

March 11, 2019



## **HRCSF Position on SB50 (Wiener): Pro-Development Bill Will Displace Long Term Tenants on the West Side**

### **Main Points Detailed in Position:**

- SB 50 will deregulate residential zoning creating value potentials ripe for real estate speculation
- SB 50 will do nothing to address a deep deficit in affordable housing on the West Side unless there are significant changes to local inclusionary
- Tenant protections are not enforceable in San Francisco
- State resources should be focused on using public infrastructure to create deeply affordable housing or enforcement to stop real estate speculation

The Housing Rights Committee of San Francisco opposes Senator Weiner's bill SB 50, which would up-zone almost the entirety of all the housing lots in San Francisco with particularly significant impacts for housing on the West Side (consisting of the Richmond, the Sunset and Parkmerced). Upzoning and preemptions for local controls would further exacerbate the rampant speculation that has already negatively impacted low-income and moderate-income tenants, immigrants, seniors and families that make up the renters on the West Side of San Francisco.

The legislation requires that all residential zoning within a ¼ mile of a high quality bus line and ½ of a rail or ferry line be rezoned to greater density through adjusting height limits, increasing minimum FAR and waiving local density regulations. The West Side neighborhoods (Supervisory Districts 1, 4 and 7) are predominantly zoned as RH-1 and RH-2 and contain the majority of single family residential housing in the city. Real estate speculators will be able to extract tremendous value from parcels that were previously zoned for a single family home that can now be sold as a potential 6 unit apartment building.

SB 50 **does not** have any provisions that capture this skyrocketing real estate value beyond reliance on San Francisco's existing inclusionary housing policy. San Francisco's current inclusionary housing policy only captures "public value" with new developments of 10 or more units. As of March 2019, San Francisco's inclusionary housing policy has only resulted in 2750 units since the program's inception. Assuming that San Francisco's inclusionary housing policy remains the same, the majority of upzoned developments in RH-1 and RH-2 will not need to contribute to any type of affordable housing provision in the

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West Side neighborhoods of San Francisco. According to the 2018 Housing Balance report, the West Side has lost a cumulative total of 1,225 units from rent control and have only built 269 units of affordable housing in the past ten years. SB 50 will do nothing to address this **deep deficit** in affordable housing on the West Side unless there are significant changes to local inclusionary.

Scott Wiener's additions of tenant protections and sensitive communities exemptions are insufficient - not only does Senator Wiener's classification of "sensitive communities" exclude the majority of the West Side, and "sensitive communities" are only exempted for 5 years. In addition, Senator Wiener's attempt to address tenant protections by including a 7-year tenant lookback cannot be implemented or enforced in the city of San Francisco, due to the lack of city infrastructure. Everyday in our tenant counseling clinics, there are stories of substandard living conditions, buildings with deferred maintenance, renovictions, permits issued despite tenancies, and landlord harassment or intimidation that ultimately results in displacement. Instead of addressing these issues, Senator Wiener has crafted a developer giveaway that relies on landlord disclosure when landlords have strong incentives (created by this bill) to act in bad faith.

In the current real estate landscape in San Francisco, long-term tenants and vulnerable communities are being further squeezed by the ever growing wealth disparity that will only grow as more tech companies IPO and landlords continue to flip properties to build luxury and market-rate housing. **San Francisco needs state and local policies that directly deal with the affordability crisis.** We, at Housing Rights Committee of San Francisco, urge state and local politicians to spend resources and support public infrastructure that actually creates deeply affordable housing or enforcement to stop real estate speculation. Statewide policies like repealing Costa Hawkins, repealing the Ellis Act, protecting tenants right to organize, or an anti-rent gouging cap are needed to level the playing field between real estate speculators and vulnerable tenants.

Working with families that rent on the West Side, we oftentimes hear how parents fear that their kids when they grow up will never be able to afford to live in the city they call home. We want there to be opportunities for immigrants, working class families and students to continue to live, grow and thrive in San Francisco. For that to happen, we need to build deeply affordable housing for the long term. SB50 will only create more opportunities for the wealthiest among us to profit while leaving breadcrumbs in the form of inclusionary housing units for everyone else.