Appendix B

Housing Elements

Appendix B-1

Original 1990 Residence Element



ADOPTED SEPTEMBER 13, 1990

AN ELEMENT OF THE MASTER PLAN OF THE CITY AND COUNTY OF SAN FRANCISCO

HISTORY AND SUMMARY OF THE RESIDENCE ELEMENT

The San Francisco City Planning Commission on September 13, 1990 in Resolution 12020 adopted the most recent revision of the Residence Element of the Master Plan, pursuant to California law requiring periodic revisions and assessment of past effort. The Residence Element of the Master Plan was first adopted in 1971, and revised and amended in 1975, 1980, 1981, and 1984.

The Element is required to contain three distinct parts: (1) Background Data and Needs Analysis; (2) Objectives and Policies; (3) 1990-5 Action Program.

In May, 1989, the Department released a preliminary version of the Part One Needs Analysis and the staff held four neighborhood workshops to receive comments. Simultaneously, the Mayor's Housing Advisory Committee, which had been appointed by Mayor Agnos in November, 1988 issued its report on affordable housing problems facing the City and recommendation for solutions. The report was titled, An Affordable Housing Action Plan.

On June 28, 1989, both the <u>Needs Analysis</u> and the draft of the <u>Affordable Housing Action Plan</u> were the subject of a special public forum held jointly by the Planning and Redevelopment Agency commissions. Over fifty people spoke. Their coments were very supportive to the approaches identified in the <u>Affordable Housing Action Plan</u>. The 1990 revisions to the Residence Element largely incorporate the content of the <u>Affordable Housing Action Plan</u>.

After the release of the <u>Residence Element - Draft for Citizen Review</u> on March 1, 1990, the Planning Department staff held a series of workshops and briefings for neighborhood groups, and the Planning Commission. The element incorporates comments received during the public review period for the draft.

The <u>Residence Element - Proposal for Adoption</u> was released July 13, 1990 and was the subject of additional public hearings August 2, and August 16, 1990. Further revisions were made based on testimony and letters, and in response to review comments made by the California Department of Housing and Community Development (HCD).

Part One contains a description and analysis of (1) the characteristics of San Francisco's population and households; (2) characteristics of the 328,000 unit housing stock; (3) overall housing needs, the needs of various income groups and special housing needs of diverse groups such as the homeless, mentally ill, physically disabled, elderly, minorities, families with children, low income single persons, students, immigrants, persons with AIDS and artists. This part also includes an inventory of land suitable for residential development and the various constraints on production of housing.

The background data and needs analysis leads then to the formulation in Part Two of appropriate objectives and policies to deal with identified needs and constraints. Policies are stated in general terms and are designed to provide guidance to the City in dealing with housing issues in the years ahead.

The objectives and policies form the framework for Part Three of the Element, which contains the implementation programs and activities which are proposed to be taken over the next five years to carry out the housing objectives and policies. Targets are set for distributing housing efforts at 24% for very low income households, 16% low income households, 20% moderate income and 40% above moderate income and an annual public expenditure of \$69 to 81.5 million.

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PART ONE DATA AND NEEDS ANALYSIS

I. POPULATION AND HOUSEHOLD CHARACTERISTICS

INTRODUCTION

This section provides background information on the characteristics of San Francisco's population and its changing composition which affect housing needs.

A. POPULATION CHANGES

Population increases in San Francisco create a need for additional housing. The City's population has grown substantially since 1980, after three decades of population decline as shown in Graph 1. According to State Department of Finance (DOF) estimates for January 1989, the San Francisco population increased by 52,719 persons from 678,974 in 1980 to 731,693 in 1989. As shown on Graph 2, population estimates by DOF show a slight decline the last two years while the Association of Bay Area Governments (ABAG) figures show the population leveling off at about 740,000 from 1987 to 1990. ABAG projects that the population will increase to 746,000 by 1995, an increase of 5,800 additional persons who will need to be housed. For consistency with other housing needs estimates in this report which rely on ABAG figures the higher ABAG population estimates are used instead of the lower DOF population estimates.

TABLE 1

SAN FRANCISCO POPULATION TRENDS

| Total Population Group Quarters Population Household Population | <u>1980</u> * 678,974 24,463 654 511 | 1990** 740,800 26,300 | 1995** 746,600 27,000 |
|---|---|-----------------------|-----------------------|
| nousehorn Population | 654,511 | 714,500 | 719,600 |

Sources: * 1980 Census

TABLE 2

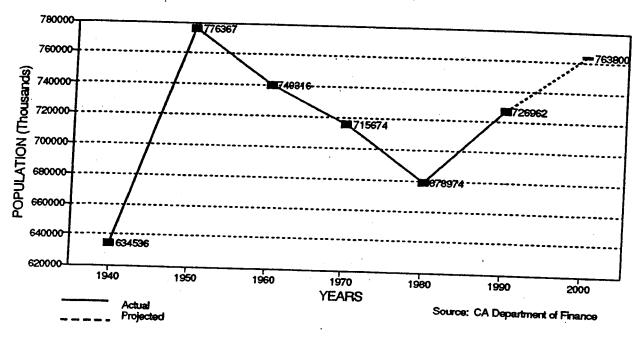
POPULATION PROJECTIONS (January 1988 to June 1995)

| ABAG Estimates | 1988 | 1990 | 1995 | Net Change 1988 – 1995 | |
|-------------------------------|---------|---------|---------|---------------------------|--------|
| Projections 90 Projections 87 | 741,300 | 740,800 | 746,600 | 5,300 | 5,800 |
| | 741,300 | 744,500 | 760,400 | 19,100 | 15,900 |

^{**} ABAG estimates, <u>Projections '90.</u>

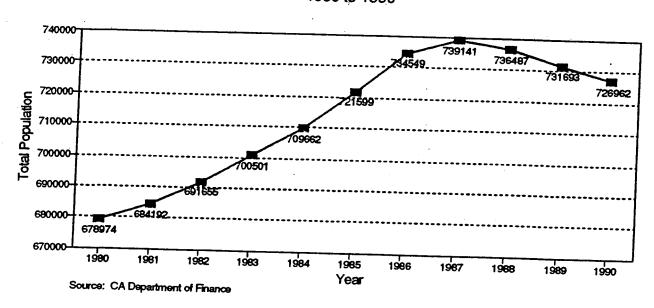
Graph 1

SAN FRANCISCO TRENDS AND PROJECTIONS 1940 to 2000



Graph 2

SAN FRANCISCO POPULATION TRENDS 1980 to 1990



B. CHANGES IN HOUSEHOLDS

Most recent ABAG estimates indicate that the number of households has increased by 15,444 from 298,956 in 1980 to 314,400 in 1990, and that the average number of persons per household has increased from 2.19 in 1980 to 2.27 in 1989. As shown in Table 3 the San Francisco average household size is smaller than the Bay Area average. ABAG estimates that the number of households will continue to increase from 314,400 in 1990 to 321,300 in 1995, at an average of 1,150 new households per year.

TABLE 3

HOUSEHOLD GROWTH (1970 to 2000)

| | 1970 | 1980 | 1985 | 1990 | 1995 | 2000 |
|---|------------|--------------|--------------|--------------|--------------|--------------|
| Number of Households Persons per Household | 195,200 | 298,956 | 308,020 | 314,400 | 321,300 | 328,300 |
| San Francisco Bay Area | 2.34 NA | 2.19 2.57 | 2.25 2.58 | 2.27 2.54 | 2.23 2.51 | 2.25 2.48 |

Source: ABAG Projections 90

The 1980 Census documented a population decline of 36,700 from 1970 to 1980 and only a slight increase in the number of households during this period. This resulted in a decrease in the average number of persons per household. The decline in the number of persons per household reversed itself after 1980 with the large increase in population being absorbed mostly in the existing housing stock.

ABAG's most recent <u>Projections 90</u> estimates indicate a leveling off in the average number of persons per household and an increase in household formation, instead of a continued increase in the number of persons per household through 1995 as projected by ABAG in <u>Projections 87</u>. ABAG's 1990 projections indicate that most of the population growth will be in new households and not in an increase in the number of persons per household as previously predicted. The ABAG assumption is that a substantial number of persons will leave larger existing households and generally form individual and smaller households, thus a need for more housing units. This projection differs from previous trends.

The number of persons per household in San Francisco ranges from single individual households (41% in 1980) to larger predominantly ethnic family households (Table 7). San Francisco has a high percentage of non family households (Table 8).

TABLE 4

HOUSEHOLD PROJECTIONS (January 1988 to June 1995)

| ABAG Estimates Projections 90 Projections 87 | 1988 | 1990 | 1995 | Net Change 1988 – 1995 | Net Change 1990 – 1995 |
|--|--------------------|--------------------|--------------------|---------------------------|---------------------------|
| | 312,183 312,183 | 314,400 313,620 | 321,300 319,100 | 9,117 6,917 | 6,900 5,480 |

TABLE 5

HOUSEHOLD SIZE, SAN FRANCISCO 1960 - 1988

| 1 | 00 222 | | | 7 | | 7 | <u>198</u> | 38 7 |
|------------------------|--|--|---|---|---|---|--|---|
| 2 3 4 5 6+ | 98,399 90,154 42,344 29,304 16,204 15,570 | 33.7 30.9 14.5 10.0 5.5 5.4 | 110,333 90,753 38,024 25,348 14,668 16,048 | 37.4 30.7 12.9 8.6 5.0 5.4 | 123,915 90,681 36,554 23,321 12,335 12,150 | 41.4 30.3 12.2 7.8 4.1 4.1 | 134,422 105,749 42,881 26,544 12,944 10,160 | 40.4 31.8 12.9 8.0 3.9 3.0 |
| ource: | 1988: S | dies Mar | 295,174 or 1960 - 1 keting & M Buying Po | 980 lanagement | 298,956 nt | | 332,700 | - |

TABLE 6

AVERAGE NUMBER OF PERSONS PER DHELLING

| ALL HOUSEHOLDS Family Households Non-Family Households | San Francisco 2.19 3.20 |
|--|-------------------------------|
| | 1.27 |

Source: 1980 Census

TABLE 7

PERSONS PER HOUSEHOLD BY ETHNIC GROUPS IN SAN FRANCISCO. 1980

| Ethnic Group | | <u> Households</u> | Persons Per Household |
|--------------|---------|--------------------|--------------------------|
| Asian | 142,656 | 44,589 | 3.20 |
| Black | 83,021 | 33,408 | 2.49 |
| Latin | 78,259 | 27,547 | 2.84 |
| White | 390.948 | 208,250 | 1.88 |
| | | • • | |

Median 2.19

Source: U.S. Census of Housing and Population, 1980

TABLE 8

FAMILY AND NON-FAMILY HOUSEHOLDS BAY AREA AND SAN FRANCISCO. 1988

| Family Households All Households | Bay Area 1,395,660 2,198,269 | <u>San Francisco</u> 132,151 300,560 | |
|-------------------------------------|------------------------------------|--|--|
| Family households as | 63% | 43% | |

percent of all households

Source: Urban Decision Systems

C. CHANGES IN THE AGE OF THE POPULATION

Life cycle changes and aging of the population have increased the number of families with children and the need for family housing. Table 9 shows an increase from 1980 of about 21,000 in the number of children aged 0-9 and an increase of about 71,000 in the 35 to 54 age group. Changes in the 35 to 44 year old "baby boom" age group indicate that this group increased the most in the 1980-90 period, but it did not increase as much as it should have because a large number of households in this age group moved out of the city to family housing in adjacent Bay Area counties.

The aging of the large number of San Francisco ethnic youths means that by 1995 much of this population will be entering the household formation age. These new households will need new affordable housing or they will be forced to remain at home longer. However, the 20-24 age group declines overall.

The aging of the City's large elderly (65 and over) population will decrease in the short run as elderly deaths exceed the number of persons entering this age category. In the long run the over 65 age group will increase as the "baby boom" population reaches 65.

