COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date December 14, 2020

	pervisors Meeting	Date
Cmte Board Image: Constraint of the second secon	Motion Resolution Ordinance Legislative Digest Budget and Legislative Analyst R Youth Commission Report Introduction Form Department/Agency Cover Letter MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commission Award Letter Application Public Correspondence	
OTHER	(Use back side if additional space	e is needed)
	Referral CEQA 111220 Referral PC 111220 Referral SBC 111220 PC Response 111220 SBC Response 113020 Referral PC 111220 Comm Rpt Request Memo 121020	
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		ate December 10, 2020 ate

Housing on Public Land

Board of Supervisors Land Use & Transportation Committee December 7, 2020



Mayor's Office of Housing & Community Development







Who Has Control Over Public Land?

- City and County of San Francisco
 - Non-enterprise departments, such as Real Estate Division and Public Works
 - Enterprise agencies, such as SFO, SFMTA, SFPUC, Port of SF
- San Francisco Unified School District
- City College of San Francisco
- BART
- State and Federal Agencies

City Policy Framework for Public Land

- City's Surplus Property Ordinance (2002)
- General Plan Policy (Housing Element 2014)
- Public Land for Housing Program (established 2014)
- Proposition K for Affordable Housing (voter-approved 2014)
- Proposition K for Surplus Property (voter-approved 2015)
- Zoning changes for affordable & educator housing on public land (voter-approved 2019)

Public Land - Opportunities

- Maximize provision of affordable housing in the city
- Leverage City land and resources to create more and deeper affordability
- Achieve geographic housing balance across the city
- Target housing opportunities to historically underserved populations
- Meet City's range of affordability needs
 - Extremely and very low-income, low-income, moderateincome
- Meet City's varied programmatic needs
 - Families, seniors, transition-age youth, veterans, homeless,
 - 4 educators

Public Land - Site Selection

- Surplus Sites underutilized or surplus land owned by non-enterprise City departments
 - Sites without identified department purpose or public service need; tend to be small and irregular parcels
 - Few remaining developable surplus sites across the City
 - Per ordinance, sites deemed surplus are made available to MOHCD to analyze for affordable housing feasibility
- Joint Development Sites partnerships with City enterprise agencies or non-City agencies
 - Sites may have active enterprise agency uses requiring redevelopment, relocation, or fiscal need
 - Tend to be larger, multi-acre sites

Public Land - Development Criteria

- Candidate Sites for 100% Affordable Housing
 - Infill, single building parcels 10,000 sf minimum, 100 to 130unit yield
 - Most cost-effective construction type 5-story wood frame over podium
 - Tax credit financing provides funds for 1/3 of total development cost; project must be competitive
 - Total development cost must meet underwriting guidelines for MOHCD and other funders
 - MOHCD gap funding availability determined according to development timeline

100% Affordable Case - 1950 Mission

- 36,590 sf parcel owned by SFUSD, transferred to MOHCD in 2013
- 157 low-income units,40 for homeless families
- Complete October 2020
- \$105 million total development cost - MOHCD funding \$45 million



 Complex site acquisition and swap including three parcels with different owner agencies (SFUSD, State, City)

Public Land - Development Criteria

- Candidate Sites for Mixed-Income and Mixed-Use
 - Large, multi-acre sites yield significant units, affordability requirements vary by project, City contribution may be required to meet affordability goals
 - Sites requiring new infrastructure streets, subsurface utilities, open space, bike/pedestrian improvements
 - Sites with active public/civic purpose fire stations, bus yards, city facilities, schools, libraries, other institutions
 - Sites with high overall development cost market-rate units create funding for infrastructure and affordable units in excess of affordable units funded by City
 - Enterprise agency sites where joint development may provide revenue for agency needs

Mixed-Income Case - Balboa Reservoir

- 17-acre SFPUC surface parking lot
- City RFP process selected development team
- 1,100 units, 50% affordable housing
- New streets, parks, utilities, amenities



- Project approved in August 2020; construction anticipated to begin in 2022
- City to fund 187 of 550 affordable units with ~\$45 million in MOHCD funding

Public Land - Development Process

- Inter-Agency Partnership collaboration among City departments and land-owning agency
- Feasibility Analysis financial proforma modeling to determine construction cost, development capacity, affordability, other fiscal constraints/needs
- Community Planning public outreach throughout process to identify community priorities, concerns, compromises
- Developer Selection City issues request for proposals to select a developer partner
- Program Development housing affordability type/level, community benefit package, uses, density, amenities
- Entitlement & Implementation Environmental review, City approvals, permits, construction, new units open

How Can We Maximize Affordable Housing?

