

February 24th, 2021

Eric Shaw, Director
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th floor
San Francisco, CA 94103

cc: Deputy Director, Racial Equity Lead, Maria Benjamin
Honorable Mayor London Breed
Ahsha Safai, District 11 Supervisor

RE: District 11 Affordable Housing Developments

Dear Director Shaw,

Communities United for Health and Justice (CUHJ) is a coalition of organizations deeply rooted in District 11 together representing a base of Latinx, Filipinx, Chinese, and African American residents. After having invested close to a decade in advocating and championing the Balboa Park Upper Yard and Valente Marini Perata affordable housing projects, we are writing to express our concerns and deep disappointment regarding the proposed affordability levels in the latest proposals for these projects.

The reported configuration for the Balboa Park Upper Yard development is a departure from what Mission Housing Development Corporation (MHDC) previously reported to the community during the public community design meetings that were concluded in late 2018. Similarly, the affordability levels most recently proposed by BRIDGE Housing for the Valente Marini Perata project differ significantly from the project originally submitted to MOHCD in response to a Request for Proposals for pre-development and development financing that our community organizations enthusiastically supported. Both of these developments have since increased rents for the most expensive units two-fold by increasing the upper AMIs to 105%. We strongly oppose this increase and urge you to revisit the affordability levels for the following reasons:

- 1. The current AMIs perpetuate existing racial disparities.** Based on an analysis of data provided by MOHCD, only 15% of African Americans residing in District 11 earn \$94,000 a year, the incomes targeted at the highest AMIs for the two projects. Only 35% of Chinese residents in District 11 earn \$94,000 a year; only 26% of Latinx residents in District 11 earn \$94,000 a year; while close to half of white residents earn \$94,000 a year. This data suggests an alarming disparity by race in potential for qualification and tenancy at these two developments. Although District 11 has the lowest percentage of white residents in the city, nearly half of white residents in District 11 earn incomes that would qualify for tenancy in the over 50 units currently set between 80-105% MOHCD AMI levels.
- 2. The 60% and 80% TCAC AMIs are so high they are basically market rate.** According to a recent article in SFist, “Renters can find better deals in the open market right now”. *SFist. Feb 10, 2021*. Rents at the 80% TCAC AMI level would be \$3,026 a month which is comparable to listings currently on Craigslist in the Excelsior and District 11.
- 3. The AMI thresholds are out of sync with actual local neighborhood incomes and demographics.** The AMIs do not reflect the reality of incomes in District 11 neighborhoods because they are much lower than citywide averages that are inflated due to extreme wealth inequality in our city. The 2012-2016 American Community Survey¹ profile of District 11 demonstrates that this district has the highest percentage of family households and foreign born residents in all of San Francisco. Conversely, District 11 maintains both the lowest per capita incomes and lowest percentage of single households across the city, demonstrating an acute need for deeply affordable family sized housing. The increase in higher AMI units, in the fallout of the global pandemic and economic downturn, will certainly diminish access at the only two 100% affordable housing developments in our communities in over 20 years.
- 4. The proposed AMIs go against the community priorities that were uplifted during community planning efforts that MOHCD legitimated in its own Request for Qualifications.** The 2015 CUHJ report, People Powered Community Planning² was referenced by the Mayor's Office of Housing and Community Development for both your Request for Proposals (RFP) and Request for Qualifications (RFQ)³, and is intended to

¹https://default.sfplanning.org/publications_reports/SF_NGBD_SocioEconomic_Profiles/2012-2016_ACS_Profile_SupeDistricts_Final.pdf

² <https://www.podersf.org/wp-content/uploads/2015/09/CUHJ-Full-English-Report-English.pdf>

³<https://sfmohcd.org/sites/default/files/Documents/MOH/RFQs/Upper%20Yard%20RFQ%202016/Upper%20Yard%20RFQ%20-%20Final.pdf>

serve as a guiding post for the Upper Yard development. The Housing & Affordability section of the report outlines that: 1) developers should provide 100% affordable units, with a balanced mix of income targeting of 30% area median income, 40% area median income, and 50% area median income; 2) Ensure that income targeting for affordable housing is affordable to target populations and unit mix meets the needs of target populations identified in neighborhood needs assessment; and 3) Developer will provide a majority of multiple bedroom units, ensuring that at least 70% of units include two or three bedrooms, and at least 30% of units include at least 3 bedrooms.

5. **The proposed AMIs go against what was reported publicly to the community during the community planning meetings.** In 2018, MHDC convened four large-scale community design meetings attended by diverse, multilingual neighborhood residents and engaged participants in helping to define the AMIs for the project. At those meetings, residents overwhelmingly affirmed the need for the deepest affordability, and MHDC affirmed its commitment to meet this goal.
6. **District 11 already has the capability of providing a wide range of AMIs through existing development projects in the pipeline.** The 65 Ocean project, currently under construction, which is one of the city's only HOME-SF developments, provides below market rate units at AMIs up to 120%. In addition, the 915 Cayuga project, currently under construction, also provides BMR units up to 120% AMI. Given that current development is already providing AMIs at these higher levels, the City must protect the deepest affordability and lowest AMIs at the 100% affordable projects because they are the only place where deeper affordability is being achieved.
7. **The increased AMIs deviate from standard MOHCD practice.** As stated in publicly released memos, MOHCD's standard practice is to not exceed 80% SF AMI in 100% affordable projects. The reconfigured affordability levels at the Upper Yard and the Valente Marini Perata Projects will make District 11 the only district in the entire city where 100% affordable projects go as high as 105% AMI.

We call upon you to work with MHDC and BRIDGE to ensure that the AMIs reflect prior commitments and uphold our city's commitment to racial equity.

Indeed the fallout of this pandemic and economic downturn has exacerbated a housing crisis that hits low-income, immigrant, communities of color first and worse. In the face of rampant unemployment, loss of income, and food insecurity, now more than ever we need affordable housing to truly serve the needs in our communities. As the City navigates and recovers from the COVID-19 pandemic, ensuring affordable housing is accessible and equitable is a key

component to ensuring that the City's most vulnerable residents, workforce, and families can sustainably live in San Francisco.

Thank you for your commitment to rigorous community engagement. We look forward to hearing from you and working to make the Upper Yard and the Valente Marini Perata projects truly community serving assets in a moment that demands boldness in service.

Sincerely,

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Terrence Valen
Executive Director,
Filipino Community Center (FCC)

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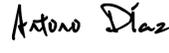
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