



April 10, 2024
The Honorable Matt Haney
California State Assembly
1021 O St., Suite 5740
Sacramento, CA 95814

RE: Support for AB 3068 (Haney) Re: Adaptive reuse: streamlining: incentives

Dear Assembly Member Haney,

On behalf of the Building Owners and Managers Association (BOMA) San Francisco, I write in support of Assembly Bill 3068. AB 3068 creates a by-right, ministerial approval pathway to allow existing commercial buildings to be converted for housing and mixed-uses, and allows local governments to create property tax incentive programs to encourage residential conversions of offices and other commercial buildings.

Fundamental changes in remote work trends have resulted in historically high office and retail vacancy rates. Although BOMA remains optimistic about the long-term prospects for downtown San Francisco's recovery, we believe that a robust recovery necessitates bold investments from local and state government to spur the next iteration of our downtown. This future requires a more diversified downtown, including more housing in the downtown. To meet state climate goals and assist with downtown recovery, new housing must be in developed areas that do not require long commutes and rely on low-emissions modes of travel like transit, biking, and walking.

While there is desire to repurpose vacant office buildings to residential ones, there are many technical challenges to doing so. While converting existing buildings to housing is often seen as more cost effective than a new construction, renovating an existing office building in California specifically is often more expensive than a complete tear-down.

AB 3068 removes barriers to converting existing office buildings into housing and allows more people to live closer to work centers and transit, without changing the physical character of our neighborhoods. It provides a by-right, ministerial approval pathway to allow existing commercial buildings to be converted for housing and mixed- use, while providing safeguards to help preserve historic properties. Lastly, AB 3068 also authorizes local governments to establish tax rebate programs to subsidize adaptive reuse housing conversion projects to allow them to be more economically feasible.

For these reasons, we strongly support SB 3068. Thank you for considering our support for this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "J.R. Bryant". The signature is stylized with loops and a large initial "J".

John R. Bryant
CEO, BOMA San Francisco