



HOUSING ELEMENT

RHNA Progress & Affordable Housing Production



**San Francisco
Planning**

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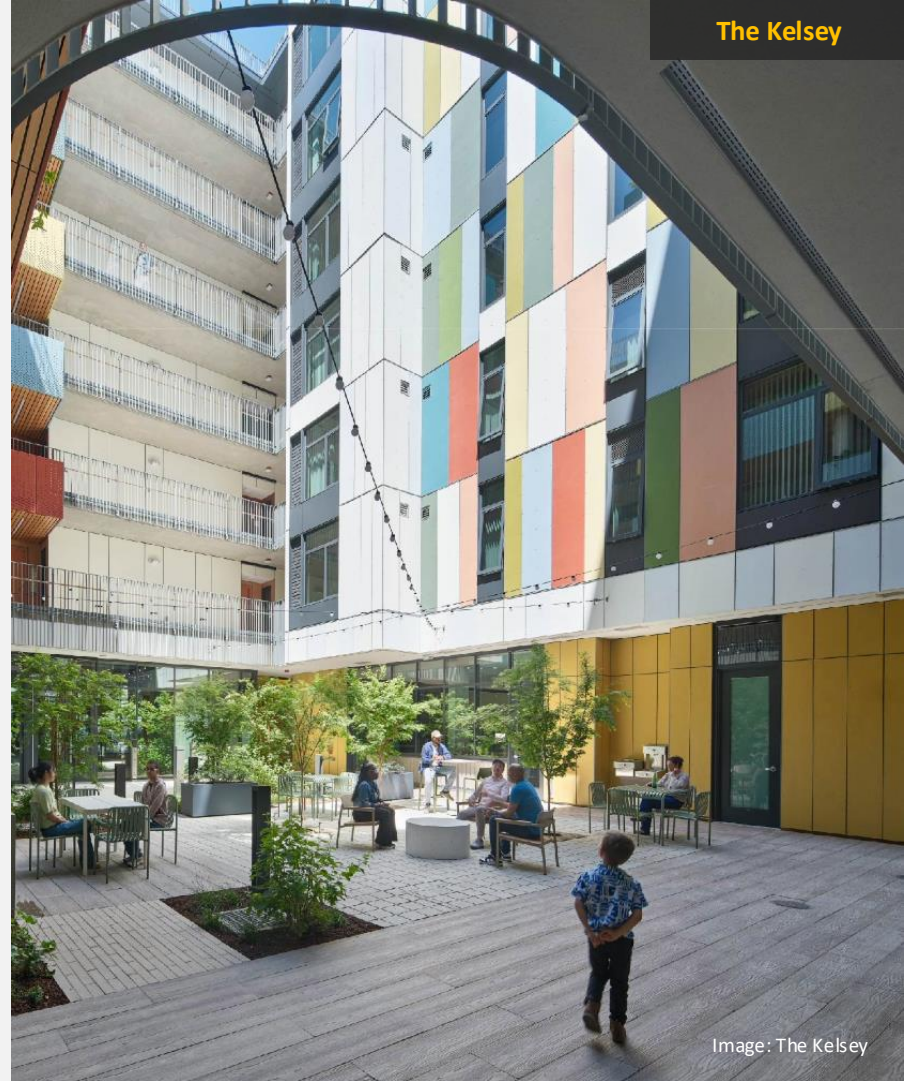
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Community Planning

**Land Use &
Transportation
Committee Informational
Hearing**

JUNE 8, 2026

TODAY'S PRESENTATION

- RHNA Overview
- Progress on RHNA Goals & Affordable Housing
- Actions to improve funding & financial feasibility



Regional Housing Needs Allocation (RHNA) Overview

With adoption of the Family Zoning Plan, San Francisco fulfilled its state obligations to:

