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Board Item No.		

COMMITTEE/BOARD OF SUPERVISORS

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[Opposing California State Senate Bill 827 (Wiener) - Transit-Rich Housing Bonus]

Resolution opposing California Senate Bill 827, authored by Senator Wiener, which would significantly limit San Francisco's local ability to recapture critical public value of development projects citywide and override local planning process.

WHEREAS, Senator Wiener has introduced legislation that would mandate that local jurisdictions confer significant benefits upon developers in exchange for building residential projects within a one-half mile radius of a major transit stop or a one-fourth mile radius of a high-quality transit corridor and exempt those residential developments from local planning requirements; and

WHEREAS, California State Senate Bill (SB) 827 would apply to virtually all residential parcels citywide based on the prescribed radii, essentially allowing the State to override San Francisco's charter authority, circumvent local planning laws and incentivize speculation; and

WHEREAS, San Francisco has prioritized transit-oriented development throughout the city and in its various neighborhood area plans, particularly in the downtown core and Transit District Plan; and

WHEREAS, San Francisco has led the region and the state in housing construction, while taking a balanced approach to development that prioritizes tenant stabilization and recaptures the maximum feasible value from private development for the public benefit, including implementing the highest affordable housing requirements in the country; and

WHEREAS, San Francisco has maintained this leadership, even after the dissolution of the Redevelopment Agency and related affordable housing funding streams, because of its charter authority and strong local planning process; and

WHEREAS, In Planning Department analysis of SB 827, dated February 5, 2018 and incorporated herein by reference, staff identified concerns about the State's attempt to undermine San Francisco's sovereign local Planning Code and Design standards, which are the backbone of the City's commitment to creating livable, walkable and complete neighborhoods; and

WHEREAS, Local planning laws and regulations have proven critical and effective in protecting vulnerable communities of concern from the escalating impacts of gentrification and speculation; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco joins with other local jurisdictions and a growing statewide coalition of housing advocates in opposing SB 827; and, be it

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco is committed to working with its State Legislative Delegation to craft the necessary amendments to SB 827 in order to protect San Francisco's sovereign charter authority; 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 copies of this resolution to the State Legislature and the City Lobbyist upon passage.

Introduced by Senator Wiener (Principal coauthor: Senator Skinner)

(Principal coauthor: Assembly Member Ting)
(Coauthor: Senator Hueso)

January 3, 2018

An act to add Section 65917.7 to Chapter 4.35 (commencing with Section 65918.5) to Division 1 of Title 7 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 827, as amended, Wiener. Planning and zoning: transit-rich housing bonus.

The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would authorize a require a local government to, if requested, grant a development proponent of a transit-rich housing project—to receive a transit-rich housing—bonus. bonus if that development meets specified planning standards, including complying with demolition permit requirements, local inclusionary housing ordinance requirements, preparing a relocation benefits and assistance plan, any locally adopted objective zoning standards, and any locally adopted minimum unit mix

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requirements. The bill would define a transit-rich housing project as a residential development project the parcels of which are all within a 1/2 mile radius of a major transit stop or a 1/4 mile radius of a stop on a high-quality transit-corridor, as those terms are further defined. corridor. The bill would exempt a project awarded a housing opportunity bonus an eligible applicant who receives a transit-rich housing bonus from various requirements, including maximum controls on residential density or floor area ratio, density, maximum controls on floor area ratio that are lower than a specified amount, minimum automobile parking requirements, maximum height limitations, and zoning or design standards that restrict the applicant's ability to construct the maximum number of units consistent with any applicable building code, and maximum height limitations, as provided, controls that have the effect of limiting additions onto existing structures or lots that comply with those maximum floor area ratios and height limitations. The bill would require an eligible applicant who receives a transit-rich housing bonus to provide benefits to eligible displaced persons who are displaced by the development, including requiring the applicant to offer a right to remain guarantee to those tenants, and to make payments to eligible displaced persons for moving and related expenses as well as for relocation benefits. The bill would also require an eligible applicant to submit a relocation benefit and assistance plan for approval to the applicable local government to that effect, and to provide specified information and assistance to eligible displaced persons.

The bill would declare that its provisions address a matter of statewide concern and apply equally to all cities and counties in this state, including a charter city.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that this act addresses a matter of statewide concern and shall apply equally to all cities and counties in this state, including charter cities.

SEC. 2. Chapter 4.35 (commencing with Section 65918.5) is added to Division 1 of Title 7 of the Government Code, immediately following Chapter 4.3, to read:

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Chapter 4.35. Transit-Rich Housing Bonus

65918.5. For purposes of this chapter:

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(a) "Development proponent" means an applicant who submits an application for a transit-rich housing bonus pursuant to this chapter.

- (b) "Eligible applicant" means a development proponent who receives a transit-rich housing bonus.
 - (c) "FAR" means floor area ratio.
- (d) "High-quality transit corridor" means a corridor with fixed route bus service that has service intervals of no more than 15 minutes during peak commute hours.
- (e) "Local government" means city, including a charter city, a county, or city and county.
- (f) "Transit-rich housing project" means a residential development project the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor. A residential development project does not qualify as a transit-rich housing project if that project would result in the construction of housing in zoning districts that prohibit the construction of housing as a principal or conditional use, including, but not limited to, exclusively industrial or manufacturing zoning districts. A project shall be deemed to be within a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor if both of the following apply:
- (1) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor.

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(2) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a stop on a high-quality transit corridor.

- 65918.6. (a) Notwithstanding any local ordinance, general plan element, specific plan, charter, or other local law, policy, resolution, or regulation, a local jurisdiction shall, if requested, provide an eligible applicant with a transit-rich housing bonus that shall exempt the project from all of the following:
 - (1) Maximum controls on residential density.
- (2) Maximum controls on FAR lower than those specified in paragraph (4) of subdivision (c).
 - (3) Minimum automobile parking requirements.
- (4) Maximum building height limits that are less than those specified in subdivision (b).
- (5) Zoning or design controls that have the effect of limiting additions onto existing structures or lots if such additions comply with the height and FAR limits established in subdivision (b) or paragraph (4) of subdivision (c).
- (b) An eligible applicant shall be exempt from local maximum height limits as follows:
 - (1) If the transit-rich housing project is within a one-quarter mile radius of either a major transit stop or a stop on a high-quality transit corridor, the maximum height limitation shall not be less than 85 feet, except in cases where a parcel facing a street that is less than 70 feet wide from property line to property line, in which case the maximum height shall not be less than 55 feet. If the project is exempted from the local maximum height limitation, the maximum height limitation for a transit-rich housing project shall be 85 feet or 55 feet, as provided in this paragraph.
- (2) If the transit-rich housing project is within one-half mile of a major transit stop, but does not meet the criteria specified in paragraph (1), any maximum height limitation shall not be less than 55 feet, except in cases where a parcel facing a street that is less than 70 feet wide from property line to property line, in which case the maximum height shall not be less than 45 feet. If the project is exempted from the local maximum height limitation, the maximum height limitation for a transit-rich housing project shall be 55 feet or 45 feet, as provided in this paragraph.

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(3) For purposes of this subdivision, if a parcel has street frontage on two or more different streets, the maximum height limitation pursuant to this subdivision shall be based on the widest street.

- (c) A development proponent may submit an application for a development to be subject to the transit-rich housing bonus process provided by subdivision (b) if the application satisfies all of the following planning standards:
- (1) Any demolition permit that is related to an application for a transit-rich housing project is subject to all demolition permit controls, restrictions, and review processes enacted by the applicable local government. Additionally, an applicant shall be ineligible for a transit-rich housing bonus if the housing development is proposed on any property that includes a parcel or parcels on which existing rental units that are subject to any form of rent or price control through a local government's valid exercise of its police power would need to be demolished, unless the local government passes a resolution explicitly authorizing a review process for demolition permit applications.
- (2) The development complies with any local inclusionary housing ordinances. For purposes of this paragraph, local inclusionary housing ordinances include either of the following:
- (A) A mandatory requirement, as a condition of the development of residential units, that the development include a certain percentage of residential units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income households specified in Sections 50079.5, 50093, 50105, and 50106 of the Health and Safety Code. The ordinance may provide alternative means of compliance that may include, but are not limited to, in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units. If the ordinance is adopted after January 1, 2018, it shall meet all the requirements of Section 65850.01.
- (B) For the purposes of this section, if a community does not have a mandatory requirement as described in subparagraph (A), a locally adopted voluntary incentive-based program that grants a range of incentives to developments that include an objective and knowable amount of on-site affordable housing. The knowable amount of on-site affordable housing and number of incentives

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shall be calculated based on the project's proximity to different types of public transportation, and include proximity to both regular bus lines, bus rapid transit, and rail stations. In the case that a local inclusionary housing ordinance is a voluntary or incentive-based program as described in this subparagraph, on-site affordable housing requirements for a transit-rich housing project shall be calculated based on the height, density, floor area ratio. bulk, and automobile parking included in the final design of the transit-rich housing project.