- Increase funding for the 100% affordable pipeline
 - State funds, local voter-approved bonds, philanthropy
 - Market rate in lieu fees for affordable housing
- Reduce total development costs
 - Address factors contributing to city's high costs: approvals and permitting, state funding reform, labor and materials
- Expand developer capacity to include representation of underserved communities
- Leverage market rate development to increase overall number of affordable units

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: Rich Hillis, Director, Planning Department Joaquin Torres, Director, Office of Economic and Workforce Development Eric D. Shaw, Director, Mayor's Office of Housing and Community Development
- FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee
- DATE: August 18, 2020

SUBJECT: HEARING MATTER INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following hearing request, introduced by Supervisor Preston on August 11, 2020:

File No. 200926

Hearing on strategies the City can pursue to maximize the creation of affordable housing on public land, with a goal of 100% affordable, including a review of public land that's been developed for housing or is under consideration for future development, levels of affordability that have been achieved, barriers to achieving higher affordability levels on public land and how to overcome those barriers; and requesting the Office of Economic Workforce Development, Mayor's Office of Housing and Community Development, and Planning Department to report.

If you have any 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.

cc: Scott Sanchez, Planning Department Corey Teague, Planning Department Lisa Gibson, Planning Department Devyani Jain, Planning Department Adam Varat, Planning Department AnMarie Rodgers, Planning Department Dan Sider, Planning Department Aaron Starr, Planning Department Joy Navarrete, Planning Department Laura Lynch, Planning Department J'Wel Vaughan, Office of Economic and Workforce Development Anne Taupier, Office of Economic and Workforce Development Lisa Pagan, Office of Economic and Workforce Development Eugene Flannery, Mayor's Office of Housing and Community Development

From:	John Avalos	
To:	Peskin, Aaron (BOS); Preston, Dean (BOS); Safai, Ahsha (BOS)	
Cc:	Major, Erica (BOS); Yee, Norman (BOS); dennis.herrera@sfgov.org; Calvillo, Angela (BOS)	
Subject:	Strategies to Maximize Affordable Housing, Land Use Item #7 Dec. 7, 2020	
Date:	Monday, December 7, 2020 2:12:16 PM	

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Dear Supervisors,

I am writing as the former Supervisor who spent years building the voice of community housing activists to foster public financial support and neighborhood acceptance of affordable housing in District 11, especially on public land.

District 11 is an area of our city that is heavily working class and yet has received much less than its fair share of publicly funded affordable development.

The Balboa Upper Yard at the Balboa Park Station is a model that we want to lift up for public lands development, but I have a significant concern about potential interference of the District 11 Supervisor on the original project that our community fought for and that the Mayor's Office of Housing awarded for development.

All in all, the city must operate on a set up standard affordable housing policies for public land and not on the interests of a single Supervisor or the developers on whose behalf they may intervene.

With the Upper Yard, the Mayor's Office of Housing and Community Development funded community-based organizations to lead a community planning effort which recommended that the project serve a range of incomes from 30% - 50% AMIs to reflect the incomes of vulnerable and working class families in District 11, and this planning process was referenced in the Request for Qualifications (RFQ) that MOHCD released to select a developer for the project.

However, the community is now learning that the AMIs for this project, and the only other project in District 11 at the Valente Marini Perata Mortuary site, have now been pushed up to as high as 105% of AMI.

This alteration is completely out of sync with the rest of the MOHCD portfolio of

similar projects, where up to 80% AMIs are the maximum allowed standard practice.

It is also completely out of sync with District 11, where the median household income is significantly lower than the 105% AMI proposed on public land at the Upper Yard. District 11's median household income is \$75, 235 for an entire household, much less than the \$94,150 limit to qualify for a single individual at the 105% AMI level.

When long fought for and hard-won affordable housing projects can be so altered after they have been received an award of public funding, it is clear that the city is failing to provide the public oversight that is essential to maximizing affordable housing development. To truly maximize affordable housing not just on public land but throughout the City our the Mayor's Office of Housing and Community Development must be protected from interference and political intervention that disrupt the delivery of the levels of affordability that our neighborhoods truly need. Perhaps a new City department responsible for affordable housing and community development with a City Commission with shared appointments from the Board of Supervisors and the Mayor is in order. In that way, we may ensure that affordable housing on public land can be built on a single standard and be free from political intervention.

