SESSION 2:
WHERE DOES HOUSING COME FROM?

Excelsior and Outer Mission Land Use and Housing Working Group

Rachael A. Tanner, Planning Department  11/16/2017
James Pappas, Planning Department
Jorge Rivas Jr., Office of Economic and Workforce Development
Project Area – Excelsior & Outer Mission Neighborhood Strategy
4 SESSION LEARNING & DISCUSSION SERIES

- **Session 1:** Urban Change & Displacement
- **Session 2:** Where Does Housing Come From? Affordability
- **Session 3:** Design of the Built Environment
- **Session 4:** Housing Capacity & Zoning

Today

- Existing Housing
- Housing Finance
  - Market Rate
  - Affordable
- Strategies for Housing Development
CONTENTS & AGENDA

1. Welcome and Introductions – 10 minutes
2. Presentation – 60 minutes
3. Strategy Discussion – 40 minutes
4. Summary and Next Steps – 5 minutes
LAST TIME...

Origins of the Housing Crisis:
• Job Growth
• Population Growth
• Wage Growth
• Lagging Housing Production
• Limited Funding for Affordable Housing

Strategies to Protect Commercial & Residential Tenants
Where does housing come from?

• Already Exists

• Built by the Private Market
  – Including affordable units!

• Built through Public Subsidy
  – Including fees from the private market that build new affordable units
MOST HOUSING UNITS IN SAN FRANCISCO WERE BUILT BEFORE 1950.
HOUSING PRODUCTION HAS ALSO DECLINED IN THE BAY AREA

Source: SF Planning Analysis of US Census and ACS Data
HOUSING & THE PRIVATE MARKET

• Most land for housing and commercial uses is owned by **private property owners**.

• Housing is then built by private developers and owners: individuals & families, real estate companies, etc.

• In the United States, housing, though a **necessity**, is treated as a commodity and vehicle for investment.
MEDIAN YEAR BUILT: 1947
Mission Near Foote, 1915
HOMEOWNERSHIP & RENTERS

18,270

HOUSING UNITS
in Excelsior and Outer Mission
vs. 383,680 citywide

17,610

HOUSEHOLDS
vs. 353,290 citywide

13,400

FAMILY HOUSEHOLDS

MEDIAN LIST PRICES AND RENT OF SINGLE-FAMILY PROPERTIES

<table>
<thead>
<tr>
<th>Area</th>
<th>Median Home Value</th>
<th>Median Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excelsior</td>
<td>$876,200</td>
<td>$3,759</td>
</tr>
<tr>
<td>Crocker Amazon</td>
<td>$867,500</td>
<td>$3,691</td>
</tr>
<tr>
<td>Mission Terrace</td>
<td>$990,300</td>
<td>$4,107</td>
</tr>
<tr>
<td>Outer Mission</td>
<td>$905,800</td>
<td>$3,605</td>
</tr>
<tr>
<td>Zip Code 94112</td>
<td>$917,500</td>
<td>$3,816</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$1,194,300</td>
<td>$4,285</td>
</tr>
</tbody>
</table>

Source: Zillow Home Value Index Summary, Zillow Rental Index Summary (July 2017)
Owners

Tenure by Household

ROLE-PLAY!

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
TODAY’S CAST...IN ORDER OF APPEARANCE

( Drum roll please...)

Real estate developer 1
Real estate developer 2
City planner
Property owner

1
2

Architect
General contractor
Bank loan officer
Uncle Steve

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
“You won’t believe it!...”

