GENERAL PLAN REFERRAL

August 17, 2023

Case No.: 2023-006110GPR
Block/Lot Nos.: Various, Citywide
Project Sponsor: Mayor’s Office of Housing and Community Development
Applicant: Eric Shaw, Director
eric.shaw@sfgov.org
1 South Van Ness, 5th Floor
San Francisco, CA 94103

Staff Contact: Jessica Look – (628) 652-7455
jessica.look@sfgov.org

Recommended By: ____________________________
Joshua Switzky, Acting Director of Citywide Policy for
Rich Hillis, Director of Planning

Finding: The project, on balance, is in conformity with the General Plan.

Project Description

The City and County of San Francisco is proposing a $300 million General Obligation Affordable Housing Bond for the March 2024 ballot. The Bond aims to address critical housing needs, protect residents, and stabilize communities. With this investment, the City can:

- Create new affordable homes that align with the Housing Element’s goals of providing equitable opportunities, especially for those who are most vulnerable, access to high resource neighborhoods, and stabilization of communities.

- Preserve affordability in existing housing at risk of market-rate conversion or loss due to physical disrepair and protect San Franciscans living in apartments at risk of displacement, including those covered by rent-control.

- Expand affordable home ownership opportunities for the City’s middle-income residents and workforce, including educators, first responders, nonprofit workers, and service industry employees.
To address the immediate and serious need for more affordable housing in San Francisco, the 2024 Affordable Housing Bond proposes three categories of investments, each of which supports people earning a range of incomes, from low-income households to middle-income households.

The estimated funding program for the 2024 affordable housing bond is as follows:

<table>
<thead>
<tr>
<th>Program Categories</th>
<th>2024 GO Bond Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of Low-Income Housing (up to 80% AMI)</td>
<td>$258 Million</td>
</tr>
<tr>
<td>Affordable Housing Preservation (30% to 120% AMI)</td>
<td>$30 Million</td>
</tr>
<tr>
<td>Homeownership Opportunities (Up to 200% AMI)</td>
<td>$12 Million</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$300 Million</td>
</tr>
</tbody>
</table>

For all investment categories, State Constitutional requirements regarding eligible uses of general obligation bond funding apply. For each investment, specific eligible uses will be prioritized with the overall goal of protecting the City’s most vulnerable residents; stabilizing communities, especially neighborhoods in which there has been limited affordable housing production; enhancing the City’s economic health; and planning for a future San Francisco that maintains its diversity and vibrancy.

1. Production: $258 Million

The City’s goal is to maintain a steady pipeline of new construction affordable units moving through the development process. As of summer 2023, MOHCD has a robust portfolio of pre-development opportunities that could produce more than 4,700 units.

Eligible Uses:
The construction of permanently affordable rental housing serving individuals and families earning from 0% to 80% AMI.

Who is Served?
Low-income housing protects vulnerable populations, such as
- Working families
- Veterans
- Seniors
- People with disabilities
- Transitional aged youth
- People experiencing homelessness
Low-income housing also serves vital members of the City’s workforce in jobs with traditionally low pay scales, such as school district employees, nonprofit workers, health care attendants, and hotel, restaurant, and retail employees.

**Priorities:**
- Shovel-ready projects able to start construction within four years
- Sites in a diversity of neighborhoods that can either open housing opportunities in high resource neighborhoods or that stabilize equity communities
- Projects positioned to leverage substantial investment from state, federal and other non-City sources
- Proximity to public transit

2. **Preservation: $30 million**

**Eligible Uses:**
The acquisition and/or rehabilitation of rental housing at risk of losing affordability, whether through speculative market forces or a building’s physical decline.

**Who is Served?**
Lower- to middle-income households earning between approximately 30% and 120% of AMI, such as:
- Current residents living in housing at-risk of losing affordability (e.g. Ellis Act or unlawful evictions)
- Future generations of tenants

**Priorities:**
- Acquisitions and/or rehabilitations that create or enhance permanent affordability
- Acquisitions and/or rehabilitations of buildings at imminent risk of conversion to market-rate rents
- Districts with limited affordable housing production
- Districts with high documented eviction rates

Acquisition and preservation programs, including the Small Sites Program and the Preservation and Seismic Safety Program, protect San Francisco residents of properties that are vulnerable to market pressure and resulting property sales, increased evictions, and rising tenant rents. Acquired properties are converted to permanently affordable housing with rents at an average of 80% AMI, and available to families earning up to 120% AMI. Through FY22, these acquisition and preservation programs have deployed over $217 million in funding to preserve 50 projects with 39 commercial spaces and 519 residential units.
3. **Home Ownership: $12 million**

*Eligible Uses:*  
The creation of new affordable housing opportunities through MOHCD’s Downpayment Assistance Loan Programs.

