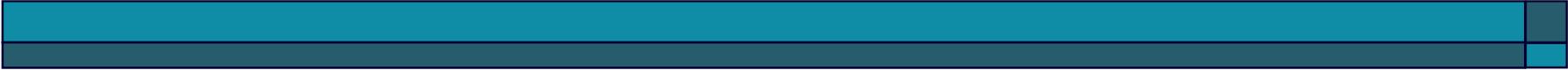


Presentation to Land Use & Transportation Committee

Vacancies in Below Market Rate (BMR) Units

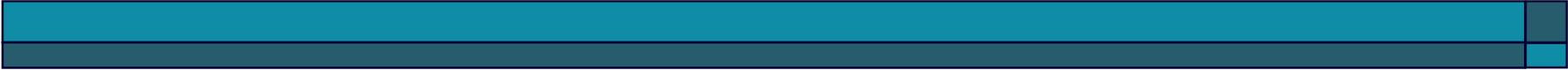
June 6, 2022

San Francisco Board of Supervisors
Budget & Legislative Analyst's Office



Scope of Analysis

1. How many total BMR rental units exist?
2. How many BMR rental units are vacant across the City?
3. How long have the BMR vacancies been vacant?
4. How are potential tenants identified for placement in these units?

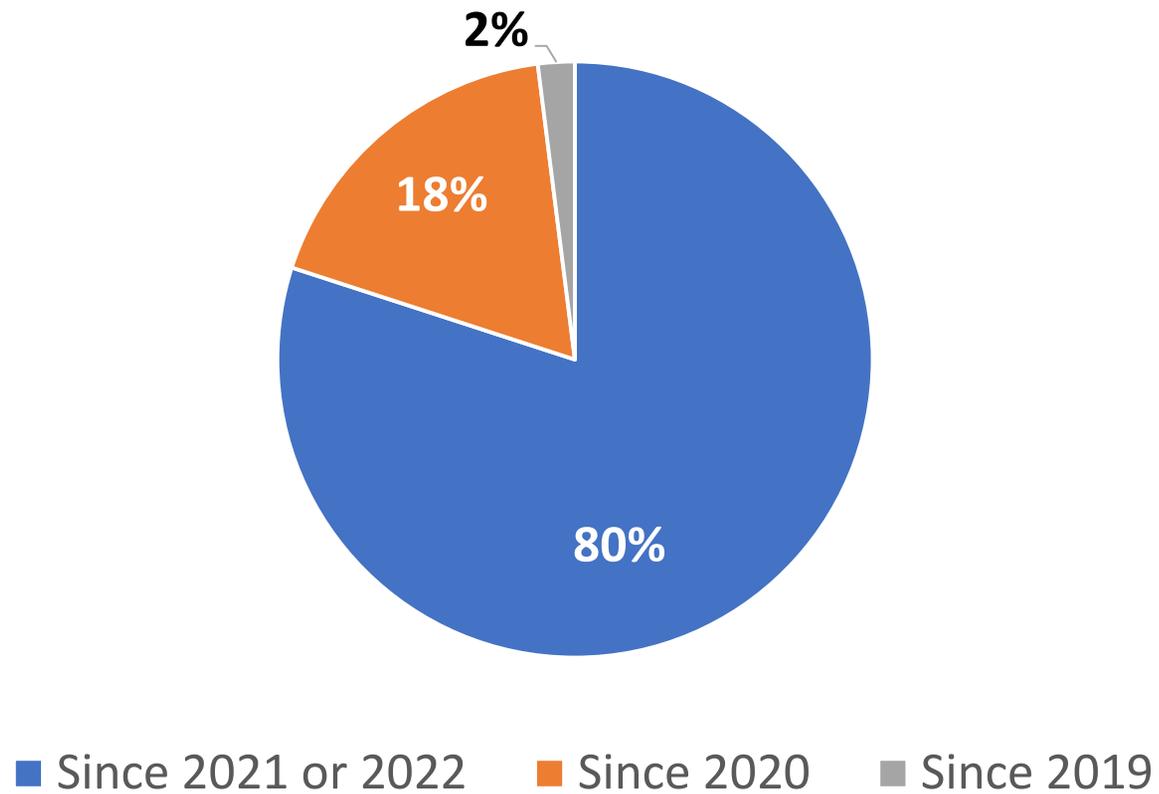


Number of BMR Units & Vacancies

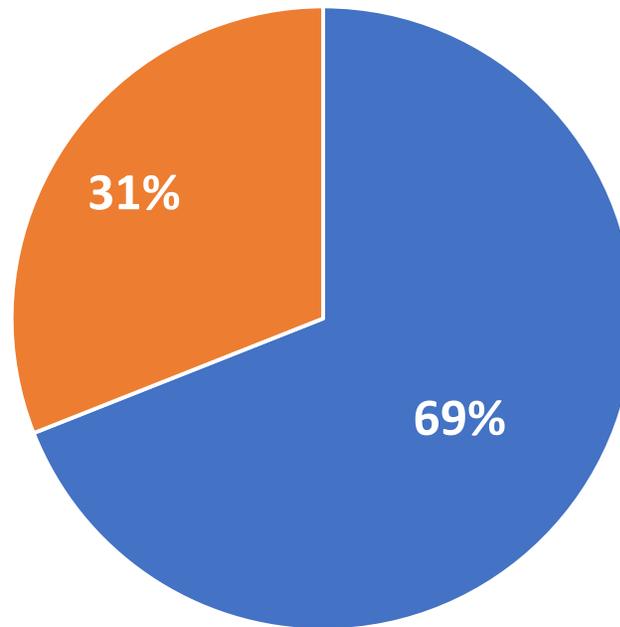
- As of April 4, 2022 there were:
 - 1,961 total BMR units in 101 buildings across San Francisco
 - 305 vacant BMR rental units across San Francisco

