

File No. 160284

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date April 18, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 700 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vacancy Notice |
| <input type="checkbox"/> | <input type="checkbox"/> | Information Sheet |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

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Completed by: Andrea Ausberry Date April 15, 2016

Completed by: _____ Date _____

1 [Bi-Annual Housing Balance Report - March 2016]

2
3 **Resolution receiving and approving the bi-annual Housing Balance Report dated March**
4 **31, 2016, submitted as required by Planning Code, Section 103.**

5
6 WHEREAS, On April 21, 2015, the Board of Supervisors passed Ordinance No. 53-15
7 amending the Planning Code to include a new Section 103 requiring the Planning Department
8 to monitor and report on the Housing Balance between new market rate housing and new
9 affordable housing production; and

10 WHEREAS, Planning Code, Section 103, requires that bi-annual reports to be
11 submitted to the Board of Supervisors by March 1, and September 1, of each year and will
12 also be published on a visible and accessible page on the Planning Department's website;
13 and

14 WHEREAS, The stated purpose of the Housing Balance Monitoring and Reporting
15 requirements are: a) to maintain a balance between new affordable and market rate housing
16 Citywide and within neighborhoods; b) to make housing available for all income levels and
17 housing need types; c) to preserve the mixed-income character of the City and its
18 neighborhoods; d) to offset the withdrawal of existing housing units from rent stabilization and
19 the loss of single room occupancy hotel units; e) to ensure the availability of land and
20 encourage the deployment of resources to provide sufficient housing affordable to households
21 of very low, low, and moderate incomes; f) to ensure adequate housing for families, seniors
22 and the disabled communities; g) to ensure data on meeting affordable housing targets
23 Citywide and within neighborhoods informs the approval process for new housing
24 development; and h) to enable public participation in determining the appropriate mix of new
25 housing approvals; and

1 WHEREAS, In November 2014, San Francisco voters endorsed Proposition K, which
2 set a goal of 33% of all new housing to be affordable to extremely low to moderate income
3 households, the Housing Balance Report tracks performance towards meeting the goals set
4 forth by Proposition K and the City's Housing Element; and

5 WHEREAS, The Planning Department submitted on March 31, 2016, for the Board's
6 receipt and approval, the bi-annual Housing Balance Report for FY2015-2016 as required by
7 Planning Code, Section 103; and

8 WHEREAS, The bi-annual report is on file with the Clerk of the Board of Supervisors in
9 File No. 160284, and is incorporated herein by reference as though fully set forth; now,
10 therefore, be it

11 RESOLVED, That the Board of Supervisors hereby receives and approves the
12 bi-annual Housing Balance Report submitted by the Planning Department.
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SAN FRANCISCO PLANNING DEPARTMENT

MEMO

Notice of Electronic Transmittal

Planning Department Report *Housing Balance Report No. 3* April 5, 2016

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

DATE: April 5, 2016
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: John Rahaim, Director – Planning Department (415) 558-6411
Teresa Ojeda, Planning Department (415) 558-6251
RE: *Housing Balance Report No. 3*
HEARING DATE: None. Informational item

In compliance with San Francisco's Administrative Code Section 8.12.5 "Electronic Distribution of Multi-Page Documents," the Planning Department has attached the *Housing Balance Report* in digital format.

A hard copy of this document is available from the Clerk of the Board.

Additional hard copies may be requested by contacting Teresa Ojeda of the Planning Department at 415-558-6251 or teresa.ojeda@sfgov.org.

Digital copies are also available on the Planning Department's web site from this link: <http://sf-planning.org/housing-balance-report>.

Memo

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SAN FRANCISCO PLANNING DEPARTMENT

April 5, 2016

Board of Supervisors
1 Dr Carlton B Goodlett Pl #244
San Francisco, CA 94102

Dear Honorable Members of the Board of Supervisors,

We are pleased to publish the third installment of the City's *Housing Balance Report*. This report covers the ten-year period from 1 January 2006 through 31 December 2015.

The *Housing Balance Report* serves to monitor and report on the balance between new market rate housing and new affordable housing production in order to inform the approval process for new housing development. The Housing Balance is defined as the proportion of all new affordable housing units to the total number of all new housing units for a 10-year Housing Balance Period. New affordable housing production made up 25 percent of all new net housing units built in the reporting period.

The third *Housing Balance Report* states that the Housing Balance statistic is **18 percent**.

1. 5,532 (new affordable units) + 1,536 (affordable units that have received approvals) + 1,559 (acquisitions and rehabs) + 1,425 (RAD program) – 4,118 (units lost) = 5,934
2. 22,531 (net new housing) + 11,140 (units that have received approvals) = 33,671

$$5,934 / 33,671 = 17.6\%$$

The previous Housing Balance (September 2015) was 15 percent.

An annual hearing on the Housing Balance before the Board of Supervisors has been scheduled for April 18, 2016.

Sincerely,

John Rahaim
Director of Planning

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SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: 31 March 2016
TO: City Planning Commission
FROM: John Rahaim
Director of Planning
RE: **HOUSING BALANCE REPORT No. 3**

1650 Mission St.
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SUMMARY

This report is submitted in compliance with Ordinance No. 53-15 requiring the Planning Department to monitor and report on the housing balance between new market rate and new affordable housing production. One of the stated purposes of the Housing Balance is "to ensure that data on meeting affordable housing targets City-wide and within neighborhoods informs the approval process for new housing development." This report is the third in the series and covers the ten-year period from 1 January 2006 through 31 December 2015.

The "Housing Balance" is defined as the proportion of all new affordable housing units to the total number of all new housing units for a 10-year "Housing Balance Period." In addition, a calculation of "Projected Housing Balance" which includes residential projects that have received approvals from the Planning Commission or Planning Department but have not yet received permits to commence construction will be included.

The Citywide Cumulative Housing Balance for the 2006 Q1 - 2015 Q4 Housing Balance Period is 18%, although this varies by districts. By comparison, 25% of net new housing produced were affordable during the same time period. Distribution of the Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from -181% (District 4) to 54% (District 5). This variation, especially with negative housing balances, is due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts.

The Projected Housing Balance Citywide is 15%. Three major development projects were identified in the ordinance for exclusion in the projected housing balance calculations until site permits are obtained. These three projects add up to 22,400 net units, with over 5,170 affordable units and would increase the projected housing balance to 21% if included in the calculations.

It should be noted that this third *Housing Balance Report* adjusted the calculations to conform to the ordinance's specifications and intention. The Cumulative Housing Balance in the first *Housing Balance Report*, for example, included planned RAD public housing unit replacements that have yet to be completed. In addition, the calculations included an accounting of all no-fault eviction notices and were not limited to eviction types that result in permanent removal of units from the

rental market as specified by the ordinance. (Revised tables for the previous housing balance reporting periods are included in *Appendix A*.)

BACKGROUND

On 21 April 2015, the Board of Supervisors passed Ordinance No. 53-15 amending the *Planning Code* to include a new *Section 103* requiring the Planning Department to monitor and report on the Housing Balance between new market rate housing and new affordable housing production. The Housing Balance Report will be submitted bi-annually by March 1 and September 1 of each year and will also be published on a visible and accessible page on the Planning Department's website. *Planning Code Section 103* also requires an annual hearing at the Board of Supervisors on strategies for achieving and maintaining the required housing balance in accordance with the City's housing production goals. (See *Appendix B* for complete text of Ordinance No. 53-15.)

The stated purposes for the Housing Balance Monitoring and Reporting are: a) to maintain a balance between new affordable and market rate housing Citywide and within neighborhoods; b) to make housing available for all income levels and housing need types; c) to preserve the mixed-income character of the City and its neighborhoods; d) to offset the withdrawal of existing housing units from rent stabilization and the loss of single-room occupancy hotel units; e) to ensure the availability of land and encourage the deployment of resources to provide sufficient housing affordable to households of very low, low, and moderate incomes; f) to ensure adequate housing for families, seniors and the disabled communities; g) to ensure that data on meeting affordable housing targets Citywide and within neighborhoods informs the approval process for new housing development; and h) to enable public participation in determining the appropriate mix of new housing approvals.

