File No. 170992 Committee Item No. 5
Board Item No. 14

COMMITTEE/BOARD OF SUPERVISORS

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Board of Supervisors Meeting **Date** December 5, 2017

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Completed by: Alisa Somera **Date** November 3, 2017
Completed by: Alisa Somera **Date** November 30, 2017

FILE NO. 170992 RESOLUTION NO.

[Bi-Annual Housing Balance Report - May 2017]

Resolution receiving and approving the bi-annual Housing Balance Report dated May 12, 2017, submitted as required by Planning Code, Section 103.

WHEREAS, On April 21, 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; and

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

WHEREAS, The stated purpose of the Housing Balance Monitoring and Reporting requirements 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 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; and

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

WHEREAS, The Planning Department submitted on May 12, 2017, for the Board's receipt and approval, the bi-annual Housing Balance Report covering the ten year calendar period from 2007-2016 as required by Planning Code, Section 103; and

WHEREAS, The bi-annual report is on file with the Clerk of the Board of Supervisors in File No. 170992, and is incorporated herein by reference as though fully set forth; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby receives and approves the bi-annual Housing Balance Report submitted by the Planning Department.

SAN FRANCISCO
PLANNING DEPARTMENT

MEMO

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DATE: 12 May 2017

TO: Honorable Members of the San Francisco Board of Supervisors

FROM: John Rahaim
Director of Planning

RE: **HOUSING BALANCE REPORT No. 5**
1 January 2007 – 31 December 2016

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 Citywide and within neighborhoods informs the approval process for new housing development." This report is the fifth in the series and covers the ten-year period from 1 January 2007 through 31 December 2016.

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.

In the 2007-2016 Housing Balance Period, 22% of net new housing produced was affordable. By comparison, the expanded Citywide Cumulative Housing Balance is 23%, although this varies by districts. Distribution of the Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from –197% (District 4) to 67% (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 14%. Three major development projects were identified in the ordinance for exclusion in the projected housing balance calculations until site permits are obtained. Remaining phases for these three projects will add up to 22,000 net units including over 4,900 affordable units; this would increase the projected housing balance to 20% if included in the calculations.

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 April 1 and October 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 A* 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 supplement tracking performance toward meeting the goals set by the City's *Housing Element* and Proposition K. Housing production targets in the City's *Housing Element*, adopted in April 2015, calls for 28,870 new units built between 2015 and 2022, 57%[1] of which should be affordable. As mandated by law, the City provides the State Department of Housing and Community Development an annual progress report.[2] In November 2014, San Francisco's voters endorsed Proposition K, which set a goal of 33% of all new housing units to 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.[3]

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

[2] Printed annual progress reports submitted by all California jurisdictions can be accessed here – http://www.hcd.ca.gov/community-development/housing-element/annual-progress-reports/index.php .– or by calling HCD at 916-263-2911 for the latest reports as many jurisdictions now file reports online.

[3] For more information on and tracking of *30K by 2020*, see http://sfmayor.org/housing .

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.

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

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 2007 (Q1) through December 2016 (Q4).

Table 1A below shows the Cumulative Housing Balance for 10 year 2007 Q1 – 2016 Q4 period is 14% Citywide. With the addition of RAD units, the expanded Cumulative Housing Balance is 23%. In comparison, the expanded Cumulative Housing Balance for 10 year 2006 Q1 – 2015 Q4 period was 18%. The Board of Supervisors recently revised the ordinance to include Owner Move-Ins (OMIs) in the Housing Balance calculation. Although OMIs were not specifically called out by in the original Ordinance in the calculation of the Housing Balance, these were included in earlier reports because this type of no-fault eviction results in the loss of rent controlled units either permanently or for a period of time.

Table 1A
Cumulative Housing Balance Calculation, 2007 Q1 – 2016 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Cumulative Housing Balance
BoS District 1	170	-	(496)	4	340	114	-70.9%
BoS District 2	37	24	(315)	11	871	271	-21.3%
BoS District 3	205	6	(372)	16	951	302	-11.6%
BoS District 4	10	-	(437)	7	115	98	-197.2%
BoS District 5	709	293	(398)	196	1,744	598	34.2%
BoS District 6	3,239	1,155	(135)	960	17,158	6,409	22.1%
BoS District 7	99	-	(220)	-	530	104	-19.1%
BoS District 8	97	17	(655)	17	1,115	416	-34.2%
BoS District 9	217	319	(582)	17	1,034	237	-2.3%
BoS District 10	1,353	24	(249)	274	4,281	2,034	22.2%
BoS District 11	30	-	(323)	9	180	297	-59.5%
TOTALS	**6,166**	**1,838**	**(4,182)**	**1,511**	**28,319**	**10,880**	**13.6%**

Table 1B below shows the Expanded Cumulative Housing Balances for Board of Supervisor Districts ranging from -197% (District 4) to 67% (District 5). Negative balances in Districts 1 (-71%), 2 (-23%), 3 (-12%), 4 (-197%), 8 (-35%), and 11 (-60%) 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 1B
Expanded Cumulative Housing Balance Calculation, 2007 Q1 – 2016 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program and Hope SF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Expanded Cumulative Housing Balance
BoS District 1	170	-	144	(496)	4	340	114	-39.2%
BoS District 2	37	24	251	(315)	11	871	271	0.7%
BoS District 3	205	6	577	(372)	16	951	302	34.5%
BoS District 4	10	-	-	(437)	7	115	98	-197.2%
BoS District 5	709	293	806	(398)	196	1,744	598	68.6%
BoS District 6	3,239	1,155	561	(135)	960	17,158	6,409	24.5%
BoS District 7	99	-	110	(220)	-	530	104	-1.7%
BoS District 8	97	17	330	(655)	17	1,115	416	-12.7%
BoS District 9	217	319	268	(582)	17	1,034	237	18.8%
BoS District 10	1,353	24	436	(249)	274	4,281	2,034	29.1%
BoS District 11	30	-	-	(323)	9	180	297	-59.5%
TOTALS	**6,166**	**1,838**	**3,483**	**(4,182)**	**1,511**	**28,319**	**10,880**	**22.5%**

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 2016 is 16%. 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 22,000 net new units; 22% (or 4,900 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, 2016 Q4

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	-	19	0.0%
BoS District 2	-	-	-	-	-	25	0.0%
BoS District 3	-	-	14	-	14	190	7.4%
BoS District 4	-	-	-	-	-	14	0.0%
BoS District 5	-	-	28	3	31	275	11.3%
BoS District 6	-	158	103	52	313	3,664	8.5%
BoS District 7	-	-	-	284	284	1,057	26.9%
BoS District 8	-	5	3	-	8	84	9.5%
BoS District 9	-	132	8	1	141	722	19.5%
BoS District 10	-	985	-	168	1,153	6,008	19.2%
BoS District 11	-	-	-	-	-	1	0.0%
TOTALS	**-**	**1,280**	**156**	**508**	**1,944**	**12,059**	**16.1%**

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 B*. This is to ensure simple and uncluttered tables in the main body of the report.

Affordable Housing and Net New Housing Production

Table 3 below shows housing production between 2007 Q1 and 2016 Q4. This ten-year period resulted in a net addition of over 28,300 units to the City's housing stock, including almost 6,170 affordable units. A majority of net new housing units and affordable units built in the ten year

reporting period were in District 6 (17,160 or 61% and 3,240 or 53% respectively). District 10 follows with about 4,280 (15%) net new units, including over 1,350 (22%) affordable units.

The table below also shows that almost 22% of net new units built between 2007 Q1 and 2016 Q4 were affordable units, mostly (61%) in District 6. While District 1 saw modest gains in net new units built, half of these were affordable (50%).

Table 3
New Housing Production by Affordability, 2007 Q1 – 2016 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			-	170	340	50.0%
BoS District 2			37	-	37	871	4.2%
BoS District 3	161	2	42	-	205	951	21.6%
BoS District 4			10	-	10	115	8.7%
BoS District 5	439	174	96	-	709	1,744	40.7%
BoS District 6	1,982	727	507	23	3,239	17,158	18.9%
BoS District 7	70	29		-	99	530	18.7%
BoS District 8		82	15	-	97	1,115	8.7%
BoS District 9	138	40	39	-	217	1,034	21.0%
BoS District 10	404	561	388	-	1,353	4,281	31.6%
BoS District 11		13	17	-	30	180	16.7%
TOTAL	**3,364**	**1,628**	**1,151**	**23**	**6,166**	**28,319**	**21.8%**

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 2007 Q1 and 2016 Q4 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 4a
Acquisitions and Rehabilitation of Affordable Housing, 2007-2016

BoS District	No. of Buildings	No. of Units
BoS District 2	1	24
BoS District 5	2	290
BoS District 6	13	1,127
BoS District 9	2	319
TOTALS	**18**	**1,760**

Small Sites Program

The San Francisco Small Sites Program (SSP) is an initiative of the Mayor's Office of Housing and Community Development (MOHCD) to acquire small rent-controlled buildings (with four to 25 units) where tenants are at risk of eviction through the Ellis Act or owner move-ins. Since its inception in 2014, some 13 buildings with 78 units have been acquired.

Table 4b
Small Sites Program, 2014-2016

BoS District	No. of Buildings	No. of Units
Bos District 3	1	6
BoS District 5	1	3
BoS District 6	3	28
BoS District 8	4	17
BoS District 9	4	24
TOTALS	**13**	**78**

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 I transferred 1,425 units to developers in December 2015. An additional 2,028 units were transferred as Phase II in 2016.

Table 5
RAD Affordable Units, 2016-2017

BoS District	No of Buildings	No of Units
BoS District 1	2	144
BoS District 2	3	251
BoS District 3	4	577
BoS District 5	7	806
BoS District 6	4	561
BoS District 7	1	110
BoS District 8	4	330
BoS District 9	2	268
BoS District 10	2	436
BoS District 11	-	-
TOTALS	**29**	**3,483**

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 initially, 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. On 14 November 2016, the Board of Supervisors amended Planning Code Section 103 to include OMIs as part of the housing balance calculation.

Table 6 below shows the distribution of no-fault eviction notices issued between January 2007 and December 2016. 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 (55% and 32% respectively). Distribution of these no-fault eviction notices is almost evenly dispersed, with Districts 8 and 9 leading (16% and 14%, respectively).

Table 6
Units Removed from Protected Status, 2007 Q1 – 2016 Q4

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	3	26	160	307	496
BoS District 2	17	13	86	199	315
BoS District 3	6	10	238	118	372
BoS District 4	-	87	76	274	437
BoS District 5	17	21	125	235	398
BoS District 6	1	76	46	12	135
BoS District 7	-	31	37	152	220
BoS District 8	19	43	262	331	655
BoS District 9	4	61	209	308	582
BoS District 10	2	29	45	173	249
BoS District 11	-	81	44	198	323
TOTALS	69	478	1,328	2,307	4,182

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 2016. Over half of these units are being built in or will be built in District 6 (59%). Fourteen percent of units that have received Planning entitlements and site permits from the DBI will be affordable.