- This equates to a citywide vacancy rate of 15.6%

Length of Vacancies

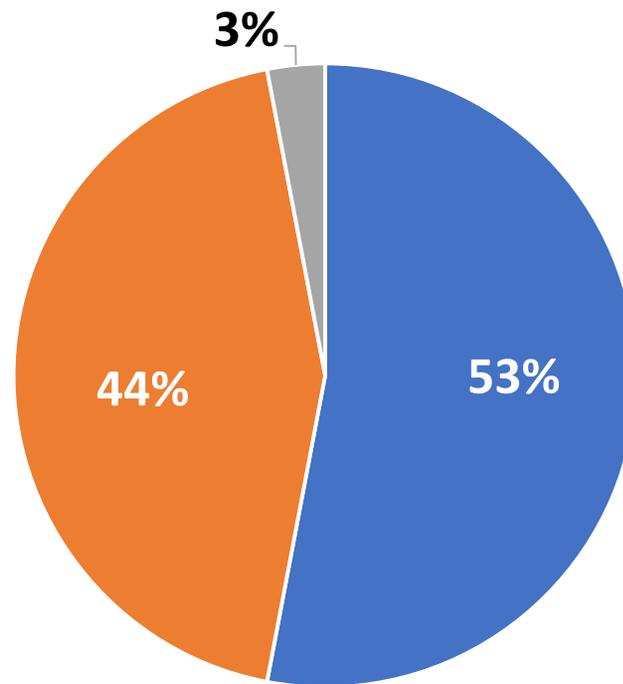


Vacancies by AMI Eligibility

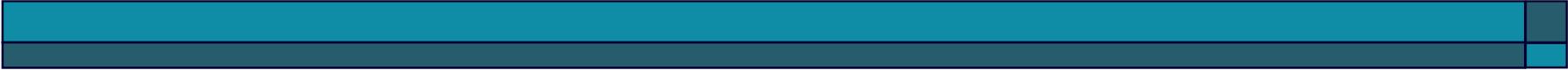


■ 55% or less of AMI ■ 55% to 100% of AMI

Breakdown of Vacancies by Unit Type

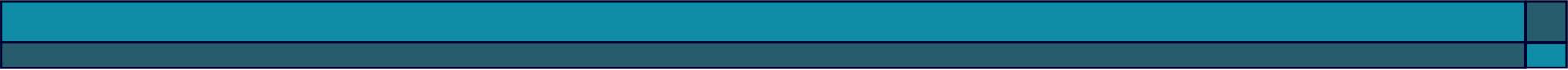


■ SRO's, Studios, & 1BRs ■ 2BRs ■ 3BRs or More



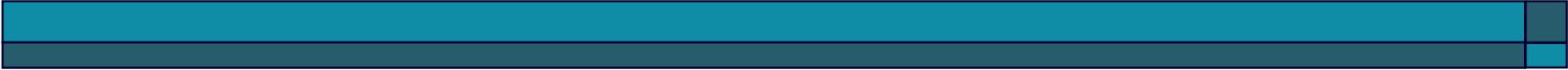
Potential Market-Based Challenges

- ❑ Smaller units may be less desirable
- ❑ More availability of market-rate units



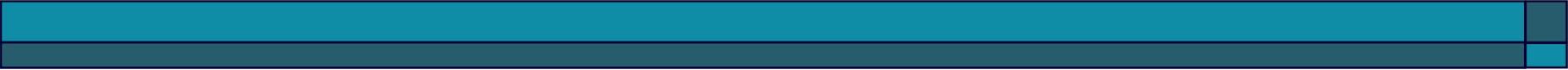
Outreach Requirements for BMR Units

- ❑ Hang a banner onsite during construction.
- ❑ Advertise in 5 local publications, some must be language specific.
- ❑ Social media presence and advertise on streaming radio.
- ❑ Send flyers/postcards to all Certificate of Preference holders and Displaced Tenant Preference holders.
- ❑ Send an email to the MOHCD listserv of over 50,000 recipients.
- ❑ Send information to community organizations present in the development's supervisorial district.



Enforcement

- ❑ Enforcement begins when MOHCD sees on DAHLIA portal that it has been over 60 days since developer/owner made progress leasing the unit
- ❑ 1st MOHCD sends Notice of Complaint
- ❑ If no response within 60 days, MOHCD sends Notice of Enforcement
- ❑ If not response to Notice of Enforcement within 60 days, case is referred to City Planning
- ❑ Planning sends a Notice of Violation
- ❑ Admin penalties of \$250/day start after 16 days



Policy Options

The Board of Supervisors could:

1. Request that the MOHCD Director provide regular reports to BOS on BMR vacancies.
2. Initiate legislation to amend Planning Code Section 415 regulations for the enforcement of BMR rental vacancies.
3. Request MOHCD Director to conduct market research or economic analysis to determine cause of vacancy trends.

Questions?