Specifically, the *Housing Balance Report* will track performance toward meeting the goals set by Proposition K and the City's *Housing Element*. In November 2014, San Francisco's voters endorsed Proposition K, which set a goal of 33% of all new housing units to be affordable. Housing production targets in the City's *Housing Element*, adopted in April 2015, includes 28,870 new units built between 2015 and 2022, 57%¹ of which should be affordable. In addition, Mayor Ed Lee set a goal of creating 30,000 new and rehabilitated homes by 2020; he pledged at least 30% of these to be permanently affordable to low-income families as well as working, middle income families.

This *Housing Balance Report* was prepared from data gathered from previously published sources including the Planning Department's annual *Housing Inventory* and quarterly *Pipeline Report* data, San Francisco Rent Board data, and the Mayor's Office of Housing and Community Development's *Weekly Dashboard*.

¹ The Ordinance inaccurately stated that "22% of new housing demands to be affordable to households of moderate means"; San Francisco's Regional Housing Needs Assessment (RHNA) allocation for moderate income households is 19% of total production goals.

CUMULATIVE HOUSING BALANCE CALCULATION

Planning Code Section 103 calls for the Housing Balance “be expressed as a percentage, obtained by dividing the cumulative total of extremely low, very low, low, and moderate income affordable housing (all units 0-120% AMI) minus the lost protected units, by the total number of net new housing units within the Housing Balance Period.” The ordinance requires that the “Cumulative Housing Balance” be provided using two calculations: a) one consisting of net housing built within a 10 year Housing Balance period, less units withdrawn from protected status, plus net units in projects that have received both approvals from the Planning Commission or Planning Department and site permits from the Department of Building Inspection, and b) the addition of net units gained through acquisition and rehabilitation of affordable units, HOPE SF and RAD units. “Protected units” include units that are subject to rent control under the City’s Residential Rent Stabilization and Arbitration Ordinance. Additional elements that figure into the Housing Balance include completed HOPE SF and RAD public housing replacement, substantially rehabilitated units, and single-room occupancy hotel units (SROs). The equation below shows the second, expanded calculation of the Cumulative Housing Balance.

$$\begin{array}{r}
 \text{[Net New Affordable Housing +} \\
 \text{Completed Acquisitions \& Rehabs + Completed} \\
 \text{HOPE SF + RAD Public Housing Replacement +} \\
 \text{Entitled \& Permitted Affordable Units]} \\
 \text{– [Units Removed from Protected Status]} \\
 \hline
 \text{[Net New Housing Built + Net Entitled \& Permitted Units]}
 \end{array}
 =
 \begin{array}{l}
 \text{CUMULATIVE} \\
 \text{HOUSING} \\
 \text{BALANCE}
 \end{array}$$

The first “Housing Balance Period” is a ten-year period starting with the first quarter of 2005 through the last quarter of 2014. Subsequent housing balance reports will cover the 10 years preceding the most recent quarter. This report covers January 2006 (Q1) through December 2015 (Q4).

Table 1a below shows the constrained Cumulative Housing Balance for 10 year 2006 Q1 – 2015 Q4 period is 9% Citywide. With the addition of completed acquisitions and rehabs and RAD units, the expanded Cumulative Housing Balance is 18%. In comparison, the expanded Cumulative Housing Balance for 10 year 2005 Q1 – 2014 Q4 period is 16%. Owner Move-Ins were not specifically called out by the Ordinance in the calculation of the Housing Balance but are included here because this type of no-fault eviction results in the loss of rent controlled units either permanently or for a period of time.

Expanded Cumulative Housing Balances for Board of Supervisor Districts range from -181% (District 4) to 54% (District 5). Negative balances in Districts 1 (-25%), 2 (-12%), 3 (-7%), 4 (-181%), 7 (-15%), and 11 (-159%) resulted from the larger numbers of units removed from protected status relative to the net new affordable housing and net new housing units built in those districts.

Table 1A
Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

BoS Districts	Net New Affordable Housing Built	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled & Permitted Units	Housing Balance
BoS District 1	172	(439)	4	374	98	-55.7%
BoS District 2	6	(299)	40	350	605	-26.5%
BoS District 3	224	(481)	14	1,207	221	-17.0%
BoS District 4	10	(357)	1	103	88	-181.2%
BoS District 5	589	(302)	217	1,230	730	25.7%
BoS District 6	3,116	(381)	602	13,921	5,564	17.1%
BoS District 7	96	(288)	-	384	160	-35.3%
BoS District 8	313	(356)	170	1,078	626	7.5%
BoS District 9	226	(429)	20	1,142	255	-13.1%
BoS District 10	758	(376)	442	2,631	2,676	15.5%
BoS District 11	22	(410)	26	111	117	-158.8%
TOTALS	5,532	(4,118)	1,536	22,531	11,140	8.8%

Table 1B
Expanded Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs Completed	RAD Program	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled and Permitted Units	Housing Balance
BoS District 1	172	-	144	(439)	4	374	98	-25.2%
BoS District 2	6	24	113	(299)	40	350	605	-12.1%
BoS District 3	224	-	143	(481)	14	1,207	221	-7.0%
BoS District 4	10	-	-	(357)	1	103	88	-181.2%
BoS District 5	589	290	263	(302)	217	1,230	730	53.9%
BoS District 6	3,116	926	189	(381)	602	13,921	5,564	22.8%
BoS District 7	96	-	110	(288)	-	384	160	-15.1%
BoS District 8	313	-	132	(356)	170	1,078	626	15.2%
BoS District 9	226	319	118	(429)	20	1,142	255	18.2%
BoS District 10	758	-	213	(376)	442	2,631	2,676	19.5%
BoS District 11	22	-	-	(410)	26	111	117	-158.8%
TOTALS	5,532	1,559	1,425	(4,118)	1,536	22,531	11,140	17.6%

PROJECTED HOUSING BALANCE

Table 2 below summarizes residential projects that have received entitlements from the Planning Commission or the Planning Department but have not yet received a site or building permit. Overall projected housing balance at the end of 2015 is 15%. This balance is expected to change as several major projects have yet to declare how their affordable housing requirements will be met. In addition, three entitled major development projects – Treasure Island, ParkMerced, and Hunters Point – are not included in the accounting until applications for building permits are filed or issued as specified in the ordinance. Remaining phases from these three projects will yield an additional 22,400 net new units; 23% (or 5,170 units) would be affordable to low and moderate income households.

The Projected Housing Balance does not account for affordable housing units that will be produced as a result of the Inclusionary Housing Fee paid in a given reporting cycle. Those affordable housing units are produced several years after the Fee is collected. Units produced through the Fee typically serve lower income households than do the inclusionary units, including special needs populations requiring services, such as seniors, transitional aged youth, families, and veterans.

Table 2
Projected Housing Balance Calculation, 2015 Q4

BoS District	Very Low Income	Low Income	Moderate	Middle	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	-	-	14	0.0%
BoS District 2	-	-	-	-	-	-	46	0.0%
BoS District 3	-	-	-	-	16	16	301	5.3%
BoS District 4	-	-	-	-	-	-	2	0.0%
BoS District 5	-	-	-	-	5	5	59	8.5%
BoS District 6	439	74	129	29	25	696	3,320	21.0%
BoS District 7	-	-	-	-	-	-	147	0.0%
BoS District 8	-	-	3	-	-	3	105	2.9%
BoS District 9	-	-	-	-	-	-	33	0.0%
BoS District 10	-	-	10	-	168	178	1,872	9.5%
BoS District 11	-	-	-	-	-	-	7	0.0%
Totals	439	74	142	29	214	898	5,906	15.2%

CUMULATIVE HOUSING BALANCE ELEMENTS

Because the scope covered by the Housing Balance calculation is broad, each element – or group of elements – will be discussed separately. The body of this report will account for figures at the Board of Supervisor district level. The breakdown of each element using the Planning Department District geographies, as required by *Section 103*, is provided separately in an *Appendix C*. This is to ensure simple and uncluttered tables.

Affordable Housing and Net New Housing Production

Table 3 below shows housing production between 2006 Q1 and 2015 Q4. This ten-year period resulted in a net addition of 22,530 units to the City's housing stock, including 5,530 affordable units. A majority of net new housing units and affordable units built in the ten year reporting period were in District 6 (13,920 or 62% and 3,116 or 56% respectively). District 10 follows with about 2,630 (12%) net new units, including 760 (14%) affordable units.