TABLE 9

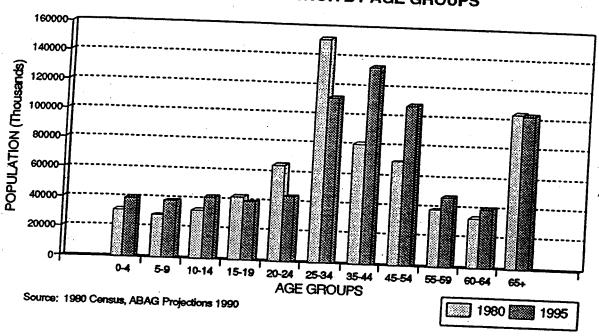
CHANGES IN SIZE OF VARIOUS AGE GROUPS
(April 1980 to April 1995)

| Age 0- 4 5- 9 10-14 15-19 20-24 25-34 35-44 45-54 55-59 60-64 | 1980 31,537 28,596 32,674 42,374 65,242 151,222 81,143 70,025 38,480 33,396 | 1990 41,400 39,700 39,100 36,700 46,600 130,100 128,800 93,200 40,900 36,400 | 1995 39,700 38,100 41,800 39,400 43,700 112,000 133,400 108,200 46,900 39,900 | Net Change 1980 to 95 +8,163 + 9,504 +9,126 -2,974 -18,642 -89,222 +52,257 +23,175 +8,420 +6,504 | Net Change 1990 to 95 -1,700 -1,600 +2,700 +2,700 -2,900 -18,100 +4,600 +15,000 +6,000 |
|---|---|--|---|---|--|
| 65+ | 104.285 | 107,900 | 103,500 | +6,504 | +3,500 |
| Total | 678,974 | 740,800 | 746,600 | -/05 | -4,400 |
| Median Age | 33.64 | 37.35 | 38.90 | | |

Source: ABAG Projections 90

Graph 3

S.F. POPULATION BY AGE GROUPS



D. CHANGES IN THE ETHNIC COMPOSITION OF THE POPULATION

The ethnic composition of San Francisco's population has continued to become more diverse. Ethnic groups in 1990 are estimated to comprise over 55% of the population, up 26% from 1970. Asian groups have increased the most from 13% in 1970 to about 20% in 1986. The other non white category, which includes Koreans, Pacific Islanders, and East Asian Indians, increased from 1% in 1970 to 9% in 1986.

TABLE 10

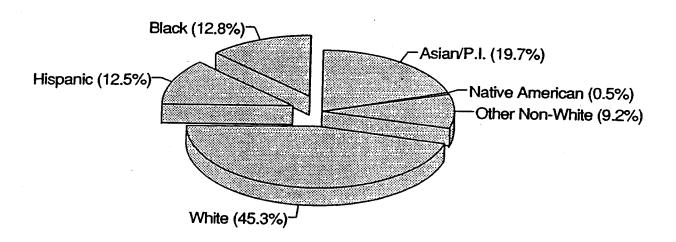
CHANGE IN POPULATION ETHNICITY
(1980 to 1986)

| | 1.0 | | | | Percent Change |
|------------------------|---------|-----------------|---------------|-----------------|----------------|
| | | 80 | 19 | 86 | 1980 to 1986 |
| | Number | <u>Percen</u> t | <u>Number</u> | <u>Percen</u> t | |
| White | 311,708 | 45.99% | 337,412 | 45.39% | + 8.2 |
| Hispanic | 83,373 | 12.3% | 93,010 | 12.5% | +11.6 |
| Black | 86,414 | 12.7% | 95,095 | 12.8% | + 2.5 |
| American Indian | 3,548 | 0.5% | 3,649 | 0.5% | + 2.8 |
| Japanese | 12,046 | 1.8% | 13,329 | 1.8% | +10.7 |
| Chinese | 82,480 | 12.19% | 91,148 | 12.2% | +10.5 |
| Filipino | 38,265 | 5.69 | 42,521 | 5.7% | +11.1 |
| <u>Other Non White</u> | 61.436 | 9.09% | _68,436 | 9.2% | +11.4 |
| TOTAL | 679,270 | 100.0% | 744,600 | 100.0% | |

Source: 1980 Census and San Francisco Department of Health

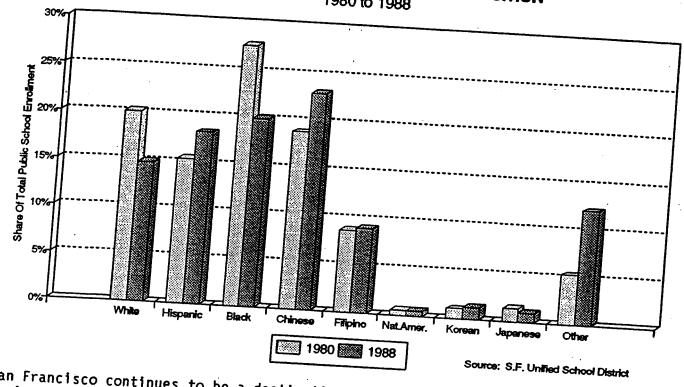
Graph 4

ETHNIC COMPOSITION, 1986



Population ethnicity changes are more pronounced in the San Francisco Unified School District ethnic composition. Graph 5 shows that ethnic students now account for about 75% of the S.F. school enrollment.





San Francisco continues to be a destination of large number of refugees and immigrants from southeast Asia, eastern Europe, Asia, and Central America. In 1987, 16,234 foreign refugees and immigrants came to San Francisco County, with 31% Chinese, 22% Filipino, and 12% Hispanic. In 1988 there were 10,493 of the household formation age between 20 and 34 years old

San Francisco's ethnic influence is mixed and varied throughout the City, although some districts reveal a strong Asian, Italian, Hispanic, Filipino, or African American influence. The availability of affordable housing in these communities.

Concentrations of the major ethnic groups occur in a number of districts. Hispanic people are housed predominantly along the Inner and Outer Mission districts extending along Mission Street all the way to Daily City. The concentrations follows the Hispanic population distribution with in Chinatown and surrounding areas. The Asian population are concentrated and Sunset areas. African-American concentrations occur in the Western Addition, South Bayshore, and Ingleside Districts. Vietnamese people are concentrated in North of Market high density low income housing areas.

¹⁾ Department of Finance, Population Research Unit, Estimates 1987 and 1988

E. EMPLOYMENT GROWTH

Employment growth in San Francisco is another component of the need for housing. Total employment in San Francisco has been growing steadily since 1970 as shown below in Table 11.

TABLE 11

SAN FRANCISCO EMPLOYMENT GRONTH (1970 - 2000)

| <u>1970</u> | <u>1980</u> | <u>1985</u> | <u>1990</u> | <u> 1995</u> | 2000 |
|-------------|-------------|-------------|-------------|--------------|---------|
| 494,129 | 552,200 | 553,400 | 578,900 | 616,900 | 642,800 |
| | | | | | |

Source: ABAG Projections 90

The most current ABAG projections for employment show a growth of 38,000 new jobs between 1990 and 1995 at an annual rate of 6,909 new jobs per year. This is less than the 1987 ABAG projections.

TABLE 12

EMPLOYMENT PROJECTIONS (January 1988 to June 1995)

| | 1988 | 1990 | 1995 | Net Change 88 to 95 | Net Change 90 to 95 |
|-------------------------------|---------|---------|---------|------------------------|------------------------|
| ABAG Estimates Projections 90 | 572,800 | 578,900 | 616,900 | 44,100 | 38,000 |
| Projections 87 | 572,800 | 587,000 | 629,400 | 56,600 | 42,400 |

Most of the new employment growth will be in professional, services, construction, and retail occupations. Employment in finance, communications, and utilities has declined since 1985 as back office functions moved to the East Bay in reverse pattern of the 1970's. White collar, office related occupations and retail services have steadily increased since 1960 while blue collar jobs in manufacturing and industrial jobs have decreased. This shift reflects the growth of downtown office and retail commercial services.

TABLE 13 SAN FRANCISCO EMPLOYMENT PROJECTIONS (1985 to 1995)

| Employment | 1985 | Z | 1990 | 1995 | # Change 1985 to 1995 | % Change 1985 to 1995 |
|--|--|--|--|--|--|------------------------------------|
| Agriculture Construction Manufacturing Transportation Hholesale Retail F.I.R.E.* Services Government TOTAL | 2,660 25,260 43,190 59,340 21,050 78,080 80,350 183,700 60,470 | .5% 4.5% 7.8% 10.7% 3.8% 14.0% 14.5% 33.2% 10.9% | 2,190 28,180 42,980 62,650 21,700 88,120 79,480 200,460 61,310 | 1,770 29,630 43,810 67,650 20,850 96,460 92,780 214,070 62,380 | -890 4,370 +620 +8,310 -200 +18,380 +12,430 +30,370 +1.910 | -33% 17% 1% 14% -1% 24% 15% 17% 3% |
| Source: ABAG P | rojections | . 107 | ,570 | 629,400 | 75,300 | 14% |

Source: ABAG Projections '87

The number of residents employed in San Francisco has continued to increase and was estimated to continue to increase at a rate of about 3,074 jobs per year between 1988 and 1995. In ABAG's Projections 90, the annual growth of San Francisco employed residents has been reduced significantly to 1,218 job per year, a 40% reduction from <u>Projections 87</u>. According to ABAG's new estimates more of the estimated job growth will be taken by commuters rather than existing San Francisco residents.

TABLE 14 GROHTH OF EMPLOYED SAN FRANCISCO RESIDENTS (January 1988 to June 1995)

| ABAG Estimates | 1988 | 1990 | 1995 | 88 to 95 | 90 to 95 |
|-----------------------|---------|---------|---------|----------|----------|
| Projections 90 | 398,940 | 401,400 | 408,100 | 9,160 | 6,700 |
| Projections 87 | 398,940 | 408,300 | 422,000 | 23,050 | 13,700 |

The average number of workers per household in San Francisco is lower than the Bay Area average because there are more single persons households in San Francisco. Table 15 shows the number of workers per household growing significantly from 1980 to 1990. However, from 1990 to 1995 ABAG projections differ as to whether the trend in increased workers per household will continue through 1995 or will remain at the current level.

^{*}F.I.R.E.: "Finance, Insurance, Real Estate"

TABLE 15

AVERAGE NUMBER OF HORKERS PER HOUSEHOLD*

(1980 to 1995)

| ABAG Estimates | <u>1980</u> | 1985 | 1990 | <u> 1995</u> |
|---|--------------|--------------|-------------|---------------------|
| San Francisco Projections 87 Projections 90 | 1.16 1.16 | 1.25 1.23 | 1.3 1.27 | 1.32 1.27 |
| Bay Area Region Projections 90 | 1.29 | 1.35 | 1.38 | 1.39 |

^{*} Employed residents divided by number of households

The number of San Francisco jobs held by commuters and the estimated growth in commuter jobs through 1995 is shown below.

TABLE 16

SAN FRANCISCO COMMUTER GROWTH (January 1988 to June 1995)

| 1988 | 1995 | 1988 to 1995 | Increase |
|---------|---------|--------------|----------|
| 244,872 | 279,812 | 34,940 | 4,658 |

Source

Department of City Planning, based on Mission Bay EIR and ABAG <u>Projections 90</u> estimates (total employment minus employed residents plus employed residents commuting to jobs outside of the City).

F. SAN FRANCISCO HOUSEHOLD INCOMES

Another dimension of the need for housing is the ability of the household to pay for housing. San Francisco's household incomes are substantially lower than regional averages due in part to a large concentration of single person and lower income households in San Francisco. Table 17 compares San Francisco's household incomes to the City's median income and to the Bay Area region median income. The number of San Francisco households in lower income categories increases when San Francisco household incomes are compared to the higher regional median income. According to ABAG studies, the City's overall income distribution changes little from year to year because it takes a significant change in any one category to change the overall distribution. Yet other data from Urban Decision Systems (Table 18) show increases in both the lower and upper income categories.

