

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

July 21, 2016

Members, Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Dear Supervisors:

This letter communicates my veto of the resolution pending in File No. 160660, passed by the Board of Supervisors on July 12, 2016. This resolution urges the San Francisco Legislative Delegation in Sacramento to oppose the "By Right Housing Approvals" proposed Trailer Bill unless certain amendments are made.

As a City, there is no more urgent challenge before us than to build and preserve housing to address our housing and affordability crisis. We have a responsibility to challenge the status quo on housing, and use every available, feasible tool to incentivize, finance, mandate and accelerate the construction of housing for people of every background, especially low-income and middle income residents and families. Governor Brown's By Right proposal would substantially shorten the time it takes to produce this housing, provided that the housing both fits within locally-approved zoning and includes affordable units. The resolution that I am vetoing today, however, would tell Governor Brown, the Legislature, the people of California and our own residents that San Francisco does not take that responsibility seriously when it comes to one valuable tool, and therefore, I cannot support it.

I acknowledge the Board's interest in refining the details of this bill, and many of the suggested revisions in the resolution mirror amendments suggested in my June 13, 2016 letter to Governor Brown (attached), including requiring prevailing wage and ensuring the preservation of our existing rent controlled and permanently affordable housing stock. These amendments would make the Governor's bill stronger, and we are in a better position to advocate with our regional partners and state legislators if we seek these amendments *and* a successful outcome for this legislation.

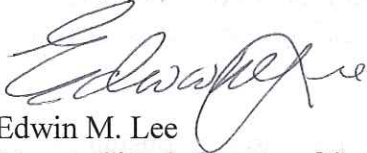
The permitting process for new development in our coastal cities takes thirty percent longer than any other state, and a streamlined approval process for conforming affordable and mixed-income housing provides a powerful tool that could dramatically increase the production of housing, both affordable and market-rate. In San Francisco, this could mean the delivery of thousands of affordable housing units two or three years faster. This proposal also provides that any housing taking advantage of streamlining must comply with existing zoning and development controls, which in San Francisco are strong, specific, and informed by local feedback. This will ensure

that we will continue to add housing to the housing stock that is high-quality and consistent with our neighborhood character.

I am proud of what San Francisco has accomplished in response to this housing crisis: a \$1.3 billion Housing Trust Fund, a \$310 million affordable housing bond, an Executive Directive to speed affordable housing construction, and we have instituted one of the most rigorous inclusionary policies in the state. Unfortunately, many of California's cities have done the opposite – they have adopted exclusionary policies that limit the development of housing for those in need, especially low-income households. At a time when Californians' housing costs are rising rapidly, elected leaders have an obligation to seek new solutions we've never thought of before. The Governor's proposal is one of these innovative tools we so urgently need.

I urge the Board to join me in refocusing our efforts by working collaboratively with our regional and statewide counterparts and the Governor to improve – and ultimately pass – this critically needed housing legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Edwin M. Lee". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Edwin M. Lee
Mayor, City & County of San Francisco