

Carroll, John (BOS)

From: Wright, Edward (BOS)
Sent: Tuesday, April 02, 2019 11:01 AM
To: BOS-Legislative Aides
Cc: Calvillo, Angela (BOS); Carroll, John (BOS); Starr, Aaron (CPC); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Peskin, Aaron (BOS); Brown, Vallie (BOS); Haney, Matt (BOS); Yee, Norman (BOS); Mandelman, Rafael (BOS); Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS); Mar, Gordon (BOS)
Subject: Letter from Supervisor Mar re: SB 50
Attachments: Supervisor Mar Letter re SB 50.pdf
Categories: 190319, 2019.04.04 - GAO

Colleagues,

Attached is a letter from Supervisor Gordon Mar in regards to SB 50 and our resolution opposed to it, File No. 190319, written in response to State Senator Wiener's letter from Monday, March 25th.

Feel free to let me know if you have any questions.

Thank you,

Edward Wright
Legislative Aide to Supervisor Gordon Mar
(415) 554-7464

Member, Board of Supervisors
District 4



City and County of San Francisco

GORDON MAR
馬兆明

April 2, 2019

The Honorable Scott Wiener
Senator, Eleventh District
State Capitol, Room 5100
Sacramento, CA 95814

Re: Response to Your Letter Regarding Board Resolution on SB 50

Dear Senator Wiener:

I write in response to your March 25th letter, charging that our resolution regarding SB50 is based upon "factual inaccuracies," and that if adopted, "San Francisco would be aligning itself with some of the wealthiest and most housing-resistant communities in California." While we may disagree on values and approaches, disagreement does not render our positions inaccurate, and I urge you to review our rebuttals at the end of the letter.

I object to the false choice you present that if the Board of Supervisors does not support SB 50's version of growth, then we must be "anti-growth" or "housing-resistant." I support increasing housing density near public transit and increasing equity and opportunity through thoughtful development. I support building more affordable housing throughout the city, along with a majority of the Board of Supervisors. I support reducing sprawl through opportunities for all types of workers to live closer to their jobs. I support higher and denser housing development -- and I believe more than 74% of San Franciscans agree with both of us on this subject. The disagreement is how we reach that goal.

Considering you are quickly advancing the bill while still needing to "flesh out the details," and considering the bill's significant impact on San Francisco, the Board of Supervisors has a responsibility to evaluate the proposal and publicly express our concerns to the state legislature, based on the best data available to us today.

Although you claim SB 50 will end inequitable development patterns, efforts to map SB 50's impacts show that most of the incentives to redevelop our region are concentrated in some of

the most racially diverse and urban cities, including San Francisco. These and other efforts to map the impact of SB 50 further support the need to reconsider the present version of the bill and make additional amendments.

Yet your response seems to assert that SB 50 is the only path to grow more housing and protect the environment. The present resolution proposes instead a more inclusive approach involving state government, local governments and communities: amendments that include a full and community-defined exemption for sensitive communities, a pathway for impacted cities like San Francisco to plan for increasing density that guarantees housing affordability, and reforms to state laws that prevent local communities from adopting stronger rent and demolition controls. I also wrote an Op-Ed for the San Francisco Chronicle, published today, further explaining my concerns with the approach SB 50 takes, and how I think San Francisco can and should better address our housing affordability crisis.

While we may disagree on these approaches, I hope our dialogue can continue in good faith. What were described by your letter as inaccuracies were in fact inaccurate representations of the language of our resolution. As always, I'm happy to work with you and community advocates to ensure the work we're doing and the legislation we're advancing meets the needs of our constituents, and I look forward to continuing a productive and substantive conversation about these issues. I hope we can work with your office on such amendments, many of which are offered in our responses below to your specific objections to the resolution.

Sincerely,

A handwritten signature in black ink that reads "Gordon Mar". The signature is written in a cursive, slightly slanted style.

Supervisor Gordon Mar

ADDENDUM:

Responses to claims of inaccuracies

1. *Your resolution falsely states that SB 50 will “undermine community participation in planning” and “result in significantly less public review.”*

We disagree over what constitutes community participation and public review. Our definition is broader than the “approval process for individual projects,” and includes the planning process itself. San Francisco has a successful history of community-driven area plans for broad zoning changes to add density while capturing more value from private developers. SB 50 undermines communities with area plans and institutes state mandates in communities that have yet to create area plans for increased density.

Our definition is broader than formal rights, such as the right to review project designs, and includes the power conferred by those rights. SB 50 takes away the power of the public and public testimony by giving developers benefits by right of the state. Public review is undermined when people can no longer weigh in at a hearing on a developer’s Conditional Use Application to increase heights over zoning. Public review is undermined when the Planning Commission no longer has leverage to demand community benefits (e.g. retaining neighborhood businesses and deeply affordable housing) in exchange for waivers, and can’t be moved by public testimony.