Table 7
Permitted Units, 2016 Q4

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	-	4	114	3.5%
BoS District 2	-	-	11	-	11	271	4.1%
BoS District 3	-	12	4	-	16	302	5.3%
BoS District 4	-	-	7	-	7	98	7.1%
BoS District 5	108	50	38	-	196	598	32.8%
BoS District 6	235	483	242	-	960	6,409	15.0%
BoS District 7	-	-		-	-	104	0.0%
BoS District 8	-	10		7	17	416	4.1%
BoS District 9	-	12	5	-	17	237	7.2%
BoS District 10	-	245	28	1	274	2,034	13.5%
BoS District 11	-	-	9	-	9	297	3.0%
TOTALS	**343**	**812**	**348**	**8**	**1,511**	**10,880**	**13.9%**

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 April 1 and October 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 scheduled to be heard before the Board of Supervisors before the end of June 2017. 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
Ordinance 53-15

AMENDED IN COMMITTEE
4/6/15

FILE NO. 150029 ORDINANCE NO. 53-15

[Planning Code - City Housing Balance Monitoring and Reporting]

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.

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

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

Section 1. Findings.

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

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

Supervisor Kim
BOARD OF SUPERVISORS Page 1

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

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

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

SEC. 103. HOUSING BALANCE MONITORING AND REPORTING.

(a) 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, there is hereby established a requirement, as detailed in this Section 103, to monitor and regularly report on the housing balance between market rate housing and affordable housing.

(b) Findings.

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

Income households, and the City is expected to develop strategies to achieve that goal. This section 105 sets forth a method to track performance toward the City's Housing Element goals and the near-term Proposition K goal that 33% of all new housing shall be affordable housing, as defined herein.

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

(3) For tenants in unsubsidized housing, affordability is often preserved by the Residential Rent Stabilization and Arbitration Ordinance's limitations on the size of allowable rent increases during a tenancy. As documented in the Budget and Legislative Analyst's October 2013 Policy Analysis Report on Tenant Displacement, San Francisco is experiencing a rise in units withdrawn from rent controls. Such rises often accompany periods of sharp increases in property values and housing prices. From 1998 through 2013, the Rent Board reported a total of 13,027 no-fault evictions (i.e., evictions in which the tenant had not violated any lease terms, but the owner sought to regain possession of the unit). Total evictions of all types have increased by 38.2% from Rent Board Year (i.e. from March through February) 2010 to Rent Board Year 2015. During the same period, Ellis Act evictions far outpaced other evictions, increasing by 169.8% from 43 in Rent Board Year 2010 to 116 in Rent Board Year 2015. These numbers do not capture the large number of owner buyouts of tenants, which contribute further to the loss of rent-stabilized units from the housing market. Any fair assessment of the affordable housing balance must incorporate into the calculation units withdrawn from rent stabilization.

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

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

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

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

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

(c) Housing Balance Calculation.

(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, to the total number of all new housing units for a 10 year Housing Balance Period.

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

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

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

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

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

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

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

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

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

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

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

(4) The Housing Balance shall be expressed as a percentage, obtained by dividing the cumulative total of extremely low, very low, low and moderate income affordable housing units (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 Housing Balance shall also provide two calculations:

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

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

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

(d) Bi-annual Housing Balance Reports. ~~Within 30 days of the effective date of this Section 103~~By June 1, 2015, *the Planning Department shall calculate the Cumulative and Projected Housing Balance for the most recent two quarters City-wide, by Supervisorial District,* Plan Area, *and by neighborhood Planning Districts, as defined in the annual Housing Inventory, and publish it as an easily visible and accessible page dedicated to Housing Balance and Monitoring and Reporting on the Planning Department's website. By* ~~August~~ September *1st and* ~~February~~ March *1st of each year, the Planning Department shall publish and update the Housing Balance Report, and present this 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 Chapter 10E.4.* The annual report to the Board of Supervisors shall be accepted by resolution of the Board, which resolution shall be introduced by the Planning Department. *The Housing Balance Report shall also be incorporated into the Annual Planning Commission Housing Hearing and Annual Report to the Board of Supervisors required in Administrative Code Chapter 10E.4.*

(e) Annual Hearing by Board of Supervisors.

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

including the goal of a minimum 33% affordable housing to low and moderate income households, as well as the City's General Plan Housing Element housing production 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.

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

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

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

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

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

By: _____
MARLENA BYRNE
Deputy City Attorney

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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 B
CUMULATIVE HOUSING BALANCE REPORT No 5 TABLES BY PLANNING DISTRICTS

Table 1A
Cumulative Housing Balance Calculation, 2007 Q1 – 2016 Q4

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance
1 Richmond	170		(569)	54	513	175	-50.1%
2 Marina	2	24	(180)	2	282	160	-34.4%
3 Northeast	191	6	(384)	12	753	271	-17.1%
4 Downtown	1,682	851	(119)	304	5,630	2,124	35.1%
5 Western Addition	621	293	(207)	142	1,809	448	37.6%
6 Buena Vista	190	5	(239)	30	899	437	-1.0%
7 Central	18		(384)	-	348	51	-91.7%
8 Mission	345	347	(540)	16	1,504	469	8.5%
9 South of Market	1,815	304	(125)	933	13,814	5,871	14.9%
10 South Bayshore	753		(76)	1	1,807	322	31.8%
11 Bernal Heights	240	8	(184)	-	73	20	68.8%
12 South Central	10		(375)	10	128	307	-81.6%
13 Ingleside	119		(179)	-	547	93	-9.4%
14 Inner Sunset	-		(189)	-	103	36	-136.0%
15 Outer Sunset	10		(432)	7	109	96	-202.4%
TOTALS	**6,166**	**1,838**	**(4,182)**	**1,511**	**28,319**	**10,880**	**13.6%**

Table 1B
Expanded Cumulative Housing Balance Calculation, 2007 Q1 – 2016 Q4

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program & HopeSF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Expanded Cumulative Housing Balance
1 Richmond	170		144	(569)	54	513	175	-29.2%
2 Marina	2	24	138	(180)	2	282	160	-3.2%
3 Northeast	191	6	577	(384)	12	753	271	39.3%
4 Downtown	1,682	851	285	(119)	304	5,630	2,124	38.7%
5 Western Addition	621	293	919	(207)	142	1,809	448	78.3%
6 Buena Vista	190	5	132	(239)	30	899	437	8.8%
7 Central	18		107	(384)	-	348	51	-64.9%
8 Mission	345	347	91	(540)	16	1,504	469	13.1%
9 South of Market	1,815	304	276	(125)	933	13,814	5,871	16.3%
10 South Bayshore	753		436	(76)	1	1,807	322	52.3%
11 Bernal Heights	240	8	268	(184)	-	73	20	357.0%
12 South Central	10		-	(375)	10	128	307	-81.6%
13 Ingleside	119		-	(179)	-	547	93	-9.4%
14 Inner Sunset	-		110	(189)	-	103	36	-56.8%
15 Outer Sunset	10		-	(432)	7	109	96	-202.4%
TOTALS	**6,166**	**1,838**	**3,483**	**(4,182)**	**1,511**	**28,319**	**10,880**	**22.5%**

Table 2
Projected Housing Balance Calculation, 2016 Q4

BoS District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	19	0.0%
2 Marina	-	-	-	-	-	20	0.0%
3 Northeast	-	-	8	-	8	143	5.6%
4 Downtown	-	-	96	-	96	2,024	4.7%
5 Western Addition	-	65	11	3	79	133	59.4%
6 Buena Vista	-	-	20	-	20	172	11.6%
7 Central	-	-	-	-	-	48	0.0%
8 Mission	-	5	8	18	31	1,304	2.4%
9 South of Market	-	154	13	34	201	3,173	6.3%
10 South Bayshore	-	141		168	309	3,032	10.2%
11 Bernal Heights	-	-	-	-	-	4	0.0%
12 South Central	-	-	-	1	1	916	0.1%
13 Ingleside	-	915	-	284	1,199	1,021	117.4%
14 Inner Sunset	-	-	-	-	-	36	0.0%
15 Outer Sunset	-	-	-	-	-	14	0.0%
TOTALS	**-**	**1,280**	**156**	**508**	**1,944**	**12,059**	**16.1%**

Table 3
New Housing Production by Affordability, 2007 Q1 – 2016 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	-	-	-	170	513	33.1%
2 Marina	-	-	-	-	-	282	0.0%
3 Northeast	161	2	28	-	191	753	25.4%
4 Downtown	1,048	338	273	23	1,682	5,630	29.9%
5 Western Addition	367	174	80	-	621	1,809	34.3%
6 Buena Vista	72	64	54	-	190	899	21.1%
7 Central		18	-	-	18	348	5.2%
8 Mission	214	62	69	-	345	1,504	22.9%
9 South of Market	724	628	463	-	1,815	13,814	13.1%
10 South Bayshore	298	300	155	-	753	1,807	41.7%
11 Bernal Heights	240	-	-	-	240	73	328.8%
12 South Central	-	10	-	-	10	128	7.8%
13 Ingleside	70	32	17	-	119	547	21.8%
14 Inner Sunset	-	-	-	-	-	103	0.0%
15 Outer Sunset	-	-	10	-	10	109	9.2%
TOTALS	**3,364**	**1,628**	**1,149**	**23**	**6,164**	**28,319**	**21.8%**

Table 4a
Acquisitions and Rehabilitation of
Affordable Housing, 2007 Q1 – 2016 Q4

Planning District	No. of Buildings	No. of Units
2 Marina	1	24
4 Downtown	6	826
5 Western Addition	2	290
8 Mission	2	319
9 South of Market	7	301
TOTALS	18	1,760

Table 4b
Small Sites Program Acquisitions – 2015 - 2016

Planning District	No. of Buildings	No. of Units
3 Northeast	1	6
4 Downtown	2	25
5 Western Addition	1	3
6 Buena Vista	1	5
8 Mission	5	28
9 South of Market	1	3
11 Bernal Heights	2	8
TOTALS	**13**	**78**

Table 5
RAD Affordable Units

Planning District	No of Buildings	No of Units
1 Richmond	2	144
2 Marina	2	138
3 Northeast	4	577
4 Downtown	3	285
5 Western Addition	8	919
6 Buena Vista	2	132
7 Central	1	107
8 Mission	1	91
9 South of Market	1	276
10 South Bayshore	2	436
11 Bernal Heights	2	268
12 South Central	-	-
13 Ingleside	-	-
14 Inner Sunset	1	110
15 Outer Sunset	-	-
TOTALS	**29**	**3,483**

Table 6
Units Removed from Protected Status, 2007 Q1 – 2016 Q4

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	4	31	193	341	569
2 Marina	11	5	35	129	180
3 Northeast	11	11	232	130	384
4 Downtown	-	68	47	4	119
5 Western Addition	7	10	63	127	207
6 Buena Vista	4	11	94	130	239
7 Central	17	23	132	212	384
8 Mission	2	33	258	247	540
9 South of Market	3	20	35	67	125
10 South Bayshore	-	13	8	55	76
11 Bernal Heights	4	28	45	107	184
12 South Central	-	83	39	253	375
13 Ingleside	-	40	21	118	179
14 Inner Sunset	6	15	54	114	189
15 Outer Sunset	-	87	72	273	432
Totals	**69**	**478**	**1,328**	**2,307**	**4,182**