Benefits:

Current condition:

Information needed:

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
Scene 2

CHARACTERS

Zoning restrictions:

up to 45 feet = 4 stories

Site area:

7,200 sq ft ÷ 600 sq ft = 12 units

Unit density:

1 unit

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
Scene 2
CHARACTERS

12 units

1 Below Market Rate Unit

3 two + three bedroom units

1 three bedroom unit

2 two-bedroom units

Pro-forma

<table>
<thead>
<tr>
<th># of Units</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Market Rate</td>
<td>1</td>
</tr>
<tr>
<td>Two-bedroom Units</td>
<td>2</td>
</tr>
<tr>
<td>Three-bedroom Units</td>
<td>1</td>
</tr>
<tr>
<td>Maximum height</td>
<td>45 feet</td>
</tr>
<tr>
<td># of Stories</td>
<td>Maximum 4</td>
</tr>
</tbody>
</table>

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
SCENE 3

SERIOUS (HOUSING) BUSINESS

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
Scene 3

**CHARACTERS**

**Rent per sq ft:**
$1.00

**Total # of units:**
12

**Cost per unit:**
$100,000

**Total Project Cost:**
$1,200,000

**Pro-forma**

<table>
<thead>
<tr>
<th># of Units</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Market Rate</td>
<td>1</td>
</tr>
<tr>
<td>Two-bedroom Units</td>
<td>2</td>
</tr>
<tr>
<td>Three-bedroom Units</td>
<td>1</td>
</tr>
<tr>
<td>Maximum height</td>
<td>45 feet</td>
</tr>
<tr>
<td># of Stories</td>
<td>Maximum 4</td>
</tr>
</tbody>
</table>

**DISCLAIMER:** This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
SCENE 4
LANDING A LOAN

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
Total project cost
$1,200,000

Requested loan/debt 70% of total project cost
$840,000

Debt service (interest rate): 4.5% → $37,800

Cash needed from equity investors
$360,000

Pro-forma

<table>
<thead>
<tr>
<th># of Units</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Market Rate</td>
<td>1</td>
</tr>
<tr>
<td>Two-bedroom Units</td>
<td>2</td>
</tr>
<tr>
<td>Three-bedroom Units</td>
<td>1</td>
</tr>
<tr>
<td>Maximum height</td>
<td>45 feet</td>
</tr>
<tr>
<td># of Stories</td>
<td>Maximum 4</td>
</tr>
<tr>
<td>Rent per sq ft</td>
<td>$1.00</td>
</tr>
<tr>
<td>Cost per unit</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

| Land cost |
| Planning Permits |
| Finance costs |
| General Contractor |
| Architect |

| Total project cost | $1,200,000 |
| Gross Income (GI) | $144,000 |
| Expenses (35% of GI) | $50,400 |
| Net operating income | $93,600 |
| Debt Service (4.5%) | $37,800 |
| Total Cash Flow per year | $55,800 |

DISCLAIMER: This story is for illustrative purposes only. It does not r
Equity Investor

Someone who has access to cash and will invest money into a project hoping to make a return on that money.

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
Uncle Steve’s Expectations

Total return on investment (over 7 years) 7%

Annual return on investment $60,958

VS.

Developer’s Reality

Total Cash flow per year -$5,158

Pro-forma

<table>
<thead>
<tr>
<th># of Units</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Market Rate</td>
<td>1</td>
</tr>
<tr>
<td>Two-bedroom Units</td>
<td>2</td>
</tr>
<tr>
<td>Three-bedroom Units</td>
<td>1</td>
</tr>
<tr>
<td>Maximum height</td>
<td>45 feet</td>
</tr>
<tr>
<td># of Stories</td>
<td>Maximum 4</td>
</tr>
<tr>
<td>Rent per sq ft</td>
<td>$1.00</td>
</tr>
<tr>
<td>Cost per unit</td>
<td>$100,000</td>
</tr>
<tr>
<td>Land cost</td>
<td></td>
</tr>
<tr>
<td>Planning Permits</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
</tr>
<tr>
<td>General Contractor</td>
<td></td>
</tr>
<tr>
<td>Architect</td>
<td></td>
</tr>
<tr>
<td>Total project cost</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Gross Income (GI)</td>
<td>$144,000</td>
</tr>
<tr>
<td>Expenses (35% of GI)</td>
<td>$50,400</td>
</tr>
<tr>
<td>Net operating income</td>
<td>$93,600</td>
</tr>
<tr>
<td>Debt Service (4.5%)</td>
<td>$37,800</td>
</tr>
<tr>
<td>Cash to Equity Investors (7%)</td>
<td>$60,958</td>
</tr>
</tbody>
</table>

DISCLAIMER: This story is for illustrative purposes only. It does not reflect an actual development project in the City of San Francisco.
To be continued...
2 Working Group members experience a version of this drama in their day-to-day. Let’s find out more from them!