TABLE 17 HOUSEHOLD INCOMES COMPARED TO CITY AND REGIONAL MEDIAN INCOMES

| | | | TOTAL MEDIAN | INCOMES |
|------------------------------|------------------------|-----------------|-------------------------|------------------------|
| Income Distribution | Very Low (Below 50% | Low (80% to 51% | Moderate | Above Moderate |
| Distribution of S.F. Incomes | of median) | of median) | (120% to 81% of median) | (Above 120% of median) |
| 3.7. Incomes | 25% | 16% | , | or median) |
| S.F. in terms of | | | 18% | 41% |
| Regional Incomes | 33% | 19% | | |
| Distribution of | | 136 | 20% | 28% |
| Regional Incomes | 23% | 1.54 | | |
| Source: 1980 Census an | | 16% | 21% | 40% |

Source: 1980 Census and ABAG estimates to 1990.

When City household incomes are compared to HUD's income standards, the percentage of households in the lower income categories also increases because, as with the regional median, HUD income categories are higher than the City's (Table 18). HUD income standards for San Francisco are based on San Francisco's PMSA area which includes Marin and San Mateo Counties, capped to a national average. According to HUD's income standards for 1988 and Urban Decision Systems estimates of San Francisco incomes, 36% of the San Francisco households are very low income, 16% are low income, 13% are moderate income, and 34% are above moderate income.

TABLE 18 SAN FRANCISCO 1988 HOUSEHOLD INCOMES COMPARED TO HUD INCOME CATEGORIES

| Percent Category | Household Income | Percent of** |
|---------------------|--|--|
| 36.1 | Less than \$5,000 \$5,000 9,999 \$10,00014,999 \$15,00019,999 | Households 6.4 9.4 10.8 9.5. |
| 16.6 | \$20,00024,999 \$25,00029,999 | 8.7 7.9 |
| 13.3 | \$30,00034,999 \$35,00039,999 | 7.0 6.3 |
| 33.9 | \$40,00049,999 \$50,00074,999 \$75,000+ | 10.1 13.8 10.0 |
| | 36.1 16.6 13.3 | Less than \$5,000 \$5,000 9,999 \$10,00014,999 \$15,00019,999 \$20,00024,999 \$25,00029,999 \$30,00034,999 \$30,00034,999 \$35,00039,999 \$40,00049,999 \$50,00074,999 |

^{*} HUD income standards for a household of four persons in the San Francisco, San Mateo, and Marin Principal Metropolitan Statistical Area (PMSA), capped to a national average. **Urban Decision Systems estimates.

The distinction between household income, family household income, and non family household income figures are important. The Census definition of a household includes a family or a group of unrelated persons living together or one person living alone, whereas for purposes of the HUD standard, a family household is a household with persons related by birth, marriage or adoption. A non family household is composed of a group of unrelated persons or one person living alone. As indicated in Table 8, only 43% of San Francisco households are family households. Another 41% are one person households and a about 19% are households with two or more unrelated persons. Table 19 shows that figures for San Francisco household incomes are substantially lower than San Francisco family household incomes, and also how HUD income standards have changed over time. Both household and family income figures have increased proportionally by about 80% since 1980.

TABLE 19

CHANGES IN SAN FRANCISCO HOUSEHOLD AND FAMILY INCOME
(1970 to 1988)

| Household Income | _1970_ | 1980 | _1988 | 1990 |
|---------------------------------|----------|----------|----------|----------|
| Median | \$7,752 | \$15,867 | \$28,233 | |
| Average | \$9,630 | \$20,617 | \$37,938 | |
| Family Income | | | • | |
| Median | \$10,563 | \$20,911 | \$38,443 | |
| Average | \$12,507 | \$25,876 | \$47,517 | |
| HUD Median Family Income | NA | \$23,400 | \$42,500 | \$45,600 |
| (for a household of four) | | • | • | , , |

Sources: Urban Decisions Systems, 1980 Census, HUD Income Limits February 1990

For calendar year 1990, HUD has determined the following household income standards for the San Francisco PMSA area.

TABLE 20
HOUSEHOLD INCOME STANDARDS BY HOUSEHOLD SIZE, 1990
FOR LOW AND MODERATE INCOME HOUSING

| Income Categories | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons |
|-------------------------|----------|-----------|-----------|-----------|-----------|
| (% of median income) | | | | | |
| Very low (50% of m.i.) | \$15,960 | \$18,240 | \$20,520 | \$22,800 | \$24,225 |
| Low (80% of m.i.) | \$25,540 | \$29,180 | \$32,830 | \$36,480 | \$38,760 |
| Median (100% of m.i.) | \$31,900 | \$36,500 | \$41,050 | \$45,600 | \$48,450 |
| Moderate (120% of m.i.) | \$38,300 | \$43,780 | \$49,250 | \$54,720 | \$58,140 |

Source: HUD Income Limits 1990, based on San Francisco's PMSA which includes Marin and San Mateo counties, capped to a national average.

II. HOUSING CHARACTERISTICS

INTRODUCTION

This section provides background information on the physical characteristics of the City's housing stock which are important to consider in formulating housing policy.

A. CHARACTERISTICS OF THE HOUSING STOCK

San Francisco houses its people in approximately 327,000 housing units, of which approximately 1/3 are low density single family buildings, 1/3 are medium density two to nine unit buildings, and 1/3 are in high density buildings with 10 or more units. Approximately one-half of San Francisco's land area is devoted to residential use. The majority of the residential acreage (77%) is zoned for single family and two unit housing at a density of approximately 14 to 29 units per acre (Table 54). Other residential areas have substantially higher densities, bringing the citywide average density to 62 units per acre. This is the second highest residential density in the United States and far exceeds the Bay Area urban region density of only 4.2 units per acre.

Fifty six percent of San Francisco's housing stock was built prior to 1940. New construction since 1980 accounts for only 3% of the housing stock. Although older, most of the housing stock is in sound condition.

TABLE 21

SAN FRANCISCO HOUSING CHARACTERISTICS

| HOUSING STOCK Single Family 2 Unit 3-9 Unit 10+ Unit | 328,335 34.0% 11.2% 22.1% 32.6% | 2 Bedr | m or less | 40% 38% 22% | |
|---|---|-----------------------|---|-------------------|---|
| AGE OF HOUSING BY YEAR BUIL 1980-88 1960-79 1940-59 1939 + earlier | 3.4% 15.0% 25.4% 56.0% | | STATUS Occupied Occupied | 33% 63% 4% | |
| TENURE BY TYPE OF BUILDING | | TENURE BY L | | | |
| Owner-occupied, single fam. Rental, single family Owner-occupied, multi-fam. Rental, 2-4 units Rental, 5+ units | 28% 8% 5% 19% 40% | # Bedrooms 0 1 2 3 4+ | Owner-Occi 0.6% 8.3 42.9 34.2 14.0 | upied — | Rental 19.4% 42.7 26.8 8.8 2.3 |
| TOTAL OCCUPIED UNITS | 314,000 | TOTAL 1 | 08,000 | 206, | 000. |

1980 U.S. Census, updated to 1989 with S.F. Housing Inventory Source: Reports, Bay Area Council.

Dwelling units in San Francisco are generally small in size, with 78% of all units having four rooms or less. Only about 22% of the units have more than three bedrooms. These larger units are primarily in single family homes and two unit residential flats.

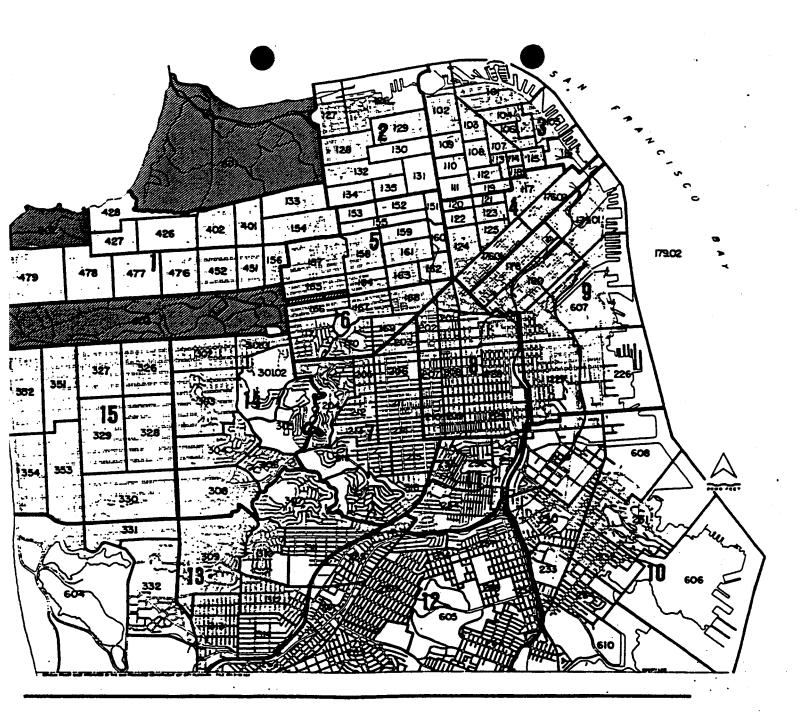
Two-thirds of the housing units are occupied by renters. Most single family homes are owner occupied, although 28% of them are rental. Fifty percent of two unit buildings are rental and 90% of the buildings with three or more units are rental. Although there have been changes since 1980 in tenure resulting from apartment conversions to condominiums and new construction of condominium and rental units, the percentage of renters and owners has remained about the same.

TABLE 22

HOUSING CHARACTERISTICS BY PLANNING DISTRICTS - 1989
UNITS BY BUILDING TYPES

| | DISTRICTS | SINGLE FAMILY | 2 TO 4 UNITS | 5 TO 9 UNITS | 10 OR MORE UNITS | DISTRICT TOTALS Z OF CITYMIDE |
|-----|------------------------|------------------|-----------------|-----------------|---------------------|-------------------------------|
| 1) | RICHMOND | 11,882 34% | 12,437 35% | 4,990 14% | 5,943 17% | 35,252 (10.8%) |
| 2) | MARINA | 3,442 13% | 6,148 23% | 3,881 15% | 13,171 49% | 26,642 (8.2%) |
| 3) | NORTHEAST | 2,128 6% | 6 , 542 197 | 6,153 17% | 20,212 58% | 35,035 (10.7%) |
| 4) | DOWNTOWN | 204 1% | 377 1% | 434 27 | 24,116 96% | 25,131 (7.7%) |
| 5) | HESTERN ADDITION | 2,600 10% | 5,596 22% | 3,451 14% | 13,588 54% | 25,235 (7.7%) |
| 6) | BUENA VISTA | 2,327 14% | 6,567 41% | 3,230 20% | 4,039 25% | 16,163 (4.9%) |
| 7) | CENTRAL | 9,129 36% | 8,886 34% | 2,984 12% | 4,581 18% | 25,580 (7.8%) |
| .8) | MISSION | 3,358 15% | 7,534 34% | 4,185 19% | 6,946 32% | 22,023 (6.7%) |
| 9) | SOUTH OF MARKET | 2,012 27% | 2.318 30% | 690 9% | 3,702 34% | 8,722 (2.6%) |
| 10) | SOUTH BAYSHORE | 5,783 72% | 1.313 16% | 648 87 | 322 47. | 8,045 (2.4%) |
| 11) | BERNAL HEIGHTS | 5,246 60% | 2,649 29% | 444 67 | 306 5% | 8,066 (2.6%) |
| 12) | SOUTH CENTRAL | 19,085 80% | 2,429 10% | 954 4% | 1,547 6% | 24,015 (7.3%) |
| 13) | INGLESIDE | 16,005 73% | 1,460 71 | 529 27 | 3,828 18% | 21,822 (6.7%) |
| 14) | INNER SUNSET | 9,719 55% | 3,886 227 | 1,555 9% | 2,543 14% | 17,703 (5.4%) |
| 15) | OUTER SUNSET | 18,385 75% | 3,724 15% | 1,526 6% | 1,060 | 24,695 (7.6%) |
| | GRAND TOTAL Percent | 111,305 34% | 71,866 | 35,654 11% | 105,904 33% | 324,729* (100%) |
| | | | | | | |

Source: Housing Inventory Report, 1988



PLANNING AREAS OF SAN FRANCISCO

MAP 1

| 1. | Richmond | 6. | Buena Vista | 11. | Bernal Heights |
|------------|------------------|-----|-----------------|-----|---------------------|
| 2. | Marina | 7. | Central | 12. | South Central |
| 3. | Northeast | 8. | Mission | 13. | Ingleside |
| 4. | Downtown | 9. | South of Market | 14. | Inner Sunset |
| 5 . | Western Addition | 10. | South Bayshore | 15. | Outer Sunset |

203

Census Tracts



Special Areas

B. CHANGES IN THE QUANTITIES OF HOUSING - 1980 to 1989

1. Types and Location of New Construction

From 1980 to 1989 a total of 13,797 units have been completed at an annual rate of 1,379 units per year (Table 23). In the last five years (1985-89), San Francisco has experienced one of the highest rates of housing production, averaging 1,851 units per year (Graph 6). 1989 marked a 13 year high for housing production in San Francisco with the completion of 2,619 units. The majority of the units built were in large multi-unit structures (Table 23). Single family housing accounted for 9% of the units built since 1985, whereas multi-unit buildings with 10 or more units accounted for 65% of the units built. The units in these large multi-unit projects have generally been smaller units of two bedrooms or less (Table 25). Single family housing and two unit flats generally account for the larger three bedroom units. The districts gaining the most units from new construction were the Western Addition, South of Market, Richmond and Northeast (Table 26).

