



**A CALL TO ACTION**

# DISTRICT 5

## **AFFORDABLE HOUSING OPPORTUNITY SITES**

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JAN 2023 // SUPERVISOR DEAN PRESTON



*January 2023*

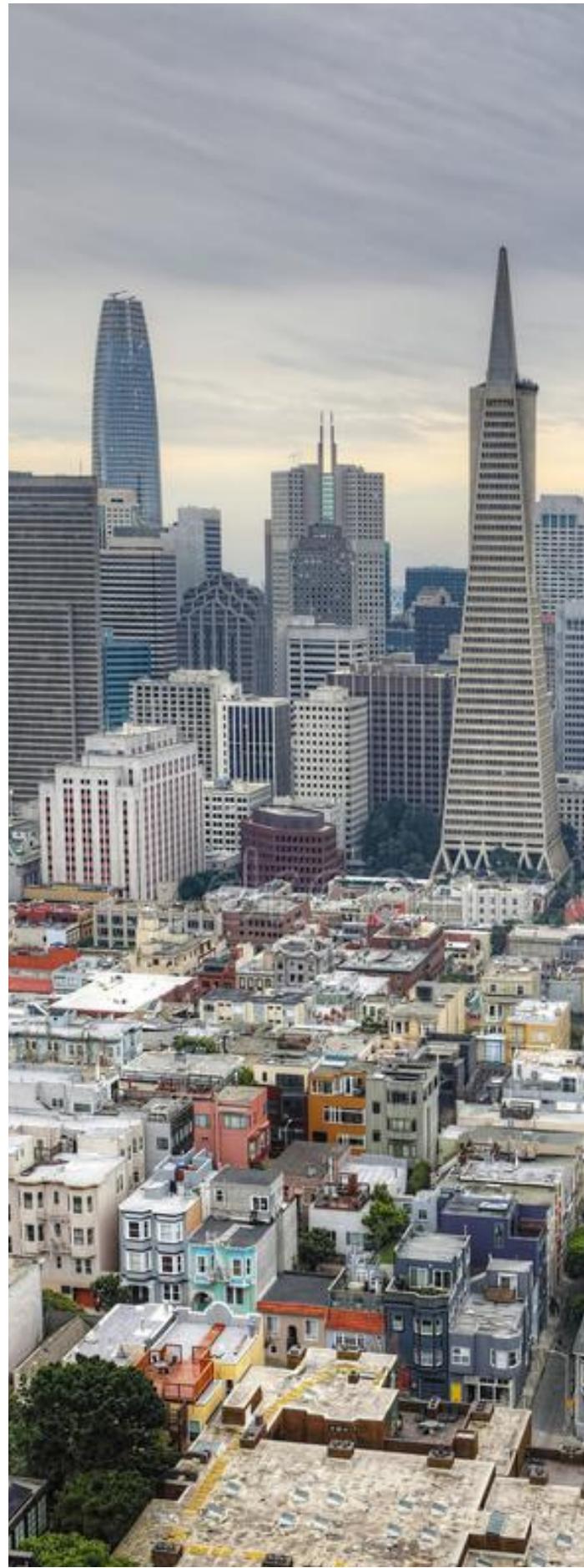
## NEW AFFORDABLE HOUSING GOALS

**San Francisco is on the verge of adopting ambitious new goals for affordable housing.** The Housing Element, which sets a benchmark for new housing production for the next eight years, will soon be voted on by the Board of Supervisors. These new targets – to create 46,500 new affordable homes for working San Franciscans by 2031 – are significantly higher than any previous goal set by the city. In the most recent cycle, the city had a mandate to create 16,333 new affordable homes, but only delivered on approximately half of that goal.

What we've done in the past has not worked, and if we don't aggressively change course, the city is set to come up short again. If we are serious about meeting the new affordable targets, we need to step up in two major ways.

## MAXIMIZE FUNDING STRATEGIES

First, **we need to dedicate significant local funds to this effort, and we need to maximize every available opportunity from the state and federal level.** On this front, our office has already taken a major step locally by passing Proposition I in 2020, a tax increase on the wealthiest real estate transactions in the city, which has already generated a quarter billion dollars and is projected to bring in more than \$100 million every year going forward. Making sure these funds are allocated to meeting our new affordable housing goals, while not solving the problem by itself, must be a starting point. In addition, the city could scale up affordable housing development by leveraging these funds through revenue bonding, as has been recently piloted in Montgomery County, Maryland.