CHAT WITH THE DEVELOPERS
# Pro-Forma

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong># of Units</strong></td>
<td>12</td>
</tr>
<tr>
<td>Below Market Rate</td>
<td>1</td>
</tr>
<tr>
<td>Two-bedroom Units</td>
<td>2</td>
</tr>
<tr>
<td>Three-bedroom Units</td>
<td>1</td>
</tr>
<tr>
<td><strong>Maximum height</strong></td>
<td>45 ft</td>
</tr>
<tr>
<td><strong># of Stories</strong></td>
<td>Maximum 4</td>
</tr>
<tr>
<td><strong>Rent per sq ft</strong></td>
<td>$1.00</td>
</tr>
<tr>
<td><strong>Cost per unit</strong></td>
<td>$100,000</td>
</tr>
<tr>
<td>Land cost</td>
<td></td>
</tr>
<tr>
<td>Planning Permits</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
</tr>
<tr>
<td>General Contractor</td>
<td></td>
</tr>
<tr>
<td>Architect</td>
<td></td>
</tr>
<tr>
<td><strong>Total project cost</strong></td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Gross Income (GI)</td>
<td>$144,000</td>
</tr>
<tr>
<td>Expenses (35% of GI)</td>
<td>$50,400</td>
</tr>
<tr>
<td>Net operating income</td>
<td>$93,600</td>
</tr>
<tr>
<td>Debt Service (4.5%)</td>
<td>$37,800</td>
</tr>
<tr>
<td>Cash to Equity Investors (7%)</td>
<td>$60,958</td>
</tr>
<tr>
<td><strong>Total Cash Flow per year</strong></td>
<td>$-5,158</td>
</tr>
<tr>
<td>Debt (70%)</td>
<td>$840,000</td>
</tr>
<tr>
<td>Equity contribution (30%)</td>
<td>$360,000</td>
</tr>
</tbody>
</table>
ZONING
WHAT IS ZONING?

The division of an area into zones, as to restrict the number, scale, and types of buildings and their uses.

Impact of Zoning

• Each parcel in San Francisco is authorized for certain uses.
• Authorized for everything from Single-Family Home to multi-family buildings
• One use is housing
• Height & Bulk
• Number of Units
AFFORDABLE HOUSING

• Why we need to subsidize housing?
• There is a gap between rents that individuals and families can afford to pay and the cost to build and maintain the housing.
### Who is affordable housing for?

#### AFFORDABLE RENTS AND SALES PRICES

<table>
<thead>
<tr>
<th>Category</th>
<th>1 PERSON</th>
<th>2 PEOPLE</th>
<th>3 PEOPLE</th>
<th>4 PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VERY LOW-INCOME HOUSEHOLDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earn up to 50% of Area Median Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$900</td>
<td>$1,000</td>
<td>$1,100</td>
<td>$1,300</td>
</tr>
<tr>
<td>Owner</td>
<td>$96,000</td>
<td>$113,000</td>
<td>$130,000</td>
<td>$147,000</td>
</tr>
<tr>
<td><strong>LOW-INCOME HOUSEHOLDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earn up to 80% of Area Median Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$1,400</td>
<td>$1,600</td>
<td>$1,800</td>
<td>$2,000</td>
</tr>
<tr>
<td>Owner</td>
<td>$197,000</td>
<td>$228,000</td>
<td>$260,000</td>
<td>$291,000</td>
</tr>
<tr>
<td><strong>MODERATE-INCOME HOUSEHOLDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earn up to 120% of Area Median Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$2,100</td>
<td>$2,400</td>
<td>$2,700</td>
<td>$3,000</td>
</tr>
<tr>
<td>Owner</td>
<td>$331,000</td>
<td>$382,000</td>
<td>$432,000</td>
<td>$483,000</td>
</tr>
<tr>
<td><strong>MIDDLE INCOME HOUSEHOLDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earn up to 140% of Area Median Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$2,500</td>
<td>$2,800</td>
<td>$3,200</td>
<td>$3,500</td>
</tr>
<tr>
<td>Owner</td>
<td>$398,000</td>
<td>$458,000</td>
<td>$519,000</td>
<td>$579,000</td>
</tr>
</tbody>
</table>