Table 7
Entitled and Permitted Units, 2017 Q4

Planning District	Very Low Income	Low Income	Moderate	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	50	4	-	54	175	30.9%
2 Marina	-	-	2	-	2	160	1.3%
3 Northeast	-	12	-	-	12	271	4.4%
4 Downtown	83	207	14	-	304	2,124	14.3%
5 Western Addition	108	-	34	-	142	448	31.7%
6 Buena Vista	-	10	13	7	30	437	6.9%
7 Central	-	-	-	-	-	51	0.0%
8 Mission	-	12	4	-	16	469	3.4%
9 South of Market	152	521	260	-	933	5,871	15.9%
10 South Bayshore	-	-	-	1	1	322	0.3%
11 Bernal Heights	-	-	-	-	-	20	0.0%
12 South Central	-	-	10	-	10	307	3.3%
13 Ingleside	-	-	-	-	-	93	0.0%
14 Inner Sunset	-	-	-	-	-	36	0.0%
15 Outer Sunset	-	-	7	-	7	96	7.3%
TOTALS	**343**	**812**	**348**	**8**	**1,511**	**10,880**	**13.9%**

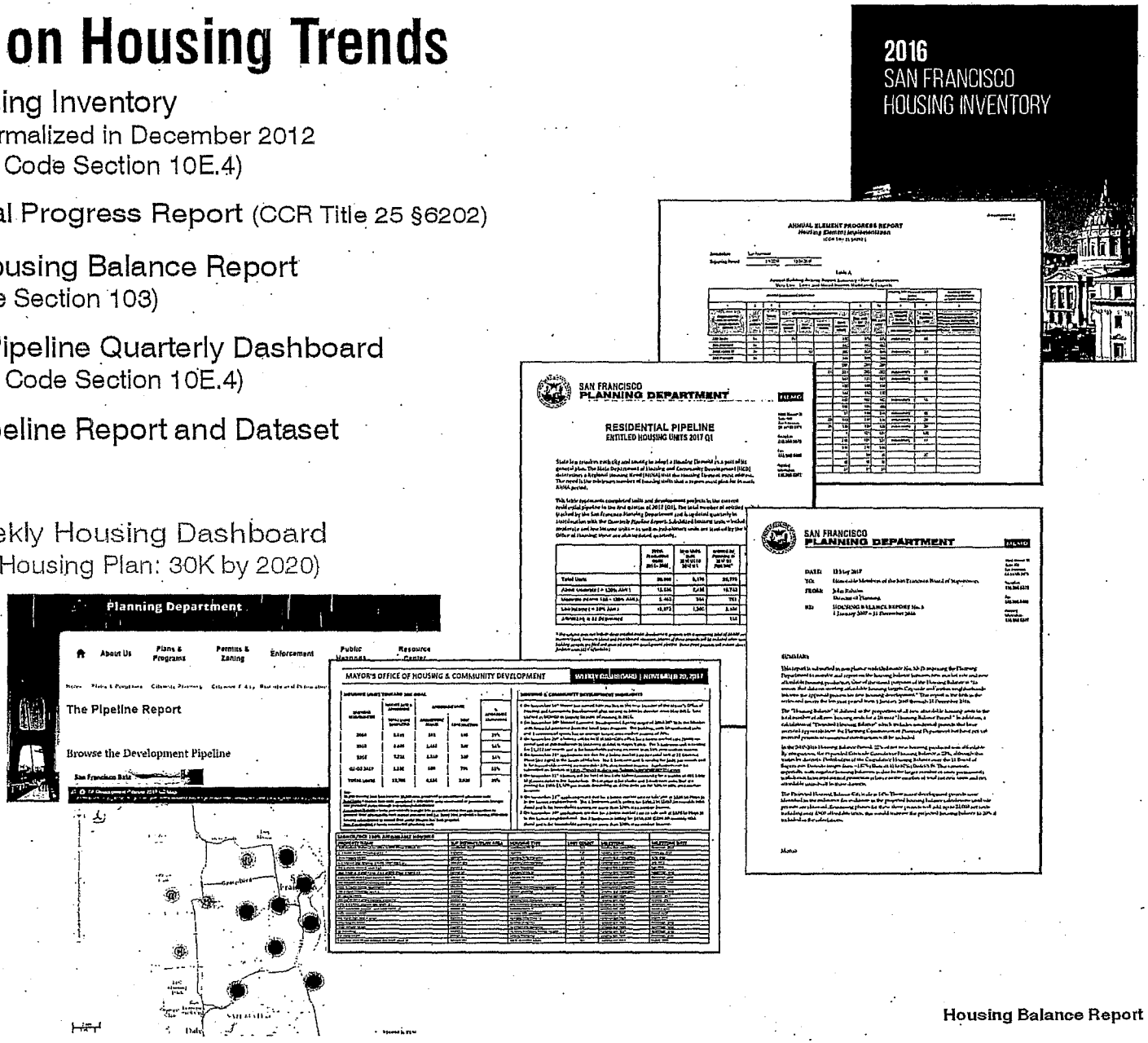
HOUSING BALANCE REPORT

Land Use Committee / Board of Supervisors

27 November 2017

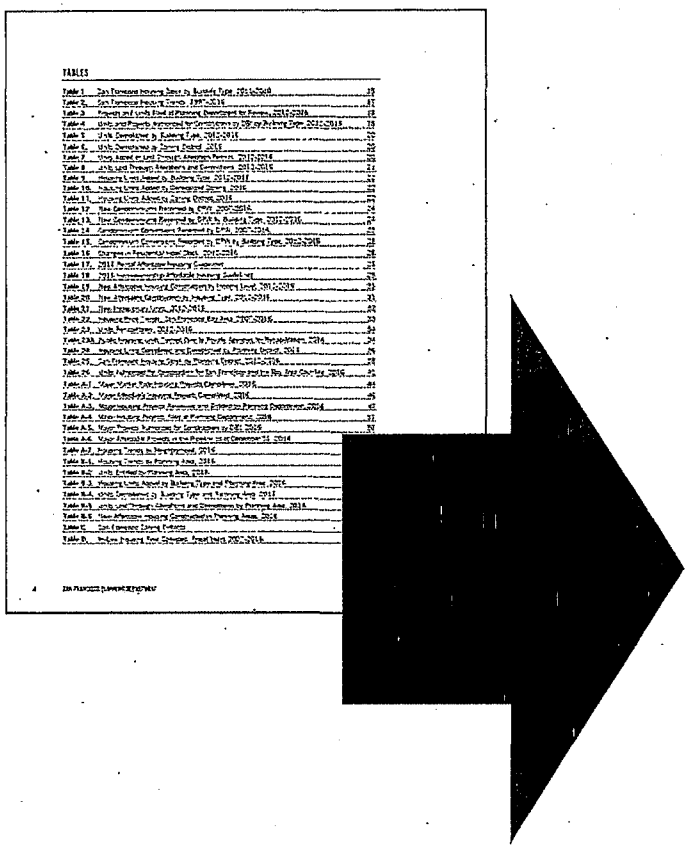
Reporting on Housing Trends

- Annual Housing Inventory
  (since 1967, formalized in December 2012
  Administrative Code Section 10E.4)
- RHNA Annual Progress Report (CCR Title 25 §6202)
- Bi-Annual Housing Balance Report
  (Planning Code Section 103)
- Residential Pipeline Quarterly Dashboard
  (Administrative Code Section 10E.4)
- Quarterly Pipeline Report and Dataset
- MOHCD Weekly Housing Dashboard
  (Mayor's 2014 Housing Plan: 30K by 2020)



Housing Balance Report

2251



HOUSING INVENTORY reports on:

- Changes in Residential Housing Stock
- Housing Affordability
- Housing Production Trends
  (Five Year, 20 Years)
- Housing Production Pipeline
- Condo Conversion Trends
- Fees Collected
- Lists:
  - Major Market Rate Housing Projects
    (Project Name, Unit Mix, Initial Rents or Selling Price including prices for BMRs if applicable)
  - Major Affordable Housing Projects
    (Project Name, Unit Mix, Initial Rents, and target households)
- Geographies covered:
  - Citywide
  - Planning Districts
  - Planning Areas
  - Neighborhoods

HOUSING BALANCE REPORT

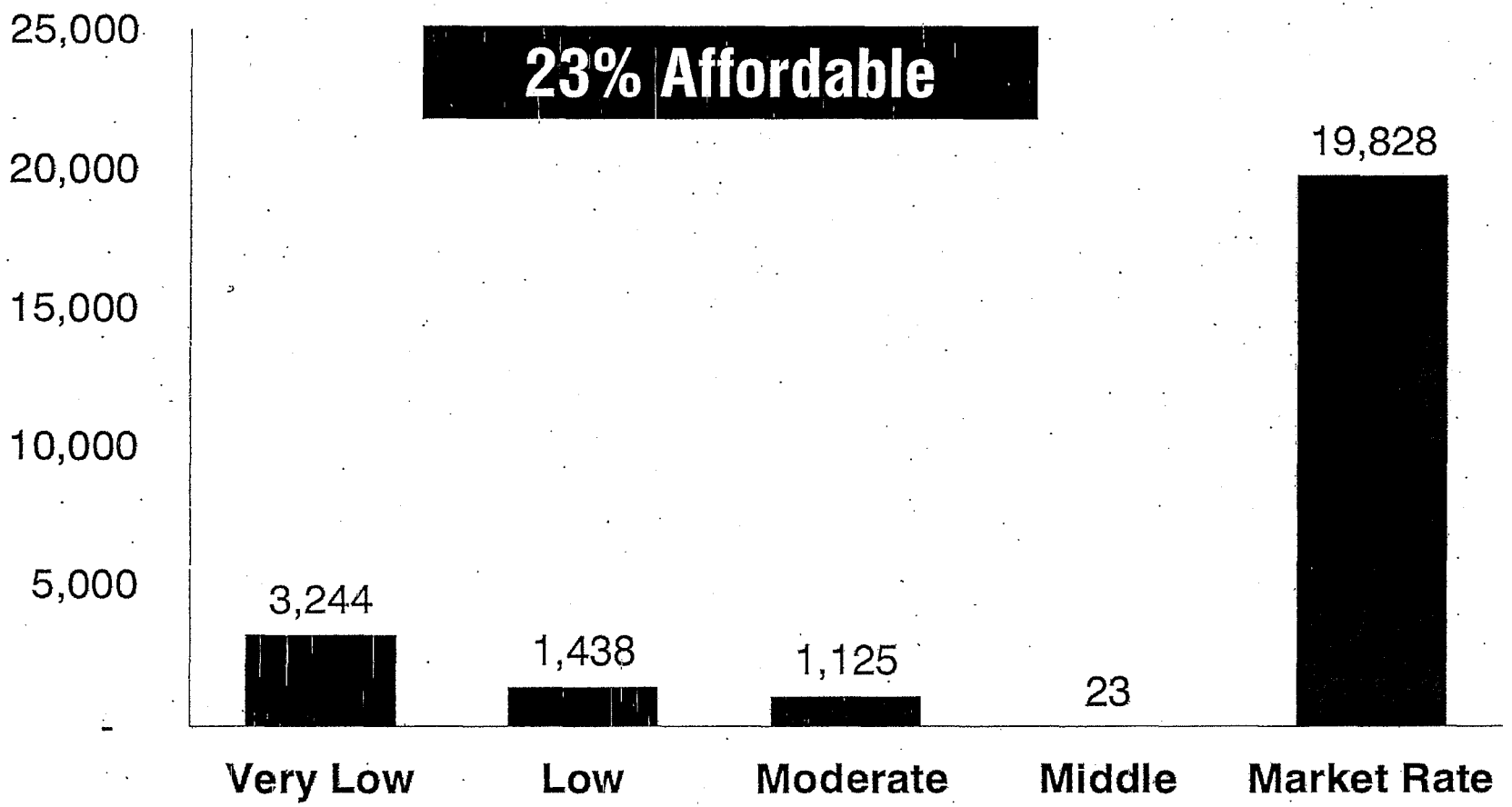
Land Use Committee / Board of Supervisors