Housing production continues to be strong in 1990 with about 3,000 units under construction. Currently, the Department of City Planning is reviewing approximately 50 large housing projects totaling almost 4,000 units. The Mayor's Office of Housing is currently considering funding for about 25 projects with about 2,000 low and moderate income units through fiscal year 1982. The time frame for the completion of these projects varies from one to three years.

S.F. HOUSING TRENDS, NEW CONSTRUCTION AND DEMOLITION
1970 TO 1989

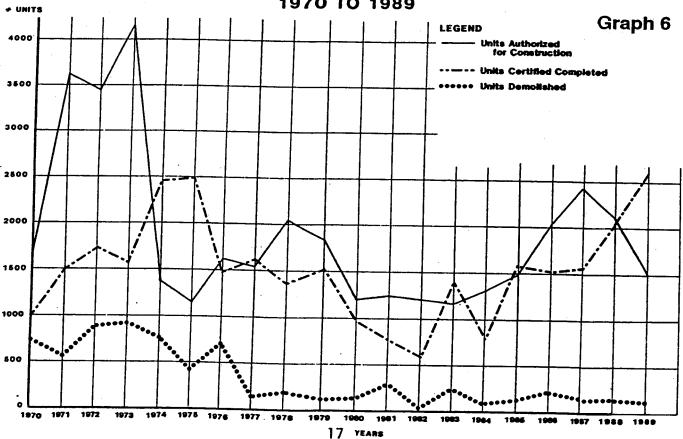


TABLE 23

ANNUAL CHANGE IN HOUSING UNITS BY STRUCTURE TYPE

1980-1989

| | # | | | | | | | | | | | | | | | | | |
|------|-----------------|---------------|-----------------|-----------------|-----------------|------------------|-------------------------------|-----------------|------------------|-------------------|-----------------|------------|---------------|---------------|-----------------|-------------------|-----------------|-------------|
| | Percer | 1001 | 76 | 10% | なた | 878 | | 392 | 13% | 112 | 3 3 | 217 | • | 25 | 34 | 83 | 2 2 | 219 |
| | IOTAL | 13,797 | 1,240 | 1,318 | 1,282 960 | 1,160 7,826 | 90 | 583 589 | 192 | 165 | 189 | 322 | 700 | 651 651 | 1,126 | 711,1 | 971 | 7,507 |
| | 1989 | 2,619 | 122 | <u>8</u> : | 128 | 158 1,998 | 9204 | 33 | æ : | 2 9 | 96 | 72 | 2 300 | 89 | 85 | 103 | 29 | 1,920 |
| | 1788 | 2,011 | <u>5</u> | 707 | 8 | 1,121 | 104 | 99 | 27 | 3 0 | 00 | 0 | 1 907 | 125 | 234 | 83 83 | 92 | 1,121 |
| 1007 | 787 | 1,553 | 3 5 | 141 | 74 | 991 | 127 | 7. | ρς - | 20 | 0 | o . | 1,426 | 72 | 162 123 | 74 | 64 | 166 |
| 1986 | | .507 271 | 176 | 144 | 73 | 904 | 173 | 127 | 3 0 | 0 | = 5 | > | 1,334 | 45 | 135 | 73 | 27 | 90 4 |
| 1985 | | 123 | 20 | 145 | 115 206 | 879 | 105 | | 14 | 0 | 00 | > | 1,463 | 6 0 6 | 131 | 115 | 206 | 6 /0 |
| 1984 | 707 | 5 4 | 9/ | 65 | 7 E | 401 | 79 75 | ွဲ ထ | 0 | 0 9 | 10 24 | ; | 11. | 2 % | 65 | 72 | /و درد | ; |
| 1983 | 1 400 | 6 | 64 | 40.00 | 201 201 | 00/ | 233 | | 7 | 2,5 | 916 | | 1,167 | 5 9 9 | 11 | 230 | 609 | • |
| 1982 | 589 | ន | 20 | 65 46 | 283 | S | 5 <u>5</u> | 21 | ~ C | - | 0 | , | 547 25 | 3 9 | 76 | 4 ₹ | 30,4 | |
| 1981 | 780 | 123 | 7 (| 3 5 | 143 | 286 | 44 | 24 | <u> </u> | 36 | 114 | , | 492 79 | 118 | 46 | 107 | 97 | |
| 1980 | 980 | 141 | 119 | Ξ | 147 | 128 | 42 | - 2 4 2 | 55 | 2 | 21 | 6 | 266 99 | 128 | | 137 | 299 | |
| | New Units total | 2 unit bidas. | 3-4 unit bidgs. | 5-9 unit bidgs. | 20+ unit bidgs. | Demolished Units | Single family 2 unit hidas | 3-4 unit bldgs. | 5-9 units bidgs. | 10-19 unit bidgs. | 20+ unit bidgs. | Net Change | Single family | 2 unit bidgs. | 5-9 unit bldgs. | 10-19 unit bidgs. | 20+ unit bidgs. | |

Source: Department of City Planning 1980-1989 Housing Information Series.
* Includes 187 units demolished due to the October 17, 1989 earthquake.

TABLE 24

COMPARISON OF EXISTING STOCK HITH NEW CONSTRUCTION BY TYPES OF BUILDINGS

| | Housing Stock | New Housing |
|----------------|--|--------------|
| Structure Type | <u>in 1980 </u> | 1980 to 1988 |
| Single family | 32.3% | 10.0% |
| Two Unit | 12.6% | . 11.0% |
| 3-9 Unit | 20.8% | 18.0% |
| 10+ Unit | 34.3% | 61.0% |
| | 316,608 | 11,178 |

TABLE 25

COMPARISON OF EXISTING STOCK HITH NEW CONSTRUCTION BY UNIT SIZE

| | Housing Stock | New Housing |
|-----------------|----------------|--------------|
| Unit Size | <u>in 1980</u> | 1980 to 1988 |
| Studios | 11% | 9% |
| One Bedroom | 2 9% | 29 % |
| Two Bedroom | 38% | 36% |
| Three + Bedroom | _22%_ | <u> 26% </u> |
| | 100% | 100% |

TABLE 26

CHANGES IN THE HOUSING STOCK BY PLANNING DISTRICTS (1980 to 1988)

| Districts* | <u>Units</u> Completed | <u>Units</u> Demolished | <u>Net</u> <u>Gain</u> |
|------------------------------------|---------------------------|----------------------------|---------------------------|
| 1. Richmond | 1,381 | 370 | 1,011 |
| 2. Marina | 334 | 81 | 253 |
| Northeast | 1,186 | 100 | 1,086 |
| 4. Downtown | 588 | 126 | 462 |
| Western Addition | 2,063 | 166 | 1,897 |
| 6. Buena Vista | 399 | 8 | 391 |
| 7. Central | 525 | 48 | 477 |
| 8. Mission | 746 | 42 | 704 |
| 9. South of Market | 1,808 | 76 | 1,732 |
| 10. South Bayshore | 669 | 25 | 644 |
| ll. Bernal Heights | 151 | 9 | 142 |
| 12. South Central | 461 | 88 | 373 |
| 13. Ingleside | 335 | 20 | 315 |
| 14. Inner Sunset | 304 | 68 | 236 |
| 15. Outer Sunset | <u>228</u> | <u>52</u> | <u>176</u> |
| TOTAL | 11,178 | 1,279 | 9,899 |

^{*} See Map on page 16.

2. Illegal New Construction

No information is available on the number of illegal secondary units that have been added to the housing stock.

3. Units Demolished

The number of residential units demolished from 1980 to 1989 totalled 1,508, an average of 150 units per year. In recent years the number of residential units demolished yearly has decreased from 104 units in 1988 to 42 units in 1989, not including the loss of 187 units attributed to the October 17, 1989 earthquake. Table 23 shows that the majority of the units demolished since 1980 have been single family homes. While demolition and replacement activity is citywide, demolition activity has occurred to a higher degree in the Richmond, Western Addition, Northeast and Downtown (Table 26). Buildings demolished were generally replaced at a rate of two units for every unit demolished.

The rate of residential demolition activity has decreased significantly from a high of about 750 units per year in the early 70's (Graph 6) to a current rate of only about 50 units per year. The lower rate of demolition is attributed to a greater emphasis on City housing restoration and preservation policies.

4. Net Change

During the 1980's there was a net gain (total units constructed minus total units demolished) of about 12,000 legal units. The net gain in buildings with two to four units totalled 2,243 units. In buildings with five or more units the net gain was 9.395 units. The net gain in single family housing was 651 units (only 5% of the total net gain).

5. Other Additions or Subtractions from the Housing Stock

In addition to changes resulting from new construction and demolition, the quantity of housing changes through subdivision of units into smaller units, through the merger of units into larger units, through forceable elimination of units by code enforcement, or through vertical or horizontal additions which add more units in existing buildings. Units are also lost through conversion to commercial use, or conversely, units are gained from conversions of commercial space to residential use.

The number of units added by alterations has increased in recent years. In 1988 approximately 100 units were added to existing buildings. This trend is likely to continue in response to the high demand for housing and potential for additional units on properties in higher density zoning districts.

The number of units removed from existing buildings, usually through the elimination of illegal units by code enforcement, has also increased. In 1988 89 units were lost in this way.

The number of residential units legally converted to commercial use has steadily decreased from approximately 1,000 units in the 1970 to 1980 period to only 160 units from 1980 to 1988 (Table 29). This reduction has resulted from new rezoning regulations which discourage or prohibit the loss of residential units to commercial use.

On the other hand, the City has gained hundreds of units from the conversion of underutilized industrial or commercial space to live work units and vacant hospitals to condominium or elderly units.

TABLE 27

HOUSING UNITS CONVERTED TO NON-RESIDENTIAL USE

1,094 1980 1981 - 1989²

Sources: 1) A Study of Conversion of Apartments to Non-Residential Uses in Commercial and Industrial Areas, Department of City Planning, 1981 2) Changes in the S.F. Housing Inventory, Department of City Planning, 1989.

No information is available on the number of units illegally converted to non-residential use.

6. Stock of Residential Hotels

There are 556 residential hotels in San Francisco containing 21,792 units. Fifty five of these hotels are operated by non profit organizations and 50 are operated by for profit owners. About 30% of these hotels have a mix of tourist and residential rooms. Residential hotels units are single room occupancy rooms generally rented to lower income persons (about 70% of the units rented for less than \$300 in 1988). As shown on Table 29 the conversion of residential hotel rooms has dramatically decreased since the adoption of the Residential Hotel Ordinance in 1980. In March 1990, the Residential Hotel Ordinance was amended with provisions to strengthen the administration and enforcement of the ordinance.

