



December 2, 2022

Dear Director Velasquez,

We are seeking your support regarding the application of Affirmatively Furthering Fair Housing principles to the Housing Element in San Francisco. Your support is more critical than ever as San Francisco finalizes its Housing Element. This is especially important given the escalating erosion of affordable housing opportunities in San Francisco, particularly in our historic cultural neighborhoods and ethnic enclaves in what has become one of the nation's highest-cost cities.

We recognize that the fact that state and federal agencies have enacted AFFH provisions demonstrates the need for a guiding framework around development to ensure equity and inclusion. HCD's August 8th, 2022 letter to the San Francisco Planning Dept. commends the department for its efforts in the Housing Element in "acknowledging and repairing the harms of past decades of inequitable and discriminatory land use and planning policies that resulted in exclusionary and disinvested communities."

We are concerned, however, that affirmative priorities would be undermined if the Housing Element does not have the requisite dedicated affordable housing funding, while at the same time eliminating certain elements that HCD calls "development constraints" in ethnic enclaves. We ask that HCD and the San Francisco Planning Department take great care to maintain and strengthen all culturally protective provisions necessary for Affirmatively Furthering Fair Housing which requires that our ethnic enclaves be prioritized for both public investment in affordable

housing as well treated with a more nuanced approach in handling issues related to displacement and segregation.

Therefore, it is critical that we ensure that we are not subjecting these communities to policies that would undo AFFH goals in the name of a more general policy of “removing constraints” and that we:

- Retain all existing affordable housing funding mechanisms including inclusionary fees and state density bonus fees to ensure we are meeting the needs of these communities as well as ensuring that San Francisco is on the path to meeting our RHNA affordability goals.
- Prioritize extremely low and low income housing in these communities and ensure there are mechanisms to fully fund these needs. This is the housing principally occupied by these protected classes in their neighborhoods across San Francisco.
- Retain a structured, time-sensitive public input in communities of color for project reviews and entitlements that currently require Conditional Use Authorization, Discretionary Review, or utilize a local or state density bonus program to ensure we are not removing the voices of historically discriminated against community members from participating in the housing processes in their neighborhoods.
- Refrain from adding “circuit breaker” rezonings, market-rate housing streamlining, or “constraint” removals in Priority Equity Geographies, Cultural Districts, and other ethnic enclaves, as these mechanisms would bring additional harms to these communities in clear opposition to AFFH guidelines.
- Protect existing tenants from displacement, especially resulting from demolition of existing residential units.
- Recognize and address the historic pattern of falling short on affordable housing funding and construction while at the same time adding new streamlining processes which have led to overperforming on our market-rate housing production. This is a harmful combination that floods ethnic enclaves with upscale residents, weakens the cultural fabric of these neighborhoods, adds to rent pressures for low-income renters,¹ and erodes housing choice for protected classes.

The loss of [African Americans from the Bayview, Latinos from the Mission, and Filipinos from the SOMA](#) (Figures 3-5), among other neighborhoods, is already a critical Fair Housing issue in San Francisco that would be exacerbated if cultural stabilization “constraints” are lifted in these and other low-income BIPOC areas, especially if accompanied by a lack of dedicated affordable housing. In Chinatown, very low income seniors are now being displaced with monthly rents surging to more than \$1,000 per month.

Efforts to improve affordability standards, leverage affordable housing fees, or allow timely public input in communities of color only serve to ensure that developments are responsive to fair housing concerns and should not be confused with other more general constraints. Many of these measures have provided a first line of defense to prevent displacement during our affordability crisis. Rather than being impediments to housing, these measures provide critical

¹ Damiano, Anthony, and Chris Frenier. (2020) “[Build Baby Build? Housing Submarkets and the Effects of New Construction on Existing Rents.](#)” Center for Urban and Regional Affairs Working Paper, University of Minnesota.

funding resources for the City to accomplish its goals of repairing past and future harms on communities of color. It is critical that we take care to avoid doing further harm that destabilizes ethnic enclaves in a well-meaning attempt to meet the sizable challenges posed by development and construction constraints.

Finally, we would ask that HCD and the SF Planning Department work closely together to ensure a state and city budget process that would overcome San Francisco's historically strong performance on RHNA market-rate housing and underachievement on RHNA affordable housing and guarantee that affordable housing will be funded in a similar ratio towards its RHNA goals as market-rate housing is being constructed.

We ask that you further consider integrating and adopting additional equitable development strategies detailed by San Francisco's BIPOC communities for bringing stabilization and prosperity in the recently released [People's Plan](#). These community-led strategies are drawn from years of neighborhood planning processes and lay out a path to ensuring that we are on target to meet our commitments to AFFH.

We thank you for your attention to these concerns and given the timeline for completion of the Housing Element, would like to meet to discuss these issues soon.

Sincerely,

Calle 24 Cultural District
Affordable Housing Alliance
American Indian Cultural Center
Mission Economic Development Agency
United to Save the Mission
Housing Rights Committee
Gubbio Project
Trabajo Cultural Caminante
Self Help for the Elderly
Cultural Action Network
Council of Community Housing Organizations
Haight Ashbury Neighborhood Council
SOMA Pilipinas Cultural Heritage District
Media Alliance
Our Mission No Eviction
West Side Tenants Association