#### ANNUAL INCOME, BY PROFESSION

- **Occupation**: Housekeeping Cleaner
  - Annual Income: $34,000
  - AMI (Area Median Income) Category: 50%

- **Occupation**: Landscaper or Groundskeeper
  - Annual Income: $41,000
  - AMI (Area Median Income) Category: 60%

- **Occupation**: Construction Worker
  - Annual Income: $48,000
  - AMI (Area Median Income) Category: 70%

- **Occupation**: Postal Clerk
  - Annual Income: $54,000
  - AMI (Area Median Income) Category: 80%

- **Occupation**: Elementary/Secondary School Teacher
  - Annual Income: $61,000
  - AMI (Area Median Income) Category: 90%

- **Occupation**: Post Secondary Teacher
  - Annual Income: $68,000
  - AMI (Area Median Income) Category: 100%

- **Occupation**: Police, Fire, Ambulance Dispatch
  - Annual Income: $75,000
  - AMI (Area Median Income) Category: 110%

- **Occupation**: Electrician
  - Annual Income: $82,000
  - AMI (Area Median Income) Category: 120%

- **Occupation**: Accountant
  - Annual Income: $88,000
  - AMI (Area Median Income) Category: 130%

- **Occupation**: Electrical Engineer
  - Annual Income: $95,000
  - AMI (Area Median Income) Category: 140%

Source: San Francisco Mayor's Office of Housing & Community Development, 2015

Note: Incomes may have increased slightly in 2016, but AMI categories still generally correspond.
Note: Incomes may have increased slightly in 2016, but AMI categories still generally correspond.
## Example of Why We Need Affordable Housing

<table>
<thead>
<tr>
<th>Monthly Market Rent</th>
<th>Annual Market Rent</th>
<th>50% Area Median Income (or less)</th>
<th>2-Person Household, Affordable Rent</th>
<th>Annual Affordable Rent</th>
<th>Gap (Annual Market Rent – Affordable Rent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,285</td>
<td>$51,420</td>
<td>$34,000</td>
<td>$1,000</td>
<td>$12,0000</td>
<td>$39,420</td>
</tr>
</tbody>
</table>
Affordable Housing Differences from Market Rate

- The rents are so depressed that there is more equity in an affordable project.
- Sources of equity aren’t “investors” seeking a return; they are primarily government.
## SOURCES OF FUNDING FOR AFFORDABLE HOUSING

<table>
<thead>
<tr>
<th>FEDERAL</th>
<th>STATE</th>
<th>LOCAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Housing Tax Credits</td>
<td>Multi-family Housing Program</td>
<td>Bond</td>
</tr>
<tr>
<td>Tax Exempt Bonds</td>
<td>State Tax Credit Program</td>
<td>Housing Trust Fund</td>
</tr>
<tr>
<td>Grants</td>
<td>Various Grant &amp; Loan Programs</td>
<td>Impact Fees</td>
</tr>
<tr>
<td>Loans</td>
<td>In-fill Infrastructure Grants</td>
<td>“In-Lieu” Fees or On-Site Inclusionary Units</td>
</tr>
<tr>
<td>Housing Choice Vouchers (Section 8)</td>
<td>Farm Worker Housing Program</td>
<td></td>
</tr>
<tr>
<td>Community Development Block Grants</td>
<td>Transit Oriented Development</td>
<td></td>
</tr>
<tr>
<td>HOME</td>
<td>Housing Bond</td>
<td></td>
</tr>
<tr>
<td>Section 202 &amp; 811</td>
<td>Mental Health Services Act</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No Place Like Home</td>
<td></td>
</tr>
</tbody>
</table>
HIGH COST OF SUBSIDIZED HOUSING

