

File No. 160321

Committee Item No. 3

Board Item No. 23

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date September 20, 2016

Board of Supervisors Meeting

Date 10/04/16

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" 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                      |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <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 type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Commission Resolution No. 19690</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Housing Balance Report</u>                   |
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Completed by: Alisa Somera Date September 16, 2016

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Planning Code - Housing Balance Report]

2

3 Ordinance amending the Planning Code to require inclusion in the Housing Balance  
4 Report data about the withdrawal of housing units from the rental market by all means,  
5 including owner move-ins; affirming the Planning Department's determination under  
6 the California Environmental Quality Act; and making findings of consistency with the  
7 General Plan and the eight priority policies of Planning Code Section 101.1 and  
8 findings of public convenience, necessity, and welfare under Planning Code Section  
9 302.

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

14

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

16

17 Section 1. Findings.

18 (a) The Planning Department has determined that the actions contemplated in this  
19 ordinance comply with the California Environmental Quality Act (California Public Resources  
20 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
21 Supervisors in File No. 160321 and is incorporated herein by reference. The Board affirms  
22 this determination.

23 (b) On July 7, 2016, the Planning Commission, in Resolution No. 19690, adopted  
24 findings that the actions contemplated in this ordinance are consistent, on balance, with the  
25 City's General Plan and the eight priority policies of Planning Code Section 101.1. The Board

1 adopts these findings as its own. A copy of said Resolution [OR determination] is on file with  
2 the Clerk of the Board of Supervisors in File No.160321, and is incorporated herein by  
3 reference.

4 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that  
5 these Planning Code amendments will serve the public necessity, convenience, and welfare  
6 for the reasons set forth in Planning Commission Resolution No. 19690, and the Board  
7 incorporates such reasons herein by reference.

8  
9 Section 2. The Planning Code is hereby amended by revising Section 103, to read as  
10 follows:

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

12 \* \* \* \*

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

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

20 (2) The Housing Balance Period shall begin with the first quarter of year  
21 2005 to the last quarter of 2014, and thereafter for the ten years prior to the most recent  
22 calendar quarter.

23 (3) For each year that data is available, beginning in 2005, the Planning  
24 Department shall report net housing construction by income levels, as well as units that have  
25 been withdrawn from protection afforded by City law, such as laws providing for rent-

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

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

20 (B) Very Low Income Units, which are units available to individuals or  
21 families making between 30-50% AMI as defined in California Health & Safety Code Section  
22 50105, and are subject to price or rent restrictions between 30-50% AMI;

23 (C) Lower Income Units, which are units available to individuals or  
24 families making between 50-80% AMI as defined in California Health & Safety Code Section  
25 50079.5, and are subject to price or rent restrictions between 50-80% AMI;

1 (D) Moderate Income Units, which are units available to individuals or  
2 families making between 80-120% AMI and are subject to price or rent restrictions between  
3 80-120% AMI;

4 (E) Middle Income Units, which are units available to individuals or  
5 families making between 120-150% AMI and are subject to price or rent restrictions between  
6 120-150% AMI;

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

9 (G) Housing units withdrawn from protected status, including units  
10 withdrawn from rent control (except those units otherwise converted into permanently  
11 affordable housing), including all units that have been subject to rent control under the San  
12 Francisco Residential Rent Stabilization and Arbitration Ordinance but that a property owner  
13 removes *permanently* from the rental market including but not limited to through owner move-in  
14 pursuant to Administrative Code Section 37.9(a)(8), condominium conversion pursuant to  
15 Administrative Code Section 37.9(a)(9), demolition or alterations (including dwelling unit  
16 mergers), or permanent removal pursuant to Administrative Code Section 37.9(a)(10) or  
17 removal pursuant to the Ellis Act under Administrative Code Section 37.9(a)(13);

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

21 (4) The Housing Balance shall be expressed as a percentage, obtained by  
22 dividing the cumulative total of extremely low, very low, low, and moderate income affordable  
23 housing units (all units 0-120% AMI) minus the lost protected units described in subsection  
24 (c)(3)(G) above by the total number of net new housing units within the Housing Balance  
5 Period. The Housing Balance shall also provide two calculations:

1 (A) the Cumulative Housing Balance, consisting of housing units that  
2 have already been constructed (and received a Temporary Certificate of Occupancy or other  
3 certificate that would allow occupancy of the units) within the 10-year Housing Balance  
4 Period, plus those units that have obtained a site or building permit. A separate calculation of  
5 the Cumulative Housing Balance shall also be provided, which includes HOPE SF and RAD  
6 public housing replacement and substantially rehabilitated units (but not including general  
7 rehabilitation/maintenance of public housing or other affordable housing units) that have  
8 received Temporary Certificates of Occupancy within the Housing Balance Period. The  
9 Housing Balance Reports will show the Cumulative Housing Balance with and without public  
10 housing included in the calculation; and

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

17 (d) **Bi-annual Housing Balance Reports.** By June 1, 2015, the Planning Department  
18 shall calculate the Cumulative and Projected Housing Balance for the most recent two  
19 quarters City-wide, by Supervisorial District, Plan Area, and by neighborhood Planning  
20 Districts, as defined in the annual Housing Inventory, and publish it as an easily visible and  
21 accessible page devoted to Housing Balance and Monitoring and Reporting on the Planning  
22 Department's website. By ~~September~~ October 1st and ~~March~~ April 1st of each year, the  
23 Planning Department shall publish and update the Housing Balance Report, and present this  
24 report at an informational hearing to the Planning Commission and Board of Supervisors, as  
25 well as to any relevant body with geographic purview over a plan area upon request, along

1 with the other quarterly reporting requirements of Administrative Code Section 10E.4. The  
2 annual report to the Board of Supervisors shall be accepted by resolution of the Board, which  
3 resolution shall be introduced by the Planning Department. The Housing Balance Report shall  
4 also be incorporated into the Annual Planning Commission Housing Hearing and Annual  
5 Report to the Board of Supervisors required in Administrative Code Section 10E.4.