The table below also shows that almost 25% of net new units built between 2006 Q1 and 2015 Q4 were affordable units. While District 1 saw modest gains in net new units built, almost half of these were affordable (46%); almost half of net new units in District 5 were also affordable.

Table 3
New Housing Production by Affordability, 2006 Q1 - 2015 Q4

BoS District	Very Low	Low	Moderate	Middle	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	170	2	-	-	172	374	46.0%
BoS District 2	-	-	6	-	6	350	1.7%
BoS District 3	161	11	52	-	224	1,207	18.6%
BoS District 4	-	-	10	-	10	103	9.7%
BoS District 5	422	77	90	-	589	1,230	47.9%
BoS District 6	1,969	615	509	23	3,116	13,921	22.4%
BoS District 7	70	26	-	-	96	384	25.0%
BoS District 8	260	32	21	-	313	1,078	29.0%
BoS District 9	138	40	48	-	226	1,142	19.8%
BoS District 10	105	291	362	-	758	2,631	28.8%
BoS District 11	-	10	12	-	22	111	19.8%
TOTAL	3,295	1,104	1,110	23	5,532	22,531	24.6%

It should be noted that units affordable to Extremely Very Low Income (EVLI) households are included under the Very Low Income (VLI) category because certain projects that benefit homeless individuals and families – groups considered as EVLI – have income eligibility caps at the VLI level.

Acquisition and Rehabilitation of Affordable Housing Units

Table 4 below lists the number of units that have been rehabilitated and/or acquired between 2006 and 2015 to ensure permanent affordability. These are mostly single-room occupancy hotel units that are affordable to extremely very low and very low income households.

Table 4
Acquisitions and Rehabilitation of Affordable Housing, 2006-2015

BoS District	No. of Buildings	No. of Units
BoS District 2	1	24
BoS District 5	2	290
BoS District 6	11	926
BoS District 9	2	319
TOTALS	16	1,559

RAD Program

The San Francisco Housing Authority's Rental Assistance Demonstration (RAD) program preserves at risk public and assisted housing projects. According to the Mayor's Office, RAD Phase 1 transferred 1,425 units to developers in December 2015.

Table 5
RAD Affordable Units

BoS Districts	Projects	Units
BoS District 1	2	144
BoS District 2	1	113
BoS District 3	2	143
BoS District 5	3	263
BoS District 6	2	189
BoS District 7	1	110
BoS District 8	2	132
BoS District 9	1	118
BoS District 10	1	213
TOTALS	15	1,425

Units Removed From Protected Status

San Francisco's Residential Rent Stabilization and Arbitration Ordinance protects tenants and preserves affordability of about 175,000 rental units by limiting annual rent increases. Landlords can, however, terminate tenants' leases through no-fault evictions including condo conversion, owner move-in, Ellis Act, demolition, and other reasons that are not the tenants' fault. The Housing Balance calculation takes into account units permanently withdrawn from rent stabilization as loss of affordable housing. The following no-fault evictions affect the supply of rent controlled units by removing units from the rental market: condo conversion, demolition, Ellis Act, and owner move-ins (OMIs). It should be noted that OMIs were not specifically called out by the Ordinance to be included in the calculation. However, because owner move-ins have the effect of the losing rent controlled units either permanently or for a substantial period of time, these numbers are included in the Housing Balance calculation as intended by the legislation's sponsors. Some of these OMI units may return to being rentals and will still fall under the rent control ordinance.

Table 6 below shows the distribution of no-fault eviction notices issued between January 2006 and December 2015. Eviction notices have been commonly used as proxy for evictions. Owner Move-In and Ellis Out notices made up the majority of no fault evictions (52% and 35% respectively). Distribution of these no-fault eviction notices is almost evenly dispersed, with Districts 3 and 1 leading (12% and 11% respectively).

Table 6
Units Removed from Protected Status, 2006 – 2015

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	1	26	132	280	439
BoS District 2	8	13	136	142	299
BoS District 3	6	12	289	174	481
BoS District 4	1	94	66	196	357
BoS District 5	16	23	140	123	302
BoS District 6	2	80	65	234	381
BoS District 7	2	24	39	223	288
BoS District 8	12	33	268	43	356
BoS District 9	4	71	219	135	429
BoS District 10	2	36	35	303	376
BoS District 11	-	93	43	274	410
TOTALS	54	505	1,432	2,127	4,118

Entitled and Permitted Units

Table 7 lists the number of units that have received entitlements from the Planning Commission or the Planning Department. These pipeline projects have also received site permits from the Department of Building Inspection and most are under construction as of the final quarter of 2015. Half of these units are being built in or will be built in District 6. Fourteen percent of units that have received Planning entitlements and site permits from the DBI will be affordable.

Table 7
Permitted Units, 2015 Q4

BoS District	Very Low Income	Low Income	Moderate	Middle	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	-	4	98	4.1%
BoS District 2	-	-	40	-	40	605	6.6%
BoS District 3	-	-	14	-	14	221	6.3%
BoS District 4	-	-	1	-	1	88	1.1%
BoS District 5	181	8	28	-	217	730	29.7%
BoS District 6	166	417	19	-	602	5,564	10.8%
BoS District 7	-	-	-	-	-	160	0.0%
BoS District 8	110	60	-	-	170	626	27.2%
BoS District 9	-	-	20	-	20	255	7.8%
BoS District 10	120	287	35	-	442	2,676	16.5%
BoS District 11	-	-	26	-	26	117	22.2%
TOTALS	577	772	187	-	1,536	11,140	13.8%

PERIODIC REPORTING AND ONLINE ACCESS

This report complies with *Planning Code Section 103* requirement that the Planning Department publish and update the *Housing Balance Report* bi-annually on September 1 and March 1 of each year. *Housing Balance Reports* are available and accessible online as mandated by the ordinance by going to this link: <http://www.sf-planning.org/index.aspx?page=4222> .

ANNUAL HEARING

An annual hearing on the Housing Balance before the Board of Supervisors will be scheduled by April 1 of each year. This year's Housing Balance Report will be heard before the Board of Supervisors at a hearing scheduled on 18 April 2016. The Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and Workforce Development, the Rent Stabilization Board, the Department of Building Inspection, and the City Economist will present strategies for achieving and maintaining a housing balance consistent with the City's housing goals at this annual hearing. The ordinance also requires that MOHCD will determine the amount of funding needed to bring the City into the required minimum 33% should the cumulative housing balance fall below that threshold.

APPENDIX A

REVISED TABLES 2005 Q1 – 2014 Q4 and 2005 Q3 – 2015 Q2

The following tables for Housing Balance Report No. 1 were revised to reflect a ten year reporting period (2005 Q1 to 2014 Q4) because the timing of that first report included figures from the recently concluded quarter (Q1 2015), resulting in a ten year plus one quarter timeframe. Furthermore, that cumulative balance calculation for the first report included RAD project units even though those projects have not transpired. For both Report No. 1 and Report No. 2, all no-fault evictions were counted. The tables have been revised to include only condo conversions, demolitions, Ellis, and owner move-ins (OMIs).