• $1 million of Mayor’s Office of Housing and Community Development (MOHCD) subsidy = 4 units
  – $250,000 - $350,000 of local subsidy

• Total per unit costs around $600,000

• So affordable housing developers must still identify more sources of subsidy to build housing.
• Show how much money will it cost to build 1,000 units of affordable housing?
  – $600,000 x 1,000 = $600,000,000

• How much subsidy would MOHCD need?
  – $250,000 x 1,000 = $250,000,000

• Which would be % of the City’s total housing stock.
From 1990 – 2015 we have produced an average of 500 units of affordable housing a year.
IMAGES OF AFFORDABLE HOUSING
1100 OCEAN AVE - MERCY HOUSING
CROCKER AMAZON SENIOR APT
MISSION HOUSING DEVELOPMENT COPR.
ARMSTRONG SENIOR APTS - 3RD STREET - BRIDGE HOUSING
NORTH BEACH PLACE - BRIDGE HOUSING
Cindy Heavens, Mayor’s Office of Housing and Community Development

CHAT WITH A DEVELOPER
<table>
<thead>
<tr>
<th>Strategy</th>
<th>How It Helps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Constructing more housing units through (1) subsidy for affordable units, and (2) market-rate developments, (3) leveraging market rate to construct additional affordable.</td>
<td>By constructing more affordable housing units, tenants can have rental or mortgage prices that match their financial capacity.</td>
</tr>
<tr>
<td><strong>2</strong> Develop a strategy and mechanism to increase housing capacity of single family homes (think additions, in-law units, etc.).</td>
<td>Single-family homes can become 2 or 3 family homes without disrupting the character and fabric of the neighborhood.</td>
</tr>
<tr>
<td><strong>3</strong> Develop a land strategy for the development of 100% affordable housing.</td>
<td>Identifying some parcels that can become 100% affordable housing and working directly with those land owners can help facilitate a process that can take years. Potential locations are parking lots or excess land owned by community-serving organizations and the City.</td>
</tr>
<tr>
<td>Strategy</td>
<td>How It Helps</td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
</tr>
<tr>
<td><strong>4</strong> Encourage use of <strong>density bonus programs</strong>, like HOME-SF, State Density Bonus, etc. to build more housing units.</td>
<td>Density bonus programs—which currently exist—could be tweaked to make them more feasible and attractive.</td>
</tr>
<tr>
<td><strong>5</strong> Develop and <strong>increase funds dedicated</strong> to construction and operation of <strong>affordable housing</strong>.</td>
<td>Filling the gap that allows families to afford homes requires funding.</td>
</tr>
<tr>
<td><strong>6</strong> Appropriately and responsibly expedite the development of housing</td>
<td>Create a neighborhood specific zoning plan and/or use state law to establish a &quot;Sustainability District&quot; in the neighborhood.</td>
</tr>
</tbody>
</table>
CONSTRUCTING MORE AFFORDABLE UNITS

Subsidy of 100% Affordable
- Uses a variety of sources (tax credits, grants, fees paid by developers) to construct new buildings for low income San Franciscans.
- Through these programs, can serve very-low income individuals and families.
- Need subsidy to build and operate.

Leveraging Market Rate
- When building a new building, developers also build units that serve low and moderate income households.
- Required by law to build or pay a fee.
- Under HOME-SF, if developers build 30% below-market-rate (BMR) developers have a 2 additional stories.
DEVELOP A STRATEGY AND MECHANISM TO INCREASE HOUSING CAPACITY OF SINGLE FAMILY HOMES

Opportunity

• Accessory Dwelling Units
• Using buildable Envelope to Add Units
  – Vertical Addition
  – Finishing First Floor
• Allows homeowners to retain property, while providing housing and source of income.
• In many cases, lower cost per unit than new construction.
DEVELOP A STRATEGY AND MECHANISM TO INCREASE HOUSING CAPACITY OF SINGLE FAMILY HOMES

Examples of Vertical Additions Maintain Neighborhood Character
DEVELOP A LAND STRATEGY FOR THE DEVELOPMENT OF 100% AFFORDABLE HOUSING.