As you grapple with this issue, I urge you all to include in your set of standards for affordability for public land the consideration of the history of community participation that has gone into any public site set aside for affordable housing.

In the meantime, I hope that the Board of Supervisors can work to reset the levels of affordability back to what the community had envisioned and to what the Mayor's Office of Housing and Community Development had set in the award that they designated for the Upper Yard Project at the Balboa Park Station.

I urge the City Attorney to investigate any possible interference in the award by the District 11 Supervisor that has been made for the Upper Yard Project that has caused this project to deviate from the original parameters of the request for proposals for the upper yard as well as from common standards of affordable housing projects on San Francisco public land.

Sincerely,

John Avalos

Former District 11 Supervisor 638 Paris St San Francisco, CA 94112

John Avalos for Supervisor 2020 johnavalos2020@gmail.com 415-359-8367 @avalossf twitter @avalossf instagram

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From:	pmonette-shaw	
То:	Yee, Norman (BOS); Fewer, Sandra (BOS); Stefani, Catherine (BOS); Peskin, Aaron (BOS); Mar, Gordon (BOS); Preston, Dean (BOS); Haney, Matt (BOS); Mandelman, Rafael (BOS); Ronen, Hillary; Walton, Shamann (BOS); Safai, Ahsha (BOS)	
Cc:	Calvillo, Angela (BOS); Yu, Angelina (BOS); Fregosi, Ian (BOS); Chelsea, Boilard@sfgov.org; Herzstein, Daniel (BOS); Bennett, Samuel (BOS); Mullan, Andrew (BOS); Falzon, Frankie (BOS); Angulo, Sunny (BOS); Hepner, Lee (BOS); Yan, Calvin (BOS); Souza, Sarah (BOS); Quan, Daisy (BOS); Wong, Alan (BOS); Wright, Edward (BOS); RivamonteMesa, Abigail (BOS); Mcdonald, Courtney (BOS); Mahogany, Honey (BOS); Zou, Han (BOS); Low, Jen (BOS); Maybaum, Erica (BOS); Vejby, Caitlin (BOS); Smeallie, Kyle (BOS); Temprano, Tom (BOS); Mundy, Erin (BOS); Adkins, Joe (BOS); Goossen, Carolyn (PDR); Monge, Paul (BOS); Beinart, Amy (BOS); Li-D9, Jennifer (BOS); Burch, Percy (BOS); Gallardo, Tracy (BOS); Gee, Natalie (BOS); Evans, Abe (BOS); Sandoval, Suhagey (BOS); Ho, Tim (BOS); Chinchilla, Monica (BOS); Smeallie, Kyle (BOS); Kilgore, Preston (BOS); Yu, Avery (BOS); Major, Erica (BOS)	
Subject:	Testimony on LUT Agenda Item #7, Strategies to Maximize Affordable Housing on Public Land	
Date:	Wednesday, December 9, 2020 5:36:38 AM	
Attachments:	Testimony to BoS LUT Affordable Housing on Public Land 20-11-07.pdf	

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Patrick Monette-Shaw

975 Sutter Street, Apt. 6 San Francisco, CA 94109 Phone: (415) 292-6969 • e-mail: <u>pmonette-shaw@eartlink.net</u>

December 7, 2020

Board of Supervisors Land Use and Transportation Committee The Honorable Aaron Peskin, LUT Committee Chairperson The Honorable Ahsha Safai, LUT Committee Member The Honorable Dean Preston, LUT Committee Member
1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Re: <u>Testimony on Agenda Item #7,</u> <u>Strategies to Maximize Affordable Housing on Public Land</u>

Dear Chairperson Peskin and Land Use Committee Members,

For at least the last 22 months — nearly two years — the Board of Supervisors has dragged its feet to consider strategies to maximize creating affordable housing on public land, given planning that had been underway as far back as March 2019 (or earlier) to place "Prop E" on the November 2019 ballot.

In addition, there is the long, sordid history of trying to place affordable housing for teachers on the Francis Scott Key Annex public parcel, which is among the projects being funded by the *2015 Affordable Housing Bond*. As such, the Francis Scott Key housing project has been under the purview and oversight of CGOBOC (Citizen's General Obligation Bond Oversight Committee) for several years now.

So, it's somewhat ironic that the Board of Supervisors is just getting around to holding today's

hearing to "*explore strategies to maximize creating affordable housing on public land*." It's kind of like Johnny-come-lately coming late to the party, two years late.