Table A-1
Expanded Cumulative Housing Balance Calculation, 2005 Q1 – 2014 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Housing Balance
BoS District 1	186	-	(442)	4	401	79	-52.5%
BoS District 2	6	24	(368)	9	358	441	-41.2%
BoS District 3	262	-	(441)	2	1,332	507	-9.6%
BoS District 4	10	-	(354)	-	116	66	-189.0%
BoS District 5	587	290	(412)	216	1,257	761	33.7%
BoS District 6	3,316	926	(215)	717	12,886	5,915	25.2%
BoS District 7	26	-	(196)	36	260	273	-25.1%
BoS District 8	309	-	(659)	174	1,034	744	-9.9%
BoS District 9	240	319	(556)	1	1,023	125	0.3%
BoS District 10	770	-	(190)	419	2,504	2,260	21.0%
BoS District 11	47	-	(271)	26	175	131	-64.7%
TOTALS	5,759	1,559	(4,104)	1,604	21,346	11,302	14.8%
Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Housing Balance
1 Richmond	186	-	(554)	87	540	139	-41.4%
2 Marina	2	24	(199)	-	113	245	-48.3%
3 Northeast	236	-	(463)	-	967	488	-15.6%
4 Downtown	1,598	726	(114)	420	4,802	1,958	38.9%
5 Western Addition	489	290	(214)	137	1,010	818	38.4%
6 Buena Vista	119	-	(246)	175	562	661	3.9%
7 Central	21	-	(423)	-	361	48	-98.3%
8 Mission	603	319	(578)	26	1,546	303	20.0%
9 South of Market	1,952	200	(114)	459	9,638	5,463	16.5%
10 South Bayshore	355	-	(54)	237	933	644	34.1%
11 Bernal Heights	2	-	(163)	-	114	28	-113.4%
12 South Central	160	-	(266)	10	329	113	-21.7%
13 Ingleside	26	-	(166)	53	227	254	-18.1%
14 Inner Sunset	-	-	(196)	-	93	74	-117.4%
15 Outer Sunset	10	-	(354)	-	111	66	-194.4%
TOTALS	5,759	1,559	(4,104)	1,604	21,346	11,302	14.8%

Table A-2
Projected Housing Balance, 2014 Q4

BoS District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	4	59	6.8%
BoS District 2	-	-	-	-	130	0.0%
BoS District 3		2	12	14	545	2.6%
BoS District 4			-	-	-	0.0%
BoS District 5	-	-	-	-	4	0.0%
BoS District 6	47		164	211	1,992	10.6%
BoS District 7	-	3	-	3	63	4.8%
BoS District 8	-	-	-	-	88	0.0%
BoS District 9	-	-	12	12	88	13.6%
BoS District 10	-		60	60	295	20.3%
BoS District 11	-	-	-	-	6	0.0%
TOTALS	47	5	252	304	3,270	9.3%

Planning District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	4	4	60	6.7%
2 Marina	-	-	-	-	126	0.0%
3 Northeast	-	-	12	12	499	2.4%
4 Downtown		2	115	117	782	15.0%
5 Western Addition	-	-	-	-	4	0.0%
6 Buena Vista					66	0.0%
7 Central	-	-	-	-	19	0.0%
8 Mission	-	-	12	12	94	12.8%
9 South of Market	47	-	49	96	1,518	6.3%
10 South Bayshore	-		60	60	29	206.9%
11 Bernal Heights	-	-	-	-	4	0.0%
12 South Central	-	-	-	-	3	0.0%
13 Ingleside	-	3	-	3	28	10.7%
14 Inner Sunset	-	-	-	-	38	0.0%
15 Outer Sunset	-	-	-	-	-	0.0%
TOTALS	47	5	252	304	3,270	9.3%

**Table A-3
New Housing Production by Affordability, 2005 Q1 - 2014 Q4**

BoS District	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	184	2	-	186	401	46.4%
BoS District 2	-	-	6	6	358	1.7%
BoS District 3	193	15	54	262	1,332	19.7%
BoS District 4	-	-	10	10	116	8.6%
BoS District 5	422	77	88	587	1,257	46.7%
BoS District 6	2,249	626	441	3,316	12,886	25.7%
BoS District 7	-	26	-	26	260	10.0%
BoS District 8	260	32	17	309	1,034	29.9%
BoS District 9	158	40	42	240	1,023	23.5%
BoS District 10	126	282	362	770	2,504	30.8%
BoS District 11	37	10	-	47	175	26.9%
TOTALS	3,629	1,110	1,020	5,759	21,346	27.0%

Planning Districts	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	184	2		186	540	34.4%
2 Marina			2	2	113	1.8%
3 Northeast	193	11	32	236	967	24.4%
4 Downtown	1,183	283	132	1,598	4,802	33.3%
5 Western Addition	367	77	45	489	1,010	48.4%
6 Buena Vista	55	14	50	119	562	21.2%
7 Central		18	3	21	361	5.8%
8 Mission	494	40	69	603	1,546	39.0%
9 South of Market	990	404	558	1,952	9,638	20.3%
10 South Bayshore	25	225	105	355	933	38.0%
11 Bernal Heights			2	2	114	1.8%
12 South Central	138	10	12	160	329	48.6%
13 Ingleside		26		26	227	11.5%
14 Inner Sunset				-	93	0.0%
15 Outer Sunset			10	10	111	9.0%
TOTALS	3,629	1,110	1,020	5,759	21,346	27.0%

Please note that Tables 4 and 5 did not change and are therefore not included in this Appendix.

Table A-6

Units Removed from Protected Status, 2005 Q1 – 2014 Q4

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	1	25	141	275	442
BoS District 2	8	14	160	186	368
BoS District 3	6	11	320	104	441
BoS District 4	1	90	55	208	354
BoS District 5	14	22	158	218	412
BoS District 6	2	85	90	38	215
BoS District 7	2	27	40	127	196
BoS District 8	11	44	315	289	659
BoS District 9	3	72	229	252	556
BoS District 10	2	30	34	124	190
BoS District 11	-	84	39	148	271
TOTALS	50	504	1,581	1,969	4,104

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	2	31	209	312	554
2 Marina	4	5	70	120	199
3 Northeast	9	12	325	117	463
4 Downtown	-	70	33	11	114
5 Western Addition	7	12	83	112	214
6 Buena Vista	3	11	111	121	246
7 Central	8	34	185	196	423
8 Mission	2	44	310	222	578
9 South of Market	2	16	37	59	114
10 South Bayshore	1	10	12	31	54
11 Bernal Heights	3	27	40	93	163
12 South Central	-	85	32	149	266
13 Ingleside	-	41	17	108	166
14 Inner Sunset	8	16	62	110	196
15 Outer Sunset	1	90	55	208	354
TOTALS	50	504	1,581	1,969	4,104

**Table A-7
Permitted Units, 2014 Q4**

BoS District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	4	79	5.1%
BoS District 2	-	-	9	9	441	2.0%
BoS District 3	-	2	-	2	507	0.4%
BoS District 4	-	-	-	-	66	0.0%
BoS District 5	181	8	27	216	761	28.4%
BoS District 6	47	338	332	717	5915	12.1%
BoS District 7	-	-	36	36	273	13.2%
BoS District 8	-	170	4	174	744	23.4%
BoS District 9	-	-	1	1	125	0.8%
BoS District 10	-	358	61	419	2,260	18.5%
BoS District 11	-	-	26	26	131	19.8%
TOTALS	228	876	500	1,604	11,302	14.2%

Planning District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	83	-	4	87	139	62.6%
2 Marina	-	-	-	-	245	0.0%
3 Northeast	-	-	-	-	488	0.0%
4 Downtown	-	109	311	420	1,958	21.5%
5 Western Addition	98	8	31	137	818	16.7%
6 Buena Vista	-	170	5	175	661	26.5%
7 Central	-	-	-	-	48	0.0%
8 Mission	-	22	4	26	303	8.6%
9 South of Market	47	375	37	459	5,463	8.4%
10 South Bayshore	-	192	45	237	644	36.8%
11 Bernal Heights	-	-	-	-	28	0.0%
12 South Central	-	-	10	10	113	8.8%
13 Ingleside	-	-	53	53	254	20.9%
14 Inner Sunset	-	-	-	-	74	0.0%
15 Outer Sunset	-	-	-	-	66	0.0%
TOTALS	228	876	500	1,604	11,302	14.2%