*Who is served?*  
Households earning between 80% and 200% of AMI. Some programs include:
- The Down Payment Assistance Loan Program (DALP) serves households earning up to 175% of AMI.
- Teacher Next Door Down Payment Assistance Loans (TND) serve households earning up to 200% of AMI and support all United Educators of San Francisco (UESF) members, including teachers, paraprofessionals, and other certificated staff (e.g., counselors, deans, nurses, speech pathologists, psychologists, behavioral analysts, social workers, Special Education (SPED) Content Specialists and librarians), and also including those who work in the SFUSD Early Education department.

**Environmental Review**

The proposed bond is within the scope of the 2022 Housing Element Update Final EIR certified by the Planning Commission on November 17, 2022, Motion No. 21206. Any physical projects would require separate environmental analysis or General Plan Evaluation under the 2022 Housing Element EIR.

**General Plan Compliance and Basis for Recommendation**

As described below, the proposed Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

**HOUSING ELEMENT**

**OBJECTIVE 1.A**  
ENSURE HOUSING STABILITY AND HEALTHY HOMES

**OBJECTIVE 1.B**  
ADVANCE EQUITABLE HOUSING ACCESS

**POLICY 2**  
Preserve affordability of existing subsidized housing, government-owned or cooperative-owned housing, or SRO (single-room occupancy) hotel rooms where the affordability requirements are at risk or soon to expire.
POLICY 3
Acquire and rehabilitate privately-owned housing as permanently affordable to better serve residents and areas vulnerable to displacement with unmet affordable housing needs.

The proposed Bond, if approved, would provide resources to preserve affordability of existing housing that is at risk and protect renters at risk of displacement.

OBJECTIVE 3.8
CREATE A SENSE OF BELONGING FOR ALL COMMUNITIES OF COLOR WITHIN WELL-RESOURCED NEIGHBORHOODS THROUGH EXPANDED HOUSING CHOICE

POLICY 19
Enable low- and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-Resourced Neighborhoods by increasing the number of permanently affordable housing units in those neighborhoods.

The proposed Bond, if approved, would provide funding to help construct permanently affordable housing. Priorities for affordable housing in this bond measure include sites that can open housing opportunities in high resource neighborhoods or that stabilize equity communities.

OBJECTIVE 4.8
SUBSTANTIALLY EXPAND THE AMOUNT OF PERMANENTLY AFFORDABLE HOUSING FOR EXTREMELY LOW- TO MODERATE-INCOME HOUSEHOLDS

POLICY 15
Expand permanently affordable housing investments in Priority Equity Geographies to better serve American Indian, Black, and other People of color within income ranges underserved, including extremely-, very low-, and moderate-income households.

POLICY 22
Create dedicated and consistent local funding sources and advocate for regional, State, and Federal funding to support building permanently affordable housing for very low-, low-, and moderate-income households that meets the Regional Housing Needs Allocation targets.

POLICY 23
Retain and increase the number of moderate- and middle-income households by increasing their homebuying opportunities and reversing the shortage in housing that is affordable to these households.

The proposed Bond, if approved, would provide funding to help construct permanently affordable rental housing serving individuals and families earning from 0% to 80% AMI. Priorities for affordable housing include sites that can open housing opportunities in high resource neighborhoods or that stabilize equity communities. The proposed Bond would also provide funding for down payment assistance loans for home ownership.
OBJECTIVE 4.B
EXPAND SMALL- AND MID-RISE MULTI-FAMILY HOUSING PRODUCTION TO SERVE OUR WORKFORCE,
PRIORITYING MIDDLE-INCOME HOUSEHOLDS

The proposed Bond, if approved, would expand affordable housing for the City’s workforce and middle-income households.

Planning Code Section 101 Findings
Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

   The Project would not have an adverse effect on neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

   The Project would enhance the economic diversity of our neighborhoods by increasing the production of affordable housing at a range of income levels, as well as preserving existing affordable rental housing.

3. That the City’s supply of affordable housing be preserved and enhanced;

   The Project would directly support the preservation and enhancement of the City’s supply of affordable housing. The purpose of the bond is to create new affordable housing units that align with the Housing Element’s goals, preserve existing housing, and expand home ownership opportunities.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

   The Project would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking in San Francisco. The adopted Housing Element calls for parallel planning for both new housing and transportation. The City’s goal is to advance well-connected neighborhoods consistent with the City’s ConnectSF vision and encourage sustainable trips in new housing.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

   The Project would not cause displacement of the industrial or service sectors due to office development.
and would not have an adverse effect on future opportunities for resident employment or ownership in these sectors.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

   The Project would not have an adverse effect on the City’s preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

   The Project would not have an adverse effect on the City’s landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

   The Project would not have an adverse effect on the City’s parks and open space and their access to sunlight and vistas.

**Finding:** The project, on balance, is **in conformity** with the General Plan.