

March 13, 2017

Land Use & Transportation Committee
San Francisco Board of Supervisors
1 Dr. Carlton B Goodlett Place
San Francisco, CA 94102

RE: **Affordable Housing Bonus Program**
Files No. 150969 and 160347

Dear Supervisors Farrell, Peskin and Tang:

Thank you for the opportunity to share support for the HOME-SF local density bonus program. We are happy to see this program back before this committee for potential approval in 2017. There are several reasons why SPUR thinks this program will help with solving San Francisco's housing shortage and shrinking affordability.

Without public subsidy, HOME –SF is a tool that could help increase the number of affordable and market-rate homes being created in San Francisco. It will encourage the development of more housing at appropriate locations near transit and in areas not already addressed by area plans, and it may help to improve the feasibility of certain vacant and underutilized sites.

HOME-SF fills a gap in the city's current approach to providing housing for a wide range of households in San Francisco. While the city needs more resources to build the amount of low-income housing that is needed, the city and its affordable housing partners have had many successes so far and are continuing to build a pipeline of subsidized affordable housing into the future. While we need more overall market-rate housing to help bring down the market price for housing, there has been some recent progress — due in part to the city's area plans. However, it has been difficult to meet the needs of moderate- and middle-income households in this city. HOME-SF helps create a much-needed middle-income housing program and also pays attention to the needs of families by incorporating principles from the recent white paper on family-friendly housing generated by SF Planning.

Lastly, it is a smart alternative to the state density bonus program, which does not take local inclusionary levels or planning priorities into account. It is important that San Francisco comply with state law, which has been a good tool in many other communities that don't support affordable housing, but the law is not completely aligned with San Francisco's affordable housing and design requirements and priorities. HOME-SF offers a more desirable option to the state program that is a better choice for everyone.

We appreciate Supervisor Tang's willingness to address concerns raised last year. Feedback from the public identified many issues that were worthy of consideration. We have two areas of concern:

- There are more nuanced ways to deal with the potential demolition of existing residential units than making those projects ineligible for the program. There are buildings in SF's housing stock

that should be demolished and replaced, and this would mean that there would be one fewer tool available to enable that to happen. This is of particular concern if future projects in the city's affordable housing pipeline might be affected.

- We are opposed to requiring a separate conditional use authorization. In fact, we are disappointed that there are not additional process improvements included for projects that utilize HOME SF..

It's clear that there are strong feelings about how greater use of the state density program may impact development in San Francisco. While in some parts of California the state density bonus program may be a good tool to generate affordable housing units, HOME SF is a good effort to create a program that might entice developers to provide more benefit in line with San Francisco's planning priorities, affordable housing requirements and other local laws.

Please feel free to contact me at kwang@spur.org or 415-644-4884 if you have any further questions.

Best,

A handwritten signature in black ink, appearing to read 'KWANG', with a stylized flourish at the end.

Kristy Wang
Community Planning Policy Director

CC: SPUR Board of Directors