The 1989 earthquake resulted in the demolition of about 200 residential hotel units. Hundreds of other low income residential hotel units were severely damaged and made uninhabitable.

TABLE 28

STATUS OF RESIDENTIAL HOTELS IN SAN FRANCISCO 1989

| RES No. of Buildings | IDENTIAL HOTE Residential Rooms | Tourist | No. of | No. of Res. | TOTAL Residential Rooms | TOTAL Tourist Rooms |
|----------------------|---------------------------------------|---------|--------|-------------|-------------------------------|---------------------------|
| 501 | 18,759 | 4,676 | 55 | 2,949 | 21,792* | 31,997 |

^{*}Includes an additional 84 residential rooms from other hotel categories.

TABLE 29

LOSS OF RESIDENTIAL HOTEL ROOMS (1975 - 1989)

| Reason for Loss | <u> 1975 – 1980</u> 1 | <u> 1980 - 1981</u> | <u> 1981 - 1989</u> 2) |
|--|-----------------------|---------------------|-------------------------|
| Demolition/Fire Conversions Earthquake | 985 2,710 | 1,188 ³ | 99 109 <u>202</u> |
| TOTAL | 3,695 | 1,188 | 410 |

Sources: 1) A Study of the Conversion and Demolition of Residential Hotel Units. Dept. of City Planning, 1980.

2) Status Report on the Residential Hotel Ordinance, Dept. of City Planning, March 1988.

3) Units exempted by the Residential Hotel Ordinance for partial conversions.

7. New Construction of Low and Moderate Income Housing

2,638 new low and moderate income housing units were constructed between 1980 and 1988, 23% of the total housing construction during this period. Seventy-six percent of these units were rental, 14% were cooperative, and 10% were owner occupant units. The majority of these units (52%) were elderly units and 30% were family units.

Non-profit housing development corporations have constructed approximately half of the new low and moderate income units. Approximately 2/3 of all the low and moderate income units were constructed in redevelopment project areas. The table below summarizes the number of low and moderate income units completed and under construction.

TABLE 30

NEW CONSTRUCTION OF LOW AND MODERATE INCOME UNITS (1980 to 1988)

| Completed Percent | Very <u>Low</u> 1,463 13% | <u>Low</u> 692 6% | <u>Moderate*</u> 483 4% | Market <u>Rate</u> 8,550 77% | TOTAL 11,188 100% |
|----------------------|------------------------------------|-------------------------|-------------------------------|---------------------------------------|-------------------------|
| Under Constr.in 1989 | 480 | 634 | 608 | 1,792 | 3,514 |
| Percent | 14% | 18% | 17% | 51% | 100% |

Source: S.F. Housing Inventory Report 1988

^{*} Not including market rate units priced at moderate income levels.

8. Assisted Units

There were 18,573 publicly assisted lower income units as of June 1989. This constitutes 5.6% of the City's housing stock. Approximately 40% of these units are elderly units and 55% are family units. 95% of these units are rental.

All 15 planning districts have some lower income rental units, although 90% of these units are located in just seven districts. Table 32 shows the Western Addition, South Bayshore, and South Central districts as containing the most lower income family housing; the Downtown, South of Market, and Western Addition containing the most lower income elderly units; and the Mission and Northeast districts as having both family and elderly units.

Table 31 includes all HUD Section 8, Section 221 and Section 236 elderly and family projects as well as all San Francisco Public Housing Authority projects. It does not include units in recently completed market rate projects with a mix of lower income rental units, and hotels participating in the City's homeless program or other private sector units affordable to lower income households.

TABLE 31

CITYHIDE INVENTORY OF PUBLICLY ASSISTED HOUSING

| | | Total No. <u>of Units</u> | Elderly <u>Units</u> | Family <u>Units</u> | <u>Other</u> |
|----|---|------------------------------|-------------------------|------------------------|--------------|
| 1) | Lower Income Sec. 8 | or onres | 011163 | OIII LS | |
| | FHA Rental Housing | | | | |
| | Non Profit Org. | 6,015 | 3,799 | 2,216 | |
| | For Profit Org. | 3,961 | 1,583 | 2,378 | |
| 2) | Sec. 8 Vouchers | 623 | 86 | 455 | 82 |
| 3) | SF Housing Authority Low Income Housing | 6,637 | 1,902 | 4,735 | |
| 4) | 20% Low Income Units in new for profit projects | 500 | | | 500 |
| 5) | Homeownership Units | 437 | | 437 | |
| 6) | Condo Conversion Low Income Units | 400 | | | 400 |
| | TOTAL | 18,573 | 7,370 | 10,221 | 982 |

Sources:

California Coalition for Rural Housing Project; San Francisco Housing Authority; and Department of City Planning Housing Inventory Reports.

TABLE 32

INVENTORY OF PUBLICLY ASSISTED LOHER INCOME RENTAL UNITS
by Planning Districts

| | District | Number of <u>Sites</u> | Number of Family <u>Units</u> | Number of Elderly <u>Units</u> | Total <u>Units</u> |
|-----|------------------|------------------------------|-------------------------------------|--------------------------------------|-----------------------|
| 1. | Richmond | 4 | 63 | 315 | 378 |
| 2. | Marina | 2 | O . | 138 | 138 |
| 3. | Northeast | 8 | 437 | 603 | 1,040 |
| 4. | Downtown | 18 | 19 | 1,863 | 1,882 |
| 5. | Western Addition | 40 | 3,258 | 1,903 | 5,161 |
| 6. | Buena Vista | 1 | 0 | 90 | 90 |
| 7. | Central . | 8 | 437 | 298 | 735 |
| 8. | Mission | 18 | 740 | 577 | 1,317 |
| 9. | South of Market | 8 | 606 | 1,174 | 1,780 |
| 10. | South Bayshore | 12 | 2,094 | 139 | 2,233 |
| 11. | Bernal Heights | 4 | 279 | 49 | 328 |
| 12. | South Central | 3 | 1,361 | 0 | 1,361 |
| 13. | Ingleside | 2 | 17 | 0 | 17 |
| 14. | Inner Sunset | 1 | 0 | 30 | 30 |
| 15. | Outer Sunset | _1 | 8 | 0 | 8 |
| | CITYHIDE TOTAL | 130 | 9,319 | 7,179 | 16,498 |

C. CHANGES IN AFFORDABILITY LEVELS.

1. Owner-Occupant Housing

San Francisco's housing prices are among the highest in the nation. It is estimated that only 7% of San Francisco households can afford the price of the average San Francisco single family home. By way of comparison 47% of U.S. households can afford the price of the average U.S. single family home.

TABLE 33

HOUSING AFFORDABILITY OF AVERAGE SINGLE FAMILY HOMES, 1989

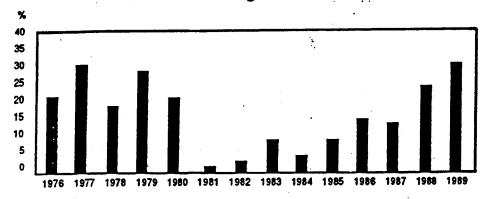
| | Median <u>Price</u> | Monthly Payment | Minimum Annual <u>Income</u> | Percent of Households Oualifying |
|---------------|------------------------|--------------------|------------------------------------|----------------------------------|
| San Francisco | \$316,250 | \$2,606 | \$104,255 | 7% |
| Bay Area | \$261,908 | \$2,159 | \$86,342 | 11% |
| California | \$195,400 | \$1,610 | \$64,416 | 19% |
| Nationwide | \$93,000 | \$766 | \$30,659 | 47% |

Source: California Association of Realtors; S.F. Department. of City Planning

Graph 7 below depicts the rapid increase in housing prices in the Bay Area, outpacing increases in household incomes. The annual increase in San Francisco housing prices is shown on Graph 8.

Graph 7

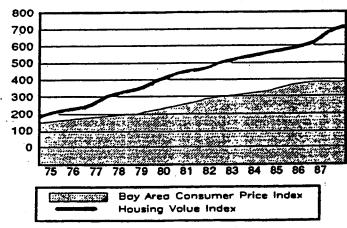
SAN FRANCISCO HOUSING MARKET Annual Percent Change 1976 - 1989



Sources: Bureau of Labor Statistics; Real Estate Research Council of Northern California

Graph 8

HOME VALUES OUTPACE INFLATION

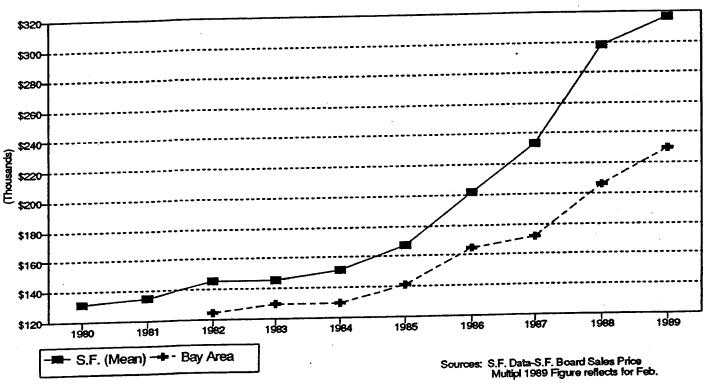


Sources: Real Estate Research Council of Northern California

The average sales price of a house in San Francisco has more than doubled since 1980, from \$131,131. to \$340,000 in 1990.

Graph 9

HOUSING PRICE TRENDS



Bay Area Data - Calif Median Sales Price without S.F. and Oakland The high cost of homeownership is generally prohibitive for San Francisco low and moderate income households (Table 34). Homeownership for low and moderate income families requires very deep subsidies. Except for a few special homeownership developments (about 600 units between 1980 and 1990), homeownership for low and moderate income households is largely unattainable.

Non-profit housing organizations have built primarily lower income rental housing while for-profit builders have built primarily rental housing for moderate income households and homeownership housing for above moderate income households. Affordable homeownership developments accounted for less than 5% of the units built from 1980 to 1990.

IABLE 34

HOMEOWNERSHIP AFFORDABILITY
For Low and Moderate Income Households, 1989.

| Low Income | House-hold Size 1 2 3 4 5 | Unit Size St-1Br 1-2 Br 2-3 Br 3-4 Br 4 Br | Maximum ²⁾ Annual Income \$23,800 \$27,200 \$30,600 \$34,000 \$36,150 | Affordable ³⁾ Monthly Housing Expenses \$654 \$748 \$841 \$935 \$993 | Maximum Affordable Sales Price \$ 55,379 \$ 64,775 \$ 74,072 \$ 83,467 \$ 89,266 | Average ⁴⁾ For Sale Prices \$200,000 \$278,000 \$308,000 \$346,000 \$439,000 | -GAP- %% over Affordable Level 261% 329% 315% 314% 391% |
|----------------------------------|---|--|--|---|--|---|---|
| Moderate ¹⁾ Income | 1 2 3 4 5 | St-1Br 1-2 Br 2-3 Br 3-4 Br 4 Br | \$36,960 \$42,240 \$47,520 \$52,800 \$56,100 | \$1,016 \$1,162 \$1,307 \$1,452 \$1,543 | \$ 91,605 \$106,159 \$120,634 \$135,149 \$144,245 | \$200,000 \$278,000 \$308,000 \$346,000 \$439,000 | 118% 161% 155% 156% 204% |

¹⁾ Moderate income: Households with incomes at or below 120% of the HUD median income for the San Francisco PMSA.

2) HUD Income Limits for 1989.

 S.F. Department of City Planning survey of for sale properties by unit size, 1989.

³⁾ Affordable ownership unit: A unit for which the mortgage payments, property taxes, insurance and association dues equals 33% of the gross monthly income of a household earning between 80% and 120% of the San Francisco PMSA median income, assuming a 10% downpayment and a fixed rate 10.75% 30 year loan.

2. Rental Housing

San Francisco is a City of renters. 66% of San Francisco households are renters, compared to a Bay Area average of only 35%. Rents increased dramatically during the first half of the decade and have leveled off since 1986 as new apartment construction picked up in 1985 and vacancy rates increased slightly (Graph 9).