- (3) The development proponent prepares and submits to the applicable local government a relocation assistance and benefits plan as described in subdivision (d) of Section 65918.8.
- (4) Except as specified in subdivision (a), the transit-rich housing project complies with all local objective zoning design standards that were in effect at the time that the applicant submits its first application to the local government pursuant to this section, except as provided in Section 65918.10, provided that those local zoning design standards shall not result in a FAR for the development that received the bonus that is less than the following:
- (A) 2.5 FAR for lots with a maximum height limit of 45 feet pursuant to this section.
- (B) 3.25 FAR for lots with a maximum height limit of 55 feet pursuant to this section.
- (C) 4.5 FAR for lots with a maximum height limit of 85 feet pursuant to this section.
- (5) Any locally adopted objective zoning standard that involves no personal or subjective judgment by a public official and is uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and public officials before the application is submitted, including but not limited to essential bulk and FAR requirements, except as specified in paragraph (4), codified design standards, and development fees.
- (6) Any locally adopted minimum unit mix requirements, provided that those requirements do not have the effect of requiring more than 40 percent of all units in a transit-rich housing project to have two bedrooms or more.
- (d) An eligible applicant who receives a transit-rich housing bonus pursuant to this section may also apply for a density bonus, incentive or concession, or waiver or reduction, pursuant to Section

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65915. For purposes of calculating any base development standard, including maximum allowable residential density, for purposes of granting a density bonus, incentive or concession, or a waiver or reduction of a development standard pursuant to that section, any transit-rich housing bonus granted pursuant to this chapter shall be used as that base development standard.

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 (e) An eligible applicant who receives a transit-housing bonus pursuant to this section, and who requests a streamlined, ministerial, approval process pursuant to Section 65913.4, shall be deemed to be in compliance with local zoning requirements for purposes of determining eligibility pursuant to paragraph (5) of subdivision (a) of Section 65913.4, and for purposes of enforcing legal protections for new developments under Section 65589.5.

65918.7. In the event that a transit-rich housing project is issued a demolition permit by a local government as described in paragraph (1) of subdivision (c) of Section 65918.6, the project shall comply with any state or local tenant relocation benefit and assistance program or ordinance serving residential tenants living in the units that will be demolished. Moreover, in the event that issuance of a demolition permit would result in the direct displacement of a residential tenant or tenants, the local government may not issue demolition permits for rental housing units as a part of the application for a transit-rich housing project, unless the development proponent complies with relocation benefits and assistance and a right to remain guarantee, as follows:

- (a) The development proponent prepares and submits a relocation assistance and benefits plan to the jurisdiction as described in subdivision (d) of Section 65918.8.
- (b) The development proponent offers all eligible displaced persons a right to remain guarantee that is a right of first refusal for a comparable unit in the transit-rich housing project after it finishes construction, and a new lease for that unit at a rate not to exceed the base rent defined in paragraph (2) of subdivision (f) of Section 65918.9.
- 65918.8. (a) An eligible applicant that receives a transit-rich housing bonus shall comply with the procedures and requirements in this section in providing relocation benefits and a right to remain guarantee to any eligible displaced person.
- *(b)* For purposes of this chapter, "eligible displaced person" 40 means the following:

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(1) Any person who occupies property that is located within the development, and who will become displaced by the development.

- (2) Any person who moves from property located within the boundaries of the development after an application for a development proposal subject to a transit-rich housing bonus is deemed complete.
- (c) An eligible applicant shall inform all eligible displaced persons regarding the projected date of displacement and, periodically, should inform those persons of any changes in the projected date of displacement.
- (d) A development proponent shall prepare a detailed relocation benefits and assistance plan, and submit that plan to the applicable local government for approval to determine whether the plan complies with the requirements of this section. That plan shall include all of the following:
 - (1) A diagrammatic sketch of the project area.
 - (2) Projected dates of displacement.
- (3) A written analysis of the aggregate relocation needs of all eligible displaced persons and a detailed explanation as to how these needs are to be met.
- (4) A written analysis of relocation housing resources, including vacancy rates of the neighborhood and surrounding areas.
- (5) A detailed description of relocation payments to be made and a plan for disbursement.
 - (6) A cost estimate for carrying out the plan.
- (7) A standard information statement to be sent to all eligible displaced persons who will be permanently displaced.
- (8) Plans for public review and comment on the development project and relocation benefits and assistance plan.
- (e) A development proponent shall provide notice of the relocation benefits and assistance plan to all eligible displaced persons at least 30 days before submitting the plan to the local government for approval pursuant to subdivision (d).
- *(f)* After the applicable local government approves the relocation 35 benefits and assistance plan pursuant to subdivision (d), the eligible 36 applicant shall do all the following:
 - (1) Notify all eligible displaced persons of the following:
 - (A) The availability of relocation benefits and assistance.
- *(B)* The eligibility requirements of relocation benefits and 40 assistance.

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(C) The procedures for obtaining relocation benefits and assistance.

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- (2) Determine the extent of the need of each eligible displaced person for relocation benefits and assistance.
- (3) Provide the current and continuing information on the availability, prices and rentals of comparable sales and rental housing, and as to security deposits, closing costs, typical down payments, interest rates, and terms for residential property in the area to all eligible displaced persons.
- (4) Assist each eligible displaced person to complete applications for payments and benefits.
- (5) Assist each eligible displaced person to obtain and move to a comparable replacement dwelling.
- (6) Supply to each eligible displaced person information concerning federal and state housing programs.
- (7) Inform all persons who are expected to be displaced about the eviction policies to be pursued in carrying out the project, which policies shall be in accordance with the relocation benefits and assistance plan approved pursuant to subdivision (d).
- (g) An eligible applicant's obligation to provide relocation benefits and assistance to an eligible displaced person shall cease if any of the following occurs:
- (1) An eligible displaced person moves to a comparable replacement dwelling and receives all assistance and payments to which he or she is entitled.
- (2) An eligible displaced person moves to substandard housing, refuses reasonable offers of additional assistance in moving to a decent, safe and sanitary replacement dwelling, and receives all payments to which he or she entitled.
- (3) The eligible applicant has failed to trace or locate the eligible displaced person after making all reasonable efforts to do so.
- (4) An eligible displaced person from his or her dwelling refuses, in writing, reasonable offers of assistance, payments and comparable replacement housing.
- (h) An eligible applicant shall not evict an eligible displaced person from property, except as a last resort. If an eligible displaced person is evicted as a last resort pursuant to this subdivision, that eviction in no way affects the eligibility of that person for relocation payments.

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 65918.9. An eligible applicant that receives a transit-rich housing bonus shall make relocation payments to or on behalf of eligible displaced persons that otherwise meets all basic eligibility conditions set out in Section 65918.8, for all actual reasonable expenses incurred for moving and related expenses to move themselves, their family, and their personal property, and for relocation benefits. In all cases, the amount of payment shall not exceed the reasonable cost of accomplishing the activity in connection with a claim that has been filed. In making payments under this section, the eligible applicant shall comply with all of the following:

- (a) For purposes of this section, "moving and related expenses" include all of the following:
- (1) Transportation of persons and property, not to exceed a distance of 50 miles from the site from which they were displaced, except where relocation beyond 50 miles is justified.
- 17 (2) Packing, crating, unpacking and uncrating personal 18 property.
- *(3)* Storage of personal property, for a period not to exceed 12 20 months.
 - (4) Insurance of personal property while in storage or transit.
 - (5) The reasonable replacement value of property lost, stolen or damaged (not through the fault or negligence of the displaced person, his agent, or employee) in the process of moving, where insurance covering such loss, theft or damage is not reasonably available. A claim for payment hereunder shall be supported by written evidence of loss which may include appraisals, certified prices, bills of sale, receipts, canceled checks, copies of advertisements, offers to sell, auction records, and other records appropriate to support the claim.
 - (b) An eligible applicant may pay an eligible displaced person for their anticipated moving expenses in advance of the actual move. An eligible applicant shall provide advance payment as described in this subdivision whenever later payment would result in financial hardship to the eligible displaced person. In determining financial hardship for purposes of this subdivision, particular consideration shall be given to the financial limitations and difficulties experienced by low and moderate income persons.
 - (c) This section does not preclude an eligible applicant from relying upon other reasonable means of relocating an eligible

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displaced person, including contracting to have that eligible displaced person moved to satisfy the requirements of this section, and arranging for assignment of moving expense payments by eligible displaced persons.