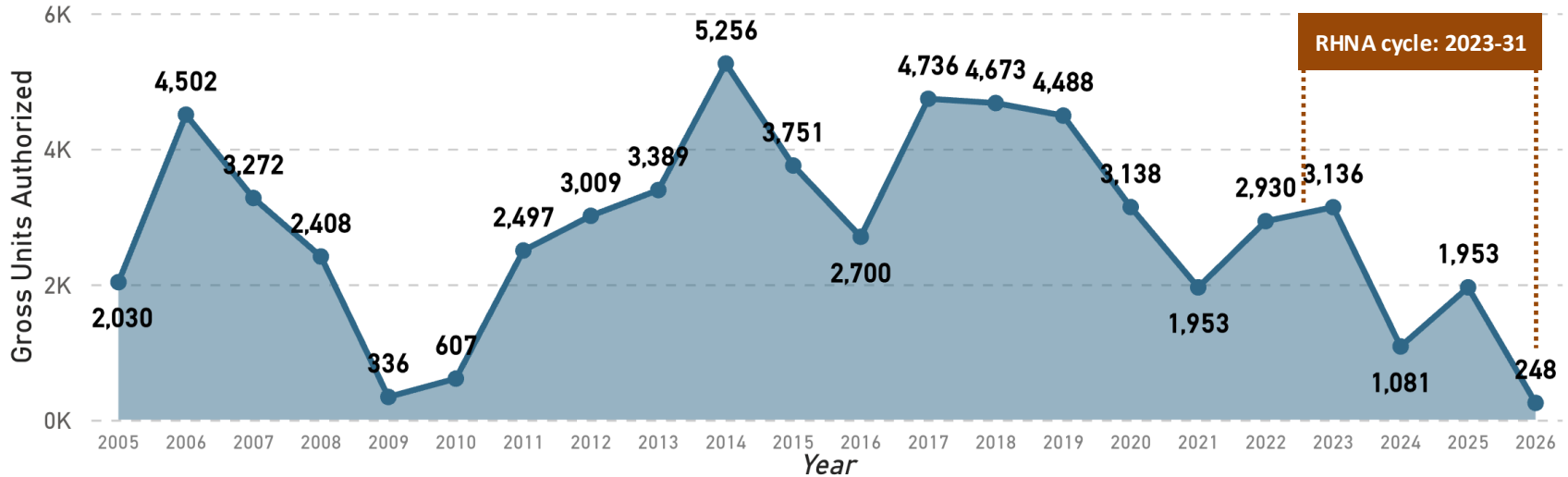
- Rezone for **realistic capacity** to meet our RHNA shortfall (36,200 units).
- Affirmatively Further Fair Housing by **zoning in high opportunity areas**.
- **Identify low-income housing sites** that will be eligible for ministerial approval.

What RHNA does / doesn't do:

- **It describes housing needs** based on projections of demand and growth across income levels. NOT based on market feasibility, funding availability, or other practical constraints.
- **It requires cities to plan for and encourage growth, but is NOT a plan for production.** Requires cities to create zoned capacity and take actions to remove constraints.

Housing Dashboard **Authorized Units (all income levels)**

Overall housing production from 2022-2025 continues to reflect a **weaker market for housing production**, though indicated some improvement in 2025.



RHNA Progress (2023 - 2025)

SF authorized **31% of units relative to RHNA** (Regional Housing Needs Allocation) goals, with **higher production for low income (37%) and very low income (38%) units.**

To date, production has **fallen short by ~21,200 units.**

Household Affordability	8-Year Housing Goals	3-Year Housing Goal (2023-2025)	Projection Period Units	Authorized Units	Acquisition Conversion to Affordable	Progress Toward RHNA	% Of 3-Year Goal	3-Year Deficit
Above Moderate (>120% AMI)	35,471	13,302	1,251	2,265	0	3,516	26%	(9,786)
Moderate Income (>80–120% AMI)	13,717	5,144	284	1,042	76	1,402	27%	(3,742)
Low Income (>50-80% AMI)	12,014	4,505	241	1,145	296	1,682	37%	(2,823)
Very Low Income (≤50% AMI)	20,867	7,825	309	1,718	954	2,981	38%	(4,844)
TOTAL	82,069	30,776	2,085	6,170	1,326	9,581	31%	(21,195)

Bay Area Context **Low Income RHNA (2015-2022)**

SF produced a high number of Low and Very Low Income units relative to other communities, due to **larger commitments of local funds for affordable housing**.