27 November 2017

HOUSING BALANCE REPORT

- Ordinance 53-15: New Planning Code Section 103
- **Housing Balance** of New Affordable Housing and Total New Housing Production
- 10 Year Housing Balance Period
- Bi-Annual Reporting
- Affordable Housing Goals:
  - Housing Element / RHNA: 16,333 (between 2015 - 2022)
  - Proposition K: ~9,900 (by 2020)

NEW HOUSING PRODUCTION BY AFFORDABILITY
Q1 2007 – Q4 2017



2255

HOW IS THE HOUSING BALANCE CALCULATED?

[Net New Affordable Housing Built

+ Acquisitions & Rehabs
and Small Sites Program Completed

+ RAD Public Housing Replacement Completed

+ Entitled & Permitted Affordable Units]

- [Units Removed from Protected Status]

[Net New Housing Built +

Entitled & Permitted Net Units]

= CUMULATIVE HOUSING BALANCE

2256

Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	R A D Program	Net Total Entitled Affordable Units Permitted	Units Removed from Protected Status		Net Affordable Housing Stock
5,830	+ 1,838 +	3,483 +	1,511	- 4,182	=	8,480

Net Affordable Housing Stock	Net Total New Units Built	Net Total Entitled Units
8,480	/ 25,658 +	10,880

CUMULATIVE HOUSING BALANCE = 23%

2257

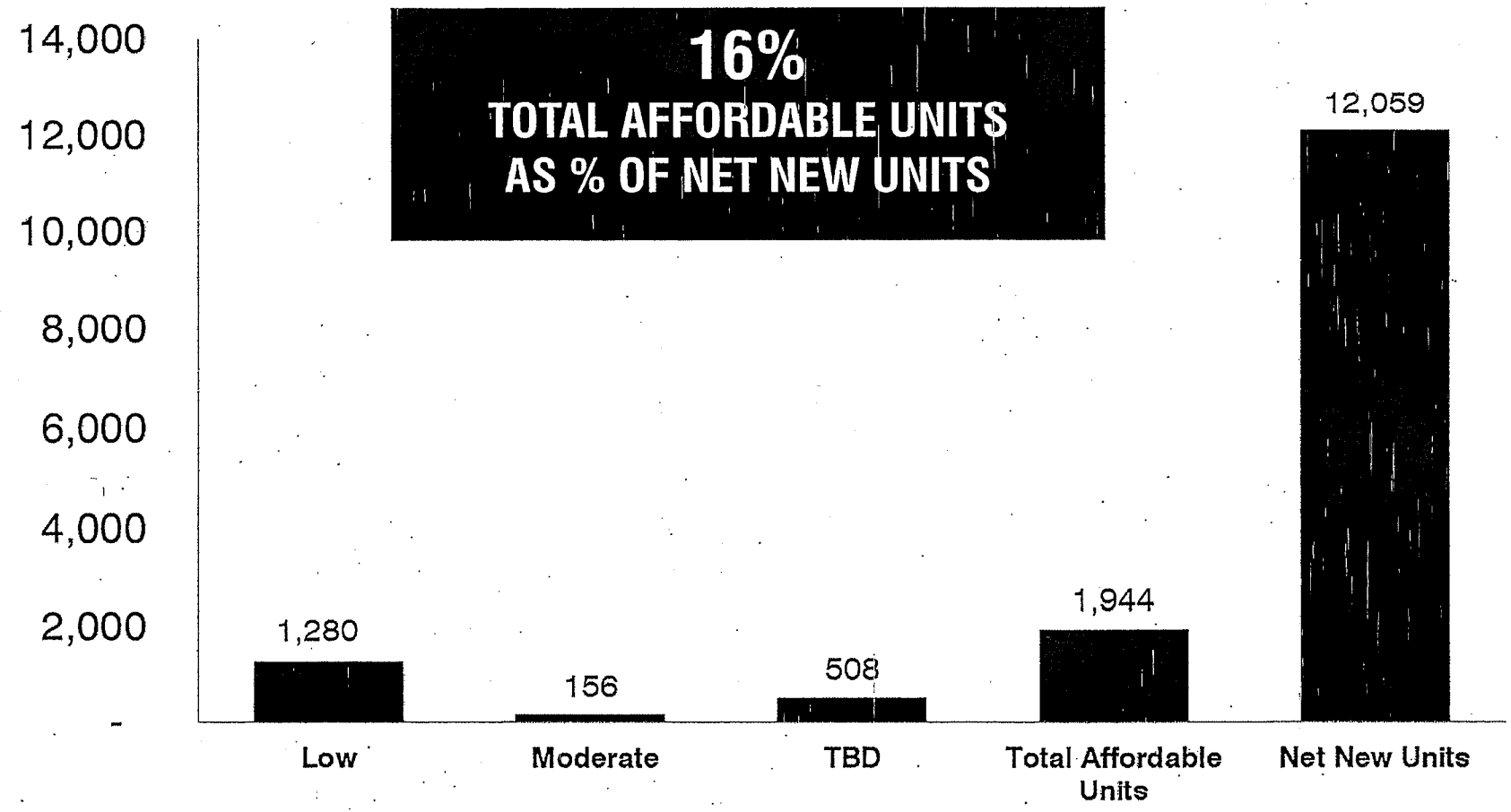
CUMULATIVE HOUSING BALANCE BY BOS DISTRICT

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Housing Balance
BoS District 1	170	-	144	(496)	4	321	114	-40.9%
BoS District 2	37	24	251	(315)	11	833	271	0.7%
BoS District 3	205	6	577	(372)	16	954	302	34.4%
BoS District 4	10	-	-	(437)	7	106	98	-205.9%
BoS District 5	709	293	806	(398)	196	1,560	598	74.4%
BoS District 6	3,193	1,155	561	(135)	960	15,541	6,409	26.1%
BoS District 7	99	-	110	(220)	-	484	104	-1.9%
BoS District 8	97	17	330	(655)	17	1,099	416	-12.8%
BoS District 9	217	319	268	(582)	17	1,022	237	19.0%
BoS District 10	1,066	24	436	(249)	274	3,607	2,034	27.5%
BoS District 11	27	-	-	(323)	9	131	297	-67.1%
TOTALS	**5,830**	**1,838**	**3,483**	**(4,182)**	**1,511**	**25,658**	**10,880**	**23.2%**

HOUSING BALANCE BY PLANNING DISTRICT

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs and Small Sites Completed	RAD Program & HopeSF Replacement Units	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Expanded Cumulative Housing Balance
1 Richmond	170	-	144	(569)	54	494	175	-30.0%
2 Marina	2	24	138	(180)	2	244	160	-3.5%
3 Northeast	191	6	577	(384)	12	756	271	39.1%
4 Downtown	1,645	851	285	(119)	304	5,290	2,124	40.0%
5 Western Addition	621	293	919	(207)	142	1,626	448	85.2%
6 Buena Vista	190	5	132	(239)	30	901	437	8.8%
7 Central	18	-	107	(384)	-	336	51	-66.9%
8 Mission	345	347	91	(540)	16	1,496	469	13.2%
9 South of Market	1,844	304	276	(125)	933	12,113	5,871	18.0%
10 South Bayshore	668	-	436	(76)	1	1,559	322	54.7%
11 Bernal Heights	-	8	268	(184)	-	65	20	108.2%
12 South Central	10	-	-	(375)	10	110	307	-85.1%
13 Ingleside	116	-	-	(179)	-	475	93	-11.1%
14 Inner Sunset	-	-	110	(189)	-	93	36	-61.2%
15 Outer Sunset	10	-	-	(432)	7	100	96	-211.7%
TOTALS	**5,830**	**1,838**	**3,483**	**(4,182)**	**1,511**	**25,658**	**10,880**	**23.2%**

PROJECTED HOUSING BALANCE



2260

WHAT IS NOT INCLUDED?

- Major Entitled Projects:
  - Hunters Point, Treasure Island and ParkMerced
  - 22,000 units
  - 22% will be affordable units

- Under Review:
  - 18,600 units
  - ~10% are in 100% affordable housing project units or have on-site affordable units
  - ~100 market rate projects; ~12,000 units subject to inclusionary requirements

2261

OTHER HOUSING BALANCE MATTERS

- **Bi-annual reporting:** April 1 and October 1
- **Annual BoS hearing:** April
- **Website:**
  http://sf-planning.org/housing-balance-report

