# Housing on Public Land

Board of Supervisors

Land Use & Transportation Committee

December 14, 2020











#### Who Has Control Over Public Land?

- City and County of San Francisco
  - Non-enterprise departments, such as Real Estate Division and Public Works
  - Enterprise agencies, such as SFO, SFMTA, SFPUC, Port of SF
- San Francisco Unified School District
- City College of San Francisco
- BART
- State and Federal Agencies

# City Policy Framework for Public Land

- City's Surplus Property Ordinance (2002)
- General Plan Policy (Housing Element 2014)
- Public Land for Housing Program (established 2014)
- Proposition K for Affordable Housing (voter-approved 2014)
- Proposition K for Surplus Property (voter-approved 2015)
- Zoning changes for affordable & educator housing on public land (voter-approved 2019)

# **Public Land - Opportunities**

- Maximize provision of affordable housing in the city
- Leverage City land and resources to create more and deeper affordability
- Achieve geographic housing balance across the city
- Target housing opportunities to historically underserved populations
- Meet City's range of affordability needs
  - Extremely and very low-income, low-income, moderateincome
- Meet City's varied programmatic needs
  - Families, seniors, transition-age youth, veterans, homeless, educators

#### **Public Land - Site Selection**

- Surplus Sites underutilized or surplus land owned by non-enterprise City departments
  - Sites without identified department purpose or public service need; tend to be small and irregular parcels
  - Few remaining developable surplus sites across the City
  - Per ordinance, sites deemed surplus are made available to MOHCD to analyze for affordable housing feasibility
- Joint Development Sites partnerships with City enterprise agencies or non-City agencies
  - Sites may have active enterprise agency uses requiring redevelopment, relocation, or fiscal need
  - Tend to be larger, multi-acre sites

# **Public Land - Development Criteria**

- Candidate Sites for 100% Affordable Housing
  - Infill, single building parcels 10,000 sf minimum, 100 to 130unit yield
  - Most cost-effective construction type 5-story wood frame over podium
  - Tax credit financing provides funds for 1/3 of total development cost; project must be competitive
  - Total development cost must meet underwriting guidelines for MOHCD and other funders
  - MOHCD gap funding availability determined according to development timeline

#### 100% Affordable Case - 1950 Mission

- 36,590 sf parcel owned by SFUSD, transferred to MOHCD in 2013
- 157 low-income units,40 for homeless families
- Complete October 2020
- \$105 million total development cost -MOHCD funding \$45 million
- Complex site acquisition and swap including three parcels with different owner agencies (SFUSD, State, City)



# **Public Land - Development Criteria**

- Candidate Sites for Mixed-Income and Mixed-Use
  - Large, multi-acre sites yield significant units, affordability requirements vary by project, City contribution may be required to meet affordability goals
  - Sites requiring new infrastructure streets, subsurface utilities, open space, bike/pedestrian improvements
  - Sites with active public/civic purpose fire stations, bus yards, city facilities, schools, libraries, other institutions
  - Sites with high overall development cost market-rate units create funding for infrastructure and affordable units in excess of affordable units funded by City
  - Enterprise agency sites where joint development may provide revenue for agency needs

#### Mixed-Income Case - Balboa Reservoir

- 17-acre SFPUC surface parking lot
- City RFP process selected development team
- 1,100 units, 50% affordable housing
- New streets, parks, utilities, amenities



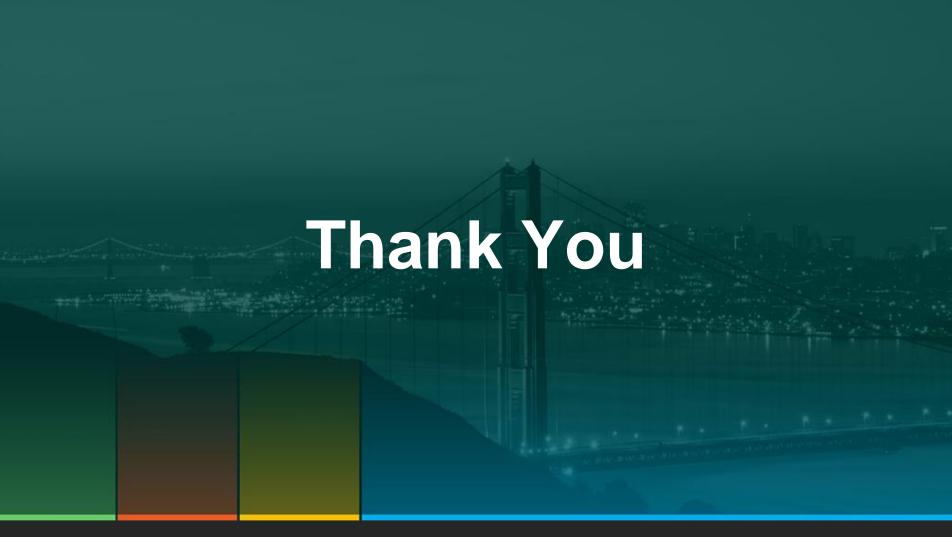
- Project approved in August 2020; construction anticipated to begin in 2022
- City to fund 187 of 550 affordable units with ~\$45 million in MOHCD funding

# **Public Land - Development Process**

- Inter-Agency Partnership collaboration among City departments and land-owning agency
- Feasibility Analysis financial proforma modeling to determine construction cost, development capacity, affordability, other fiscal constraints/needs
- Community Planning public outreach throughout process to identify community priorities, concerns, compromises
- Developer Selection City issues request for proposals to select a developer partner
- Program Development housing affordability type/level, community benefit package, uses, density, amenities
- Entitlement & Implementation Environmental review, City approvals, permits, construction, new units open

# How Can We Maximize Affordable Housing?

- Increase funding for the 100% affordable pipeline
  - State funds, local voter-approved bonds, philanthropy
  - Market rate in lieu fees for affordable housing
- Reduce total development costs
  - Address factors contributing to city's high costs: approvals and permitting, state funding reform, labor and materials
- Expand developer capacity to include representation of underserved communities
- Leverage market rate development to increase overall number of affordable units





Mayor's Office of Housing & Community Development