6 **(e) Annual Hearing by Board of Supervisors.**

7 (1) The Board of Supervisors shall hold a public Housing Balance hearing on  
8 an annual basis by April 15 of each year, to consider progress towards the City's affordable  
9 housing goals, including the goal of a minimum 33% affordable housing to low and moderate  
10 income households, as well as the City's General Plan Housing Element housing production  
11 goals by income category. ~~The first hearing shall occur no later than 30 days after the  
effective date of this ordinance, and by April 1 of each year thereafter.~~

13 (2) The hearing shall include reporting by the Planning Department, which shall  
14 present the latest Housing Balance Report City-wide and by Supervisorial District and  
15 Planning District; the Mayor's Office of Housing and Community Development, the Mayor's  
16 Office of Economic and Workforce Development, the Rent Stabilization Board, by the  
17 Department of Building Inspection, and the City Economist on strategies for achieving and  
18 maintaining a housing balance in accordance with San Francisco's housing production goals.  
19 If the Cumulative Housing Balance has fallen below 33% in any year, MOHCD shall determine  
20 how much funding is required to bring the City into a minimum 33% Housing Balance and the  
21 Mayor shall submit to the Board of Supervisors a strategy to accomplish the minimum of 33%  
22 Housing Balance. City Departments shall at minimum report on the following issues relevant  
23 to the annual Housing Balance hearing: MOHCD shall report on the annual and projected  
24 progress by income category in accordance with the City's General Plan Housing Element  
; housing production goals, projected shortfalls and gaps in funding and site control, and

1 progress toward the City's Neighborhood Stabilization goals for acquiring and preserving the  
2 affordability of existing rental units in neighborhoods with high concentrations of low and  
3 moderate income households or historically high levels of evictions; the Planning Department  
4 shall report on current and proposed zoning and land use policies that affect the City's  
5 General Plan Housing Element housing production goals; the Mayor's Office of Economic and  
6 Workforce Development shall report on current and proposed major development projects,  
7 dedicated public sites, and policies that affect the City's General Plan Housing Element  
8 housing production goals; the Rent Board shall report on the withdrawal or addition of rent-  
9 controlled units and current or proposed policies that affect these numbers; the Department of  
10 Building Inspection shall report on the withdrawal or addition of Residential Hotel units and  
11 current or proposed policies that affect these numbers; and the City Economist shall report on  
12 annual and projected job growth by the income categories specified in the City's General Plan  
13 Housing Element.

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

17  
18 Section 3. Effective Date. This ordinance shall become effective 30 days after  
19 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
20 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
21 of Supervisors overrides the Mayor's veto of the ordinance

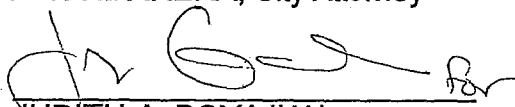
22  
23 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal



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Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

By:   
JUDITH A. BOYAJIAN  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

(Revised 09/19/16)

[Planning Code - Housing Balance Report]

**Ordinance amending the Planning Code to require inclusion in the Housing Balance Report data about the withdrawal of housing units from the rental market by all means, including owner move-ins; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1 and findings of public convenience, necessity, and welfare under Planning Code Section 302.**

Existing Law

Planning Code Section 103 requires the Planning Department to update and publish a Housing Balance Report bi-annually and present the Report at an informational hearing to the Planning Commission and Board of Supervisors, as well as to any relevant body with geographic purview over a plan area upon request, along with the other quarterly reporting requirements of Administrative Code Section 10E.4. "Housing Balance" is defined as "the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 *et seq.*, as such provisions may be amended from time to time, to the total number of all new housing units for a 10 year Housing Balance Period." Subsection 103(c) sets forth the specific information that should be included in the Housing Balance Report, which includes data on housing units that have been withdrawn from the rental market through various specified means.

Amendments to Current Law

Planning Code Sections 103(c)(1) and 103(c)(3)(G) are amended to require the Housing Balance Report to include data on all withdrawals of housing units from the rental market, including but not limited to removals through owner move-ins authorized by the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Chapter 37 of the Administrative Code).

The ordinance also changes the dates for publication of the Housing Balance Reports from March 1 and September 1 to April 1 and October 1, respectively, and changes the deadline for the annual hearing at the Board of Supervisors from April 1 to April 15.

Background Information

In order to comply with the legislative intent, the Housing Balance Report needs to report the data on net housing production, which includes data on housing units withdrawn from the market as well as new housing units constructed. The proposed amendment clarifies the

FILE NO. 160321

intent to include housing removed from the rental market through all means, including but not limited to those removed from protected status under the Rent Ordinance by owner move-ins.

This legislative digest reflects amendments adopted by the Land Use and Transportation Committee on September 19, 2016.

