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Budget & Finance Committee
San Francisco Board of Supervisors
San Francisco City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Re: Agenda items 4 (200423) and 5 (200740): Balboa Reservoir Project.

Dear Committee Members Fewer, Walton, and Mandelman,

I am the attorney representing Madeline Mueller, Alvin Ja, and Wynd Kaufmyn, the appellants of the Planning Commission's certification of the Final Subsequent EIR for the Balboa Reservoir Project. However, this letter is not directly about that appeal. I will be writing separately to the entire Board of Supervisors on that issue. Instead, this letter addresses issues related to the financing of the Balboa Reservoir Project that is on your agenda today, and specifically the effect of the sale of that property to private developers on the City's ability to create more affordable housing.

At Monday's Land Use and Transportation Committee meeting, at the request of Supervisor Mar, the Planning Department presented a report on the current status of the City's efforts to address the critical shortage of affordable housing in San Francisco. To put it bluntly, the report showed that the City's current strategy – piggybacking affordable units on market-rate projects – has been an abject failure. While the City has far surpassed its RHNA goal for market-rate housing – approximately 140%, it has only achieved roughly 30-50% of the various RHNA goals for affordable housing.

The Balboa Reservoir Project is just one more example of the Planning Department's use of that failed strategy. While it's true that 50% of the units will be affordable (although close to half will only be moderate-income units), far less than half of the financing will be from private sources. Yet in return, the City will be selling the Project site to the developers. While that land may be surplus to the needs of the SFPUC, it is one of the few large, vacant, publicly owned sites that the City could use to build permanently 100% affordable housing. Selling off this site will sacrifice half the site to a market-rate use – a use that directly competes with affordable housing for scarce available land. Once sold, the City will lose a valuable site for affordable housing.

Not only that, but the site directly adjoins the Ocean Campus of City College of San Francisco. Almost all of City College's faculty and Staff qualify for affordable housing, as do many of its students. That will be increasingly true as the COVID-19 pandemic forces many workers to retrain after their current jobs have disappeared. Building a phased 100%-affordable project here would eliminate most of the need for parking and transit use for its residents, achieving a major goal of SB 375, and Prop. K.

Please do not consider selling this site before you evaluate it for a 100% affordable publicly-owned housing project.

Respectfully,

Stuart M. Flashman