Table B-1
Expanded Cumulative Housing Balance Calculation, 2005 Q3 – 2015 Q2

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Net Entitled and Permitted Units	Housing Balance
BoS District 1	186	-	(432)	4	387	92	-50.5%
BoS District 2	6	24	(358)	40	363	603	-29.8%
BoS District 3	334	72	(429)	15	1,382	109	-0.5%
BoS District 4	10	-	(379)	1	100	83	-201.1%
BoS District 5	587	430	(411)	217	1,263	733	41.2%
BoS District 6	3,406	1,014	(205)	424	13,323	4,765	25.6%
BoS District 7	96	-	(199)	-	354	240	-17.3%
BoS District 8	313	-	(638)	170	1,072	625	-9.1%
BoS District 9	226	319	(575)	26	1,178	296	-0.3%
BoS District 10	669	-	(207)	418	2,406	2,309	18.7%
BoS District 11	15	-	(288)	13	116	126	-107.4%
TOTALS	5,848	1,859	(4,121)	1,328	21,944	9,981	15.4%
Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Housing Balance
1 Richmond	186	-	(548)	87	527	192	-38.2%
2 Marina	2	24	(190)	-	113	143	-64.1%
3 Northeast	310	72	(447)	15	1,056	92	-4.4%
4 Downtown	1,615	745	(104)	219	5,134	1,232	38.9%
5 Western Addition	489	362	(215)	168	1,023	1,005	39.6%
6 Buena Vista	119	-	(247)	176	563	596	4.1%
7 Central	21	-	(404)	-	356	46	-95.3%
8 Mission	593	319	(572)	37	1,743	353	18.0%
9 South of Market	2,023	337	(121)	365	9,717	5,212	17.4%
10 South Bayshore	355	-	(52)	236	927	508	37.6%
11 Bernal Heights	2	-	(181)	-	113	31	-124.3%
12 South Central	22	-	(296)	20	166	202	-69.0%
13 Ingleside	101	-	(170)	4	319	248	-11.5%
14 Inner Sunset	-	-	(195)	-	91	39	-150.0%
15 Outer Sunset	10	-	(379)	1	96	82	-206.7%
TOTALS	5,848	1,859	(4,121)	1,328	21,944	9,981	15.4%

Table B-2
Projected Housing Balance, 2015 Q2

BoS District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	11	0.0%
BoS District 2	-	-	-	-	42	0.0%
BoS District 3	-	-	12	12	340	3.5%
BoS District 4	-	-	-	-	2	-
BoS District 5	-	-	-	-	51	0.0%
BoS District 6	170	83	71	324	2,552	12.7%
BoS District 7	-	-	-	-	51	0.0%
BoS District 8	-	-	3	3	103	2.9%
BoS District 9	-	-	-	-	56	0.0%
BoS District 10	-	126	196	322	1,971	16.3%
BoS District 11	-	-	-	-	11	0.0%
TOTALS	170	209	282	661	5,190	12.7%

Planning Districts	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	12	0.0%
2 Marina	-	-	-	-	38	0.0%
3 Northeast	-	-	12	12	314	3.8%
4 Downtown	170	83	-	253	1,183	21.4%
5 Western Addition	-	-	-	-	4	0.0%
6 Buena Vista	-	-	3	3	135	2.2%
7 Central	-	-	-	-	8	0.0%
8 Mission	-	-	-	-	57	0.0%
9 South of Market	-	-	81	81	1,671	4.8%
10 South Bayshore	-	126	186	312	1,691	18.5%
11 Bernal Heights	-	-	-	-	7	0.0%
12 South Central	-	-	-	-	16	0.0%
13 Ingleside	-	-	-	-	14	0.0%
14 Inner Sunset	-	-	-	-	38	0.0%
15 Outer Sunset	-	-	-	-	2	0.0%
TOTALS	170	209	282	661	5,190	12.7%

Table B-3
New Housing Production by Affordability, 2005 Q3 - 2015 Q2

BoS District	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	184	2	-	186	387	48.1%
BoS District 2	-	-	6	6	363	1.7%
BoS District 3	267	15	52	334	1,382	24.2%
BoS District 4	-	-	10	10	100	10.0%
BoS District 5	422	77	88	587	1,263	46.5%
BoS District 6	2,289	674	443	3,406	13,323	25.6%
BoS District 7	70	26	-	96	354	27.1%
BoS District 8	260	32	21	313	1,072	29.2%
BoS District 9	138	40	48	226	1,178	19.2%
BoS District 10	25	282	362	669	2,406	27.8%
BoS District 11	-	10	5	15	116	12.9%
TOTALS	3,655	1,158	1,035	5,848	21,944	26.6%

Planning Districts	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	184	2	-	186	527	35.3%
2 Marina	-	-	2	2	113	1.8%
3 Northeast	267	11	32	310	1,056	29.4%
4 Downtown	1,154	331	130	1,615	5,134	31.5%
5 Western Addition	367	77	45	489	1,023	47.8%
6 Buena Vista	55	14	50	119	563	21.1%
7 Central	-	18	3	21	356	5.9%
8 Mission	474	40	79	593	1,743	34.0%
9 South of Market	1,059	404	560	2,023	9,717	20.8%
10 South Bayshore	25	225	105	355	927	38.3%
11 Bernal Heights	-	-	2	2	113	1.8%
12 South Central	-	10	12	22	166	13.3%
13 Ingleside	70	26	5	101	319	31.7%
14 Inner Sunset	-	-	-	-	91	0.0%
15 Outer Sunset	-	-	10	10	96	10.4%
TOTALS	3,655	1,158	1,035	5,848	21,944	26.6%

Please note that Tables 4 and 5 did not change and are therefore not included in this Appendix.

Table B-6

Units Removed from Protected Status, 2005 Q3 – 2015 Q2

BoS Districts	Demolition	Ellis Out	Owner Move-In	Condo Conversion	Units Removed
BoS District 1	1	25	121	285	432
BoS District 2	8	14	150	186	358
BoS District 3	6	11	293	119	429
BoS District 4	1	92	62	224	379
BoS District 5	16	22	147	226	411
BoS District 6	2	85	77	41	205
BoS District 7	2	25	40	132	199
BoS District 8	12	32	289	305	638
BoS District 9	4	76	224	271	575
BoS District 10	2	31	35	139	207
BoS District 11	-	86	42	160	288
TOTALS	54	499	1,480	2,088	4,121

Planning Districts	Demolition	Ellis Out	Owner Move-In	Condo Conversion	Units Removed
1 Richmond	2	32	193	321	548
2 Marina	4	4	61	121	190
3 Northeast	9	12	296	130	447
4 Downtown	-	69	26	9	104
5 Western Addition	8	11	78	118	215
6 Buena Vista	4	11	110	122	247
7 Central	9	23	160	212	404
8 Mission	2	44	289	237	572
9 South of Market	2	17	37	65	121
10 South Bayshore	1	11	8	32	52
11 Bernal Heights	4	30	51	96	181
12 South Central	-	89	34	173	296
13 Ingleside	-	41	18	111	170
14 Inner Sunset	8	13	57	117	195
15 Outer Sunset	1	92	62	224	379
TOTALS	54	499	1,480	2,088	4,121

APPENDIX B
Ordinance 53-15

AMENDED IN COMMITTEE
4/6/15

FILE NO. 150029

ORDINANCE NO. 53-15

1 [Planning Code - City Housing Balance Monitoring and Reporting]

2
3 **Ordinance amending the Planning Code to require the Planning Department to monitor**
4 **the balance between new market rate housing and new affordable housing, and publish**
5 **a bi-annual Housing Balance Report; requiring an annual hearing at the Board of**
6 **Supervisors on strategies for achieving and maintaining the required housing balance**
7 **in accordance with San Francisco's housing production goals; and making**
8 **environmental findings, Planning Code, Section 302 findings, and findings of**
9 **consistency with the General Plan, and the eight priority policies of Planning Code,**
10 **Section 101.1.**

11
12 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.
14 **Deletions to Codes** are in ~~italics Times New Roman font~~.
15 **Board amendment additions** are in double-underlined Arial font.
16 **Board amendment deletions** are in ~~Arial font~~.
17 **Asterisks (* * * *)** indicate the omission of unchanged Code
18 subsections or parts of tables.

19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. Findings.

21 (a) The Planning Department has determined that the actions contemplated in this
22 ordinance comply with the California Environmental Quality Act (California Public Resources
23 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
24 Supervisors in File No. 150029 and is incorporated herein by reference. The Board of
25 Supervisors affirms this determination.

(b) On March 19, 2015, the Planning Commission, in Resolution No. 19337, adopted
findings that the actions contemplated in this ordinance are consistent, on balance, with the

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
2 Board of Supervisors in File No. 150029, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
4 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth
5 in Planning Commission Resolution No. 150029 and the Board incorporates such reasons
6 herein by reference.