Opportunity

• Community-based organizations (such as churches or child care) may have excess space that can become housing (parking lots, etc).

• Can provide some revenue to the organization as well as housing.

Challenges

• There is a cost to acquiring and holding land.

• Can be risky to acquire land without funding committed to construction.

• Can be challenging to work with multiple parties to develop property.

• “Excess” land is in the eye of the beholder.
ENCOURAGE USE OF DENSITY, INCLUDING BONUS PROGRAMS, TO BUILD MORE HOUSING UNITS.

Building Envelope
- Existing Height Limit
- Commercial and Parking
- Residential, Under Existing Controls

NC-3
130-E
35,000 sf Lot Area
Density: 1/600 sf

60 Units Allowed
- Encouraging density allows more housing to be developed on a parcel of land.
- For example, building to the red dotted line instead of the yellow & blue boxes.
WHAT IS THE BENEFIT OF A DENSITY BONUS?

NO PUBLIC DOLLARS

PRIVATE DOLLARS

$\$\$\$ PAYS FOR

2 extra floors + added density

30% on-site affordable
• Mirrors state law
• Applies broadly (even in Area Plans)
• Limited local discretion
• Offers 35% maximum bonus, incentives and concessions, waivers

• Hybrid program
• Strict eligibility requirements
• Offers 35% maximum bonus
• Pre-determined menu of incentives, concessions and waivers

• Strict eligibility requirements
• Requires 30% on-site affordable
• Offers 2 extra stories and density de-control
DEVELOP AND INCREASE FUNDS DEDICATED TO CONSTRUCTION AND OPERATION OF AFFORDABLE HOUSING.

Some Local Sources

- Housing Bond
- In-lieu fees
- Annual Budget Process
APPROPRIATELY STREAMLINE THE DEVELOPMENT OF HOUSING

Corridor Specific Zoning Plan & Environmental Review

- Establish specific zoning for the Excelsior & Outer Mission Neighborhood Commercial District (and project area)
- Complete program level environmental review
- This requires time & funding

Sustainability District

- State law allows jurisdictions to establish housing sustainability districts.
- Very similar to a specific plan
- Requires 20% affordable units w/in the district, and prevailing wage.
- Allows program-level EIR to serve as environmental clearance for projects meeting sustainability district standards.
THANK YOU!

Rachael A. Tanner
James Pappas
San Francisco Planning
Rachael.Tanner@sfgov.org
www.sfplanning.org
FROM 1995 TO 2015 INCOME GREW 3-4 TIMES FASTER THAN EMPLOYMENT OR POPULATION DRIVING UP HOUSING PRICES

Percentage Change 1995-2015

- Population: 20%
- Employment: 30%
- Income (adjusted for inflation): 87%
- Housing Prices: 98%

Source: Bureau of Economic Analysis; Bureau of Labor Statistics
THE REGION ADDED OVER 465K HOUSEHOLDS SINCE 1990
58% WERE HIGH INCOME (OVER 200% OF SF’S MEDIAN)

- Very low Income HHs, especially HHs earning 30% of AMI or less, increased
- Moderate and middle income HHs (80-140% of AMI) declined regionally
- The % of higher income HH growth exceeded the % of HH growth overall in SF and San Mateo

SINCE 1990, SF GAINED 66K HIGH INCOME HOUSEHOLDS AND LOST 30K LOW & MIDDLE INCOME HOUSEHOLDS

- 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

GOALS

1. Continue to be a neighborhood where low and moderate income San Franciscans can live.

2. Maintain and build housing stock that can serve existing residents, and welcome diverse new residents.

3. Develop and enhance the commercial corridor so that it serves working people, while also offering a range of goods and price points.

4. Be a neighborhood where diverse residents and visitors feel welcome and at-home.

5. Promote relationship building and intercultural exchange among the many different neighborhood stakeholders.