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# SAN FRANCISCO PLANNING DEPARTMENT

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July 13, 2016

Ms. Angela Calvillo, Clerk  
Honorable Supervisor Kim  
Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2016-004987PCA:  
Housing Balance Report  
Board File No. 160321  
Planning Commission Recommendation: Approval with Modification

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

Reception:  
415.558.6378

Fax:  
415.558.6409

Planning  
Information:  
415.558.6377

Dear Ms. Calvillo and Supervisor Kim,

On July 7, 2016, the Planning Commission conducted duly noticed public hearings at regularly scheduled meetings to consider the proposed Ordinance that would amend Planning Code Section 103, introduced by Supervisor Kim. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

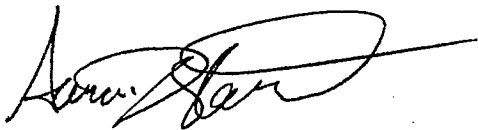
- Include language about the loss of protected units in the definition of Housing Balance. Specifically, amend Section 103(c)(1) as follows:  
  
(c)(1) For purposes of this Section 103, "Housing Balance" shall be defined as the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq., as such provisions may be amended from time to time, less units withdrawn from protected status including, but not limited to, evictions pursuant to Administrative Code Sections 37.9(a)(8)-(10) and (13), to the total number of all new housing units for a 10 year Housing Balance Period
- Amend the dates for publishing the Bi-annual Housing Balance Reports in Section 103(d) from March 1 and September 1 to April 1 and October 1 of each year. Amend the date for the annual hearing in Section 103(e) from April 1 to April 15 of each year

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,



Aaron D. Starr  
Manager of Legislative Affairs

cc:  
Judith A. Boyajian, Deputy City Attorney  
April Ang, Aide to Supervisor Kim  
Andrea Ausberry, Office of the Clerk of the Board  
Alisa Somera, Office of the Clerk of the Board

Attachments:  
Planning Commission Resolution  
Planning Department Executive Summary



# SAN FRANCISCO PLANNING DEPARTMENT

## Planning Commission Resolution No. 19690

HEARING DATE JULY 7, 2016

*Project Name:* Housing Balance Report  
*Case Number:* 2016-004987PCA [Board File No. 160321]  
*Initiated by:* Supervisor Kim / Introduced April 5, 2016  
*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362

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**RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO REQUIRE INCLUSION IN THE HOUSING BALANCE REPORT DATA ABOUT THE WITHDRAWAL OF HOUSING UNITS FROM THE RENTAL MARKET BY ALL MEANS, INCLUDING OWNER MOVE-INS; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC CONVENIENCE, NECESSITY, AND WELFARE UNDER PLANNING CODE SECTION 302.**

WHEREAS, on April 5, 2016 Supervisor Kim introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 160321, which would amend the Planning Code to require inclusion in the housing balance report data about the withdrawal of housing units from the rental market by all means, including owner move-ins;

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 7, 2016; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15060(c) and 15378; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors approve with modifications the proposed ordinance.

**The Commission recommended modifications are:**

1. Include language about the loss of protected units in the definition of Housing Balance. Specifically, amend Section 103(c)(1) as follows:

(c)(1) For purposes of this Section 103, "Housing Balance" shall be defined as the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq., as such provisions may be amended from time to time, less units withdrawn from protected status including, but not limited to, evictions pursuant to Administrative Code Sections 37.9(a)(8)-(10) and (13), to the total number of all new housing units for a 10 year Housing Balance Period

2. Amend the dates for publishing the Bi-annual Housing Balance Reports Section 103(d) from March 1 and September 1 to April 1 and October 1 of each year. Amend the date for the annual hearing in Section 103(e) from April 1 to April 15 of each year.

**FINDINGS**

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. Rent controlled units are an integral part of the City's affordable housing stock. The stability they provide is indispensable to many San Franciscans, especially given the City's current housing shortage. Losing these units is of great concern. Replacing or creating new rent controlled units is particularly difficult given State regulations.
2. The Housing Balance Monitoring and Reporting Ordinance aims to report not only on the composition of recently produced housing but also on the quantity of affordable housing as a share of the City's existing housing stock. The Ordinance also aims to offset the withdrawal of units from rent stabilization and the loss of single room occupancy hotel units. An accurate accounting of the number of rent controlled units withdrawn from the rental market is therefore of utmost importance.
3. Explicitly requiring the inclusion of units withdrawn from rent stabilization as a result of owner move-in, in addition to those withdrawn by condominium conversion, demolition or Ellis Act, in the Housing Balance Report will help provide an accurate picture of the City's housing stock. It will also inform housing policy decisions relating to the production and preservation of the City's affordable housing supply.
4. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

## HOUSING ELEMENT

### OBJECTIVE 2

RETAIN EXISTING HOUSING UNITS AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

#### Policy 2.1

Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

*The proposed Ordinance will help track the loss of housing, including rent controlled or otherwise protected units and help inform policy decisions regarding the maintenance of this housing stock.*

### OBJECTIVE 3

PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS.

#### Policy 3.1

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

#### Policy 3.5

Retain permanently affordable residential hotels and single room occupancy (SRO) units.

*By comprehensively collecting data on the loss of affordable housing units, the proposed Ordinance will help inform housing policies that work to preserve rental units, including residential hotels and SRO units.*

5. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail as the proposed Ordinance deals with the collection of housing data.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance will have a beneficial effect on housing or neighborhood character as it seeks to track the loss of protected housing units. This information can help inform policies that strive to conserve and protect housing and neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced;



*The proposed Ordinance will have a beneficial effect on the City's supply of affordable housing as it proposes to comprehensively track the loss of protected units. This information may be use to craft policies that preserve and enhance the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

*The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking as it deals with reporting on the loss of protected housing units.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired as it deals with tracking the loss of protected housing units.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake because it concerns the reporting on the loss of protected housing units.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings because the proposed Ordinance informs the City's reporting policies.*

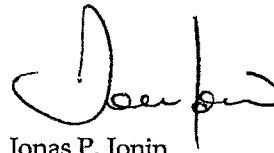
8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas as the proposed Ordinance concerns itself with the reporting on the loss of rent controlled housing units.*

8. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with modifications as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 7, 2016.