## IDENTIFY & ACT ON OPPORTUNITY SITES

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Funding is a crucial piece, but at the same time **we need to be ambitiously identifying opportunity sites for land banking, affordable housing acquisition, and the development of new affordable housing.** With the private market failing to produce housing, the time is ripe for the city to step in and acquire entitled sites to create affordable homes. And for sites already owned by the city or the state, the new affordability goals provide a renewed sense of urgency to develop as quickly as we can.

To meet our new goals for affordable housing, each of the 11 supervisory districts in the city must create approximately 4,250 units over the eight year period. That comes out to an average of 530 affordable units per district every year.

This document identifies six opportunity sites in District 5 that can make meaningful progress on the new affordable goals in the near term.

## DISTRICT 5 OPPORTUNITY SITES

- **DMV Field Office and Parking Lot** (1377 Fell Street)
  - Potential Units: 368
- **Northern Police Station and Parking Lot** (1125 Fillmore Street)
  - Potential Units: 297
- **Former Touchless Car Wash** (400 Divisadero Street)
  - Potential Units: 186
- **600 Van Ness**
  - Potential Units: 168
- **Former McDonald's and Parking Lot** (730 Stanyan Street)
  - Potential Units: 160
- **Proxy & Biergarten Sites** (Parcels K & L, at Hayes and Octavia Streets)
  - Potential Units: 74

Taken together, these sites can yield at least **1,250 affordable units**. If we entitle and/or break ground on these sites with urgency in the next two years, we will be on track to meet our district's share of the affordable housing goals.

To be clear, this is not the only path – there are many other opportunities for acquisition, 100% affordable development, and to get additional affordable units through inclusionary requirements, and other strategies. We focus in this document on publicly owned sites, or sites where the owners have already indicated they will sell for affordable housing. Other strategies can be pursued simultaneously. We hope this document will serve as **a call to action to all relevant city agencies, departments, and elected leaders** that this be our starting point toward making good on our affordable housing commitments in the upcoming RHNA cycle.

## DMV FIELD OFFICE AND PARKING LOT 1377 FELL STREET



POTENTIAL AFFORDABLE UNITS: **368**

**Background:** With a lot size just shy of 100,000 square feet, the DMV site is one of the few large-scale sites suitable for housing in the geographic center of San Francisco, and as state-owned property, the site provides a cost-effective opportunity for large-scale affordable housing development without the upfront cost of acquiring the land. The push for housing on this site dates back to at least 2008, when the state awarded the rights to pursue mixed-income housing, but the private developer failed to follow through.

**Opportunity:** In November, Supervisor Preston introduced a resolution urging the state to prioritize affordable housing on the DMV site, calling on the Department of Motor Vehicles to work with state and local elected leaders to make a permanently-affordable project happen. Working with Assemblymember Phil Ting, on January 6 the state issued call for housing developers to consider building homes on the state-owned site.

# NORTHERN POLICE STATION AND PARKING LOT

## 1125 FILLMORE STREET



POTENTIAL AFFORDABLE UNITS: **297**

**Background:** Another publicly-owned lot with a large surface level parking area, this 66,000 square foot lot could accommodate nearly 300 units of affordable housing.

**Opportunity:** Despite being an unorthodox parcel shape, the site could make room for a smaller development on Golden Gate Avenue and a larger building facing Turk Street, with some of the existing parking moved underground. Proximity to transit lines – including the 22-Fillmore, 5-McAllister, 31-Balboa, 24-Divisadero and 38-Geary make this an ideal candidate for affordable development.

## FORMER TOUCHLESS CAR WASH 400 DIVISADERO STREET



### POTENTIAL AFFORDABLE UNITS: **186**

**Background:** The former Touchless Car Wash site, 400 Divisadero was approved for market rate housing development in 2019, but the private development plans fell through last year. In September, a nonprofit developer entered into a contract to acquire the property at 400 Divisadero Street for 100% affordable housing. Despite an agreement to prioritize this site for affordable development, the Mayor's office has failed to deliver on its promise to turn this former automotive-use serving site to affordable housing.

