urge the San Francisco Legislative Delegation to pursue measures to increase state support for public transportation investments, so that as our region and state grow, our increased population and housing stock is supported by public transit and can truly be transit-oriented; and

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco also urge the state legislature and the Governor to recommit to adopting reforms that prevent abuse of the Ellis Act, to recommit to clarifying the authority of local governments to establish Inclusionary Housing requirements, and to recommit to adopting a state permanent source of financing for affordable housing; 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 this resolution to the respective offices of the San Francisco Legislative Delegation upon final passage.



Introduction Form

By a Member of the Board of Supervisors or the Mayor

| I hereby submit the following item for introduction (select only one): | Time stamp or meeting date |
|---|----------------------------|
| 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Ame | ndment) |
| 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 | inquires" |
| 5. City Attorney request. | |
| ☐ 6. Call File No. from Committee. | · |
| 7. Budget Analyst request (attach written motion). | |
| 8. Substitute Legislation File No. | |
| 9. Reactivate File No. | |
| 10. Question(s) submitted for Mayoral Appearance before the BOS on | |
| ☐ Small Business Commission ☐ Youth Commission ☐ Ethics ©☐ Planning Commission ☐ Building Inspection Description ☐ Building Inspection ☐ Build | |
| Sponsor(s): | |
| Supervisor Wiener | |
| Subject: | |
| Urging the San Francisco Legislative Delegation to Work to Amend the Proposed "By Righ Budget Trailer Bill | t Housing Approvals" |
| The text is listed below or attached: | |
| | 7 1 |
| Signature of Sponsoring Supervisor: | Men |
| For Clerk's Use Only: | |