Jonas P. Ionin  
Commission Secretary

AYES: Commissioners Antonini, Hillis, Johnson, Moore, Richards and Wu

NOES: None

ABSENT: Fong

ADOPTED: July 7, 2016



# SAN FRANCISCO PLANNING DEPARTMENT

## Executive Summary Planning Code Text Amendment

HEARING DATE: JULY 7, 2016  
EXPIRATION DATE: JULY 12, 2016

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*Project Name:* Housing Balance Report  
*Case Number:* 2016-004987PCA [Board File No. 160321]  
*Initiated by:* Supervisor Kim / Introduced April 5, 2016  
*Staff Contact:* Diego R Sánchez, Legislative Affairs  
diego.sanchez@sfgov.org, 415-575-9082  
*Reviewed by:* Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 415-558-6362  
*Recommendation:* Recommend Approval with Modifications

### PLANNING CODE AMENDMENT

The proposed Ordinance would amend Planning Code Section 103, Housing Balance Monitoring and Reporting, to require inclusion in the Housing Balance Report of data about the withdrawal of housing units from the rental market by all means, including owner move-ins pursuant to Administrative Code Section 37.9(a)(8).

#### The Way It Is Now:

Planning Code Section 103 expresses the Housing Balance as the ratio of the cumulative total of affordable housing units minus lost protected units to the total number of net new housing units. Housing units withdrawn through owner move-in pursuant to Administrative Code Section 37.9(a)(8) are implied in the current requirements, but not explicitly included in the definition of protected units.

#### The Way It Would Be:

Planning Code Section 103 would be amended to explicitly consider housing units withdrawn through owner move-in pursuant to Administrative Code Section 37.9(a)(8) as a lost protected unit in the City's Housing Balance.

### BACKGROUND

#### Proposition K: San Francisco's Housing Production Goals and Monitoring

In November 2014 San Francisco voters approved Proposition K.<sup>1</sup> This proposition affirmed the following policy goals:

<sup>1</sup> Proposition K Language

[http://www.sfgov2.org/ftp/uploadedfiles/elections/ElectionsArchives/Meeting\\_Information/BSC/agendas/2014/November/14-B%20Housing%20DoP.pdf](http://www.sfgov2.org/ftp/uploadedfiles/elections/ElectionsArchives/Meeting_Information/BSC/agendas/2014/November/14-B%20Housing%20DoP.pdf)

- The City commits to construct or rehabilitate at least 30,000 units by 2020. At least 33% of these units will be affordable for low- and moderate-income households and more than half to middle class San Franciscans;
- The City shall implement strategies to finance rental and ownership housing affordable to low-, moderate- and middle-income households; to preserve the affordability of existing rental units; to acquire sites for affordable housing development; and to finance the rehabilitation of public housing in the City;
- The City will strive to ensure that 33% of housing in new Area Plans and Special Use Districts with increased residential development potential is affordable to low- and moderate-income households;
- The City will introduce legislation to develop an annual housing production calculation that reviews the cumulative ratio of affordable housing to market rate housing; and
- The Board of Supervisors will hold an annual hearing regarding progress made toward achieving the City's housing goals, including the goal of one-third affordable to low- and moderate-income households. If housing goals are not progressing, the Board of Supervisors will work with the Mayor to review strategies that achieve those housing goals.

Of note for the proposed Ordinance are the goals creating a housing production calculation and the annual hearing on progress made achieving housing goals. These goals lend themselves to relatively rapid implementation and were subsequently codified in the Planning Code as the Housing Balance Monitoring and Reporting requirement.

### Housing Balance: Purposes, Definition, Calculation and Reporting

#### Purposes

On April 30, 2015 Mayor Edwin Lee signed the City Housing Balance Monitoring and Reporting Ordinance.<sup>2</sup> This Ordinance amended the Planning Code to add Section 103, Housing Balance Monitoring and Reporting. Section 103 responds to the last two policy goals in Proposition K and has the following stated purposes:

- To maintain a balance between new affordable and market rate housing City-wide and within neighborhoods;
- To make housing available for all income levels and housing need types;
- To preserve the mixed income character of the City and its neighborhoods;
- To offset the withdrawal of existing housing units from rent stabilization and the loss of single-room-occupancy hotel units;
- 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;
- To ensure adequate housing for families, seniors and the disabled community;
- To ensure that data on meeting affordable housing targets City-wide and within neighborhoods informs the approval process for new housing development; and
- To enable public participation in determining the appropriate mix of new housing approvals.

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<sup>2</sup> Ordinance 53-15

<https://sfgov.legistar.com/View.ashx?M=F&ID=3731491&GUID=55158A10-A58F-419E-A018-FE7842D22732>

### Definition

The Planning Code defines the Housing Balance as the proportion of new housing units affordable to extremely low-, very low-, low- and moderate-income households to the total number of all new housing units for a 10 year Housing Balance Period. The Housing Balance Period is the ten year period preceding the quarter of the publication of the Housing Balance calculation.

