Accept and Expend Grant - Retroactive - United States Department of Housing and Urban Development - Round 2 Application: Pathways to Removing Obstacles to Housing (PRO Housing) - \$7,000,0001

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Resolution retroactively authorizing the Planning Department to accept and expend a grant award of \$7,000,000 for the period from January 22, 2025, through September 30, 2030, from the United States Department of Housing and Urban Development's Pathways to Removing Obstacles to Housing ("PRO Housing") grant program; approving the grant agreement pursuant to Charter, Section 9.118(a); and authorizing the Director of the Planning Department to enter into amendments or modifications to the grant agreement that are necessary to effectuate the purposes of the grant agreement or this Resolution.

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WHEREAS, San Francisco is facing a severe housing crisis, with housing costs among the highest in the country - the median home price exceeds \$1.4 million, and rents average \$3,500 per month for a one-bedroom apartment; and

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WHEREAS, Key drivers of the crisis include limited land, restrictive zoning, high construction costs, and lengthy permitting processes, especially for small builders; and

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WHEREAS, In January 2023, San Francisco adopted the Housing Element 2022 Update, a comprehensive vision for preserving, producing, and protecting housing, with a target of producing 82,000 new units, including at least 33,000 units affordable at very low and low incomes and 14,000 units affordable at moderate incomes, by 2031; and

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WHEREAS. The Housing Element includes more than 42 policy goals and over 350 implementation programs that center racial and social equity in the planning process, as well as prioritizing an increase in housing production, while seeking to redress harm from past

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government actions, such as redlining and urban renewal projects that devastated communities of color; and

WHEREAS, In February 2023, the Mayor issued the "Housing for All" Executive Directive to implement the Housing Element and direct City agencies to reduce barriers to producing affordable and mixed-income housing; and

WHEREAS, San Francisco has already accomplished many efforts to reduce barriers to building affordable and mixed-income housing, by reducing impact fees, and removing unnecessary processes and hearings; and

WHEREAS, To meet its housing goals, the City continues to explore additional opportunities, including through the rehabilitation of low-income housing, rezoning to allow more multifamily housing and affordable housing in high-opportunity areas, supporting new funding streams for affordable housing, streamlining permit approvals, and continuing to invest in the stabilization of residents and communities at risk of displacement; and

WHEREAS, The City previously applied for, but did not receive \$2,000,000 in grant funding as part of the Round 1 Pathways to Removing Obstacles to Housing ("PRO Housing") grant program; and

WHEREAS, In anticipation of that the Round 1 PRO Housing grant funding, the City appropriated \$2,000,000 in the Fiscal Year 24/25 budget towards activities related to increasing housing opportunity; and

WHEREAS, On August 13, 2024, the U.S. Department of Housing and Urban Development, issued a Notice of Funding Opportunity for Round 2 of the PRO Housing grant program to identify and remove barriers to affordable housing production and preservation; and

WHEREAS, The Planning Department on October 15, 2024, submitted its application titled, "Round 2 Application: FY 24 Pathways to Removing Obstacles to Housing;" and

WHEREAS, The grant program runs through September 30, 2030, and would enable the City to improve housing conditions for its equity communities and increase production and preserve housing for current and future populations; and

WHEREAS, On January 14, 2025, the U.S. Department of Housing and Urban Development issued a notice that San Francisco was selected to receive \$7,000,000 in funding over a period of five years, from January 22, 2025, through September 30, 2030; and

WHEREAS, Pursuant to the grant terms, the City will leverage \$9,915,627 in City staff time and matching grants to yield higher impact across the grant activities; and

WHEREAS, The grant will provide funding for the Planning Department to: integrate its permitting systems and updates its municipal codes to improve permitting; improve consistency and transparency in the entitlement process; preserve affordable housing by assessing and updating the City's inventory of Single Room Occupancy buildings and partner with faith-based organizations to build affordable housing; expand housing typologies, especially in high-resourced neighborhoods; and prioritize community benefits in equity communities; and

WHEREAS, The grant does not require an amendment to the Annual Salary Ordinance; and

WHEREAS, The grant budget does not include any indirect costs; and WHEREAS, The following accompanying documents are required in an "Accept and Expend" package submitted to the Board of Supervisors to be placed on file with the Clerk of the Board of Supervisors in File No. 250234: 1) proposed grant resolution signed by the Planning Department, the Mayor, and the Controller; 2) grant information form, including a disability checklist; 3) grant budget; 4) grant application; 5) grant award letter from funding agency; 6) ethics form 126 (if applicable); 7) contract and/or, leases (if applicable), or agreements (if applicable); 8) grant agreement; 9) and other forms (if applicable); and

WHEREAS, The Planning Department submits with this resolution all of the abovelisted required documents that are applicable to this grant, including the grant information form, with disability checklist, grant agreement, grant application, grant budget, and the grant award letter from the funding agency; now, therefore, be it

RESOLVED, That the Director of the Planning Department is hereby authorized to accept the United States Department of Housing and Urban Development grant award of \$7,000,000 on behalf of the City, in accordance with the purposes and goals for the funding; and, be it

FURTHER RESOLVED, That the Director of the Planning Department is hereby authorized to enter into and execute the grant agreement, and amendments thereto, and to execute agreements between the City and various agencies consistent with the aforementioned proposal and necessary to carry out the purpose of the grant; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs as part of this grant budget; and, be it

FURTHER RESOLVED, That under Charter, Section 9.118(a), the Board of Supervisors approves the grant agreement; and, be it

FURTHER RESOLVED, The Planning Department shall be hereby authorized to expend the United States Department of Housing and Urban Development grant award of \$7,000,000.

| 1 | Recommended: | | |
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| 3 | /s/ | Approved: | /s/ Benjamin McCloskey for |
| 4 | Rich Hillis, Director | | Daniel Lurie, Mayor |
| 5 | Planning Department | | |
| 6 | | Approved: | /s/ Carmen LeFranc for |
| 7 | | | Greg Wagner, Controller |
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City and County of San Francisco Tails Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 250234 Date Passed: April 29, 2025

Resolution retroactively authorizing the Planning Department to accept and expend a grant award of \$7,000,000 for the period from January 22, 2025, through September 30, 2030, from the United States Department of Housing and Urban Development's Pathways to Removing Obstacles to Housing ("PRO Housing") grant program; approving the grant agreement pursuant to Charter, Section 9.118(a); and authorizing the Director of the Planning Department to enter into amendments or modifications to the grant agreement that are necessary to effectuate the purposes of the grant agreement or this Resolution.

March 26, 2025 Budget and Finance Committee - CONTINUED TO CALL OF THE CHAIR

April 23, 2025 Budget and Finance Committee - RECOMMENDED

April 29, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 250234

I hereby certify that the foregoing Resolution was ADOPTED on 4/29/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Daniel Lurie Mayor **Date Approved**