THANK YOU

www.sfplanning.org

San Francisco Planning

HOUSING COST TRENDS IN SAN FRANCISCO

Land Use Committee / Board of Supervisors

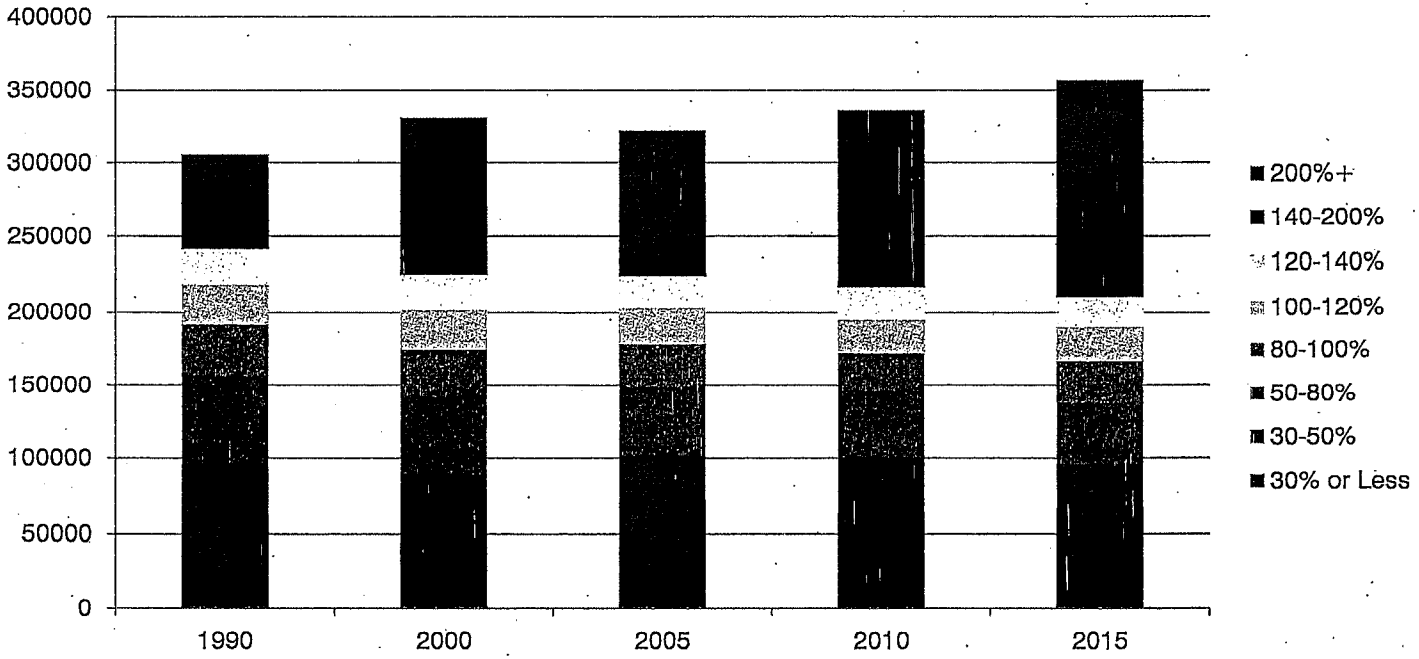
November 27, 2017

Pedro Peterson, Planner

PRESENTATION OUTLINE

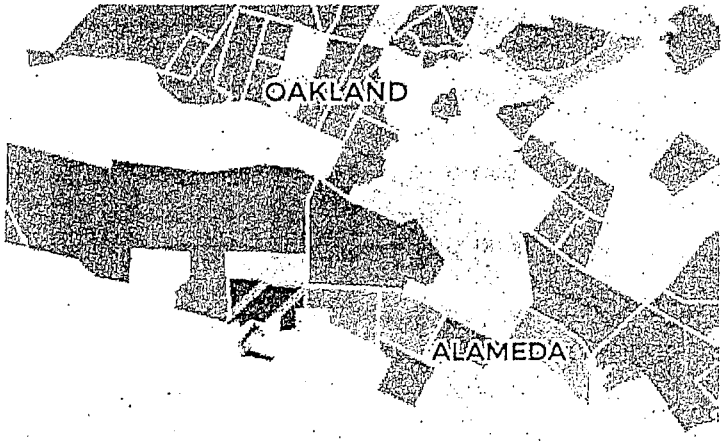
- Context
- Recent housing cost trends
- What is driving these trends?
- Conclusions

CONTEXT: LOSS OF ECONOMIC DIVERSITY



- ***High income household growth far exceeded RHNA estimates and "above moderate" unit production by over 30K***
- *More high income households housed in existing housing stock*
- *Low and middle income households declined with greatest loss from 30-80% of AMI*

CONTEXT: INCREASING DISPLACEMENT



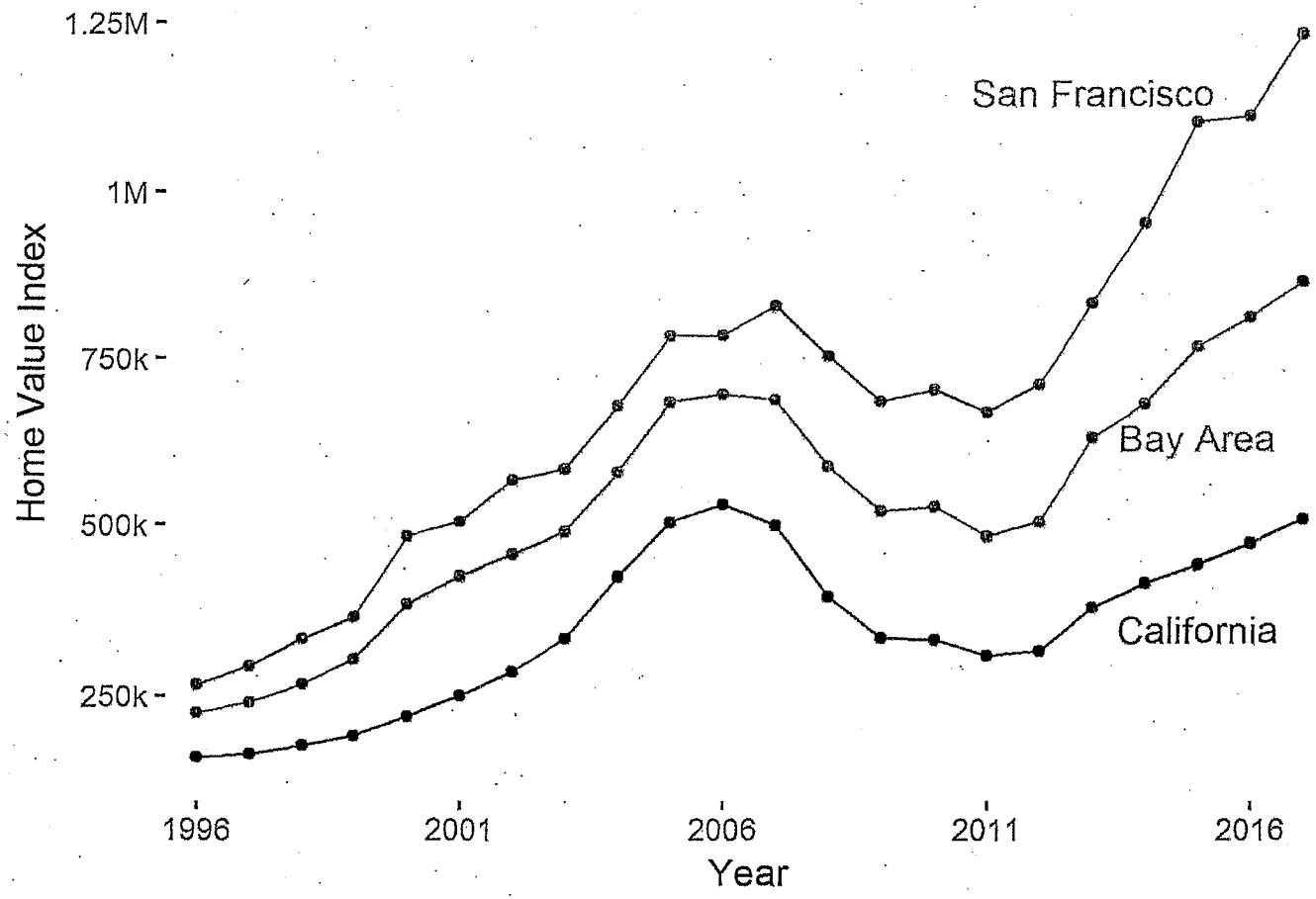
Displacement Typologies

Lower income (LI) tracts
- 1. Not losing LI households
- 2. At risk of gentrification and displacement
- 3. Ongoing Gentrification/Displacement

Moderate to high income (MHI) tracts
- 1. Advanced gentrification
- 2. Not losing LI households
- 3. At risk of exclusion
- 4. Ongoing Exclusion/Displacement
- 5. Advanced exclusion

Source: UC Berkeley Urban Displacement Project

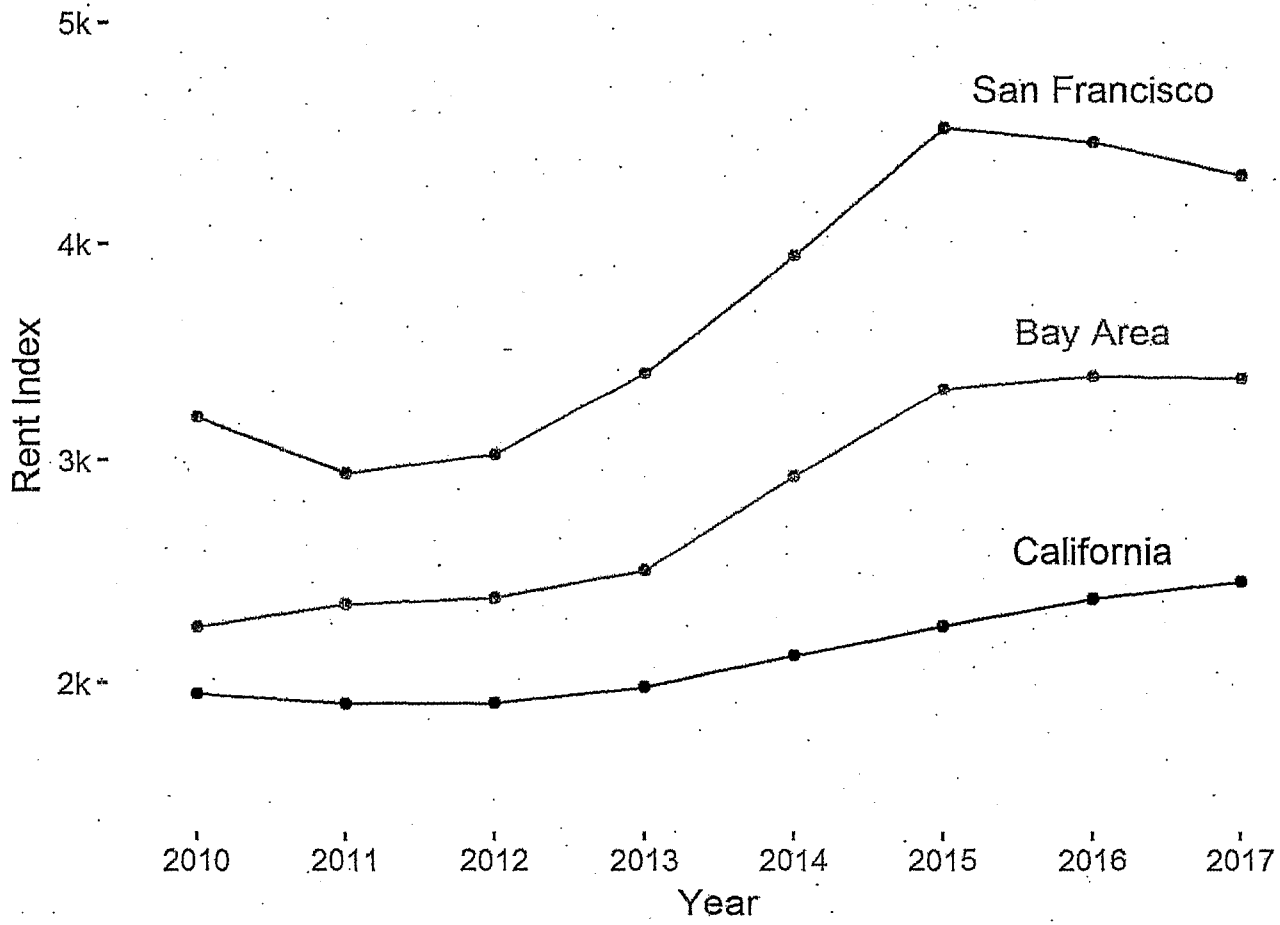
TRENDS: HOME VALUES IN SAN FRANCISCO, BAY AREA, AND CALIFORNIA (1996-2017)