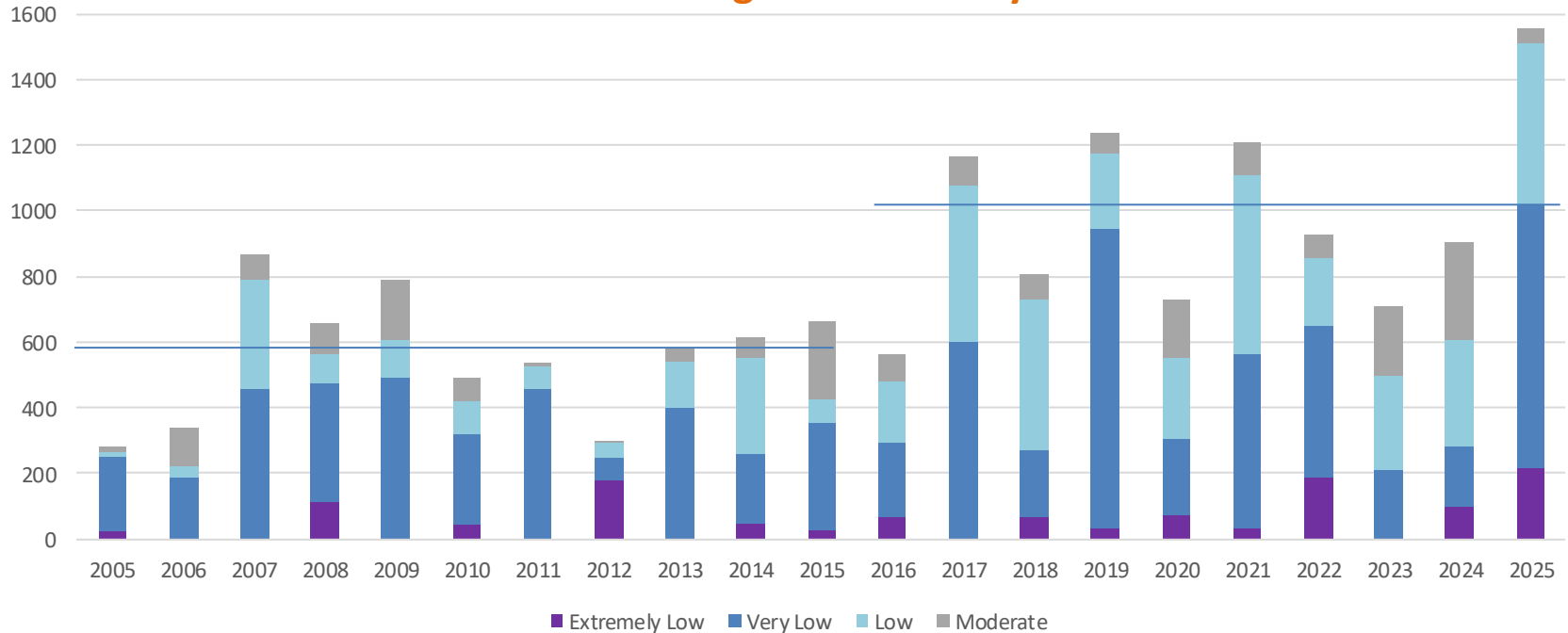
Jurisdiction*	RHNA Goals for Very Low and Low Income	Very Low and Low Income Permits Issued	Very Low and Low Income % RHNA Met
Santa Clara County	25,700	7,574	29%
Alameda County	16,516	6,719	41%
San Francisco County	10,873	7,658	70%
Contra Costa County	8,350	3,040	36%
San Mateo County	7,102	4,190	59%
Sonoma County	2,912	2,903	100%
Solano County	2,613	979	37%
Marin County	985	936	95%
Napa County	569	777	137%
Bay Area Total	75,620	34,776	46%

* Counties are ordered by magnitude of RHNA Goals for Very Low and Low Income Units

More Funding Produces More Homes

Increase in local funding (GO Bonds and General Fund allocations) **increased affordable housing** built by 400-500 units a year on average and has **increased preservation** as well (RAD, Small Sites)

SF Affordable Housing Production by Income Level



The Growing **Feasibility & Funding Gap**

There is a **growing financial feasibility and funding gap** affecting both market-rate and affordable housing.