**Opportunity:** With no current plans to pursue private residential development on the site, 400 Divisadero remains a top-tier candidate for the city to acquire and create 100% affordable housing. In a high-resource neighborhood, the project would be competitive for matching state funds and could access previously-untapped resources by reserving a portion for deeply-subsidized housing for formerly homeless individuals.

## 600 VAN NESS STREET



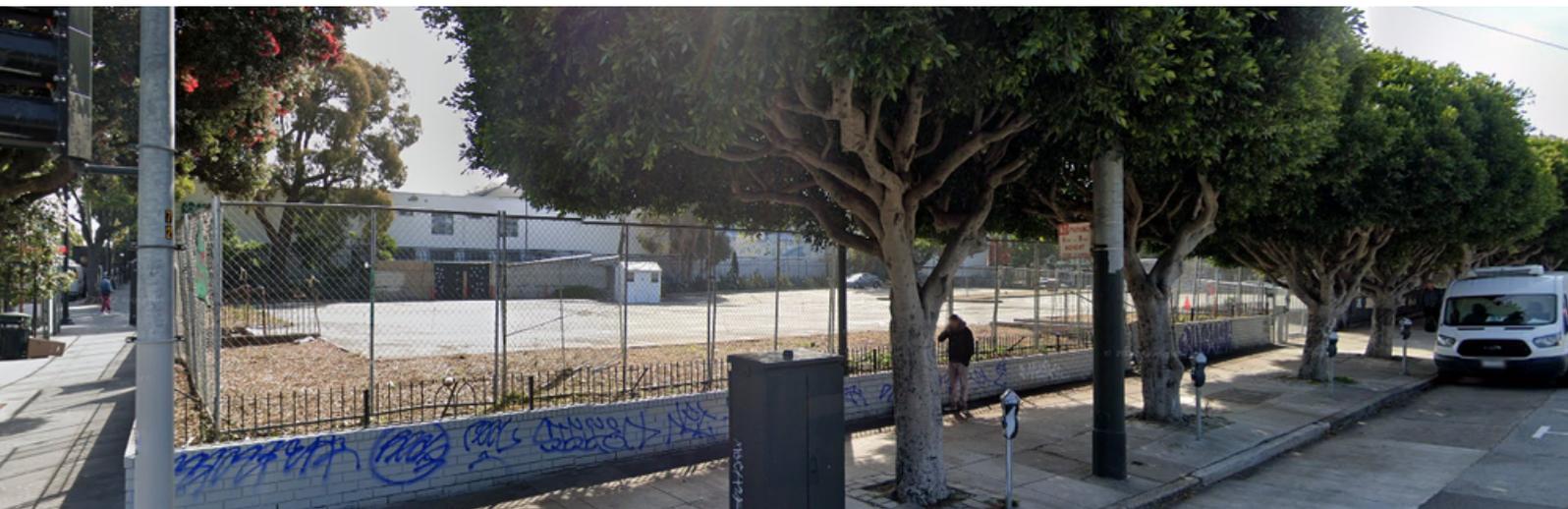
### POTENTIAL AFFORDABLE UNITS: **168**

**Background:** Like 400 Divisadero, 600 Van Ness is another project that received all city approvals and entitlements for private development. In 2018, the city approved a 168-unit project, but since then the developer has been unable to secure private financing to get the project built.

**Opportunity:** This past November, Supervisor Preston negotiated a deal to unstick development at 98 Franklin Street, a proposed residential housing project that would sit atop a new high school, which has been unable to move forward since rezoning in 2020. In exchange, the developer agreed to purchase the site at 600 Van Ness and transfer ownership to the city to develop 100% affordable housing.