Source: Zillow

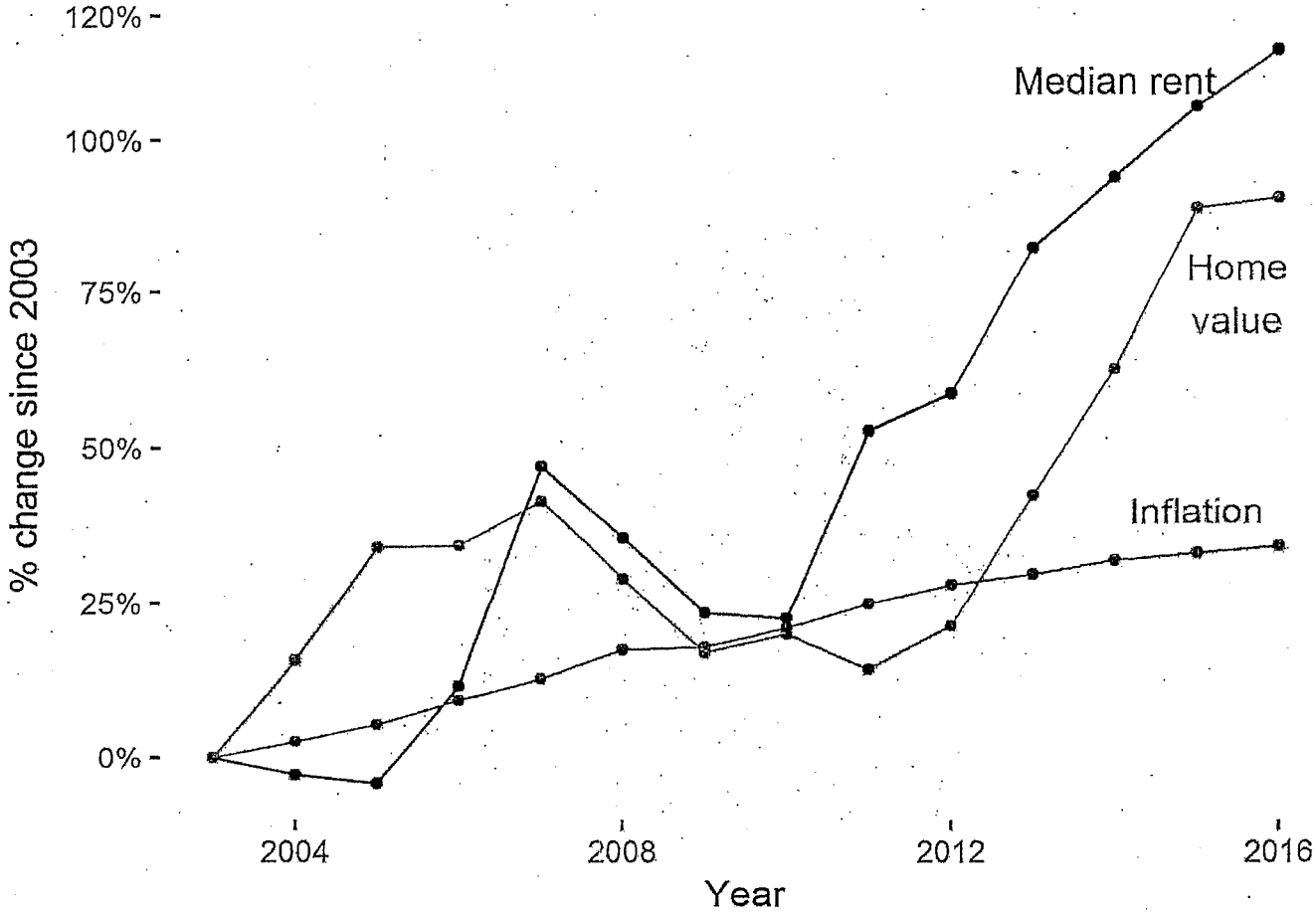
Housing Cost Trends in San Francisco

TRENDS: RENTS IN SAN FRANCISCO, BAY AREA, AND CALIFORNIA (1996-2017)



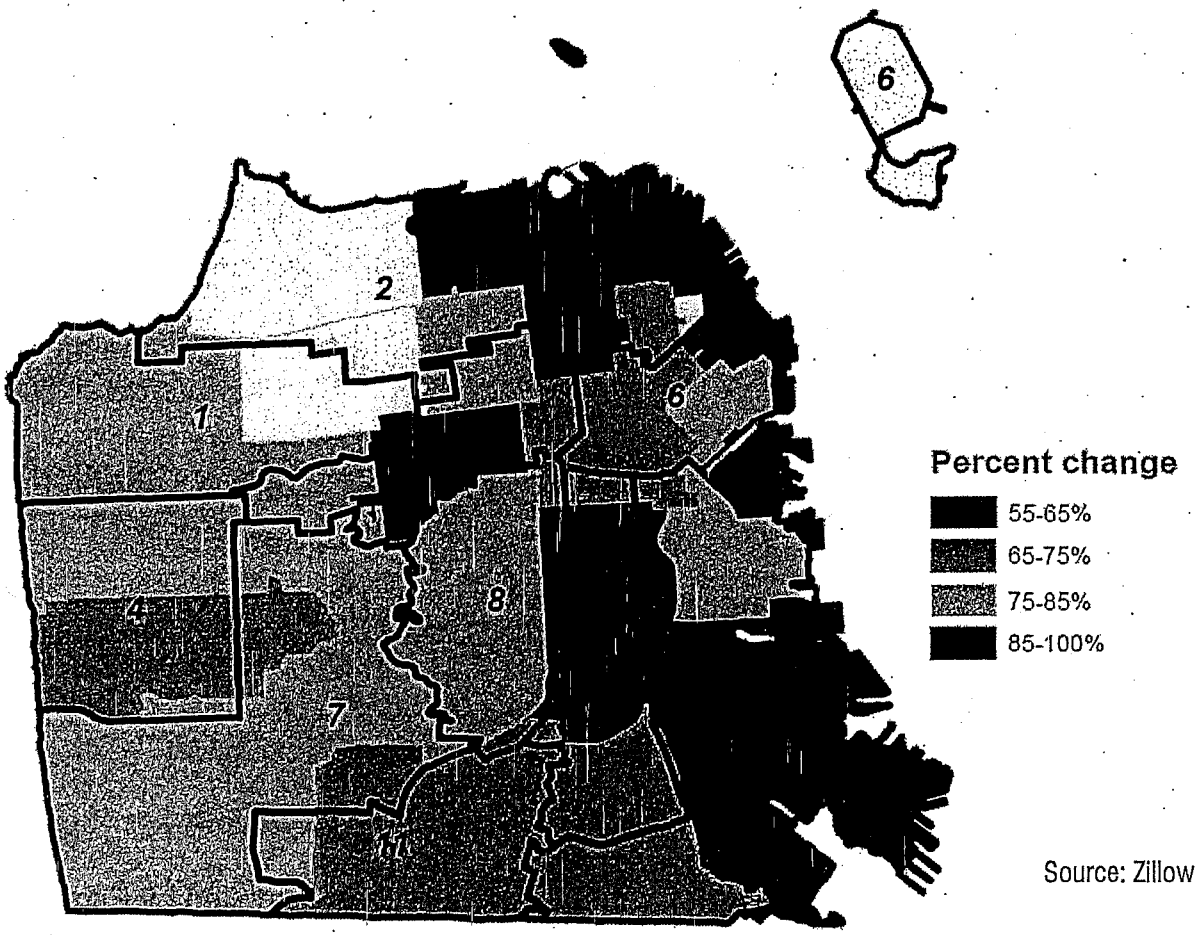
Source: Zillow

TRENDS: % CHANGE IN MEDIAN RENT, HOME VALUE, AND INFLATION (2003-2016)



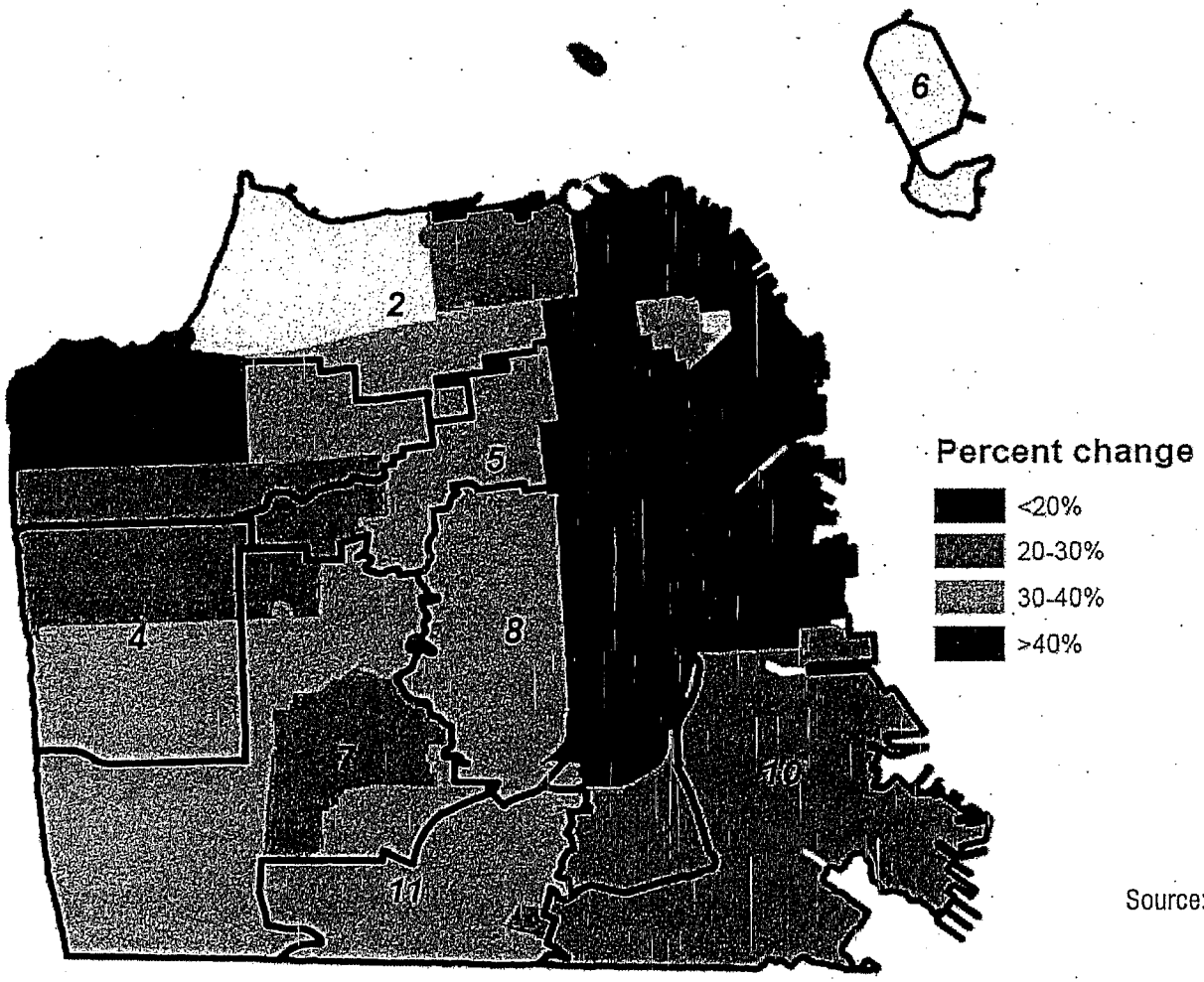
Sources: Median rent from Craigslist listings compiled by Eric Fisher, Home Value Index by Zillow, CPI-U less shelter by US Bureau of Labor Statistics