The Planning Code states that the Housing Balance shall be expressed as a percentage. This percentage is arrived at by dividing the total of extremely low-, very low-, low- and moderate-income housing units, minus the lost protected units, by the total number of net new housing units within the Housing Balance Period. Protected units are generally defined in Section 103 as units withdrawn from rent control. Section 103 cites units lost pursuant to condominium conversion, demolition or Ellis Act as examples of withdrawn units.

### Calculation

The Housing Balance Report requires two calculations, the Cumulative Housing Balance and the Projected Housing Balance, to arrive at that percentage. The Cumulative Housing Balance is also calculated in two ways. One, the expanded calculation, includes units gained through acquisition and rehabilitation of affordable units, HOPE SF units and RAD units.<sup>3</sup> The other does not include those units. The Projected Housing Balance is calculated by dividing the cumulative total of entitled affordable units by the total net new units.

### Reporting

Section 103 also contains reporting and hearing requirements, as sought by Proposition K. The Planning Department is required to biannually publish a report detailing the Citywide Housing Balance, as well as the Housing Balance by smaller geographic areas. The Department is also required to present the latest Housing Balance Report at an annual Housing Balance hearing held by the Board of Supervisors. At this hearing other City agencies also report to the Board of Supervisors regarding progress toward meeting the City's housing goals, as indicated by Proposition K.

## ISSUES AND CONSIDERATIONS

### **Intention of the Housing Balance Monitoring and Reporting Ordinance**

An aim of the Housing Balance Monitoring and Reporting Ordinance is to report on the composition of recently produced housing. However, an embedded concern of the Ordinance is the quantity of affordable housing, both deed restricted and rent controlled, as a share of the City's housing stock. The offsetting of the withdrawal of existing housing units from rent stabilization is also a listed purpose of the Ordinance. This is why the Housing Balance is expressed as a ratio of *net* affordable housing to all housing produced over the 10 year Housing Balance Period.

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<sup>3</sup>The equation used for the expanded Cumulative Housing Balance calculation is:

$$\begin{aligned} \text{Expanded Cumulative Housing Balance} &= \\ &[(\text{Net New Affordable Units} + \text{Completed Acq/Rehabs} + \text{HOPE SF} + \text{RAD} + \text{Entitled \& Permitted} \\ &\text{Affordable Units}) - \text{Units Removed from Protected Status}] \\ &\div (\text{Net New Housing Built} + \text{Net Entitled \& Permitted Units}) \end{aligned}$$

To provide this figure, an accurate count of affordable housing units lost is necessary. The Ordinance outlines ways under the Administrative Code that these units are lost. The Ordinance explicitly lists, for illustrative purposes, three of the four most common ways (condominium conversion, demolition or Ellis Act) protected units are lost. It omits explicit mention of units lost through owner move-in.

**No Fault Eviction Types**

Administrative Code Section 37.9 lists more than a dozen ways in which a landlord may recover possession of a rental unit. Of these, some are considered “Fault” evictions. These occur when a tenant commits an act that serves as “just cause” for eviction. The others are “No Fault” evictions. Certain “No-Fault” evictions result in long term removal of rental units from the market. These include owner move-in, condominium conversion, demolition, Ellis Act or through development agreement.

The Rent Board provides quantitative data on the numbers of “No Fault” eviction notices that affect the supply of rent controlled units.<sup>4</sup> Table 1 below summarizes this data for the 2011- 2015 period. It is important to note that while evictions notices are not equivalent to an eviction, they serve as a useful proxy for the loss of protected units. The data indicate that each year owner move-in eviction notices comprise a significant portion, if not most, of total eviction notices. Over this five year period the number of owner move-in eviction notices has steadily increased. Its share as a total of all eviction notices also shows an upward trend. In 2011 it comprised 57% of the listed eviction notice types. By 2015, it reached 65% of the listed eviction notice types. Withdrawal of rent controlled units pursuant to the Ellis Act are the only other eviction notice type that consistently approximates the significance of owner move-in eviction notices. In this context, it is crucial that the Housing Balance account for the loss of protected units as a result of owner move-in.

**TABLE 1: EVICTION NOTICE TYPE BY YEAR, 2011-2015**

Eviction Notice Type	2011	2012	2013	2014	2015
Owner Move In	124	174	275	318	423
Condominium Conversion	2	11	12	10	18
Demolition	37	43	129	48	61
Ellis Act	54	99	231	102	146
Development Agreement	0	232	0	0	1
<b>TOTALS</b>	<b>217</b>	<b>559</b>	<b>647</b>	<b>478</b>	<b>649</b>

<sup>4</sup> <https://housing.datasf.org/data-browser/rent-control/eviction-notices-impacting-supply> Referenced June 19, 2016

### Erosion of the City's Affordable Housing Stock

Past Housing Balance Reports consistently indicate the loss of protected units during the respective 10 year Housing Balance Periods at over 4,100 units.<sup>5</sup> The Housing Balance Report from June 2015 showed the loss as high as 5,470 units.<sup>6</sup> The Department is concerned about this loss for several reasons. First, the magnitude is significant in comparison to produced affordable housing. For example, the March 31, 2016 Housing Balance Report indicated that the cumulative total of produced affordable housing was 10,052 units.<sup>7</sup> Losing 4,118 units of similarly affordable housing (41% of the total produced affordable housing units) in that same period is a significant loss. Second, once rent controlled units are eliminated, they are extraordinarily difficult to replace. California State law restricts a locality's ability to require rent controlled units in new developments. When new rent controlled units are created, they are a part of larger development agreements, which are far and few between, or created by adding Accessory Dwelling Units to buildings already under rent control. Third, rent controlled units often provide housing for those on fixed incomes. The stability that rent control affords is indispensable to many San Franciscans. Losing rent controlled units directly affects these San Franciscans and is in contrast to the City's housing policy.<sup>8</sup>

### Synchronizing Reporting Deadlines

The Planning Department currently prepares the following five housing-related reports:

1. Annual Housing Element Progress Report;
2. Annual Housing Inventory Report;
3. Quarterly project pipeline reports;
4. Quarterly Housing Production Summary Reports; and
5. Housing Balance Monitoring and Reporting report.