San Francisco rental housing prices are generally higher than in other Bay Area counties. The price of a two bedroom rental apartment increased by 88% from a median advertised rent of \$475 in 1980 to \$895 in 1989.

It is estimated that only 30% of the City's households can afford the price of a two bedroom apartment.

Table 35 shows the gap between market rate rental housing prices and what lower income households can afford. The affordability gap increases with the larger two and three bedroom units, making the affordability problem more acute for larger family households.

Graph 10

RENTAL HOUSING TRENDS

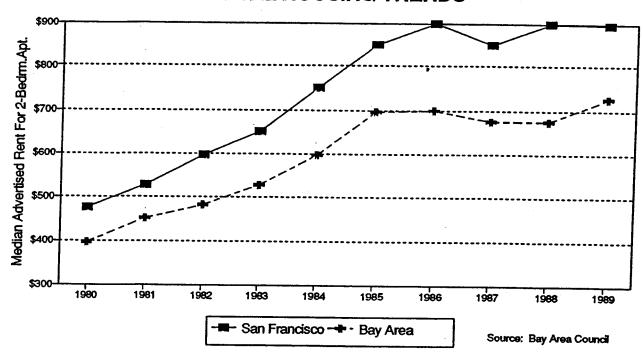


TABLE 35

RENTAL AFFORDABILITY FOR LOWER INCOME HOUSEHOLDS San Francisco, 1989

| Very low ¹⁾ Income | House-hold Size 1 2 3 4 5 | Unit Size St-1Br 1-2 Br 2-3 Br 3-4 Br 4 Br | Maximum ³⁾ Annual Income \$17,350 \$19,800 \$22,250 \$24,750 \$26,750 | Affordable ⁴⁾ Monthly Rent Payment \$434 \$495 \$556 \$618 \$669 | Market Rate ⁵⁾ Rents for Apart.Units Citywide Ave. \$ 663 \$ 921 \$1,185 \$1,350 \$1,403 | Rental Affordability | Percent Mk.Rt. over Affordable Rent Levels 52% 86% 113% 118% 109% |
|----------------------------------|---|--|--|---|---|-------------------------|---|
| Low Income ²⁾ | 1 | St-1Br | \$23,800 | \$595 | \$ 663 | \$ 68 | 117 |
| | 2 | 1-2 Br | \$27,200 | \$680 | \$ 921 | \$241 | 35% |
| | 3 | 2-3 Br | \$30,600 | \$765 | \$1,185 | \$420 | 54% |
| | 4 | 3-4 Br | \$34,000 | \$850 | \$1,350 | \$500 | 58% |
| | 5 | 4 Br | \$36,150 | \$904 | \$1,403 | \$499 | 55% |

Footnotes:

- Very low income: Households with incomes at or below 50% of the HUD median income for the San Francisco PMSA.
- Low income: Households with incomes at or below 80% of the HUD median income for the San Francisco PMSA.
- 3) U.S. Department of Housing and Urban Development (HUD), household income limits for 1989.
- 4) Affordable rental unit: A unit whose rent equals 30% of the income of a household with an income at or below 80% of the HUD median income for the San Francisco PMSA.
- 5) Department of City Planning survey of advertised rents for apartment units by unit size and districts. This does not include rents for flats and houses which are on the average higher, or studio units which are lower.

Rental affordability is a problem in all the residential districts of the City as shown in Table 36.

TABLE 36

RENTAL AFFORDABILITY FOR LOHER INCOME HOUSEHOLDS

By Planning Districts, 1989

| | Planning <u>Districts</u> | Re | arket Rate ¹ ents for Bed Apt. | Affordability Very low inc. (\$495/mo.) | | Percent over F affordable by Very Low Inc. | - |
|------|------------------------------|----------|---|---|-------|--|--------------|
| 1. | Richmond | \$1 | ,052 | \$557 | \$372 | 112% | 54% |
| 2. | Marina | | ,205 | \$710 | \$525 | 143% | |
| 3. | Northeast | | ,450 | \$955 | \$770 | 192% | 77% |
| 4. | Downtown | \$ | 860 | \$365 | \$180 | 73% | 113% |
| 5. | Western Add'n | \$ | 831 | \$ 336 | \$151 | | 26% |
| 6. | Buena Vista | \$ | 960 | \$465 | \$280 | 67% | 22% |
| 7. | Central | \$ | 989 | \$494 | \$300 | 93% | 41% |
| 8. | Mission | \$ | 798 | \$303 | | 99% | 44% |
| 9. | South of Market | ¢ | 847 | \$352 | \$180 | 61% | 17% |
| | South Bayshore | ď | 741 | | \$167 | 71% | 24% |
| | Bernal Heights | ď | | \$246 | \$ 61 | 49% | 8% |
| | South Central | ₽ ₽ | 814 | \$319 | \$134 | 64% | 19% |
| | | Þ | 766 | \$271 | \$ 86 | 54% | 12% |
| | Ingleside | Þ | 800 | \$305 | \$120 | 61% | 17% |
| | Inner Sunset | 3 | 950 | | \$270 | 91% | 39% |
| 15. | Outer Sunset | \$ | 850 | \$355 | \$170 | 71% | 25% |
| City | wide Average: | \$9 | 27 | \$432 | \$247 | 87% | 36% |

Notes:

 Department of City Planning survey of advertised rents for apartment units by number of bedrooms and districts, June 1989.

The Affordability GAP is the rent over what is affordable for households of two with very low and low incomes per HUD standards.

Very low income = 19,800; affordable rent = \$495

Low income = 27,200; affordable rent = \$680

Although overall rent levels have stabilized in recent years there continues to be a loss in the affordable rental housing stock due to such factors as conversions and evictions for owner occupancy and conversions to non residential uses.

3. Potential Loss of Lower Income Publicly Assisted Units

About 10,000 units are assisted by federal rent subsidies most of which are due to expire within 10 to 15 years. About 6,000 of these units are operated by non-profit housing organizations and about 4,000 are operated by 37 for profit organizations.

Table 37 shows that Section 8 rent subsidies will be terminating on almost 2,000 units between 1990 and 1995. 59% of these units are in buildings with for profit owners which are vulnerable to conversion to market rate housing. The owners of an additional 858 units can opt to terminate their Section 8 contracts during this period.

Section 8 units listed in Table 37 receive Federal subsidies which provide the owners of these units with the difference between 30% of the tenants's income and a HUD established rent for the units. Expiration of Section 8 in privately owned projects will force tenants to pay market rate rents for their units or move. Expiration of Section 8 units in non-profit owned projects will burden these organizations with operating costs and mortgage payments without the income to cover these costs. Most of these buildings also have without the income to cover these costs. Most of these buildings also have without the income to cover these costs. Most of these buildings also have without the income to cover these costs, these projects would no longer be 1995. As with expiring Section 8 contracts, these projects would no longer be required to rent to lower income households. Owners could prepay their mortgages and raise rents to market levels.

TABLE 37

EXPIRATION AND OPTOUTS* OF SECTION 8 CONTRACTS. AND FEDERAL MORTGAGE PREPAYMENTS
BUILDINGS AT RISK - 1990 to 1995

PROFIT MOTIVATED OWNERSHIP

| Location of Building Sect. 8 Hortgage Units Units By Neighborhood Units Units By Neighborhood Units Un | NON PROFIT OMNERSHIP | | | | | Federal |
|--|--|-----------------------|------------|---|----------------|----------------------|
| South Bayshore All Hallows Garden All Hallows | Location of Building | Sect. 8 | Mortgage | Location of Building By Neighborhood | | Hortgage |
| South Bayshore 60 101 All Hallows Garden 45 146 Ridgeview Terrace 50 94 Bayview Apartments 45 130 Unity Homes 50 94 Bayview Apartments 78 130 Mission Diamond Heights 52° 275 Bethany Center 65 134 Glendridge Apartments 76 275 Bethany Center 132° Glendridge Apartments 60 104 Mission Plaza 132° Golden Gate Valley 109 205 SOMA Notre Dame Apartments 109 205 Alexis Apartments 50 206 Notre Dame Apartments 109 205 Sunset 29 30 Geneva Towers 540 576 Park Sunset 29 30 Buchanan Park Apartments 40 68 Hestern Addition Buchanan Park Apartments 40 68 Banneker Homes 170 255 Prince Hall Apartments 60 96 | By Neighborhood | | | | | |
| Mission65134Glendridge Apartments76104Mission Plaza132*Golden Gate ValleySOMASOMANotre Dame Apartments109205Alexis Apartments50206Notre Dame Apartments109205Sunset2930Geneva Towers540576Park SunsetBuchanan Park Apartments4068Hestern AdditionBuchanan Park Apartments4068Amel Park Coop55Laurel Gardens3452Banneker Homes170255Prince Hall Apartments6092El Bethel Arms170255Thomas Paine Square6092FD Haynes Garden50104Thomas Paine Square6092Friendship Village I3068TenderloinCrescent Manor92*Friendship Village II27The Alexander179* | Ridgeview Terrace | | | All Hallows Garden Bayview Apartments Jackie Robinson Jackie Robinson | 45 78 | 146 130 |
| Mission Flaza SOMA Some partments 109 205 | Bethany Center | | 134 | Glendridge Apartments Vista Del Monte | | 275 104 |
| Sunset 29 30 Geneva Towers 540 Park Sunset 29 30 Geneva Towers 540 Hestern Addition Buchanan Park Apartments 40 68 Amel Park Coop 55 Laurel Gardens 34 56 Banneker Homes 170 255 Prince Hall Apartments 60 96 El Bethel Arms 170 255 Thomas Paine Square 60 96 FD Haynes Garden 50 68 Tenderloin Tenderloin 92* Friendship Village I 27 The Alexander 179* | SOMA | | 206 | Notre Dame Apartments Visitacion Valley | | 20 5 |
| Nestern Addition | Sunset | 20 | 30 | Geneva Towers | 540 | 370 |
| Friendship Village I 30 Crescent Manor 92 The Alexander 179* | Mestern Addition Amel Park Coop Banneker Homes El Bethel Arms FO Havnes Garden | 55 60 170 50 | 255 104 | Buchanan Park Apartments Laurel Gardens Prince Hall Apartments Thomas Paine Square Tenderloin | 34 60 60 | 68 52 92 98 |
| | Friendship Village I Friendship Village II lones Memorial Homes | 27 | | Crescent Manor | 179* -133* | • |
| Jones Memorial Homes 11 60 6 Maria Manor 119- Loren Miller Homes 151* | Jones Memorial Homes II Loren Miller Homes | •• | 6 | Maria Manor | 151* | |
| Univista Apartments 16 995 1,422 | Univista Apartments | _16 | 1,422 | | 1,873 | 1,746 |

UNITS SUBJECT TO EXPIRATION OF SECT. 8 CONTRACTS:

1,965

UNITS IN PROJECTS THAT CAN OPTOUT*:

8**58**

UNITS SUBJECT TO FEDERAL MORTGAGE EXPIRATION:

3,168

Source: Coalition for Low Income Housing, San Francisco
* Projects that can opt to terminate their Section 8 contracts.

D. VACANCY RATES

The State of California Department of Finance estimates indicate that vacancy rates decreased from 5.5% in 1980 to 4.0% in 1986 and have since begun to increase to 4.2% in 1988. This vacancy factor is determined by subtracting the number of occupied housing units with PG&E hook ups from the total number of units in the housing stock. This vacancy rate is a gross vacancy rate and of units in the housing stock. This vacancy rate is a gross vacancy rate and does not indicate the number of units actually available for rent; many units may be vacant without utilities pending sale, renovation, and other reasons. The available-for-rent rate in 1980 was 2.68%. A more current figure is not available.