2. *Your resolution falsely states that SB 50 will undermine the “well being of the environment.”*

The facts support our statement. Research shows gentrification and displacement of working class and lower income communities results in more cars, more vehicle miles traveled, and greater resource consumption. As one report concluded: “Higher Income households drive more than twice as many miles and own more than twice as many vehicles as Extremely Low-Income households living within 1/4 mile of frequent transit.”¹

Because SB 50 produces many more market rate luxury housing relative to affordable units the bill risks gentrifying even more of San Francisco, shifting the burden of longer commutes on those displaced. In order to fulfill its claims of environmental sustainability, SB 50 must be amended to guarantee more truly affordable housing and prevent the gentrification that is pricing out existing residents who rely on transit for jobs, services, and schools in San Francisco.

¹ California Housing Partnership Corporation and Transform, “Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy,” (2014).

3. *Your resolution falsely states that SB 50 will “prevent the public from recapturing an equitable portion of the economic benefits conferred to private interests”.*

SB 50 will confer immense value overnight on thousands of acres of real estate across the state, without an opportunity for cities to recapture the economic benefits ahead of this. The bill makes recapturing the economic benefits even more difficult, because cities can no longer use the Conditional Use process to impose additional requirements on developers, such as requiring family-sized units unit or deeply affordable housing, in exchange for benefits SB 50 would give developers by right.

We agree San Francisco could strengthen inclusionary requirements and fees, but existing state laws create loopholes and limitations on local inclusionary housing requirements. For example, the state density bonus exempts developers from local inclusionary standards on additional market rate housing built by the bonus.

SB 50 needs to be amended to close this loophole and allow local communities an opportunity to recapture the economic benefits for the public benefit, ahead of zoning changes that creates value on the land.

4. *Your resolution falsely states that SB 50 restricts the city’s ability to adopt policies to ensure “equitable and affordable development” in sensitive communities.*

“SB 50 contains a 5-year delayed implementation for “sensitive communities,” which are defined as communities with significant low income populations and risk of displacement. We are working with tenant advocates to flesh out details of this provision. This 5-year delay will give communities the opportunity to engage in local anti-displacement planning.”

Mandating a deferment timeline for local planning and imposing a definition of “sensitive communities” restricts our ability to adopt policies not only for equitable and affordable development, but policies to protect vulnerable residents and provide long term stability.

More importantly, SB 50 restricts the ability for communities to define their own needs. For example, 75% of the Mission District experiencing high levels of gentrification as reported by residents (and confirmed by the UC Berkeley Urban Displacement Project) are not defined as “sensitive” in your bill. Communities at risk of displacement also need to be empowered to set standards different than those imposed by SB 50, not receive a deferment.

SB 50 needs to pause on moving forward until adequate anti-displacement policies are put in place, and that begins and ends with listening to communities on the ground.

5. *Your resolution falsely states that SB 50 does not allow San Francisco to ensure “a meaningful net increase in affordable housing.”*

This mischaracterizes the language of the resolution. To clarify, the resolution states: “SB 50...undermines sound public policy that requires any substantial value created by density increases or other upzoning be used, at least in part, to provide a meaningful net increase in affordable housing.”

While we may disagree, a “meaningful net increase in affordable housing” means demanding more for affordable housing whenever we give for-profit developers economic benefits to create more market-rate housing, whether it is from the state or city. SB 50 could be amended to reflect this principle.

6. *Your resolution falsely states that SB 50 does not protect against demolitions and does not allow San Francisco to protect against demolitions.*

This mischaracterizes the language of the resolution. The resolution states: “While SB 50’s provisions standing alone may appear to preserve local demolition controls and other local planning processes, without further clarifying amendments the combination of SB 50’s development incentives with other state laws undermine the ability of local governments to protect existing housing and small businesses.”

To clarify, we don’t think SB 50 itself prevents the city from controlling demolitions, rather, it’s the expanded application of *other* state laws that will override local demolition controls and restrict our ability to strengthen them. For example, the SF Planning Department raised concerns that SB 50 could increase the number of development proposals where the Housing Accountability Act would apply, increasing demolitions of existing buildings to redevelop into higher density properties.² Furthermore, SB 50 increases the economic incentives for developers to demolish existing sound housing and small businesses.

SB 50 does not adequately provide demolition protections of all buildings where tenants have lived because the state and cities have inadequate data on tenant occupancy. SB 50 should be amended to ensure that we can actually enforce building demolition controls on buildings with previous tenants or have had an Ellis Act eviction before SB 50 is applied.

² See Planning Department Staff Memorandum on SB 50, pp. 13-14.