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<sup>5</sup> <http://sf-planning.org/housing-balance-report>: This is the Planning Department's webpage devoted to the Housing Balance Monitoring and Reporting and provides reports and presentation materials in accordance with Planning Code Section 103(e)(3).

<sup>6</sup> Housing Balance Report, July 7, 2015.

[http://default.sfplanning.org/publications\\_reports/HousingBalanceReport01-20150706.pdf](http://default.sfplanning.org/publications_reports/HousingBalanceReport01-20150706.pdf)

<sup>7</sup> This is the sum of the following columns in Table 1B: Expanded Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4, page 5 of the March 31, 2016 Housing Balance Report: Net New Affordable Housing Built, Completed Acquisitions and Rehabs, RAD Program Units and Total Entitled Affordable Units Permitted

<sup>8</sup> 2014 Housing Element, Objectives 2 and 3.

Objective 2: Retain Existing Housing Units and Promote Safety and Maintenance Standards, Without Jeopardizing Affordability; Policy 2.1: Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

Objective 3: Protect the Affordability of the Existing Housing Stock, Especially Rental Units; Policy 3.1: Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs; Policy 3.5: Retain permanently affordable residential hotels and single room occupancy (SRO) units.

[http://www.sf-planning.org/ftp/General\\_Plan/2014HousingElement-AllParts\\_ADOPTED\\_web.pdf](http://www.sf-planning.org/ftp/General_Plan/2014HousingElement-AllParts_ADOPTED_web.pdf)

The preparation of the Annual Housing Inventory Report and the Housing Balance report are closely linked. The data collected and analyzed in the Annual Housing Inventory Report forms the basis of the Housing Balance Report. For the Department to provide an accurate and thorough accounting in the Housing Balance Report, it is important that its publication date (March 1<sup>st</sup> of each year) coincide with, and not precede, that of the Annual Housing Inventory Report (published March 31<sup>st</sup> of each year).

## IMPLEMENTATION

The Department has determined that this ordinance will not impact our current implementation procedures.

## REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

## RECOMMENDATION

The Department recommends that the Commission recommend *approval with modifications* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Include language about the loss of protected units in the definition of Housing Balance. Specifically, amend Section 103(c)(1) as follows:

(c)(1) For purposes of this Section 103, "Housing Balance" shall be defined as the proportion of all new housing units affordable to households of extremely low, very low, low or moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq., as such provisions may be amended from time to time, *less units withdrawn from protected status including, but not limited to, evictions pursuant to Administrative Code Sections 37.9(a)(8)-(10) and (13)*, to the total number of all new housing units for a 10 year Housing Balance Period

2. Amend the dates for publishing the Bi-annual Housing Balance Reports from March 1 and September 1 to April 1 and October 1 of each year. Amend the date for the annual hearing from April 1 to May 1 of each year.

## BASIS FOR RECOMMENDATION

The Department supports the goal of the Ordinance, which is clarifying that the Housing Balance must account for the loss of protected housing units by owner move-in. An accurate accounting is necessary given the magnitude of lost protected units. While the Department already includes protected units lost by owner move-in in the Housing Balance Report, the Ordinance will codify existing Department practice. The proposed modifications will clarify the intent of the Ordinance and Department practices. The Department also believes the later reporting and presentation dates will prove beneficial to the



accurate and timely completion of the Housing Balance requirements and other Department published housing reports.

**Recommendation 1: Amend Section 103(c)(1) to include language about the loss of protected units in the definition of Housing Balance.**

As described on page three, Planning Code Section 103 defines and expresses the Housing Balance in two slightly different ways. The proposed modification would harmonize the definition of Housing Balance in subsection 103(c)(1) with how it is expressed in subsection 103(c)(4). This increases clarity about what is included in the Housing Balance.

One of the stated purposes of the Housing Balance Monitoring and Reporting Ordinance is to offset the withdrawal of existing housing units from rent stabilization. This requires a thorough accounting of the various ways that protected units are legally withdrawn from the rental market. The Administrative Code allows a landlord to recover possession or withdraw from rent or lease rented units in a number of ways. Four common ways to remove units for an extended time from the rental market are condominium conversion, demolition, Ellis Act withdrawal and owner move-in. It is imperative that the Housing Balance account for these ways given the magnitude of lost protected units. Failing to do so would provide an inaccurate picture of the City's affordable housing stock. It would also underestimate the gravity of the affordable housing crisis.

There is no language in Planning Code Section 103 indicating that protected units lost through owner move-in are to be excluded from the Housing Balance Calculation. The existing language is descriptive and open-ended. In fact, the omission of an explicit reference to owner move-in was an oversight and unintentional. The proposed Ordinance is the opportunity to correct this error.