TABLE 38

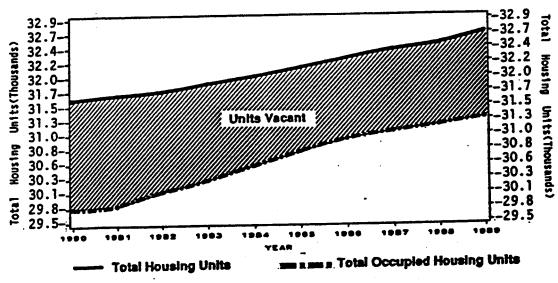
| | <u>VACANCY RATE</u> (1970 - 1989) | | |
|---------------------|--------------------------------------|---------|--------------------|
| | <u>1970</u> 1) | 1980 2) | 1989 ³⁾ |
| Total Housing Units | 310,674 | 316,608 | 327,274 |
| Occupied | 295,484 | 298,956 | 313,332 |
| Total Vacant | 4.80% | 5.50% | 4.26% |
| For Rent Vacant | 3.17% | 2.68% | NA |

Source:

- 1) 1970 Census
- 2) 1980 Census
- 3) California Dept. of Finance, Jan. 1989

Graph 11

TOTAL HOUSING UNITS COMPARED TO UNITS OCCUPIED 1980 - 1989



Source: CA Department of Finance

III. HOUSING NEEDS

INTRODUCTION

This section examines the type, amount and affordability of new housing construction needed for the San Francisco population through the year 1995. It is based, in part, on the data presented in the preceding Sections I and II.

A. HOUSING NEEDED TO ACCOMMODATE POPULATION GROWTH, REDUCE IN-COMMUTING, AND LOOSEN UP THE HOUSING MARKET.

The Association of Bay Area Governments (ABAG), as required by State law, legislation has determined San Francisco's regional share of new residential construction by income categories. San Francisco's housing need was computed by ABAG in its "Housing Needs Determination, January 1989."

The housing needs estimates were based on ABAG <u>Projections 87</u> estimates of population, household, and employment growth to 1995. These demographic estimates have recently been revised in ABAG's <u>Projections 90</u>. The new estimates show population, employment, and labor force participation not growing as fast as previously estimated, while new household and commuter growth is increasing at a higher rate. The most significant change in <u>Projections 90</u> is ABAG's projection of fewer jobs going to existing San Francisco residents and more jobs going to commuters than previously predicted. Since the more recent figures (<u>Projections 90</u>) are available and because they indicate higher annual housing need than do the <u>Projections 87</u> figures, the more current figures and the higher need figures are used in this report.

TABLE 39

ABAG HOUSING NEED ESTIMATES
(January 1988 to June 1995)

| | Based on ABAG Projections 90 | Based on ABAG <u>Projections 87</u> |
|--|---------------------------------|--|
| Housing need related to household growth | 9,573 | 7,300 |
| 2. Housing need related to 50% commute reduction | 13,755 | 12,311 |
| 3. Housing need to increase the vacancy rate to 5% TOTAL | 2,420* 25,748 | 3,800 23,411 |
| ABAG Annual Housing Need | 3,433 | 3,121 |

^{*} The vacancy rate as reported by DOF increased from 3.9 in 1987 to 4.26 in 1989.

The new housing need estimated to 1995 is dramatically higher than ABAG's previous estimate of 14,833 units from 1980 to 1990. That is an increase from an average of 1,483 units per year to an average of about 3,433 units per year. The increase is primarily due to new regional goals (1) to loosen up the housing market by increasing the vacancy rate to 5%, and (2) to increase housing production to accommodate at least 50% of the commuter increase resulting from job growth. These two factors alone account for the need for an additional 16,000 units.

The experience of the 1980's indicates how difficult it is to predict future job growth. In 1985 ABAG predicted a total job growth in San Francisco for the decade of the 1980's of 42,370 jobs. The actual growth was much less than that. Preliminary estimates are that San Francisco employment grew by only 11,700 jobs in the 1980's.

This indicates that ABAG's projection of 38,000 new San Francisco jobs in the period from 1990 to 1995 may overstate job growth. In the first half of the decade (1980 to 1985) the city saw no net job growth. ABAG's 6,909 new jobs per year forecasted for the 1990 to 1995 period is three times the documented 2,340 additional new jobs per year for the 1985 to 1990 period. Nevertheless, the Residence Element utilizes the ABAG job growth projections in order not to understate the City's housing need related to job growth.

B. HOUSING NEEDS OF SPECIAL POPULATION GROUPS

This section summarizes the needs of various population groups which warrant particular attention because the normal workings of the housing market are not adequately meeting their housing needs and/or because meeting their housing needs call for a particular type of housing which the market is not adequately producing. These groups are: the homeless; mentally ill; disabled; elderly; families with children; singles; students; immigrants and refugees; persons with AIDS; artists, and military personnel. These population groups are not mutually exclusive and their needs overlap. For example, some homeless may also be mentally ill and some elderly may be physically disabled. More detailed information is contained in San Francisco Housing Needs to 1995, Department of City Planning, May 1989.

1. Homeless

The homeless population in San Francisco is estimated to range from 6,000 to 8,000 persons. Close to 3,000 of these persons are temporarily housed by existing shelter programs; it is estimated that there is a housing need for about 5,000 homeless persons. The severity of the problem was aggravated by the loss of more than 500 residential hotel units due to the October 17, 1989 earthquake.

The homeless come from a variety of backgrounds, including individuals in formerly middle-class families, families with children, teenagers, undocumented immigrants and elderly individuals. They are homeless because they cannot afford to pay for even the least expensive housing. As the supply of private sector very low income transient hotel rooms has decreased, more lower income households must now seek shelter in churches and through local government and non-profit programs. New shelter facilities are needed for this population.

TABLE 40

ESTIMATED HOMELESS POPULATION IN SAN FRANCISCO (May 1989)

| Currently Homeless | <u>Known</u> | <u>Estimated</u> | <u>Total</u> |
|--|------------------------------|--|--|
| Homeless shelters and hotel programs Living outdoors AFDC Emergency Housing Assistance Irregularly housed Displaced by Oct. '89 earthquake TOTAL | 2,900 700 500 4,100 | 1,200-1,800 500-1,000 800 2,500-3,600 | 2,900 1,200-1,800 700 500-1,000 1,300 6,600-7,700 |
| At Risk of Becoming Homeless | | | |
| Living in subsidized housing about to expire | 2,000 | | 2,000 |

Source: Mayor's Office on the Homeless, <u>Beyond Shelter: Statement of Need</u>, August 1989.

Detailed characteristics of the homeless are provided in the Department of City Planning background housing needs estimates, May 1989, and the Mayor's plan for the homeless <u>Beyond Shelter</u>. A <u>Homeless Plan for San Francisco</u>. Statement of Need, August 1989. The following summarizes some of the principal findings from recent surveys of the homeless population.

Most homeless persons are single adults, predominantly male (86%), nearly a third (32%) of whom have had at least one previous psychiatric hospitalization, 42% of whom admit to an alcohol problem and 21% of whom admitted to a drug problem. More than one third (37%) are veterans. Families, and single women and women with children are a growing segment of homeless population, although they are not as visible as the adult male alcoholics. Similarly homeless runaway youths and people with AIDS have been an increasing problem in San Francisco as in other cities. Seniors account for roughly one-sixth (17%) of the homeless population, and one-fourth (25%) of the homeless have some physical disability.

With respect to ethnicity, a majority of the homeless population is white (55%). Compared to the percentages of the total population, Blacks (29%) and American Indians (2.5%) are overrepresented while Asian (2%) and Latinos (8%) are underrepresented.

A survey by the $\frac{\text{Homeless Times}}{\text{homeless for l year or less}}$, 26% were homeless for 1 to 2 years, and 26% were homeless for 3 years or more.

The extent of homelessness is, in part, a measure of the inadequacy of the current supply of housing. Expanding the total supply of housing by an additional 2,000 units in 1995, if that housing were oriented to meet the needs of currently homeless households, would make a significant dent in the problem.

Mentally III

The San Francisco Mental Health Association estimates that the City needs approximately 1,400 beds to meet the needs of its mentally ill. Existing City facilities for the mentally ill can accommodate only about 650 persons. There is a pressing need for about 750 beds.

The City has lost over 700 beds since 1997 from local board and care homes for the mentally ill. Board and Care Operators claim that the \$20 per day they receive from Social Security is not enough to cover the costs for providing for the mentally ill.

Physically Disabled

Accessible housing is housing with special design features for the height of cabinets, positioning of outlets, layout of appliances, and for wide interior spaces to accommodate wheelchair circulation.

It is estimated by Independent Housing Services, a local non-profit organization which specializes in housing for the elderly and the disabled, that in 1995 12% or about 97,000 persons are or will be disabled, and that 40% of the disabled population or about 39,000 persons need accessible housing. San Francisco has a high percentage of elderly and other households that need housing that is accessible to the disabled.

A recent survey shows that only 10% of the community-based non-profit units provide minimal access. In private housing, it is estimated that fewer than two percent of San Francisco's rental stock is minimally accessible. The Mayor's Disability Access Task Force estimates that 500 new private units and about 250 new low cost units are needed per year that are fully adaptable. also estimates that access needs to be provided in existing units at a rate of about 150 units per year. That is a new construction and rehabilitated accessible housing need of about 4,950 units by 1995.

Elderly

Over 20% of the 1980 San Francisco population was 60 or more years old, about 6% higher than the regional average. 1) Almost one in four San Francisco households had one or more person over 65 years old. 2) The aging of the population and high death rates in the elderly population has resulted in a slight decrease from 137,681 in 1980 to an estimated 136,000 persons by 1990. By 1995 this age group is expected to increase to 140,000. To accommodate this increase in the elderly population, about 2,000 elderly units are needed.

Long range population estimates by the State Department of Finance show a substantial aging of the population as the post-war "baby-boom" generation now in their forties continues to age. The median age in San Francisco is expected to increase from 37.5 years in 1986 to 42.8 years by 1995. During this period, the California's median age is expected to increase from 31.6 in 1986 to 34.1 by 1995.

1) Sales Marketing and Management - Survey of Buying Power Source:

DOF estimates 2)

State Department of Aging statistics show a large percentage of San Francisco's elderly in the "greatest economic need" income levels. The majority of the San Francisco elderly are single heads of households living alone. About one third of the elderly are minority persons.

Elderly persons have special housing needs which range from independent senior apartments to more dependent living facilities with central dining, transportation services, limited or complete medical on housing care, and recreational and other elderly services.

5. <u>Minorities</u>

Some income minority households are particularly disadvantaged in the housing market. The City's Housing Assistance Program reported the following information. Based on 1980 Census data it was estimated that about 26,000 minority households lived in substandard housing and were at risk of being displaced. The need here is for rehabilitation and affordability assistance for those living in the existing housing stock as well as new construction. To meet just 20% of this need by 1995 would require assistance on about 10,000 units.

TABLE 41A

LOHER INCOME MINORITY HOUSEHOLDS IN SUBSTANDARD HOUSING, 1980

| | <u> Total</u> | Elderly | Small <u>Family</u> | Large <u>Family</u> |
|--|-------------------------------|----------------------------|------------------------------|------------------------|
| Black Owner Renter | 166 10,941 | 18 1,750 | 45 7,329 | 103 1,860 |
| American Indian or Alaska Owner Renter | Native 10 466 | 1 98 | 1 280 | 2 88 |
| Hispanic Owner Renter | 161 6,828 | 21 1,434 | 27 4,165 | 113 1,229 |
| Asian or Pacific Islander Owner Renter TOTAL | 221 <u>6,395</u> 26,188 | 9 <u>1.343</u> 4,674 | 40 <u>3.901</u> 15,788 | 172 1.151 4,718 |

TABLE 41B

LOHER INCOME MINORITY HOUSEHOLDS AT RISK OF BEING DISPLACED, 1980

| | • | Small | Large |
|--|-----------|---------------|---------------|
| Tota | 1 Elderly | <u>Family</u> | <u>Family</u> |
| Black 22,54 | 3 5,636 | 15,555 | 1,353 |
| American Indian or Alaska Native 94 | | 735 | 19 |
| | 1 3.690 | 9,650 | 851 |
| Hispanic Asian or Pacific Islander 13.43 | 8 3.628 | 9.138 | <u>672</u> |
| TOTAL 51,11 | | 35,018 | 2,895 |

Source: 1980 Census, Mayor's Office of Housing

6. Families with Children

Family households in San Francisco comprise a smaller share than the Bay Area average. Only 40% of all households in San Francisco are family households, compared to 60% in the nine Bay Area counties.