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- (d) An eligible displaced person who elects to self-move may submit a claim for their moving and related expenses to the eligible applicant in an amount not to exceed an acceptable low bid or an amount acceptable to the displacing entity. An eligible displaced person is not required to provide documentation of moving expenses actually incurred.
- (e) Except in cases of a displaced person conducting a self-move as provided in subdivision (d) above, an eligible displaced person who submits a claim for relocation payments under this section shall include a bill or other evidence of expenses incurred. An eligible applicant may enter into a written arrangement with the eligible displaced person and the mover so that the eligible displaced person may present to the eligible applicant an unpaid moving bill, and the eligible applicant can then pay the mover directly for any moving expenses incurred.
- (f) For purposes of this section, "relocation benefits" means a payment of an amount necessary to enable that person to lease or rent a replacement dwelling for a period not to exceed 42 months, as follows:
- (1) The amount of payment necessary to lease or rent a comparable replacement dwelling shall be computed by subtracting 42 times the base monthly rental of the displaced person, from 42 times the monthly rental for a comparable replacement dwelling, provided, that in no case may such amount exceed the difference between 42 times the base monthly rental as determined in accordance with this subdivision and 42 times the monthly rental actually required for the replacement dwelling occupied by the eligible displaced person.
- (2) The base monthly rental shall be the lesser of the average monthly rental paid by the eligible displaced person for the three-month period before the eligible applicant submitted the relocation benefits and assistance plan pursuant to subdivision (d) of Section 65918.8, or 30 percent of the eligible displaced person's average monthly income.
- *(3)* A dependent who is residing separate and apart from the 40 person or family providing support, whether that residence is

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permanent or temporary shall be entitled to payment under this section, but that payment shall be limited to the period during which the displaced dependent resides in the replacement dwelling. At the time the displaced dependent vacates that dwelling, no further payment under this section shall be made to that person.

- (4) Except where specifically provided otherwise, the eligible applicant may disburse payments for relocation benefits under this section in a lump sum, monthly or at other intervals acceptable to the displaced person.
- (g) Upon request by an eligible displaced person who has not yet purchased and occupied a replacement dwelling, but who is otherwise eligible for a replacement housing payment, the eligible applicant shall certify to any interested party, financial institution, or lending agency, that the eligible displaced person will be eligible for the payment of a specific sum if they purchase and occupy a dwelling within the time limits prescribed.
- 65918.10. (a) If, on or after January 1, 2018, a local government adopts an ordinance that eliminates residential zoning designations or decreases residential zoning development capacity within an existing zoning district in which the development is located than what was authorized on January 1, 2018, then that development shall be deemed to be consistent with any applicable requirement of this chapter if it complies with zoning designations that were authorized as of January 1, 2018.
- (b) The Department of Housing and Community Development may, at any time, review any new or revised zoning or design standards after the operative date of the act adding this section to determine if those local standards are consistent with the requirements of this section. If the department determines that those standards are inconsistent, the department shall issue, in a form and manner provided by the department, a finding of inconsistency, and those standards shall be rendered invalid and unenforceable as of the date that finding is issued.
- 34 SEC. 3. No reimbursement is required by this act pursuant to 35 Section 6 of Article XIII B of the California Constitution because 36 a local agency or school district has the authority to levy service 37 charges, fees, or assessments sufficient to pay for the program or 38 level of service mandated by this act, within the meaning of Section 39 17556 of the Government Code.

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SEC. 2. Section 65917.7 is added to the Government Code, to read:

- 65917.7. (a) As used in this section, the following definitions shall apply:
- (1) "Block" has the same meaning as defined in subdivision (a) of Section 5870 of the Streets and Highways Code.
- (2) "High-quality transit corridor" means a corridor with fixed route bus service that has service intervals of no more than 15 minutes during peak commute hours.
- (3) "Transit-rich housing project" means a residential development project the pareels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor. A project shall be deemed to be within a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor if both of the following apply:
- (A) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor.
- (B) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor.
- (4) "Major transit stop" has the same meaning as defined in Section 21064.3 of the Public Resources Code.
- (b) Notwithstanding any local ordinance, general plan element, specific plan, charter, or other local law, policy, resolution, or regulation, a transit-rich housing project shall receive a transit-rich housing bonus which shall exempt the project from all of the following:
 - (1) Maximum controls on residential density or floor area ratio.
- 32 (2) Minimum automobile parking requirements.
 - (3) Any design standard that restricts the applicant's ability to construct the maximum number of units consistent with any applicable building code.
 - (4) (A) If the transit-rich housing project is within either a one-quarter mile radius of a high-quality transit corridor or within one block of a major transit stop, any maximum height limitation that is less than 85 feet, except in eases where a parcel facing a street that is less than 45 feet wide from curb to curb, in which

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ease the maximum height shall not be less than 55 feet. If the project is exempted from the local maximum height limitation, the governing height limitation for a transit-rich housing project shall be 85 feet or 55 feet, as provided in this subparagraph.

- (B) If the transit-rich housing project is within one-half mile of a major transit stop, but does not meet the criteria specified in subparagraph (A), any maximum height limitation that is less than 55 feet, except in eases where a parcel facing a street that is less than 45 feet wide from curb to curb, in which case the maximum height shall not be less than 45 feet. If the project is exempted from the local maximum height limitation, the governing height limitation for a transit-rich housing project shall be 55 feet or 45 feet, as provided in this subparagraph.
- (C) For purposes of this paragraph, if a parcel has street frontage on two or more different streets, the height maximum pursuant to this paragraph shall be based on the widest street.
- SEC. 3. No reimbursement is required by this act pursuant to
 Section 6 of Article XIIIB of the California Constitution because
 a local agency or school district has the authority to levy service
 charges, fees, or assessments sufficient to pay for the program or
 level of service mandated by this act, within the meaning of Section
 17556 of the Government Code.

Introduced by Senator Wiener (Principal coauthor: Senator Skinner)

(Principal coauthor: Assembly Member Ting)

January 3, 2018

An act to add Section 65917.7 to the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 827, as introduced, Wiener. Planning and zoning: transit-rich housing bonus.

The Planning and Zoning Law requires, when an applicant proposes a housing development within the jurisdiction of a local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or for the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

This bill would authorize a transit-rich housing project to receive a transit-rich housing bonus. The bill would define a transit-rich housing project as a residential development project the parcels of which are all within a $\frac{1}{2}$ mile radius of a major transit stop or a $\frac{1}{4}$ mile radius of a high-quality transit corridor, as those terms are further defined. The bill would exempt a project awarded a housing opportunity bonus from various requirements, including maximum controls on residential density or floor area ratio, minimum automobile parking requirements, design standards that restrict the applicant's ability to construct the maximum number of units consistent with any applicable building code, and maximum height limitations, as provided.

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The bill would declare that its provisions address a matter of statewide concern and apply equally to all cities and counties in this state, including a charter city.

By adding to the duties of local planning officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that this act addresses a matter of statewide concern and shall apply equally to all cities and counties in this state, including charter cities.

SEC. 2. Section 65917.7 is added to the Government Code, to read:

65917.7. (a) As used in this section, the following definitions shall apply:
(1) "Block" has the same meaning as defined in subdivision (a)

(1) "Block" has the same meaning as defined in subdivision (a) of Section 5870 of the Streets and Highways Code.

(2) "High-quality transit corridor" means a corridor with fixed route bus service that has service intervals of no more than 15 minutes during peak commute hours.

(3) "Transit-rich housing project" means a residential development project the parcels of which are all within a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor. A project shall be deemed to be within a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor if both of the following apply:

(A) All parcels within the project have no more than 25 percent of their area outside of a one-half mile radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor.