**Recommendation 2: Amend Sections 103(d) and 103(e) to adjust the reporting and presentation dates.** Planning Code Section 103 lists September 1<sup>st</sup> and March 1<sup>st</sup> as the publication dates for the bi-annual Housing Balance Reports. Extending the publication dates one month, to October 1<sup>st</sup> and April 1<sup>st</sup>, will ease the coordination between this report and the Annual Housing Inventory Report, which is published in April. This assures the Department is producing thorough and accurately detailed housing reports. It also avoids last minute data corrections or other untimely edits. Likewise, extending the presentation date one month, from April to May, also allows for an improved end-product. Taken together, these modifications result in improved information for housing policy makers and ultimately better housing outcomes for the City.

## ENVIRONMENTAL REVIEW

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

## PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

<b>RECOMMENDATION:</b> Recommendation of Approval with Modification
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**Attachments:**

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 160321



**SAN FRANCISCO  
PLANNING DEPARTMENT**

LN Clerk  
Leg Dept Page  
File 160321

**MEMO**

APR 5 2016 4:12  
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**Notice of Electronic Transmittal**

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

**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](mailto: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>.



# SAN FRANCISCO PLANNING DEPARTMENT

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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: 5 April 2016  
TO: Honorable Members of the San Francisco Board of Supervisors  
FROM: John Rahaim  
Director of Planning  
RE: HOUSING BALANCE REPORT No. 3

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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%<sup>1</sup> 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*.

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<sup>1</sup> 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.

[Net New Affordable Housing + Completed Acquisitions & Rehabs + Completed HOPE SF + RAD Public Housing Replacement + Entitled & Permitted Affordable Units] – [Units Removed from Protected Status]	=	<b>CUMULATIVE HOUSING BALANCE</b>
[Net New Housing Built + Net Entitled & Permitted Units]		

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%
<b>TOTALS</b>	<b>5,532</b>	<b>(4,118)</b>	<b>1,536</b>	<b>22,531</b>	<b>11,140</b>	<b>8.8%</b>



**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%
<b>TOTALS</b>	<b>5,532</b>	<b>1,559</b>	<b>1,425</b>	<b>(4,118)</b>	<b>1,536</b>	<b>22,531</b>	<b>11,140</b>	<b>17.6%</b>

### 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%
<b>Totals</b>	<b>439</b>	<b>74</b>	<b>142</b>	<b>29</b>	<b>214</b>	<b>898</b>	<b>5,906</b>	<b>15.2%</b>

### 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%
<b>TOTAL</b>	<b>3,295</b>	<b>1,104</b>	<b>1,110</b>	<b>23</b>	<b>5,532</b>	<b>22,531</b>	<b>24.6%</b>

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
<b>TOTALS</b>	<b>16</b>	<b>1,559</b>

## 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
<b>TOTALS</b>	<b>15</b>	<b>1,425</b>

## 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**

<b>BoS District</b>	<b>Condo Conversion</b>	<b>Demolition</b>	<b>Ellis Out</b>	<b>Owner Move-In</b>	<b>Units Removed from Protected Status</b>
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
<b>TOTALS</b>	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%
<b>TOTALS</b>	<b>577</b>	<b>772</b>	<b>187</b>	<b>-</b>	<b>1,536</b>	<b>11,140</b>	<b>13.8%</b>

#### 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%
<b>TOTALS</b>	<b>5,759</b>	<b>1,559</b>	<b>(4,104)</b>	<b>1,604</b>	<b>21,346</b>	<b>11,302</b>	<b>14.8%</b>
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%
<b>TOTALS</b>	<b>5,759</b>	<b>1,559</b>	<b>(4,104)</b>	<b>1,604</b>	<b>21,346</b>	<b>11,302</b>	<b>14.8%</b>



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%
<b>TOTALS</b>	<b>47</b>	<b>5</b>	<b>252</b>	<b>304</b>	<b>3,270</b>	<b>9.3%</b>

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%
<b>TOTALS</b>	<b>47</b>	<b>5</b>	<b>252</b>	<b>304</b>	<b>3,270</b>	<b>9.3%</b>



**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%
<b>TOTALS</b>	<b>3,629</b>	<b>1,110</b>	<b>1,020</b>	<b>5,759</b>	<b>21,346</b>	<b>27.0%</b>

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%
<b>TOTALS</b>	<b>3,629</b>	<b>1,110</b>	<b>1,020</b>	<b>5,759</b>	<b>21,346</b>	<b>27.0%</b>

*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
<b>TOTALS</b>	<b>50</b>	<b>504</b>	<b>1,581</b>	<b>1,969</b>	<b>4,104</b>

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
<b>TOTALS</b>	<b>50</b>	<b>504</b>	<b>1,581</b>	<b>1,969</b>	<b>4,104</b>

**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%
<b>TOTALS</b>	<b>228</b>	<b>876</b>	<b>500</b>	<b>1,604</b>	<b>11,302</b>	<b>14.2%</b>

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%
<b>TOTALS</b>	<b>228</b>	<b>876</b>	<b>500</b>	<b>1,604</b>	<b>11,302</b>	<b>14.2%</b>

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%
<b>TOTALS</b>	<b>5,848</b>	<b>1,859</b>	<b>(4,121)</b>	<b>1,328</b>	<b>21,944</b>	<b>9,981</b>	<b>15.4%</b>

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%
<b>TOTALS</b>	<b>5,848</b>	<b>1,859</b>	<b>(4,121)</b>	<b>1,328</b>	<b>21,944</b>	<b>9,981</b>	<b>15.4%</b>

**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%
<b>TOTALS</b>	<b>170</b>	<b>209</b>	<b>282</b>	<b>661</b>	<b>5,190</b>	<b>12.7%</b>