7
8 Section 2. The Planning Code is hereby amended by adding new Section 103 to read
9 as follows:

10 **SEC. 103. HOUSING BALANCE MONITORING AND REPORTING.**

11 **(a) Purposes.** *To maintain a balance between new affordable and market rate housing City-*
12 *wide and within neighborhoods, to make housing available for all income levels and housing need*
13 *types, to preserve the mixed income character of the City and its neighborhoods, to offset the*
14 *withdrawal of existing housing units from rent stabilization and the loss of single-room-occupancy*
15 *hotel units, to ensure the availability of land and encourage the deployment of resources to provide*
16 *sufficient housing affordable to households of very low, low, and moderate incomes, to ensure adequate*
17 *housing for families, seniors and the disabled community, to ensure that data on meeting affordable*
18 *housing targets City-wide and within neighborhoods informs the approval process for new housing*
19 *development, and to enable public participation in determining the appropriate mix of new housing*
20 *approvals, there is hereby established a requirement, as detailed in this Section 103, to monitor and*
21 *regularly report on the housing balance between market rate housing and affordable housing.*

22 **(b) Findings.**

23 **(1)** *In November 2014, the City voters enacted Proposition K, which established City*
24 *policy to help construct or rehabilitate at least 30,000 homes by 2020. More than 50% of this housing*
25 *would be affordable for middle-class households, with at least 33% affordable for low- and moderate-*

1 income households, and the City is expected to develop strategies to achieve that goal. This section
2 103 sets forth a method to track performance toward the City's Housing Element goals and the near-
3 term Proposition K goal that 33% of all new housing shall be affordable housing, as defined herein.

4 (2) The City's rent stabilized and permanently affordable housing stock serves very low-,
5 low-, and moderate-income families, long-time residents, elderly seniors, disabled persons and others.
6 The City seeks to achieve and maintain an appropriate balance between market rate housing and
7 affordable housing City-wide and within neighborhoods because the availability of decent housing and
8 a suitable living environment for every San Franciscan is of vital importance. Attainment of the City's
9 housing goals requires the cooperative participation of government and the private sector to expand
10 housing opportunities to accommodate housing needs for San Franciscans at all economic levels and to
11 respond to the unique needs of each neighborhood where housing will be located.

12 (3) For tenants in unsubsidized housing, affordability is often preserved by the
13 Residential Rent Stabilization and Arbitration Ordinance's limitations on the size of allowable rent
14 increases during a tenancy. As documented in the Budget and Legislative Analyst's October 2013
15 Policy Analysis Report on Tenant Displacement, San Francisco is experiencing a rise in units
16 withdrawn from rent controls. Such rises often accompany periods of sharp increases in property
17 values and housing prices. From 1998 through 2013, the Rent Board reported a total of 13,027 no-fault
18 evictions (i.e., evictions in which the tenant had not violated any lease terms, but the owner sought to
19 regain possession of the unit). Total evictions of all types have increased by 38.2% from Rent Board
20 Year (i.e. from March through February) 2010 to Rent Board Year 2013. During the same period, Ellis
21 Act evictions far outpaced other evictions, increasing by 169.8% from 43 in Rent Board Year 2010 to
22 116 in Rent Board Year 2013. These numbers do not capture the large number of owner buyouts of
23 tenants, which contribute further to the loss of rent-stabilized units from the housing market. Any fair
24 assessment of the affordable housing balance must incorporate into the calculation units withdrawn
25 from rent stabilization.

1 (4) Pursuant to Government Code Section 65584, the Association of Bay Area
2 Governments (ABAG), in coordination with the California State Department of Housing and
3 Community Development (HCD), determines the Bay Area's regional housing need based on regional
4 trends, projected job growth, and existing needs. The regional housing needs assessment (RHNA)
5 determination includes production targets addressing housing needs of a range of household income
6 categories. For the RHNA period covering 2015 through 2022, ABAG has projected that at least 38%
7 of new housing demands for San Francisco will be from very low and low income households
8 (households earning under 80% of area median income), and another 22% of new housing demands to
9 be affordable to households of moderate means (earning between 80% and 120% of area median
10 income). Market-rate housing is considered housing with no income limits or special requirements
11 attached.

12 (5) The Housing Element of the City's General Plan states: "Based on the growing
13 population, and smart growth goals of providing housing in central areas like San Francisco, near jobs
14 and transit, the State Department of Housing and Community Development (HCD), with the
15 Association of Bay Area Governments (ABAG), estimates that in the current 2015-2022 Housing
16 Element period San Francisco must plan for the capacity for roughly 28,870 new units, 57% of which
17 should be suitable for housing for the extremely low, very low, low and moderate income households to
18 meet its share of the region's projected housing demand." Objective 1 of the Housing Element states
19 that the City should "identify and make available for development adequate sites to meet the City's
20 housing needs, especially permanently affordable housing." Objective 7 states that San Francisco's
21 projected affordable housing needs far outpace the capacity for the City to secure subsidies for new
22 affordable units.

23 (6) In 2012, the City enacted Ordinance 237-12, the "Housing Preservation and
24 Production Ordinance," codified in Administrative Code Chapter 10E.4, to require Planning
25 Department staff to regularly report data on progress toward meeting San Francisco's quantified

1 production goals for different household income levels as provided in the General Plan's Housing
2 Element. That Ordinance requires data on the number of units in all stages of the housing production
3 process at various affordability levels to be included in staff reports on all proposed projects of five
4 residential units or more and in quarterly housing production reports to the Planning Commission. The
5 Planning Department has long tracked the number of affordable housing units and total number of
6 housing units built throughout the City and in specific areas and should be able to track the ratio called
7 for in this Section 103.

8 (7) As the private market has embarked upon, and government officials have urged, an
9 ambitious program to produce significant amounts of new housing in the City, the limited remaining
10 available land makes it essential to assess the impact of the approval of new market rate housing
11 developments on the availability of land for affordable housing and to encourage the deployment of
12 resources to provide such housing.

13 **(c) Housing Balance Calculation.**

14 (1) For purposes of this Section 103, "Housing Balance" shall be defined as the
15 proportion of all new housing units affordable to households of extremely low, very low, low or
16 moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq.,
17 as such provisions may be amended from time to time, to the total number of all new housing units for a
18 10 year Housing Balance Period.

19 (2) The Housing Balance Period shall begin with the first quarter of year 2005 to the
20 last quarter of 2014, and thereafter for the ten years prior to the most recent calendar quarter.

21 (3) For each year that data is available, beginning in 2005, the Planning Department
22 shall report net housing construction by income levels, as well as units that have been withdrawn from
23 protection afforded by City law, such as laws providing for rent-controlled and single resident
24 occupancy (SRO) units. The affordable housing categories shall include net new units, as well as
25 existing units that were previously not restricted by deed or regulatory agreement that are acquired for

1 preservation as permanently affordable housing as determined by the Mayor's Office of Housing and
2 Community Development (MOHCD) (not including refinancing or other rehabilitation under existing
3 ownership), protected by deed or regulatory agreement for a minimum of 55 years. The report shall
4 include, by year, and for the latest quarter, all units that have received Temporary Certificates of
5 Occupancy within that year, a separate category for units that obtained a site or building permit, and
6 another category for units that have received approval from the Planning Commission or Planning
7 Department, but have not yet obtained a site or building permit to commence construction (except any
8 entitlements that have expired and not been renewed during the Housing Balance Period). Master
9 planned entitlements, including but not limited to such areas as Treasure Island, Hunters Point
10 Shipyard and Park Merced, shall not be included in this latter category until individual building
11 entitlements or site permits are approved for specific housing projects. For each year or approval
12 status, the following categories shall be separately reported:

13 (A) Extremely Low Income Units, which are units available to individuals or
14 families making between 0-30% Area Median Income (AMI) as defined in California Health & Safety
15 Code Section 50106, and are subject to price or rent restrictions between 0-30% AMI;

16 (B) Very Low Income Units, which are units available to individuals or families
17 making between 30-50% AMI as defined in California Health & Safety Code Section 50105, and are
18 subject to price or rent restrictions between 30-50% AMI;