(B) No more than 10 percent of the residential units or 100 units, whichever is less, of the project are outside of a one-half mile

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radius of a major transit stop or a one-quarter mile radius of a high-quality transit corridor.

- (4) "Major transit stop" has the same meaning as defined in Section 21064.3 of the Public Resources Code.
- (b) Notwithstanding any local ordinance, general plan element, specific plan, charter, or other local law, policy, resolution, or regulation, a transit-rich housing project shall receive a transit-rich housing bonus which shall exempt the project from all of the following:
 - (1) Maximum controls on residential density or floor area ratio.
 - (2) Minimum automobile parking requirements.

- (3) Any design standard that restricts the applicant's ability to construct the maximum number of units consistent with any applicable building code.
- (4) (A) If the transit-rich housing project is within either a one-quarter mile radius of a high-quality transit corridor or within one block of a major transit stop, any maximum height limitation that is less than 85 feet, except in cases where a parcel facing a street that is less than 45 feet wide from curb to curb, in which case the maximum height shall not be less than 55 feet. If the project is exempted from the local maximum height limitation, the governing height limitation for a transit-rich housing project shall be 85 feet or 55 feet, as provided in this subparagraph.
- (B) If the transit-rich housing project is within one-half mile of a major transit stop, but does not meet the criteria specified in subparagraph (A), any maximum height limitation that is less than 55 feet, except in cases where a parcel facing a street that is less than 45 feet wide from curb to curb, in which case the maximum height shall not be less than 45 feet. If the project is exempted from the local maximum height limitation, the governing height limitation for a transit-rich housing project shall be 55 feet or 45 feet, as provided in this subparagraph.
- (C) For purposes of this paragraph, if a parcel has street frontage on two or more different streets, the height maximum pursuant to this paragraph shall be based on the widest street.
- SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or

- level of service mandated by this act, within the meaning of Section
 17556 of the Government Code.



February 12, 2018

The Honorable Scott Wiener California State Senator, 11th District State Capitol, Room 4066 Sacramento, CA 95814

Re: SB 827 (Wiener) Planning and Zoning - Transit-Rich Housing Bonus - OPPOSE

Dear Senator Wiener.

We appreciate and share concerns about the affordability crisis afflicting California, especially in our major coastal cities. In fact, our organizations' members and staff work day and night to address tenant insecurity, overcrowding and homelessness, and the lack of affordable housing in our communities. We know that greater density, especially near transit, can be an important part of both addressing housing needs as well as improving transit access. However, it is clear that in the City of Los Angeles, SB 827 will exacerbate the very issue it seeks to remedy, especially in low-income communities and communities of color.

Our context here in Los Angeles is distinct. Households with the lowest income (earning less than \$25,000 per year for a family of four) reside in our urban core, and make up 75% of our Metro system's core riders. On any given night in the City of LA, over 34,000 people are homeless and zipcodes in South Los Angeles and Westlake are home to the worst residential overcrowding in the country. As the County struggles to meet its need for over half a million additional *affordable* housing units, market forces continue to drive both the development of homes near transit that are priced out of reach for the majority of LA residents (including transit riders) and the destruction of existing homes housing core transit riders. The city is on track to meet its goal of 100,000 new units by 2021 – but the vast majority of those units will be unaffordable to core transit riders. And, since 2001, over 20,000 rent controlled units have been destroyed, and many households have been displaced due to unlawful evictions and harassment.

It is within this context that dozens of housing, community, labor, transportation, and environmental organizations have collaborated to create policies and plans that create more density around transit while *intentionally* producing and preserving deeply affordable units and ensuring local, quality jobs are created as we create a more sustainable city. For example:

• Measure JJJ, on the November 2016 City of Los Angeles ballot, was overwhelmingly approved by 64% of voters. Any zone change or General Plan Amendment project now must include extremely low-income units and very-low or low-income units and hire local workers, disadvantaged workers and graduates of apprenticeship programs. Also, Measure JJJ created a Transit-Oriented Communities Affordable Housing Incentive Program (TOC Program), linking increased density and reduced parking requirements within a ½ mile of Major Transit Stops to inclusion of affordable housing and replacement requirements. When the LA County Department of Public Health studied the TOC Program, they estimated that 14,000 affordable housing units would be produced through this program alone over the next ten years. Additionally, affordable housing developers building near transit are now able to build more densely and with less costly parking requirements in 100% affordable projects. The City of LA Planning Department reports high interest in the program since it went live in September 2017.

¹ "LA's Planning Department has approved nearly 20,000 new housing units in 2017," *Curbed LA*, November 2, 2017, *available at*: https://la.curbed.com/2017/11/2/16598936/la-affordable-housing-new-units. See also City of LA 2015 Housing Element Progress Report, Table B, demonstrating City met and exceeded its above-moderate income housing RHNA allocation 3 years ago, but is still woefully behind on its affordable housing goals, *available at*: https://planning.lacity.org/HousingServices/files/APRs/2015 APR.pdf



- Likewise, El Plan del Pueblo in Boyle Heights and the People's Plan in South LA are the results of
 intensive, decade-long community engagement processes which pair density increases with significant
 community benefits that were determined by stakeholders from those communities. Thanks to the
 coalition work on the People's Plan, LA City Council approved in November an area-wide no net loss
 program throughout South LA that incorporates various anti-displacement and affordable housing
 replacement policies that align with the incentive programs tied to transit corridors.
- Other plans such as the Cornfield Arroyo Specific Plan are examples of inclusive planning that gave ample room for community input and will lead to affordable housing set asides near transit lines.
- Los Angeles is currently updating all of its 35 Community Plans, recently tripling the Department of City Planning's community planning staff. Our organizations are committed to moving an equity agenda forward through inclusive and democratic community planning. Per Measure JJJ, the Community Plan updates must build upon the baseline affordability requirements and local hire incentives in place now.

If SB 827 passes, we will lose these incentives for developers to include low-income, very-low income or extremely low-income units in their new buildings near transit. Likewise, provisions in the above cited plans and policies to prevent destruction of affordable units, require replacement of affordable units and mitigate displacement of low-income families would be undermined. The result is that existing rent-stabilized units will be put at even greater risk of destruction, and core transit riders at greater risk of displacement.

If SB 827 passes, we stand to lose out on tens of thousands of affordable homes near transit and we are putting families who depend on rent stabilization at greater risk of displacement at a time of severe housing and homelessness crises.

There is no place for the segregationist planning that defined so much of our metropolitan history, but the antidote to segregationist low-density zoning imposed upon and against communities of color is not an "open the floodgates" approach. As recent research demonstrates, increased market-rate development near transit without concomitant investments in preserving and creating affordable housing, will displace core transit riders in transit-rich neighborhoods.² The path to racial and economic justice through city planning starts with listening to the most impacted communities and learning from their experience as they've struggled against waves of disinvestment and displacement.

In Los Angeles, many historically disadvantaged communities have advocated for a path forward that does not rely on segregationist practices nor free-market deregulation. The organizations that are signatories to this letter are working as organizations or in coalition to deeply engage historically disadvantaged communities and craft policy that prioritizes *equitable* development and input from those who have been marginalized by historical planning patterns. We understand that ensuring equity is not only necessary for low-income communities and communities of color; research shows that inequities and residential segregation lead to slower economic growth for the region.³

² See, e.g., Dukakis Center for Urban and Regional Policy. "Maintaining Diversity In America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change." October 2010; CHPC, "Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy," May, 2014; Miriam Zuk and Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," Institute of Government Studies, UC Berkeley, 2016.

³ Chris Benner and Manuel Pastor, *Equity, Growth, and Community: What the Nation Can Learn from America's Metro Areas, UC Press, 2015*



At a time when the Los Angeles region is investing \$160 billion toward new transit infrastructure, it is imperative that Sacramento listens to our region's communities and crafts state housing policies which build upon the significant accomplishments we've made here in LA. Unfortuantely, SB 827 will roll back our progress.