Hard costs increased >30% since 2020, among other expenses (e.g. financing, labor). Two studies* found that **under current conditions, all “prototypical” market-rate projects are infeasible.**

Encouraging feasibility may require multiple policy actions, plus improved economic conditions.



Image: Vectorarte.

*Source: Financial feasibility studies conducted by Century Urban for the Inclusionary Housing Technical Advisory Committee (TAC) and the Housing Element Constraints Analysis.

Financial Feasibility Gap:

Housing Element Cumulative Constraints Analysis (2025)

Study of 7 prototypical housing developments found:

All housing types are infeasible with negative residual land values (RLV) ranging from **(-\$80,000) to (-\$423,000)/unit.**

Feasibility threshold is **+\$50,000 to \$75,000/unit** or more.

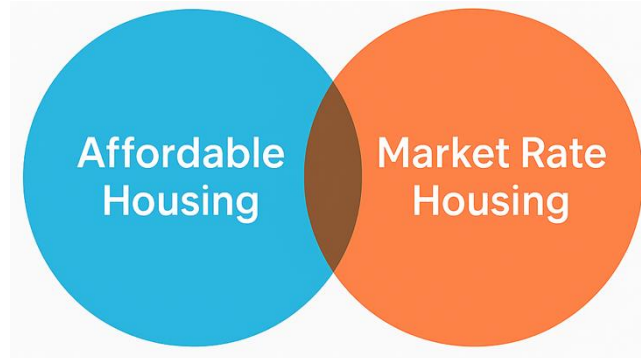
Scenarios to improve feasibility were modeled:

- **Streamlining (2 yr. entitlement):** increase RLV by **+\$5,000 to +\$35,000/unit**
- **0% impact fees:** increase RLV by **+\$18,000 to +\$20,000/unit**
- **0% inclusionary requirement:** increase RLV by **+\$41,000 to +\$92,000/unit**
- **Hypothetical “improved market”:** increase RLV by **+\$66,000 to +\$232,000/unit**

Improving feasibility of housing production

Local Strategies for Affordable Housing

- **Priority & streamlined review** of 100% affordable projects
- **Local funding measures** (GO bonds, taxes)
- **Code flexibility** for 100% affordable (ex: waive public art requirement)



Local Strategies for All Housing

- **Streamlined process, incl. ministerial** (ex: Constraints Reduction ordinance, PermitSF, state laws)
- **Flexible zoning for a variety of housing types** (ex: Family Zoning Plan)
- **Innovative cost-reducing ideas:** Single Stair; Pre-Approved Plans

Local Strategies for Market Rate

- **Impact fee reductions** (ex: Inclusionary TAC)
- **Tax incentives** (ex: Downtown adaptive reuse, BUILD Act)
- **Code flexibility and density incentives** tailored to community needs (ex: Housing Choice SF)

Expanding the Housing Trust Fund: A Generational Investment in Affordable Housing

Ballot measure to renew and more than double the Housing Trust Fund (from \$50mn to \$125mn/yr) reaching \$3+ billion over 30 yrs.

- **Recurring, local funding source** for affordable housing production and preservation.
- **Increases based on overall growth** in City's property tax base, with fiscal guardrails.
- **Implements TAC recommendation:** Leverages new housing development **without affecting financial feasibility.**



Image: SF Planning



Housing Element **Ongoing Implementation**

- Housing Element specifies **350+ actions** to improve **equitable housing**.
- **Progress on implementation actions** is reported annually to HCD.
 - As of 2026, 35% of actions are “Complete,” another 18% are “In Progress,” and 40% are “Ongoing.”
- City continues to implement **affordable housing recommendations** from:
 - Affordable Housing Leadership Council (2024)
 - Affordable Housing Sites Analysis & Strategies (2025)

Thank you!

**WHEN I BECOME A SENIOR CITIZEN
I WANT TO BE ABLE TO **STAY IN SF****