# FORMER MCDONALD'S SITE AND PARKING LOT

## 730 STANYAN STREET



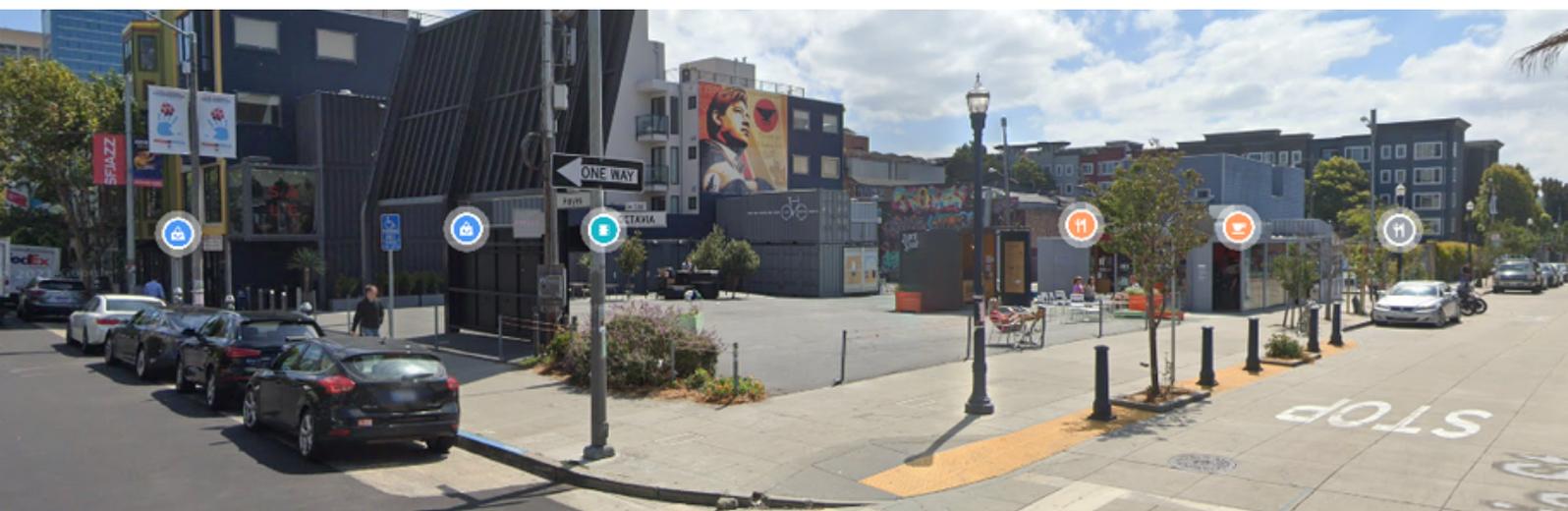
POTENTIAL AFFORDABLE UNITS: **160**

**Background:** In 2018, the city purchased the former McDonald's site at 730 Stanyan Street to develop affordable housing.

**Opportunity:** The 730 Stanyan project was recently approved for 160 affordable homes for people with low incomes in San Francisco (25-80% AMI), including families, formerly unhoused families, and Transitional Aged Youth (TAY). Located in the Haight-Ashbury on the edge of Golden Gate Park, 730 Stanyan will be an eight-story, family-friendly building centering tenant needs. At the communities request, MOHCD also agreed to affirmatively market units to seniors.

## PROXY & BIERGARTEN SITES

### PARCELS K & L, AT HAYES & OCTAVIA STREETS



### POTENTIAL AFFORDABLE UNITS: **74**

**Background:** A quarter century ago, a promise was made when the Central Freeway, which once ran above much of the Hayes Valley neighborhood, came down. Land where the highway once stood was transferred from the state to the city, with the express commitment to turn those parcels into affordable housing. While some progress has been made in the intervening two-plus decades, including the 100% affordable project at 455 Fell Street and the recently-approved transitional age youth housing at 78 Haight Street, the Hayes Valley parcels K and L remain undeveloped.

**Opportunity:** As a result of advocacy from the D5 office, the Mayor's Office of Housing and Community Development has agreed to release a Request for Proposals for affordable housing on this site in 2023. In addition, as part of the deal to unstick 98 Franklin Street and acquire 600 Van Ness, Supervisor Preston also secured \$1 million to jumpstart the development of Parcels K and L. Despite Parcel K being a relatively small lot, the adjacent Parcel L (Biergarten) presents an opportunity to creatively pursue affordable housing while retaining elements of open public space.