Sincerely,

Alliance for Community Transit – Los Angeles (ACT-LA)

Alliance of Californians for Community Empowerment (ACCE) Action

Asian Pacific Policy and Planning Council (A3PCON)

Bend the Arc: A Jewish Partnership for Justice

California Reinvestment Coalition (CRC)

Central American Resource Center (CARECEN)

Coalition for Economic Survival (CES)

Community Coalition

Community Development Technologies (CDTech)

Community Health Councils

East Los Angeles Community Corporation (ELACC)

Esperanza Community Housing Corporation

InnerCity Struggle (ICS)

Inquilinos Unidos (United Tenants)

Investing in Place

Jobs to Move America

Koreatown Immigrant Workers Alliance (KIWA)

L.A. Voice PICO

Little Tokyo Service Center (LTSC)

Los Angeles Black Worker Center

Los Angeles Community Action Network (LA CAN)

Los Angeles County Bicycle Coalition (LACBC)

Los Angeles Forward

Los Angeles Neighborhood Land Trust

Move LA

Multicultural Communities for Mobility (MCM)

Physicians for Social Responsibility - Los Angeles (PSR-LA)

Restaurant Opportunities Center of Los Angeles (ROC LA)

Santa Monicans for Renters' Rights (SMRR)

Southeast Asian Community Alliance (SEACA)

Strategic Actions for a Just Economy (SAJE)

Strategic Concepts in Organizing and Policy Education (SCOPE)

St. John's Well Child and Family Center

Thai Community Development Center

T.R.U.S.T. South LA

United Neighbors in Defense Against Displacement (UNIDAD)

Women Organizing Resources, Knowledge and Services (WORKS)

RESOLUTION

Senate Bill 827 (Weiner) Opposition

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Legislature is currently considering SB 827 (Weiner), which would exempt a housing project with parcels all within a 1/2 mile radius of a major transit stop or a 1/4 mile radius of a high-quality transit corridor from various requirements and empowers the State to override local zoning laws to let developers build taller and more densely around rail stations and bus lines; and

WHEREAS, these radii would encompass vast amounts of Los Angeles, effectively eliminating the ability for the City to engage in planning self-determination; and

WHEREAS, SB 827 would let developers construct buildings between four and eight stories tall with no parking minimums and limited design review, even if local zoning codes preclude it, including in single family neighborhoods; and

WHEREAS, the City must make every effort to expand affordable and middle-income housing, but not at the expense of local control over land use and community-driven planning; and

WHEREAS, the City has taken substantial steps towards planning for future housing, including initiating updates to all thirty-five of its Community Plans, approving an affordable housing linkage fee, and exceeding its Regional Housing Needs Assessment (RHNA) target for market rate housing; and

WHEREAS, SB 827 is inconsistent with Los Angeles' efforts to update its Community Plans, update its General Paln, extend tenant protections and craft equitable community planning;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2017-18 State Legislative Program OPPOSITION to SB 827 (Weiner), which would allow the construction of housing developments near major transit stops without compliance with local land use regulations.

PRESENTED BY:

DAVID E. RYU

Councilmember, 4th District

SECONDED BY:

EFR A M MAR



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE:

February 5, 2018

TO:

Members of the Planning Commission

FROM:

AnMarie Rodgers, Citywide Planning Director; Joshua Switzky,

Land Use & Housing Program Manager, Citywide Division

RE:

SB 827

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax:

415.558.6409

Dear Planning Commissioners,

Planning Information:

This memo is in response to the Commission's request for an analysis of the proposed State Senate Bill415.558.6377 827 and its potential effects on San Francisco. It is important to note that the implications of this bill for San Francisco are based on the version of the bill as currently proposed, and it is likely that future versions of the bill would change this analysis. Nonetheless, we believe it is important for policy-makers to understand the implications of such a far-reaching proposal.

SB 827 Summary

SB 827 proposes to increase housing development capacity in areas that meet minimum levels of transit service with state-imposed minimum zoning standards for certain key development controls. The bill would have its greatest impact on the State's core metropolitan regions with more extensive transit service. In San Francisco, this would be virtually the entire city. In the rest of the Bay Area, large swaths of Oakland, Berkeley, and San Jose would be affected, as would all areas right around Caltrain, BART, and SMART stations, various singular corridors along both sides of the Bay, such as San Pablo Avenue and El Camino Real, and areas around ferry terminals. Outside of the Bay Area, the state's two largest cities—Los Angeles, and San Diego—would be substantially rezoned under this bill, with much lesser changes in other cities.

SB 827 would remove residential density and floor area ratio (FAR) limits, minimum parking requirements, and impose minimum height limits statewide for residential projects on residentially zoned parcels within defined proximity to transit stations and corridors that meet certain minimum criteria, as follows (colors correspond to attached Map). The bill would also prohibit the enforcement of "Any design standard that restricts the applicant's ability to construct the maximum number of units consistent with any applicable building code."

SB 827 Pro	posed Height Limit	s by Proximity to Trai	nsit and	d Street V	Vidth	
			Street Width (feet)			
			>45 ft <45 ft		45 ft	
Category	Radius Affected	Transit Type	Base	w/SDB	Base	w/SDB
	1/4 mile	Transit corridor	05 64	~105 ft	FF 64	~7F f+
. A	1 block	Major transit stop	85 11	105 11	5511	7511
В	1/2 mile	Major transit stop	55 ft	~75 ft	45 ft	~65 ft

SBD= State Density Bonus

San Francisco Policies on Growth and Transit

San Francisco's General Plan, including the Housing Element and Transportation Element, explicitly emphasizes the importance of focusing growth in close proximity to major transit services, as well as providing flexibility to maximize unit count within the allowed building envelope and minimizing the impact of parking on the provision of housing. These core policies assume that transit-oriented, walkable dense development is the basis for efficient, sustainable cities and further provides more affordable, diverse choices for people to live and commute without cars for most daily needs. Moreover, higher urban densities create a rich environment for varied experiences and encounters, and contribute to both economic and cultural vibrancy.

San Francisco also recognizes the importance of comprehensive regional planning for jobs and housing, and the wide disparities at the regional level in the extent to which cities have been actively and willingly planning for and building for housing, particularly in areas with greater access to transit. Increased housing development around transit in more jurisdictions around the Bay Area could open up housing opportunities in both higher income, higher opportunity suburbs in addition to core urban areas. Substantially increased housing production is necessary to improve housing affordability not just in the Bay Area, but statewide, and zoning is the foundational regulation that determines how much housing can be built over time.

The apparent objective of the bill is to provide more transit accessible housing statewide, helping to both meet sustainability and transportation needs while and moderating housing prices by increasing zoned housing capacity.

Although the General Plan, as the embodiment of the City's guiding policy document for the evolution of San Francisco, shares these key objectives with SB 827, the General Plan also explicitly emphasizes the importance of planning for land use change in consultation with communities and in consideration of a variety of relevant factors in the context of each area—urban form, open space, historic preservation, and other factors. Additionally, in its analysis of the bill, the Planning Department makes a number of observations about the practicalities of implementing the bill and other key inconsistencies with General Plan policies, particularly the importance of maintaining key urban design standards related to livability, walkability, and context, as well as discussing the very notion of transit "richness."

SB 827 does not explicitly eliminate or limit local controls regarding demolition and removal of units. Related to the previous point, SB 827 does not appear to explicitly limit a city's discretion to limit or prohibit demolition or removal of units, nor would it preempt local tenant protections under the Rent Control ordinance. However as discussed below, there is uncertainty regarding the interpretation of the "design standards" provision. Presuming that limitations on demolishing units is not considered a "design standard," then the effect of the bill would be initially to direct growth to conventional "soft sites" (i.e., underdeveloped sites without existing residential uses) along with encouraging additions to existing residential properties. In the longer term, however, absent any outright Code prohibition on demolishing existing units, which does not currently exist in most of San Francisco, it is possible that more and more sites containing existing residential units, including single family homes, would be incentivized to redevelop at higher densities as property ownership changes.