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%
<b>TOTALS</b>	<b>170</b>	<b>209</b>	<b>282</b>	<b>661</b>	<b>5,190</b>	<b>12.7%</b>

**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%
<b>TOTALS</b>	<b>3,655</b>	<b>1,158</b>	<b>1,035</b>	<b>5,848</b>	<b>21,944</b>	<b>26.6%</b>

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%
<b>TOTALS</b>	<b>3,655</b>	<b>1,158</b>	<b>1,035</b>	<b>5,848</b>	<b>21,944</b>	<b>26.6%</b>

*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**

<b>BoS Districts</b>	<b>Demolition</b>	<b>Ellis Out</b>	<b>Owner Move-In</b>	<b>Condo Conversion</b>	<b>Units Removed</b>
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
<b>TOTALS</b>	<b>54</b>	<b>499</b>	<b>1,480</b>	<b>2,088</b>	<b>4,121</b>

<b>Planning Districts</b>	<b>Demolition</b>	<b>Ellis Out</b>	<b>Owner Move-In</b>	<b>Condo Conversion</b>	<b>Units Removed</b>
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
<b>TOTALS</b>	<b>54</b>	<b>499</b>	<b>1,480</b>	<b>2,088</b>	<b>4,121</b>

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

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

19 Section 1. Findings.

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

25 (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 Shipyards 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  
23  
24  
25

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:\legana\as2015\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

4/30/2015

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%
<b>Totals</b>	<b>5,532</b>	<b>(4,118)</b>	<b>1,536</b>	<b>22,531</b>	<b>11,140</b>	<b>8.8%</b>

**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%
<b>Totals</b>	<b>5,532</b>	<b>1,559</b>	<b>1,425</b>	<b>(4,118)</b>	<b>1,536</b>	<b>22,531</b>	<b>11,140</b>	<b>17.6%</b>

**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%
<b>TOTALS</b>	<b>439</b>	<b>74</b>	<b>142</b>	<b>29</b>	<b>214</b>	<b>898</b>	<b>5,906</b>	<b>15.2%</b>

**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%
<b>TOTALS</b>	<b>3,295</b>	<b>1,104</b>	<b>1,110</b>	<b>23</b>	<b>5,532</b>	<b>22,531</b>	<b>24.6%</b>



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

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

**Table 5**  
**RAD Affordable Units**

<b>Planning District</b>	<b>No. of Units</b>	<b>as % of Total</b>
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%
<b>TOTALS</b>	<b>1,425</b>	<b>100.0%</b>

**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
<b>Totals</b>	<b>54</b>	<b>505</b>	<b>1,432</b>	<b>2,127</b>	<b>4,118</b>

**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%
<b>TOTALS</b>	<b>577</b>	<b>772</b>	<b>187</b>	<b>1,536</b>	<b>11,140</b>	<b>13.8%</b>

BOARD of SUPERVISORS



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

April 13, 2016

**File No. 160321**

Sarah Jones  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Jones:

On April 5, 2016, Supervisor Kim introduced the following proposed legislation:

**File No. 160321**

Ordinance amending the Planning Code to require inclusion in the Housing Balance Report data about the withdrawal of housing units from the rental market by all means, including owner move-ins; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public convenience, necessity, and welfare under Planning Code, Section 302.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "A. Ausberry".

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

Attachment

c: Joy Navarrete, Environmental Planning  
Jeanie Poling, Environmental Planning

BOARD of SUPERVISORS



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San Francisco 94102-4689  
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Fax No. 554-5163  
TDD/TTY No. 554-5227

April 13, 2016

Planning Commission  
Attn: Jonas Ionin  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Commissioners:

On April 5, 2016, Supervisor Kim introduced the following substituted legislation:

**File No. 160321**

Ordinance amending the Planning Code to require inclusion in the Housing Balance Report data about the withdrawal of housing units from the rental market by all means, including owner move-ins; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public convenience, necessity, and welfare under Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "A. Ausberry".

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

c: John Rahaim, Director of Planning  
Aaron Starr, Acting Manager of Legislative Affairs  
Scott Sanchez, Zoning Administrator  
Sarah Jones, Chief, Major Environmental Analysis  
AnMarie Rodgers, Legislative Affairs  
Jeanie Poling, Environmental Planning  
Joy Navarrete, Environmental Planning

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## 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  
Sam Dodge, Director, Housing Opportunity, Partnerships and Engagement  
Tom Hui, Director, Department of Building Inspection

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

DATE: April 13, 2016

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Kim on April 5, 2016.

**File No. 160321**

Ordinance amending the Planning Code to require inclusion in the Housing Balance Report data about the withdrawal of housing units from the rental market by all means, including owner move-ins; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public convenience, necessity, and welfare under Planning Code, Section 302.

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](mailto: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

Referral from the Office of the Clerk of the Board  
Land Use and Transportation Committee  
April 13, 2016  
Page 2

Dee Schexnayder, Housing Opportunity, Partnerships and Engagement  
Christine Keener, Housing Opportunity, Partnerships and Engagement  
William Strawn, Department of Building Inspection  
Carolyn Jayin, Department of Building Inspection  
Sonya Harris, Department of Building Inspection

Print Form

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SANTA CLARA COUNTY

2016 APR - 5 PM 1:13  
Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.**

**Sponsor(s):**

Supervisor Kim

**Subject:**

Planning Code - Housing Balance Report

**The text is listed below or attached:**

See attached.

Signature of Sponsoring Supervisor: 

**For Clerk's Use Only:**