TRENDS: HOME VALUE INCREASE BY ZIP CODE AND SUPERVISOR DISTRICT (2010-17)



Source: Zillow Home Value Index

TRENDS: MEDIAN RENT INCREASE BY ZIP CODE AND SUPERVISOR DISTRICT(2010-17)

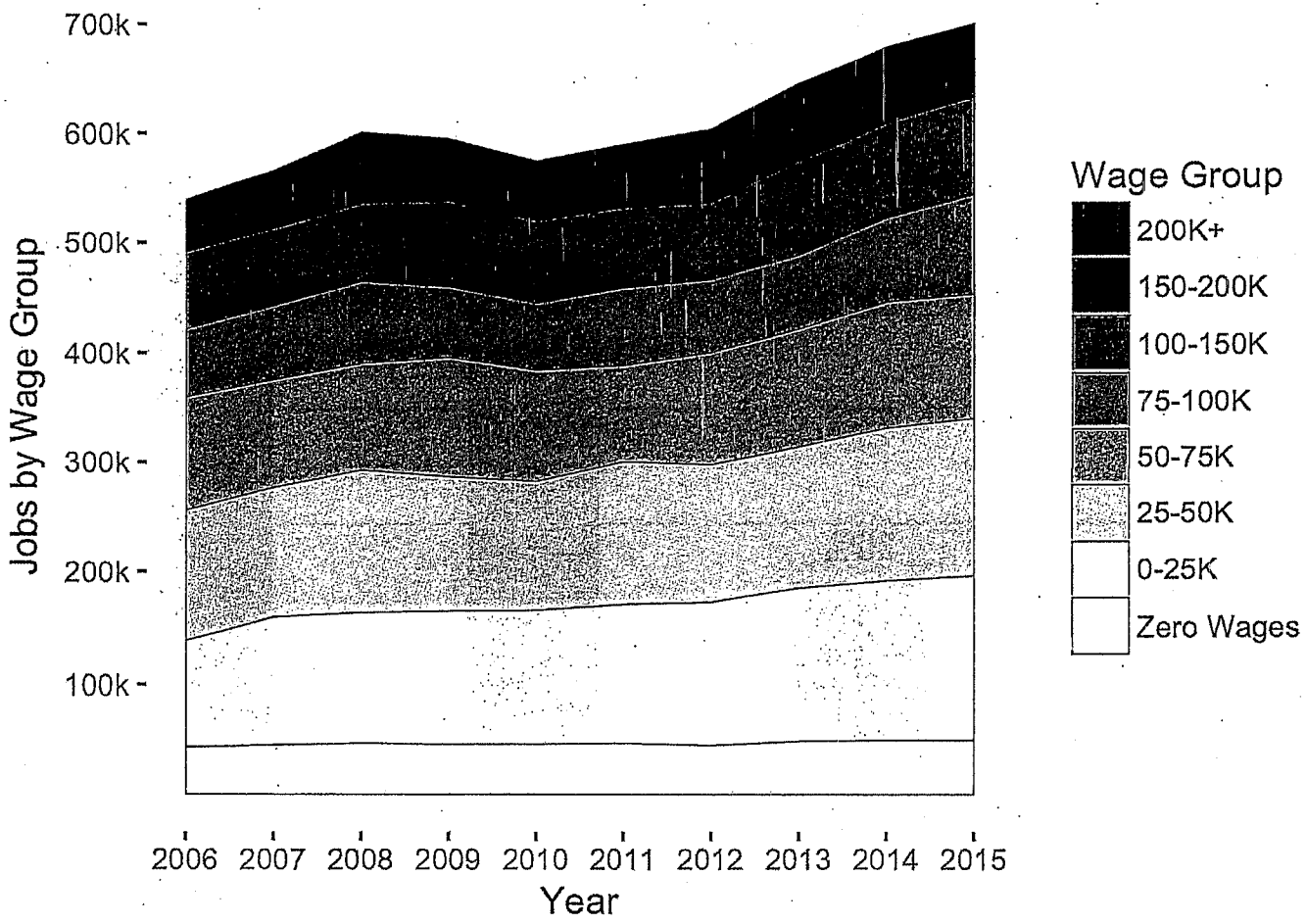


Source: Zillow Rent Index

WHAT IS DRIVING THESE TRENDS?

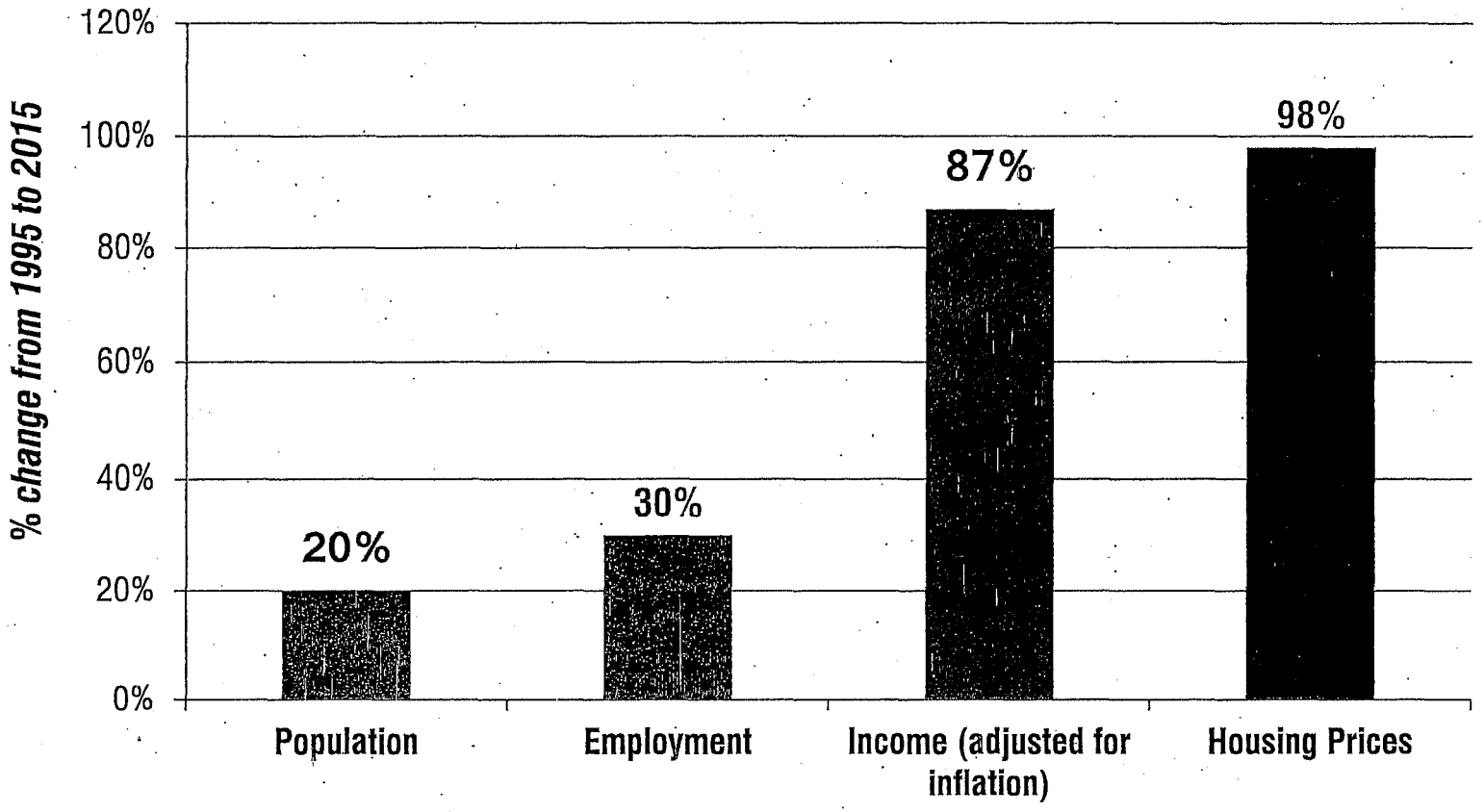
- Jobs
- Wages
- Housing production
- Regional challenges

JOBS BY WAGE IN SAN FRANCISCO (2006-2015)