SB 827 would affect most of San Francisco and would significantly upzone most of the city. As shown in the attached map, almost 96% of the city's parcels are within ½-mile of a major transit stop or ¼-mile of a transit corridor meeting the definition in the bill. San Francisco's transit network is expansive and most

bus lines run service at or more frequent than every 15 minutes during peak commute hours. Over 90% of the city's parcels currently have a height limit of 45′ or less. Given that most major streets in the city have widths greater than 45′, the majority of the streets in the City would have their height limits doubled from 40′/45′ to 85′. Even where height limits are not raised significantly, the elimination of density controls could result in significantly more units per parcel, as many of these areas are zoned RH-1 or RH-2. Approximately 72% of San Francisco parcels are zoned RH-1 or RH-2. Overall, these parcels would receive the most dramatic upzoning under SB 827, combining the height and density changes. For example, on a typical 2,500 sq ft RH-1 lot on an eligible street, current zoning permits two units (one primary unit plus one ADU) and a 35′ height limit. Under SB 827, zoning would likely result in permitting an estimated range of ten to sixteen units depending on whether the lot falls within the bill's 55′ or 85′ height zones. (Note this does not yet account for use of the State Density Bonus, which would allow more height and density. See below.) The zoning changes would also upzone substantial areas recently rezoned under such plans as the Market & Octavia Plan and Eastern Neighborhoods, which are density decontrolled (in such districts as NCT, RTO, and UMU) but where height limits are lower than 85′.

<u>SB 827 does not limit use of State Density Bonus</u>. The legislation does not seem to remove the ability to use the State Density Bonus on top of the bill's rezoning. Hence what is proposed as 45', 55', and 85' heights could actually be 65', 75'-85', and over 100' respectively, and so should be viewed in that light.

SB 827 appears to eliminate the ability to enforce Planning Code standards or other adopted Design Standards that are the backbone of livability, walkability and urban design quality. The bill's provision regarding design standards is dramatic. Unlike SB 35 which accommodates "objective standards" and State Density Bonus law which limits the waiver of Planning Code standards to the minimum necessary to accommodate an allowed bonus, SB 827 as proposed completes eliminates all design standards related to building envelope other than height for buildings within the prescribed height limits. It precludes the applicability of any design guideline and Planning Code provisions that in any way reduces the size and shape of the building envelope from a maximal box within the height limit, allowing only application of California Building Code standards. This would preclude the ability to maintain any standards regarding rear yard, lot coverage, exposure, open space, setbacks, and bulk controls of any kind, to name a few. While the California Building Code addresses light and air as primarily life and safety issues, these planning controls establish basic housing and neighborhood livability standards such as access and connection to daylight, openness in urban density, and natural spaces. Their elimination could result in residential projects with full lot coverage and little modulation or articulation, since any building modulation by definition reduces maximum building volume. The bill would upend urban design standards in recent plans such as Eastern Neighborhoods and Market-Octavia that were the design foundation accompanying the elimination of density controls. The bill would also countermand the basic principles laid forth in the Urban Design Element, which reinforce livability patterns within the city fabric such as preservation of mid-block open space, inclusion of mid-block alleys on long blocks, matching of lightwells, and consideration of sun and shadow.

SB 827 does not explicitly change local approval processes, however uncertainty exists about the extent of discretion retained by the City. This proposed bill does not currently contain any provisions regarding permit review, entitlement, processing or streamlining. The bill affects key zoning provisions determining what is allowable on a lot, but itself does not otherwise mandate review and approval timelines or processes. This would appear to leave in place traditional local powers and processes of Conditional Use, discretionary review, variance, large project authorization, and other processes,

SAN FRANCISCO
PLANNING DEPARTMENT

including CEQA. While this is true, it is unclear whether the discretion typically vested in the Planning Commission under these processes could be exercised to the extent they invoke design considerations that would cause any reduction of buildable envelope within the heights prescribed in the bill, as noted above. This uncertainty would extend to historic preservation considerations. Analysis by the City Attorney's office is necessary, including to what effect project sponsors could use the Housing Accountability Act to challenge or overturn any City decision that had the effect of reducing potential density based on either on application of Code and design standards as described above or other processes and discretion currently vested with the Commission.

SB 827 would reduce interest in local affordability incentive programs, but may result in more affordable housing overall. The upzoning proposed under SB 827 does not require increased levels of affordability and could blunt the use of local bonus programs such as HOME SF but would likely result in the production of more affordable housing due to overall significantly greater housing production under SB 827 than under existing zoning.

HOME-SF removes density restrictions and allows an additional two stories to generally permit height limits between 65' and 85', in exchange for 30% on-site affordable units in Neighborhood Commercial Districts (NCD) and a number of other zoning districts throughout the city that still have density limits. The program relies on the additional development capacity offered by the city to justify the 30% on-site affordability requirement.

SB 827 would, in most cases, offer greater development capacity than allowable under HOME-SF, thus removing the incentive to use HOME-SF. However it would be likely that SB 827's much broader and more significant up-zoning would result in substantially more total inclusionary units than current zoning even with HOME-SF because more and larger buildings with on-site inclusionary would be developed under SB 827. Note that SB 827 does not limit the City's ability to adjust inclusionary housing requirements to capture the benefits of the additional development capacity created by SB 827. Further financial feasibility analysis would be necessary to ascertain what, if any, increases to inclusionary requirements and other impact fees would be warranted under SB 827.

The bill provides potentially huge additional value to property owners throughout the state, without concurrent value capture. San Francisco spends years crafting rezonings that try to balance demands for housing and jobs, while also capturing a portion of that value for public benefits, including inclusionary housing, impact fees for local infrastructure, and other measures. The proposed bill would neither allow this local planning process to take place concurrently, nor would it give a path for local jurisdictions to conduct necessary studies and implement programs to capture an appropriate level of the increased value for public benefits and impact mitigation at the same time as the intensified zoning is implemented.

SB 827 definition of "transit rich"-ness is low, especially for "corridors." The minimum standard for a corridor to trigger the major rezoning is a single bus line that runs four times an hour during peak morning and afternoon commute hours (i.e. a couple of hours per day). This bus could run only during these peak hours (such as an express bus) or have much lower headways at other times of day (e.g., 20-30 minutes). It may not run at all on weekends and there may be no other transit that serves other destinations other than that one bus. The Housing Element explicitly notes that the presence of a bus line does not equate with transit "richness." Rather transit corridors considered "rich" are those that offer round-the-clock, daily (including weekend), high-frequency, high-capacity, and efficient service.

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PLANNING DEPARTMENT

Additionally, the bill refers to transit "corridors," but it is true that many bus routes that meet the peak hour service definition are commute express buses that may not stop for miles along their journey, stopping only at the ends. However the proposed this bill would appear to upzone the entire path taken by such a bus (for example, in San Francisco the areas adjacent to Highway 101 would be upzoned because of bus use along the Highway; or all areas along the paths taken by express commute buses from the outer reaches of the city to downtown would similarly be upzoned).

Tying Zoning to Transit Service Introduces Substantial Uncertainties Over Time. Bus routes can change over time, as well as increase and decrease service levels. The zoning map would be dynamically tied to constantly shifting factors and would require constant monitoring of transit service levels and routes to maintain an updated zoning map. This could mean that zoning could fluctuate somewhat dramatically over time as service levels increase or decrease due to transit budgets, ridership, travel patterns, or agency service strategy. Under the proposed bill, if an operator were to cut service from 15 minutes to 18 minutes, that would trigger a sudden rezoning for 1/4-mile around the bus route; similarly minor increases in transit service could trigger dramatic rezoning. Certainly, delivered transit service performance often doesn't match scheduled transit service. Similarly, if a bus route were shifted from one street to the next, or lines truncated or consolidated, it could significantly affect zoning. Furthermore, it could create pushback from jurisdictions or neighborhoods who oppose increased density to suspend already planned transit service enhancements or avoid planning for increased transit service altogether. There are also yet un-analyzed nuances, such as how services provided by regional transit providers, such as Golden Gate Transit and SamTrans, which provide bus service through San Francisco, would impact zoning under SB 827, as well as transit services provided by private operators or major institutions.

<u>SB 827 Ties Building Height Limit to Curb-to-Curb rather than ROW width.</u> The General Plan endorses the common urban design principle that street width—the whole street, inclusive of sidewalks—is an appropriate frame by which to establish comfortable building height limits. However, the proposed bill sets height limits based not on overall right-of-way width, but on curb-to-curb distance—i.e. only the vehicular portion of the ROW. Curb to curb is wholly dependent on sidewalk widths and varies substantially from street to street and over time. Right-of-way width is fixed and won't change for a given street. The impact under this bill is that any time the city widens (or narrows) sidewalks, then zoning could change. Like transit service and routing, curb-to-curb width can be difficult to track comprehensively over time and would make maintaining a stable zoning scheme challenging. In addition, the bill sets up the unfortunate unintended consequence that property owners and developers would be inclined to oppose sidewalk widening since it could result in a significant downzoning.

