



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember  
Maya Esparza

**SUBJECT:** SEE BELOW

**DATE:** March 19, 2019

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Approved *Maya Esparza* Date *March 19, 2019*

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**SUBJECT: FEE REDUCTIONS FOR AFFORDABLE HOUSING**

**RECOMMENDATION:**

1. Approve Mayor Liccardo's memo dated March 15, 2019; and
2. Direct the Administration to concurrently explore potential fee reductions for affordable housing developments that include ELI or Permanent Supportive Housing units, and present those options for the Council's consideration when they return with recommendations related to potential high-rise fees and taxes.

**BACKGROUND:**

As the City continues implementing its Housing Crisis Workplan, we must prioritize efforts to accelerate new housing construction where the need is the greatest. The annual Housing Element progress report, which the City Council will hear on this very same day, illustrates the enormous housing gap that remains for our city's lowest income-earners. In 2018, the City met 94% of its annualized goal for new market-rate units, but only 61% of its annualized goal for affordable units. Even worse, the City only met 12% of its goal for new ELI units.

That's why we must focus on producing more deed-restricted affordable housing developments that serves our most vulnerable residents. This includes both ELI housing and Permanent Supportive Housing, which combines extremely low-income housing with critical support services for chronically homeless and disabled individuals.

So, as the City explores how we can reduce financial barriers to high-rise construction, we should concurrently study whether similar fee reductions could help hasten the production of more ELI and Permanent Supportive Housing units that we so desperately need.

*[Faint, illegible signature]*

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.