As part of today's hearing, I urge the LUT Committee to require that MOHCD rapidly issue an inaugural quarterly report to CGOBOC on planned projects for the *2019 Affordable Housing Bond*. Here we are 13 months after passage of the \$600 million bond in November 2019, and CGOBOC has not yet received any written reports from MOHCD describing projects planned for any of the various categories of affordable housing promised to voters in the bond. Yes, 13 months after the bond was passed by voters neither CGOBOC, nor members of the public, nor the Board of Supervisors have any idea of what specific affordable housing projects will receive funding from the *2019 Bond*. Why is MOHCD being so secretive about it? For that matter, why hasn't CGOBOC demanded that it receive a written report from MOHCD?

I placed a public records request to MOHCD on December 4 asking for the initial status report prepared in 2020 by MOHCD reporting on progress on the *2019 Affordable Housing Bond*, and any subsequent update reports on the *2019 Bond* following an initial progress report. MOHCD responded the same day, saying (lamely):

"We have no responsive records. No 2019 Affordable Housing GO Bonds have yet been issued as of today, hence no report."

That stands in stark contrast to the 2015 Affordable Housing Bond (under then-Mayor Ed Lee). Just two months after voters approved the \$310 million 2015 Affordable Housing Bond in November 2015, MOHCD presented an initial report to CGOBOC on January 28, 2016 and seven months later presented a detailed status update to CGOBOC on July 28, 2016 listing various projects — by name or street location — that would be funded by the 2015 Bond.

Of note, the first band tranche for the 2015 Bond wasn't issued until October 19, 2016, but somehow by July 2016 MOHCD had issued public documents to CGOBOC listing specific projects that would be funded by the bond.

So, why is it that under Mayor Lee MOHCD presented details of proposed projects to be funded by the *2015 Bond* before the first bond tranche was actually issued in October 2016, but now under Mayor London Breed MOHCD is saying it can't produce an initial report to CGOBOC and members of the public presenting details of proposed projects to be funded by the *2019 Bond* because the first 2019 bond tranche hasn't been issued yet?

MOHCD did provide on December 4 a link to a Board of Supervisors agenda item to authorize the first issuance of the 2019 Bonds. MOHCD indicated its presentation to the Board of Supervisors was its latest update, and indicated MOHCD "wouldn't consider it an initial status report."

The LUT Committee should require that MOHCD rapidly develop and immediately provide to CGOBOC and members of the public the initial planned projects to be funded by the 2019 *Affordable Housing Bond*.

Don't let this opportunity go to waste!

Respectfully submitted,

Patrick Monette-Shaw

Columnist, Westside Observer Newspaper

cc: The Honorable Norman Yee, Board President The Honorable Sandra Lee Fewer, Supervisor, District 1 The Honorable Catherine Stefani, Supervisor, District 2 The Honorable Gordon Mar, Supervisor, District 4 The Honorable Matt Haney, Supervisor, District 6 The Honorable Rafael Mandelman, Supervisor, District 8 The Honorable Hillary Ronen, Supervisor, District 9 The Honorable Shamann Walton, Supervisor, District 10 Angela Calvillo, Clerk of the Board Erica Major, Board of Supervisors Clerk to the Land Use and Transportation Committee

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December 7, 2020 **Testimony on Agenda Item #7,** *Strategies to Maximize Affordable Housing on Public Land* Page 2

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Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp or meeting date

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

1. For reference to Committee. (An Ordinance,	Resolution, Motion or	Charter Amendment).			
2. Request for next printed agenda Without Refe	erence to Committee.				
\checkmark 3. Request for hearing on a subject matter at Con	nmittee.				
4. Request for letter beginning :"Supervisor]inquiries"		
5. City Attorney Request.			_		
6. Call File No.	from Committee.				
7. Budget Analyst request (attached written moti	ion).				
8. Substitute Legislation File No.					
9. Reactivate File No.					
10. Topic submitted for Mayoral Appearance before the BOS on					
Please check the appropriate boxes. The proposed	legislation should be f	forwarded to the following:			
Small Business Commission	Youth Commission	Ethics Commiss	sion		
Planning Commission	Building	Inspection Commission			
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.					
Sponsor(s):					
Supervisor Dean Preston					
Subject:					
Hearing - Strategies to Maximize Affordable Housin	ng on Public Land				
The text is listed:					
Hearing on strategies the City can pursue to maximi of 100% affordable. The hearing will include a revie consideration for future development, levels of affor affordability levels on public land and how to overce	ew of public land that's rdability that have been	s been developed for housing	ng or is under		
Signature of Spons	soring Supervisor:				

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