In conclusion, although core principles of the General Plan and planning best practice, including key state mandates and programs, such as SB 375, align closely with SB 827's vision of increasing housing capacity statewide near transit, the extent of the effect on San Francisco would be significant and key provisions lack clarity.

Attachment

Map of Affected Parcels





January 18, 2017

Senator Scott Wiener Capitol Building Sacramento, CA 95814

RE: SB 827 (Wiener) Planning and Zoning: Transit-Rich Housing Bonus-- OPPOSE

Dear Senator Wiener:

Sierra Club California opposes SB 827, which seeks to automatically increase zoning densities and building heights around high-quality transit corridors and major transit stops. High-quality transit corridors are defined as fixed-route bus services that have no more than 15-minute intervals during peak commute times, and major transit stops are defined by Public Resources Code section 21064.3 as "a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods."

While infill development near transit is the most desirable option, we believe that your bill is a heavy-handed approach to encourage that development that will ultimately lead to less transit being offered and more pollution generated, among other unintended consequences. For these reasons we oppose SB 827.

Fuels Opposition to Future Transit Development

Many areas in California lack adequate quality transit. However, some influential community members have been resistant to increasing transit in these areas. One example that comes to mind is the proposal to establish light rail development between downtown Sacramento and the airport. This proposal has faced some opposition by residents in areas north of downtown. SB 827 would marry transit development to a loss of local zoning control, and promise to up zone to eight story buildings areas near a transit corridor and major transit stop. This approach would surely increase opposition—and likely stir up additional opposition—to sorely needed transit investments in the Sacramento case. In Los Angeles County, the automatic requirement to up-zone that SB 827 provides could impact efforts to extend the Green Line into certain coastal towns. In San Diego County, the up-zoning requirement could hinder future expansion of coastal commuter rail into already developed communities.

Not All Transit Stops are Equal

Unlike fixed rail routes, bus routes are not set in stone, and may and should change periodically. Bus routes can disappear when ridership or funding declines, as occurred during the last recession. Some transit agencies have found that updating bus routes to reflect land use changes over time is one way to keep transit use high. Appropriately identifying which bus routes and stops are likely to remain high use and which may change over time is a job best left to local community planners.

SB 827 Can Promote Displacement

SB 827 will allow for greater development near transit stops. Some of these areas consist of disadvantaged communities that already face extreme pressure from gentrification. By imposing much

higher density and taking over zoning from local governments, the bill could result in these communities losing protections that prevent economic pressures from driving people out of their homes, replacing single-family homes with luxury units that are not available to people with moderate or low incomes. The increase in the cost of land from new luxury units can increase rents that further displacement.

Displacement can force residents out into areas further from their jobs and city centers, increasing commute times and greenhouse gas emissions. While infill development near transit is necessary, this must be done in ways that protect existing communities and discourage displacement. SB 827 makes no accommodation to protect disadvantaged residents.

Allow Incentive-Based Approaches to Work

The legislature addressed housing and increased densities last year with a few bills that provided funding and other measures designed to increase infill development, allowing local governments to set new zoning plans themselves. This is a more collaborative approach, and should be given time to play out.

SB 827 and SB 35 Interact to Preclude Public Health and Environmental Protections

SB 35 allows for ministerial permitting for projects that are in jurisdictions that have not met their Regional Housing Needs Assessment production requirements. An eligibility requirement for SB 35 is a consistency with objective zoning and design review standards. SB 827 will exempt some areas from those standards. This means that certain projects up to 85 feet in height (about 8 stories) would be eligible for ministerial permitting, and thus avoid environmental review under the California Environmental Quality Act (CEQA), in areas where all design, review, and public comment focus on single-family homes. This would increase the amount of unmitigated pollution in these communities, while stifling public input. We continue to believe that developers should prevent or mitigate their pollution, and this potential avoidance of CEQA is unacceptable.

We support and understand and experience the need for affordable housing in California. We support higher density in urban areas. We support infill development. However, SB 827 is not the right way to create better development. It has too many unintended consequences. It will increase pollution, discourage transit, and potentially displace disadvantaged residents. We oppose this measure, and urge you to remove this bill from consideration.

Sincerely,

Kyle Jones

Policy Advocate

Cc: Senate Transportation and Housing Committee members and staff

COALITION FOR SAN FRANCISCO NEIGHBORHOODS

LAND USE COMMITTEE RESOLUTION TO OPPOSE SB 827 (TRANSIT-RICH HOUSING BONUS) FEBRUARY 2018

WHEREAS, Senate Bill 827 (SB 827) [Wiener/Ting/Skinner] of the State of California enacts to set aside "local ordinance, general plan element, specific plan, charter or other local law, policy resolution or regulation" to allow building developments to be "exempt" from "maximum controls on residential density or floor area ratio", "minimum automobile parking requirements", "any design standards that restricts developer's ability to construct the maximum number of units consistent with any applicable building code"; and

WHEREAS SB 827 designates that the height minimum for development projects that are "transit-rich housing" (residential development project the parcels of which are all within a ½-mile radius of a major transit stop (CA Public Resources Code Sec. 21064.3: "has existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during morning and afternoon peak commute periods)) within ¼-mile radius of a high-quality transit corridor (a corridor with fixed route bus service that has service intervals of no more than 15 minutes during peak commute hours) or within one block of a major transit stop to be 85 feet except when the parcel facing a street that is less than 45 feet wide from curb to curb shall be at least 55 feet tall; and

WHEREAS, SB 827 designates that "if the transit-rich housing project is within ½-mile of a major transit stop" but does not meet the prior criteria, "any maximum height limitation that is less than 55 feet, except in cases where a parcel facing a street that is less than 45 feet wide from curb to curb", shall be "not be less than 45 feet"; and

WHEREAS, SB 827 designates that "if the project is exempted from the local maximum height limitation, the governing height limitation for a transit-rich housing project shall be 55 feet or 45 feet; and

WHEREAS, SB 827 enacts that if a parcel has a street frontage on two or more different streets, the height maximum shall be based on the widest street; and

WHEREAS, SB 827 would allow virtually unrestricted housing units by transit contrary to existing San Francisco Planning Code; and

WHEREAS, SB 827 could potentially allow matching heights for the residential streets that share property lines with the "transit-rich housing project" parcels; and

WHEREAS, SB 827 would affect many low-income residents and those of color who predominantly live along the parcels along the transit corridors further exacerbating the affordability when they get evicted for the landowner to be incentivized by this Bill to gain additional height and units; and

WHEREAS, SB 827 would increase the cost of housing making it harder to create and meet affordable housing targets since developers would tend to aim for luxury and market-rate units thereby getting huge windfalls and also SF would welcome that for their tax revenue; and

WHEREAS, SB 827 does not take into consideration the increase in affordable units through SF's existing Accessory Dwelling Unit (ADU) ordinances that seek to create more affordable housing without the impacts that could last for many years should SB 827 pass; and

WHEREAS, SB 827 would negate the powers of the Planning Commission and the Supervisors, including the Mayor of San Francisco from all decisions on any "Transit-rich Project"; and

WHEREAS, if municipalities have to defend their positions that go counter to SB 827, such as not having resulted in truly affordable housing among other consequences, the judicial system would be overburdened as well as local and state resources to hear cases; and

WHEREAS, SB 827 over-reaches in its powers to control nearly 95% of SF with no regard to long-standing diverse communities created out of decades of land use regulations for a much more vibrant and cosmopolitan quality of life for long-time residents and visitors; and

WHEREAS, SB 827 is premature in relation to first having a fully functional transportation system before putting housing along the transit that is supposed to serve the additional load of residents; and

WHEREAS, SB 827 could incentivize landowners on these transit corridors to evict existing merchants to demolish and build to the new state criteria; and

WHEREAS, SB 827 would change the character of the low-density residence neighborhoods throughout the city and the state; and

WHEREAS, SB 827 does not guarantee that residents who may occupy the newly built "Transit-rich Housing Project" would *not* drive and therefore add to the congestion in the cities and *not* reduce greenhouse gas emissions per se; and

WHEREAS, low-density residential-housing zoned neighborhoods butt up against these transit corridors with specific lower height caps, density and floor area ratios, and new buildings under SB 827 would create a disconnect to the character of the neighborhoods;

RESOLVED, the Coalition for San Francisco Neighborhoods (CSFN) Land Use Committee (LUC) urges all members of its organizations and anybody else agreeing with this Resolution to communicate to the State legislators for the district in which he/she resides to oppose SB 827; and

BE IT FURTHER RESOLVED, that the CSFN LUC urges the California State Senate/Assembly to oppose SB 827; and

BE IT FINALLY RESOLVED, that the CSFN LUC supports the Board of Supervisors' Resolution of February 13, 2018 to oppose SB 827.