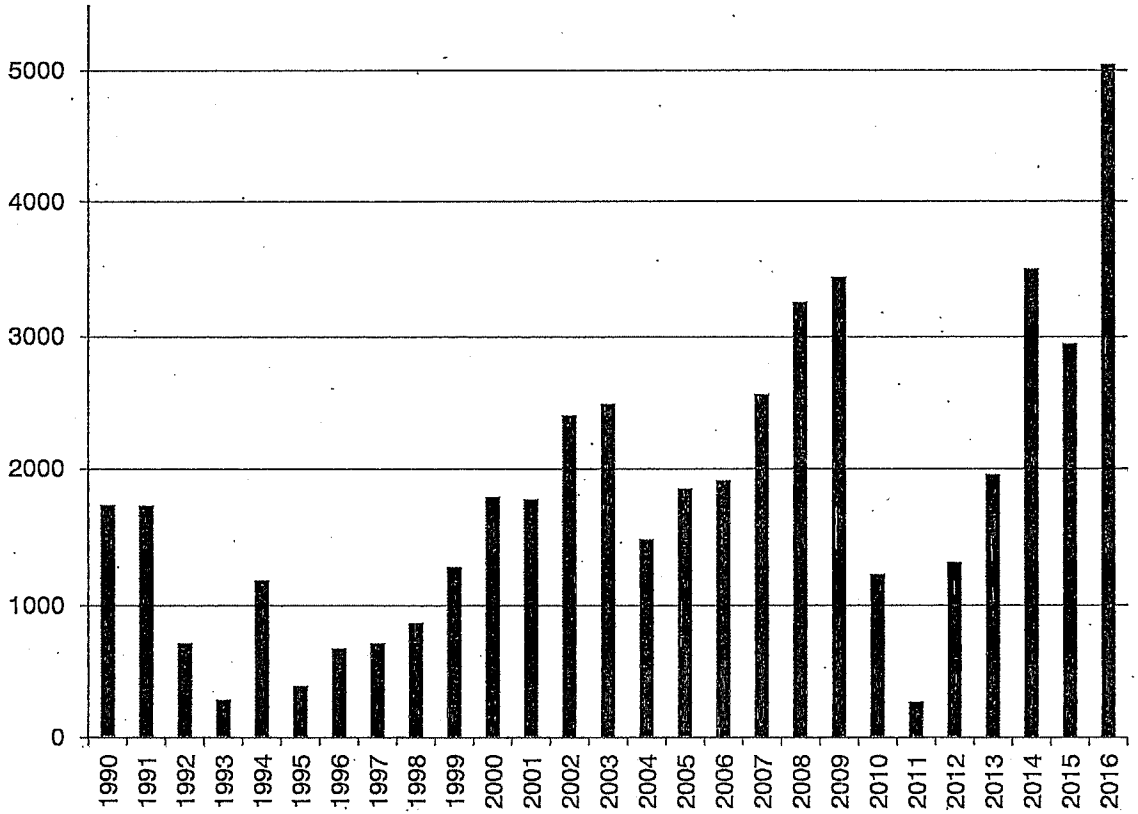
Source: US Census

RAPID INCOME GROWTH SINCE 1995

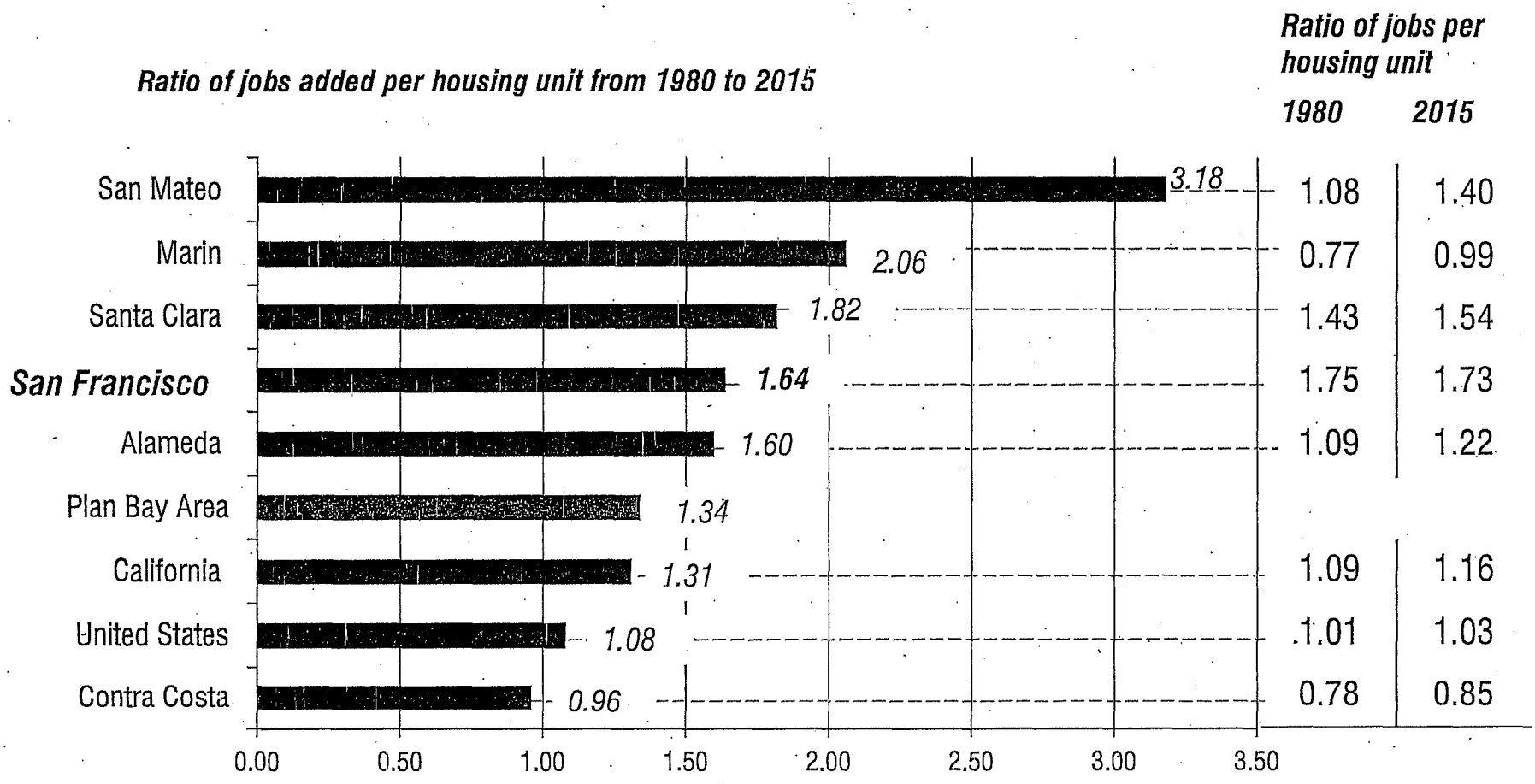


Controller's Office –Office of Economic Analysis –City &County of San Francisco *Source: Bureau of Economic Analysis; Bureau of Labor Statistics*

HOUSING PRODUCTION SINCE 1990

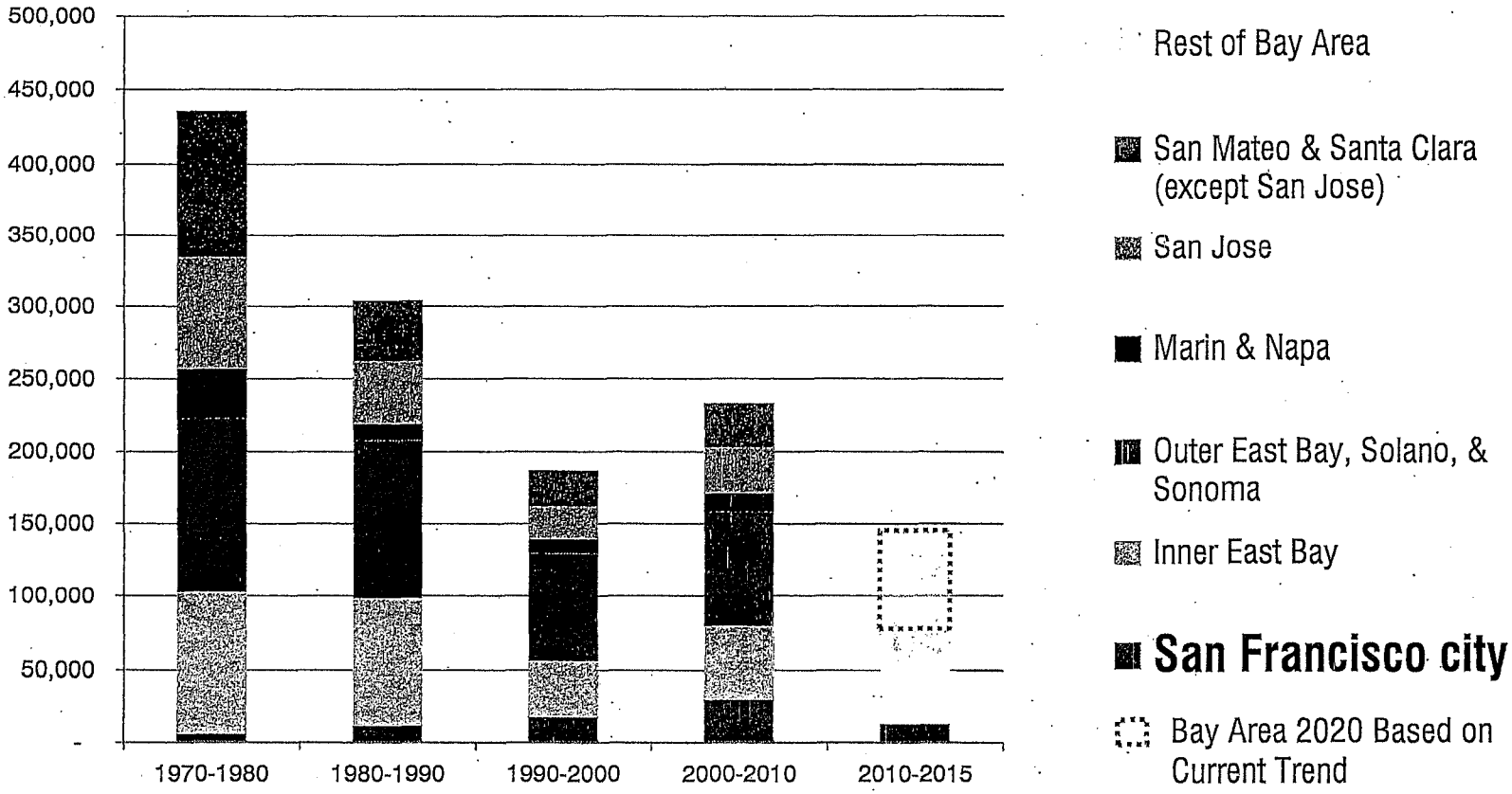


RATIO OF JOBS PER HOUSING UNIT



Source: SF Planning Analysis of US Census and Bureau of Labor Statistics Data

HOUSING PRODUCTION HAS DECLINED ACROSS THE BAY AREA



Source: SF Planning Analysis of US Census and ACS Data

CONCLUSIONS

- Increase in housing costs (rents and home prices) is a longer term trend, which has intensified since end of Great Recession
- Housing costs increasing at different rates in different neighborhoods, but they are all increasing
- Housing production has not kept up with job and wage growth
- Other Bay Area cities have also added a lot more jobs than housing, exacerbating the problem

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POLICIES TO ADDRESS HOUSING CRISIS

- Major City policies
  - Area Plans, development agreements, public lands for housing
  - HOME-SF
  - Accessory Dwelling Unit (ADU) ordinance
  - Inclusionary housing updates
- Efforts underway
  - Mayor's directive
  - Anti-displacement efforts (MAP2020, MOHCD housing preference)
  - Housing Affordability Strategy
- State policies (adopted)
  - SB 2 and SB 3
  - SB 35 (Wiener)
  - AB 73 (Chiu)

THANK YOU

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San Francisco Planning

BOARD of SUPERVISORS

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

MEMORANDUM

TO: John Rahaim, Director, Planning Department

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: September 19, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Kim on September 12, 2017:

File No. 170992

Resolution receiving and approving the bi-annual Housing Balance Report dated May 12, 2017, submitted as required by Planning Code, Section 103.

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

c: Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Laura Lynch, Planning Department

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2017 SEP 12 PM 2:23
Time stamp or meeting date AK

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

- [x] 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 [ ] inquiries"
- [ ] 5. City Attorney Request.
- [ ] 6. Call File No. [ ] from Committee.
- [ ] 7. Budget Analyst request (attached 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 the Imperative Form.

Sponsor(s):

Kim

Subject:

Bi-Annual Housing Balance Report

The text is listed:

Resolution receiving and approving the bi-annual Housing Balance Report dated May 12, 2017, submitted as required by Planning Code, Section 103.

Signature of Sponsoring Supervisor: [signature]

For Clerk's Use Only