



Middle Polk Neighborhood Association

PO Box 640918, San Francisco, CA 94164-0918

Re: Local Alternatives to the California State Density Bonus Program

March 12, 2017

Honorable Mayor Lee, President Breed, and Members of the Board of Supervisors  
City and County of San Francisco  
Room 200  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102 (by-email)

Dear Mayor Lee, President Breed, and Members of the Board:

Since our last letter of June 16, 2016, the City has taken some decisive actions to combat the affordability and displacement crisis. These actions include the following:

- (1) A 100% Affordable Local Density Bonus program
- (2) A citywide Accessory Dwelling Unit (ADU) program
- (3) Development of the Mission Action Plan (MAP) 2020
- (4) The Calle 24 Cultural Heritage District and Special Use District
- (5) A stronger Single Room Occupancy (SRO) conversion ordinance
- (6) Approval of Mid-Market housing developments with significant affordable housing components
- (7) Increased enforcement against illegal short-term rentals

In the next 3 years, the City will also have more opportunities to take decisive action with the adoption of the Central SOMA plan, the Hub, and the implementation of the Southern Waterfront Strategy. These large plans and projects offer opportunities to build more housing and for the City to negotiate the maximum percentage of affordable housing units possible without compromising feasibility.

In the coming months, the City will adopt amendments to the City's inclusionary housing program that also offer an opportunity to maximize the production of affordable housing without compromising the feasibility of building more housing. We urge for more to be done to prevent housing stock being removed from the market by way of short-term rentals, vacant units, sham-OMI evictions. We further urge stronger controls to prevent the destruction of affordable smaller single-family homes by way of monster home expansions.

On the state level, we are pleased to see discussions of Costa Hawkins reform as well as more plans to fund affordable housing and remain cautiously optimistic on those fronts.



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With this context in mind, we turn to the question of local alternatives to the California state Affordable Housing Bonus Density Program which will be a topic of discuss at the Board of Supervisors Land Use Committee on Monday, March 13, 2017. As we said last year, *“A local alternative is preferable to state law because a local program would better represent the unique circumstances of our City. The question becomes what does that alternative look like.”*

We would urge the City to embrace a gradual consensus-based approach to the market-rate local affordable bonus density program focused on the City’s soft sites as a priority. With this goal in mind, we offer the following suggestions for the sponsors and the committee to consider for amendments and future analysis prior to moving forward.

- (1) Adopt a program for the **RC, C, NC-3, and NCT-3** zoning districts

These districts are well served by transit including the MUNI Metro, Van Ness and Geary BRT and also have wide expansive streets. They are best suited to take on added density and height in exchange for greater levels of affordability e.g. the Hub, Van Ness Avenue, Geary Blvd., Lombard Street without major impact to smaller scale pedestrian oriented neighborhood commercial corridors.

- (2) Target soft-sites by allowing the program to apply to **Named NCD, NC, and NCT districts only for lots over 18,000 sq feet and for lots less than 18,000 square feet that are currently parking lots/garages or gas/service stations.** In the Polk NCD, under this framework some examples of qualifying lots would be 1600 Jackson Street, 1200 Larkin Street and 1123 Sutter Street. It may also be worth exploring separate legislation to allow form-based density in certain **Named NCD and NC** districts.

The current draft of the program would incentive demolition and merger of many of the small lots throughout the City’s commercial districts that make up the fabric of San Francisco. This would be devastating for small business. Limiting the program to large lots, parking lots/garages and gas/service stations would allow the City to add more housing to the NCD’s where appropriate without causing massive disruption to the City’s neighborhoods and small businesses.

- (3) Remove **RH3 and RM** districts from the program but consider separate legislation to allow for form-based density in those districts in certain neighborhoods as well as further incentives to create ADU’s in the RH3 and RM zoning districts.
- (4) Remove the 120-foot frontage merger limit for **RC and C** districts but maintain or modify the 120-foot frontage limit to be tailored for **NC-3 and NCT-3**, do not allow mergers for



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**Named NCD, NC, and NCT** zoning districts unless each lot would separately qualify for the program.

- (5) Remove **Chinatown Mixed Use and North Beach NCD** from the program entirely.
- (6) Prohibit any lot that has a qualifying **Legacy Business** from program eligibility (e.g. House of Prime Rib or Harris's on Van Ness Avenue are both in our neighborhood)

Lastly, as we noted last June, the 30% number may be dated in light of Prop C and the City's inclusionary housing ordinance and a higher number is appropriate such as 40%:

Some thought should be given to what role a density bonus could play in market rate development now requiring 25% affordable units. Perhaps it is feasible to ask developers to build 40% affordable units on site in exchange for a density bonus. 40% on-site affordable housing at a variety of income targets while protecting our small businesses and allowing for sufficient neighborhood input via conditional use authorization is better than 25% percent for a particular project if the community is willing to take on the density that community consensus would manifest itself through the conditional use process. It may be the case that the economics of a market rate program may only work in large developments given a 40% on-site affordable target.

Thank you all for your continued service to our City and for your work on solving the housing affordability and displacement crisis. We believe that a gradual consensus-based approach to the market-rate local affordable bonus density program focused on the City's soft sites is in line with addressing this crisis while preserve what is the essence of San Francisco, our neighborhoods.

Sincerely,  
s\ Moe Jamil,  
Chair  
Middle Polk Neighborhood Association

CC: John Rahaim, Director, San Francisco Planning Department  
Aaron Starr, Manger Legislative Affairs, San Francisco Planning Department  
Jeff Buckley, Senior Housing Advisor, Office of the Honorable Mayor Lee  
Planning Commission  
Small Business Commission