19 (C) Lower Income Units, which are units available to individuals or families
20 making between 50-80% AMI as defined in California Health & Safety Code Section 50079.5, and are
21 subject to price or rent restrictions between 50-80% AMI;

22 (D) Moderate Income Units, which are units available to individuals or families
23 making between 80-120% AMI, and are subject to price or rent restrictions between 80-120% AMI;

24 (E) Middle Income Units, which are units available to individuals or families
25 making between 120-150% AMI, and are subject to price or rent restrictions between 120-150% AMI;

1 (F) Market-rate units, which are units not subject to any deed or regulatory
2 agreement with price restrictions;

3 (G) Housing units withdrawn from protected status, including units withdrawn
4 from rent control (except those units otherwise converted into permanently affordable housing),
5 including all units that have been subject to rent control under the San Francisco Residential Rent
6 Stabilization and Arbitration Ordinance but that a property owner removes permanently from the
7 rental market through condominium conversion pursuant to Administrative Code Section 37.9(a)(9),
8 demolition or alterations (including dwelling unit mergers), or permanent removal pursuant to
9 Administrative Code Section 37.9(a)(10) or removal pursuant to the Ellis Act under Administrative
10 Code Section 37.9(a)(13);

11 (H) Public housing replacement units and substantially rehabilitated units
12 through the HOPE SF and Rental Assistance Demonstration (RAD) programs, as well as other
13 substantial rehabilitation programs managed by MOHCD.

14 (4) The Housing Balance shall be expressed as a percentage, obtained by dividing the
15 cumulative total of extremely low, very low, low and moderate income affordable housing units (all
16 units 0-120% AMI) minus the lost protected units, by the total number of net new housing units within
17 the Housing Balance Period. The Housing Balance shall also provide two calculations:

18 (A) the Cumulative Housing Balance, consisting of housing units that have
19 already been constructed (and received a Temporary Certificate of Occupancy or other certificate that
20 would allow occupancy of the units) within the 10-year Housing Balance Period, plus those units that
21 have obtained a site or building permit. A separate calculation of the Cumulative Housing Balance
22 shall also be provided, which includes HOPE SF and RAD public housing replacement and
23 substantially rehabilitated units (but not including general rehabilitation / maintenance of public
24 housing or other affordable housing units) that have received Temporary Certificates of Occupancy
25

1 within the Housing Balance Period. The Housing Balance Reports will show the Cumulative Housing
2 Balance with and without public housing included in the calculation; and

3 (B) the Projected Housing Balance, which shall include any residential project
4 that has received approval from the Planning Commission or Planning Department, even if the
5 housing project has not yet obtained a site or building permit to commence construction (except any
6 entitlements that have expired and not been renewed during the Housing Balance period). Master
7 planned entitlements shall not be included in the calculation until individual building entitlements or
8 site permits are approved.

9 (d) Bi-annual Housing Balance Reports. Within 30 days of the effective date of this
10 Section 103 By June 1, 2015, the Planning Department shall calculate the Cumulative and Projected
11 Housing Balance for the most recent two quarters City-wide, by Supervisorial District, Plan Area, and
12 by neighborhood Planning Districts, as defined in the annual Housing Inventory, and publish it as an
13 easily visible and accessible page devoted to Housing Balance and Monitoring and Reporting on the
14 Planning Department's website. By August September 1st and February March 1st of each year, the
15 Planning Department shall publish and update the Housing Balance Report, and present this report at
16 an informational hearing to the Planning Commission and Board of Supervisors, as well as to any
17 relevant body with geographic purview over a plan area upon request, along with the other quarterly
18 reporting requirements of Administrative Code Chapter 10E.4. The annual report to the Board of
19 Supervisors shall be accepted by resolution of the Board, which resolution shall be introduced
20 by the Planning Department. The Housing Balance Report shall also be incorporated into the
21 Annual Planning Commission Housing Hearing and Annual Report to the Board of Supervisors
22 required in Administrative Code Chapter 10E.4.

23 (e) Annual Hearing by Board of Supervisors.

24 (1) The Board of Supervisors shall hold a public Housing Balance hearing on an annual
25 basis by April 1 of each year, to consider progress towards the City's affordable housing goals.

1 including the goal of a minimum 33% affordable housing to low and moderate income households, as
2 well as the City's General Plan Housing Element housing production goals by income category. The
3 first hearing shall occur no later than 30 days after the effective date of this ordinance, and by April 1
4 of each year thereafter.

5 (2) The hearing shall include reporting by the Planning Department, which shall present
6 the latest Housing Balance Report City-wide and by Supervisorial District and Planning District; the
7 Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and
8 Workforce Development, the Rent Stabilization Board, by the Department of Building Inspection, and
9 the City Economist on strategies for achieving and maintaining a housing balance in accordance with
10 San Francisco's housing production goals. If the Cumulative Housing Balance has fallen below 33% in
11 any year, MOHCD shall determine how much funding is required to bring the City into a minimum
12 33% Housing Balance and the Mayor shall submit to the Board of Supervisors a strategy to accomplish
13 the minimum of 33% Housing Balance. City Departments shall at minimum report on the following
14 issues relevant to the annual Housing Balance hearing: MOHCD shall report on the annual and
15 projected progress by income category in accordance with the City's General Plan Housing Element
16 housing production goals, projected shortfalls and gaps in funding and site control, and progress
17 toward the City's Neighborhood Stabilization goals for acquiring and preserving the affordability of
18 existing rental units in neighborhoods with high concentrations of low and moderate income
19 households or historically high levels of evictions; the Planning Department shall report on current
20 and proposed zoning and land use policies that affect the City's General Plan Housing Element
21 housing production goals; the Mayor's Office of Economic and Workforce Development shall report on
22 current and proposed major development projects, dedicated public sites, and policies that affect the

1 City's General Plan Housing Element housing production goals; the Rent Board shall report on the
2 withdrawal or addition of rent-controlled units and current or proposed policies that affect these
3 numbers; the Department of Building Inspection shall report on the withdrawal or addition of
4 Residential Hotel units and current or proposed policies that affect these numbers; and the City
5 Economist shall report on annual and projected job growth by the income categories specified in the
6 City's General Plan Housing Element.

7 (3) All reports and presentation materials from the annual Housing Balance hearing
8 shall be maintained by year for public access on the Planning Department's website on its page
9 devoted to Housing Balance Monitoring and Reporting.

10
11 Section 4. Effective Date. This ordinance shall become effective 30 days after
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14 of Supervisors overrides the Mayor's veto of the ordinance.

15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18 By:


19 MARLENA BYRNE
Deputy City Attorney

20 n:\leganas2015\1500366\01006068.doc



City and County of San Francisco

Tails
Ordinance

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

File Number: 150029

Date Passed: April 21, 2015

Ordinance amending the Planning Code to require the Planning Department to monitor the balance between new market rate housing and new affordable housing, and publish a bi-annual Housing Balance Report; requiring an annual hearing at the Board of Supervisors on strategies for achieving and maintaining the required housing balance in accordance with San Francisco's housing production goals; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

April 06, 2015 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 06, 2015 Land Use and Transportation Committee - RECOMMENDED AS AMENDED

April 14, 2015 Board of Supervisors - PASSED, ON FIRST READING

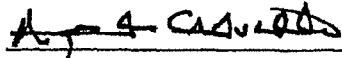
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

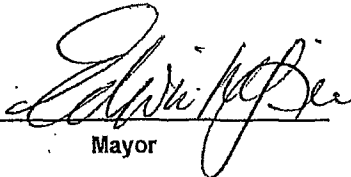
April 21, 2015 Board of Supervisors - FINALLY PASSED

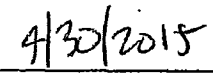
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 150029

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/21/2015 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor


Date Approved

APPENDIX C

CUMULATIVE HOUSING BALANCE REPORT No 3 TABLES BY PLANNING DISTRICTS

Table 1A
Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

Planning Districts	New Affordable Housing Built	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance 1
1 Richmond	172	(552)	87	514	198	-41.2%
2 Marina	2	(188)	-	101	146	-75.3%
3 Northeast	204	(447)	12	934	200	-20.4%
4 Downtown	1,637	(100)	114	5,229	1,305	25.3%
5 Western Addition	491	(217)	168	987	1,000	22.2%
6 Buena Vista	119	(236)	176	570	595	5.1%
7 Central	21	(395)	-	351	48	-93.7%
8 Mission	593	(553)	41	1,724	386	3.8%
9 South of Market	1,707	(113)	681	10,183	6,033	14.0%
10 South Bayshore	444	(59)	229	1,153	782	31.7%
11 Bernal Heights	2	(179)	-	95	33	-138.3%
12 South Central	22	(313)	10	142	131	-102.9%
13 Ingleside	108	(179)	17	359	154	-10.5%
14 Inner Sunset	-	(192)	-	91	41	-145.5%
15 Outer Sunset	10	(395)	1	98	88	-206.5%
Totals	5,532	(4,118)	1,536	22,531	11,140	8.8%

Table 1B
Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs Completed	RAD	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance 2
1 Richmond	172	-	144	(552)	87	514	198	-20.9%
2 Marina	2	24	-	(188)	-	101	146	-65.6%
3 Northeast	204	-	143	(447)	12	934	200	-7.8%
4 Downtown	1,637	726	189	(100)	114	5,229	1,305	39.3%
5 Western Addition	491	290	376	(217)	168	987	1,000	55.8%
6 Buena Vista	119	-	132	(236)	176	570	595	16.4%
7 Central	21	-	-	(395)	-	351	48	-93.7%
8 Mission	593	319	-	(553)	41	1,724	386	19.0%
9 South of Market	1,707	200	-	(113)	681	10,183	6,033	15.3%
10 South Bayshore	444	-	213	(59)	229	1,153	782	42.7%
11 Bernal Heights	2	-	118	(179)	-	95	33	-46.1%
12 South Central	22	-	-	(313)	10	142	131	-102.9%
13 Ingleside	108	-	-	(179)	17	359	154	-10.5%
14 Inner Sunset	-	-	110	(192)	-	91	41	-62.1%
15 Outer Sunset	10	-	-	(395)	1	98	88	-206.5%
Totals	5,532	1,559	1,425	(4,118)	1,536	22,531	11,140	17.6%

Table 2
Projected Housing Balance Calculation, 2015 Q2

BoS District	Very Low Income	Low Income	Moderate	Middle	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	-	15	0.0%
2 Marina	-	-	-	-	-	-	44	0.0%
3 Northeast	-	-	-	-	-	-	207	0.0%
4 Downtown	439	74	58	29	32	632	2,054	30.8%
5 Western Addition	-	-	-	-	-	-	8	0.0%
6 Buena Vista	-	-	3	-	5	8	139	5.8%
7 Central	-	-	-	-	-	-	8	0.0%
8 Mission	-	-	-	-	-	-	38	0.0%
9 South of Market	-	-	81	-	9	90	1,537	5.9%
10 South Bayshore	-	-	-	-	168	168	1,691	9.9%
11 Bernal Heights	-	-	-	-	-	-	3	0.0%
12 South Central	-	-	-	-	-	-	12	0.0%
13 Ingleside	-	-	-	-	-	-	110	0.0%
14 Inner Sunset	-	-	-	-	-	-	38	0.0%
15 Outer Sunset	-	-	-	-	-	-	2	0.0%
TOTALS	439	74	142	29	214	898	5,906	15.2%

Table 3
New Housing Production by Affordability, 2006 Q1 – 2015 Q4

Planning Districts	Very Low	Low	Moderate	Middle Income	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	170	2	-	-	172	514	33.5%
2 Marina	-	-	2	-	2	101	2.0%
3 Northeast	161	11	32	-	204	934	21.8%
4 Downtown	1,048	269	297	23	1,637	5,229	31.3%
5 Western Addition	367	77	47	-	491	987	49.7%
6 Buena Vista	55	14	50	-	119	570	20.9%
7 Central	-	18	3	-	21	351	6.0%
8 Mission	474	40	79	-	593	1,724	34.4%
9 South of Market	845	403	459	-	1,707	10,183	16.8%
10 South Bayshore	105	234	105	-	444	1,153	38.5%
11 Bernal Heights	-	-	2	-	2	95	2.1%
12 South Central	-	10	12	-	22	142	15.5%
13 Ingleside	70	26	12	-	108	359	30.1%
14 Inner Sunset	-	-	-	-	-	91	0.0%
15 Outer Sunset	-	-	10	-	10	98	10.2%
TOTALS	3,295	1,104	1,110	23	5,532	22,531	24.6%

Table 4
Acquisitions and Rehabilitation of Affordable Housing, 2006 Q1 – 2015 Q4

Planning District	No. of Buildings	No. of Units
2 Marina	1	24
4 Downtown	5	726
5 Western Addition	2	290
8 Mission	2	319
9 South of Market	6	200
TOTALS	16	1,559

Table 5
RAD Affordable Units

Planning District	No. of Units	as % of Total
1 Richmond	144	10.1%
3 Northeast	143	10.0%
4 Downtown	189	13.3%
5 Western Addition	376	26.4%
6 Buena Vista	132	9.3%
10 South Bayshore	213	14.9%
11 Bernal Heights	118	8.3%
14 Inner Sunset	110	7.7%
TOTALS	1,425	100.0%

Table 6
Units Removed from Protected Status, 2006 – 2015

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	2	32	199	319	552
2 Marina	4	4	52	128	188
3 Northeast	9	13	292	133	447
4 Downtown	-	68	24	8	100
5 Western Addition	8	11	75	123	217
6 Buena Vista	4	12	98	122	236
7 Central	9	24	154	208	395
8 Mission	2	35	280	236	553
9 South of Market	2	18	29	64	113
10 South Bayshore	1	14	8	36	59
11 Bernal Heights	4	30	45	100	179
12 South Central	-	94	33	186	313
13 Ingleside	-	42	20	117	179
14 Inner Sunset	8	14	57	113	192
15 Outer Sunset	1	94	66	234	395
Totals	54	505	1,432	2,127	4,118

Table 7
Entitled and Permitted Units, 2015 Q4

Planning District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	83	-	4	87	198	43.9%
2 Marina	-	-	-	-	146	0.0%
3 Northeast	-	-	12	12	200	6.0%
4 Downtown	-	102	12	114	1,305	8.7%
5 Western Addition	98	8	62	168	1,000	16.8%
6 Buena Vista	110	60	6	176	595	29.6%
7 Central	-	-	-	-	48	0.0%
8 Mission	-	22	19	41	386	10.6%
9 South of Market	166	487	28	681	6,033	11.3%
10 South Bayshore	120	93	16	229	782	29.3%
11 Bernal Heights	-	-	-	-	33	0.0%
12 South Central	-	-	10	10	131	7.6%
13 Ingleside	-	-	17	17	154	11.0%
14 Inner Sunset	-	-	-	-	41	0.0%
15 Outer Sunset	-	-	1	1	88	1.1%
TOTALS	577	772	187	1,536	11,140	13.8%

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Olson Lee, Director, Mayor's Office of Housing and Community Development
Tiffany Bohee, Executive Director, Office of Community Investment and Infrastructure
Robert Collins, Acting Executive Director, Rent Board

FROM: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

DATE: March 29, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Kim on March 22, 2016.

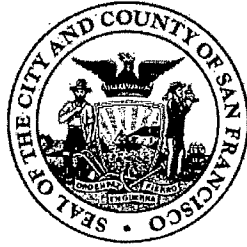
File No. 160284

Resolution receiving and approving the bi-annual Housing Balance Report dated March 31, 2016, submitted as required by Planning Code, Section 103.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: andrea.ausberry@sfgov.org

c: Sophie Hayward, Mayor's Office of Housing and Community Development
Eugene Flannery, Mayor's Office of Housing and Community Development
Natasha Jones, Commission on Community Investment and Infrastructure
Claudia Guerra, Commission on Community Investment and Infrastructure

BOARD of SUPERVISORS



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MEMORANDUM

TO: John Rahaim, Director, Planning Department

FROM: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

DATE: March 29, 2016

SUBJECT: LEGISLATION INTRODUCED – Bi-Annual Housing Balance Report

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c: Scott Sanchez, Planning Department
Sarah Jones, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Jeanie Poling, Planning Department

