



March 17, 2023

The Honorable Scott Wiener
California State Senate
1021 O Street, Suite 6630
Sacramento, CA 95814

Re: Senate Bill 593 – The San Francisco Replacement Housing Act - Support

Dear Senator Wiener,

On behalf of San Francisco Foundation, I am writing in support of Senate Bill 593, the San Francisco Housing Replacement Act. SB 593 will remove barriers to replacing more than 5,800 units of low- and moderate-income housing that were demolished in the 1950s-70s period of redevelopment, also known as “urban renewal.”

With more than \$1.5 billion in assets, the San Francisco Foundation is one of the largest community foundations in the country. Together with its donors, the Foundation distributed \$154 million to nonprofit organizations last fiscal year. The San Francisco Foundation serves Alameda, Contra Costa, Marin, San Francisco, and San Mateo counties.

The Foundation is committed to expanding opportunity and ensuring a more equitable future for all in the Bay Area. We cannot make meaningful progress toward inclusive prosperity in the Bay Area without addressing the housing crisis and championing equitable approaches to tenant protection, affordable housing preservation, and production focused on serving low-income and people of color communities in the region. In line with these values, we write in support of SB 593.

Beginning in the 1950s, the former San Francisco Redevelopment Agency (SFRA) used a significant amount of federal urban renewal funds to implement locally adopted redevelopment plans. Though the goal of these plans was to create vibrant, mixed-income communities, the result was the authorization of widespread clearance, mass demolition, and relocation of communities, particularly lower income communities and communities of color. The urban renewal process resulted in a net loss of 6,709 affordable housing units. In 1976, the state amended the Community Redevelopment Law (CRL) to require the replacement of affordable housing lost through redevelopment activities. The CRL mandates a one-for-one replacement of the total number of units, as well as an equal or greater number of bedrooms.

San Francisco’s Successor Agency to the Former Redevelopment Agency has taken seriously its charge to replace the remaining 5,842 affordable units and has documented both the scope of the obligation and the need to allocate property tax revenues over time in order to fund the necessary construction. Tax increment financing will cover approximately one-half of construction costs and will leverage other public and private sources to complete affordable housing funding needs.

SB 593 will allow the Successor Agency to the Redevelopment Agency of the City and County of San Francisco to replace all of the housing units demolished prior to 1976 as well as preserve affordability of the replacement housing built in the 1970s. This legislation will right the wrongs of the past by funding the preservation and rebuilding of affordable housing while also sparking the economic revitalization needed to create an equitable and sustainable future for our current and future residents of color.

For these reasons, the San Francisco Foundation supports SB 593 by Senator Wiener, which will emphasize how replacement housing obligation is an important remedy to redress the destruction of affordable housing. Thank you for your leadership on this important policy topic.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Fred Blackwell', is written over a light gray rectangular background.

Fred Blackwell, CEO
San Francisco Foundation