Paul A. Webber A North Beach Resident San Francisco, CA 94133 February 12, 2018

Mayor Mark Farrell
Members of the Board of Supervisors

Re: SB 827 (Wiener)

Dear Mayor Farrell and Members
Of the Board of Supervisors

I am writing to urge you to oppose SB 827 authored by Senator Wiener, which can up zone the entire City & County of San Francisco by replacing zoning height limitations for housing with height bonuses based on proximity to "transit-rich"

corridors or major transit stops as defined. It would set minimum heights for projects within these locations at 85,55 or 45 feet depending upon street widths and proximity.

In addition to replacing height limits, it also eliminates maximum controls on residential density or floor area ratios, auto parking requirements, design standards that "restricts...the ability to construct the maximum number of units consistent with any...building code."

In discussions with Senator Wiener at his town hall meeting at the Taraval Police Station, he said that local demolition rules would continue to apply and he would clarify that, but that he was proposing

some as well that would be contained in forthcoming amendments. It was unclear whether his definition was intended to trump the local definitions or augment them in some fashion.

Senator Wiener also said that local inclusionary/affordable housing rules would continue to apply, which would mean that "feeing out" would be permitted, at least in San Francisco. More about that below.

I urge you to oppose SB 827, for a number of reasons, as set forth below.

 The is no need for the Bill. The State Density Bonus Law (Government Code Section 65915) can achieve the same purpose and requires onsite construction for the affordable housing bonus units. For the reason described in 2 below, that is very important. Also, State Law would give a greater height bonus.

2. Under the Bill, applying local inclusionary/affordable housing rules, a developer would not be required to build affordable units on the site of the transit rich project. I confirmed that with Senator Wiener. That means that those with an even greater need for public transportation, and thus housing in a transit rich project, would not be eligible for that housing unless a developer chose to voluntarily build

all units on site. That defeats a key purpose of the Bill.

- 3. While, according to Weiner, local demolition rules would apparently apply, the Bill offers no requirement for the preservation of rent controlled or other below market-rate housing. While the State Bonus program does not preserve it, it does address it.
- 4. The very existence of the 827 program would likely run up land prices. And yet the Bill does not require any quid pro quo from a developer in return for an 827 bonus. This is just not right.

On a similar note, the Planning Department Staff, in its well written Analysis of the Bill dated February 5, 2018, suggests that by building more market rate housing, the cost of housing will come down. But that depends upon a number of factors, not the least of which is whether housing can equal or exceed demand, which hasn't happened for some time. The best one can say is that the housing cost increase may not be as great.

5. The definition under the Bill of a "high- quality transit corridor", allows the locale of the housing to be "managed" by simply changing the frequency of bus service intervals,

which seems too serendipitous and subject to abuse.

Please act on this soon to avoid giving property owners and speculators an economic and zoning bonus for nothing.

Thank you.

Paul A. Webber

CC: San Francisco Planning Commissioners.

John Rahaim

AnMarie Rodgers

Jonas, P. Ionin

Coalition For San Francisco Neighborhoods

From:

Board of Supervisors, (BOS)

To:

BOS-Supervisors; Somera, Alisa (BOS)

Subject:

FW: Oppose SB 827

Date:

Thursday, February 15, 2018 10:31:09 AM

From: zrants [mailto:zrants@gmail.com] **Sent:** Monday, February 12, 2018 6:40 PM

To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Cc: Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Stefani, Catherine (BOS)

<catherine.stefani@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Tang, Katy (BOS)

<katy.tang@sfgov.org>; Breed, London (BOS) <london.breed@sfgov.org>; Kim, Jane (BOS)

<jane.kim@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; SheehyStaff (BOS)

<sheehystaff@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Cohen, Malia (BOS)

<malia.cohen@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>

Subject: Oppose SB 827

Supervisors:

We oppose SB 827 and support Supervisor Peskin's resolution opposing SB 827.

Thanks for your consideration.

Mari Eliza

From: To: Board of Supervisors, (BOS)

BOS-Supervisors; Somera, Alisa (BOS)

Subject:

FW: Opposition to SB827

Date:

Thursday, February 15, 2018 10:31:20 AM

From: Jean Barish [mailto:jeanbbarish@hotmail.com]

Sent: Monday, February 12, 2018 8:37 PM

Subject: Opposition to SB827

I am writing to support the Board of Supervisors resolution opposing SB827.

SB827 is a bad law and needs to be Opposed by the Board of Supervisors.

Thank you,

Jean

Jean B Barish jeanbbarish@hotmail.com 415-752-0185 From:

Board of Supervisors, (BOS)

To:

BOS-Supervisors; Somera, Alisa (BOS)

Subject:

FW: Please reject SB 827

Date:

Thursday, February 15, 2018 10:31:28 AM

From: Rodney Minott [mailto:rodneyminott@outlook.com]

Sent: Tuesday, February 13, 2018 12:04 PM

To: Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Stefani, Catherine (BOS)

<catherine.stefani@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Tang, Katy (BOS)

<katy.tang@sfgov.org>; Breed, London (BOS) <london.breed@sfgov.org>; Kim, Jane (BOS)

<jane.kim@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>; SheehyStaff (BOS)

<sheehystaff@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Cohen, Malia (BOS)

<malia.cohen@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>

Cc: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>

Subject: Please reject SB 827

Dear Supervisors:

I'm writing to urge you to go on record opposing Senate Bill 827 (Wiener housing bill) .. and, in turn, supporting Supervisor Peskin's resolution opposing SB 827. SB 827 is an ill-considered piece of legislation that promises only to severely damage San Francisco through significant upzoning and loss of local control over planning decisions. The proposed bill would not remedy the challenges of providing thoughtful growth and affordable housing.

Best, Rodney Minott Potrero Hill

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO:

Ed Reiskin, Executive Director, Municipal Transportation Agency

Kate Hartley, Director, Mayor's Office of Housing and Community

Development

John Rahaim, Director, Planning Department

Nadia Sesay, Executive Director, Office of Community Investment and

Infrastructure

FROM:

Alisa Somera, Legislative Deputy Director Land Use and Transportation Committee

DATE:

February 20, 2018

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Peskin on February 13, 2018:

File No. 180162

Resolution opposing California Senate Bill 827, authored by Senator Scott Wiener, which would significantly limit San Francisco's local ability to recapture critical public value of development projects citywide and override local planning process.

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: alisa.somera@sfgov.org.

c: Janet Martinsen, Municipal Transportation Agency
Kate Breen, Municipal Transportation Agency
Dillon Auyoung, Municipal Transportation Agency
Viktoriya Wise, Municipal Transportation Agency
Eugene Flannery, Office of Housing and Community Development
Amy Chan, Office of Housing and Community Development
Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Laura Lynch, Planning Department

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

2018 FEB 13 PM 4:55

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):	or meeting date
Thereby Submit the following felli for introduction (sereet only one).	* .
1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendmen	nt).
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	inquiries"
5. City Attorney Request.	
6. Call File No. from Committee.	
7. Budget Analyst request (attached written motion).	
8. Substitute Legislation File No.	
9. Reactivate File No.	
10. Question(s) submitted for Mayoral Appearance before the BOS on	-
	,
Please check the appropriate boxes. The proposed legislation should be forwarded to the foll	owing:
☐ Small Business Commission ☐ Youth Commission ☐ Ethics Co	ommission
Planning Commission Building Inspection Commiss	ion
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Impera	ative Form.
Sponsor(s):	*
Supervisor Peskin; Ronen, Yee and Fewer	
Subject:	
[Opposing California State Senate Bill 827 (Wiener) – Transit-Rich Housing Bonus]	
The text is listed:	
Resolution opposing California Senate Bill 827, authored by Senator Wiener, which would sig	
Francisco's local ability to recapture critical public value of development projects citywide and planning process.	d override local
Signature of Sponsoring Supervisor:	
Signature of Sponsoring Supervisor.	

For Clerk's Use Only