The 1980 Census estimated that 36% of all San Francisco households are headed by females. Sixteen percent of these female headed households contained one or more persons under 18 years old. The 1990 Census is expected to show an increase in the number of single parents with dependent children.

The demand for family housing in the 1980's increased substantially in San Francisco as more households reached child bearing age and as more ethnic families which tend to have large households migrated to the City.

While changes in number of households in the 25 to 35 age group and changes in motor vehicle registration indicate that many young families have moved to nearby counties which have more family housing, many families have elected to stay in the City. Ethnic families particularly prefer to live in San Francisco because of its ethnic diversity and support services. These families compete for the City's limited supply of new and existing family housing. While demand for family housing increased, the amount of construction of family housing averaged only about two hundred units per year, including single family, flats, and other small multi-unit family housing projects.

The number of persons per household has increased. DOF estimates show an increase from 2.18 in 1980 to 2.27 in 1990. That represents a population increase of about 35,000 persons. Not all of this increase is related to families with children or extended family members. Some of the growth is also from single persons sharing housing for economic or social reasons.

The 1990 Census is expected to indicate an increase in the number of large family households. According to projections of household growth, 40% of new households will be families. If there is a need for about 19,000 units by 1995, 40% of this need translates to a family housing need of about 7,600 units of family housing with multiple bedrooms.

7. Low Income Single Persons

A very large portion of San Francisco households are composed of single persons. In 1980, 41% of the households were single persons.

Many of the low income single person households are housed in single room residential hotels. While the rate of loss of residential hotel units has diminished in recent years, the stock of low income residential hotel units is still being slowly depleted without replacement from new construction. The October, 1989 earthquake exacerbated the problem.

Based on a need for about 19,000 units by 1995, it is estimated that about 2,600 units are needed for lower income single person household (generally excluding elderly, student, homeless, and artist single persons).

8. Students

The University of California Medical Center has a student enrollment of 3,715 and housing facilities consisting of 165 married student units, 140 student and faculty units, and 65 student dormitory units. The University is also replacing another 80 dormitory units with 100 new ones.

San Francisco's State University had a student enrollment of 29,000 in 1989. The campus has 1,500 student housing units and plans to construct another 600 units by 1991.

San Francisco City College had 29,000 students in 1989 and no student housing. The campus is surrounded predominantly by single family homeownership housing. Students are housed all over the City. Increasingly, there are more ethnic and international students attending San Francisco's City College. Based on its student housing placement program, it is estimated that there is a need of about 1,000 units to house this student population more adequately.

9. Immigrants, Refugees and Undocumented Workers

San Francisco has always been a 'Port of Entry' to the United States for refugees and immigrants. Legal immigrants come from various countries for which the U.S. government has established numerical quotas and preference categories related to relatives already in the United States. Refugees come from certain areas that the U.S. government designates as warranting opportunity for political asylum. They are eligible for various forms of Federal aid. San Francisco also shelters a number of undocumented persons who are in the United States without legal status. Many of these new arrivals need low cost housing and support services many of which are centered in San Francisco.

According to the Department of Finance, in recent years new refugees have averaged 1,400 a year, new immigrants have averaged over 9,700 per year, and undocumented persons have averaged over 2,000 a year. That is a total of over 13,000 per year of all categories of foreign arrivals, both legal and illegal.

Not all of these arrivals remain in the City. Presumably those that do remain are included in the overall projections of population growth. Assuming a large household size of 2.8 for immigrants, it is estimated that about 25,000 new immigrant households will arrive in San Francisco. If only 20% of these households remain in the City, that is a need of about 5,000 units needed to accommodate population growth for this group.

According to a shelter provider for the homeless, there is an average daily population of 200 homeless persons who are also undocumented. These persons have an urgent need for shelter because they are ineligible for public assistance programs such as General Assistance. Most immigrants and refugees, regardless of immigration status, also need housing services that are provided in a multicultural and multilingual contex.

10. Persons with AIDS and Terminally III Patients

It is predicted by 1993 the number of cumulative AIDS cases in San Francisco will reach 17,000. People with AIDS have needs at various times during the course of their illness for hospital beds and for special forms of residential care. At any one time, however, over half of persons living with AIDS are estimated to be living at home without homecare. A profile of special forms estimated to be living at home without homecare. A profile of special forms of residential care prepared by the San Francisco Department of Public Health of residential care show a current shortfall of about 1,370 accommodations for residential care for AIDS patients. The needs of other terminally ill patients is not known.

11. Artists/Artisans

Artists have special housing needs for live-work space which provides large wall space, high ceilings, lofts, lighting, and the ability to work at all hours of the day or night. The demand for live work space is high as the majority of the artists in San Francisco live in apartments and need affordable live work space.

A survey by Art House, a local non-profit organization specializing in artist live work units, of artists seeking housing in San Francisco indicated that 75% wanted live work space. Half sought ownership and said they would be willing to "finish out" space to make it meet their requirements. It is estimated by Arthouse that about 7,000 artist live work units are needed to accommodate the artists who expressed a need for live work units. It is further estimated that about 60% of the artist are lower income households, earning less than \$25,500 a year in 1990.

12. Military

Persons stationed or employed by the Army, Navy, and Coast Guard in San Francisco totaled 6,734 in 1988. About one third of these were housed in San Francisco (2,186 units). The Navy has expressed a personnel housing need of about 1,400 units in San Francisco.

TABLE 42

MILITARY PERSONNEL IN SAN FRANCISCO, 1988

| <u>Facilities</u> | Existing <u>Housing</u> | Personnel Employed 50 |
|---|----------------------------|-----------------------------|
| Hunter's Point (Navy) Presidio (6th Army) Treasure Island | 1,375 811 | 3,300 3,254 |
| (Coastguard-Navy) Yerba Buena (Coast Guard) | 2,186 | 130 6,734 |

Source: City Planning telephone inquiries to military facilities

C. SUMMARY OF NEEDS OF SPECIAL POPULATION GROUPS

The needs of Special Population Groups may be summarized as follows:

TABLE 43
HOUSING NEEDS OF SPECIAL POPULATION GROUPS

| | Population Groups | Type of Housing Units Needed | <u>Units</u> |
|------------------------|--|--|--|
| 3. 4. 5. 6. | Homeless Mentally Ill Physically Disabled Elderly Low Income Minorities Families with Children Low Income Singles | Shelters, transitional housing, SRO's, Small and Large Family Board & care, institutional facilities Accessible units of all types Senior projects, studios, I bedroom Elderly, small and large family 2+ bedroom family housing SRO's, studios, I bed units | 5,000 750 4,950 2,000 10,000 7,600 2,600 |
| 8. 9. 10. 11. | Students New Immigrants Terminally Ill Patients Artists Military | Dorms or studios Small and large famlies Board & care, institutional facilities Live work space Military housing | 1,000 5,000 1,370 7,000 1,400 |

Sources: Department of City Planning estimates as described in the text under each of these categories.

NOTE: There is some overlap in these categories.

D. HOUSING PRESERVATION NEEDS

San Francisco has an older housing stock with 75% of the units over 50 years old. This is the largest concentrations of older housing stock in the state.

Private Housing Rehabilitation

a. Unassisted Housing Rehabilitation

The number of housing units needing rehabilitation, upgrading, or seismic retrofitting are summarized in Table 44, followed by a discussion under each of the major problems of physical condition.

TABLE 44

HOUSING PRESERVATION NEEDS TO 1995

| | • | <u>Units to 1995</u> |
|----------------|---|--|
| 1, | Private Housing Rehabilitation a. Unassisted b. Publicly Assisted | 55,000 9,900 |
| 2. 3. 4. | Public Housing Rehabilitation Earthquake Damage Repair Seismic Retrofit (UMB) TOTAL | 4,290 14,100 <u>10,000</u> 93,290 |

Restoration, remodeling, and maintenance is an on-going activity through the City. Since 1980 the housing stock has experienced a flourishing of renovation activity. In 1988 alone, the Department of City Planning processed about 5,400 alteration permits, the majority which were for residential improvements. This number is only a small portion of the alteration permits reviewed by the Bureau of Building Inspection in 1987.

Even though there has been an increase of voluntary private sector rehabilitation activity, it is estimated that about 76,000 units, comprising 23% of the housing stock, requires rehabilitation. (Needed repairs costing more than \$2,000 are assumed to constitute rehabilitation). Assuming that about 10,000 units per year require this level of restoration, that is a total of about 55,000 units by June 1995.

According to San Francisco Bureau of Building Inspection staff, serious rehabilitation needs are likely to be concentrated in the one, and two unit structures, rather than in the larger multi-family structures. Duplex units occupied by low income households account for the majority of rehabilitation needs. A high rehabilitation need is also evident in many lower income multi-unit buildings and residential hotels.

The City's systematic code enforcement program has been largely successful in bringing up to code many of the multi-family structures previously identified as having a high rehabilitation need.

¹⁾ California Statewide Housing Plan, Phase II, July 1988, p. 7

b. Publicly Assisted Rehabilitation

Since 1980 about 800 lower income units per year have been rehabilitated by non-profit housing organizations and other sponsors with financial assistance by the Mayor's Office of Housing. The Mayor's Housing Assistance Plan and non-profit housing organizations have estimated a rehabilitation need of about 1,800 low and moderate income units per year, or a need of 9,900 units by June 1,800 low and moderate the current level of funding. The estimated rehabilitation cost per unit is about \$15,000.

REHABILITATION ASSISTANCE
BY NON PROFIT AND PUBLIC SECTOR ORGANIZATIONS
IN SAN FRANCISCO, 1980 to 1988

| Constant | Completed | <u>Underway</u> | TOTAL |
|---|-----------|-----------------|-------|
| 1. Asian, Inc. 2. Bernal Heights Community Federation 3. Catholic Charities 4. Chinese Community Housing Corporation 5. Hayes Valley Community Development Corp. 6. Heritage 7. Housing Conservation Development Corp. 8. Housing Development and Neigh. Pres. Corp. 9. Mission Housing Development Corp. 10. Potrero Hill Community Development Corp. 11. Tenderloin Neighborhood Development Corp. 12. St. Vincent de Paul Housing, Inc. 13. BBI Property Conservation, MOHED | 509 | 30 | 539 |
| | 60 | 18 | 78 |
| | 58 | 0 | 58 |
| | 760 | 70 | 830 |
| | 39 | 0 | 39 |
| | 29 | 0 | 29 |
| | 193 | 55 | 248 |
| | 63 | 40 | 103 |
| | 450 | 29 | 479 |
| | 50 | 0 | 50 |
| | 373 | 225 | 598 |
| | 124 | 0 | 124 |
| | 2.708 | 467 | 3,175 |
| | 5,416 | 934 | 6,350 |

^{*} These non-profit organizations have discontinued rehabilitation.

2. Public Housing Rehabilitation

There are 6,754 public housing units in the City. Approximately 90 units per month are vacated by residents amounting to over 1,000 units annually. There is generally a need to rehabilitate these units before they are rerented. There is a vacant inventory of approximately 500 units awaiting repair. The Housing Authority estimates the average cost of rehabilitation as \$7,000 per unit. Available funding has been sufficient for the rehabilitation of only about 285 units per year.

To meet existing and future need, the current Housing Authority program proposes to rehabilitate about 65 units per month, or 780 units per year, for a total of 4,290 units by June 1995.

3. Earthquake Damage Repair

The estimate of damage from the October earthquake indicated that over 1,600 residential buildings containing 14,800 units were affected. Of these buildings, about 1,500 units had severe structural damage, some were demolished and others are unsafe for occupancy. Repair costs could be \$20,000 per unit. Another 3,600 units in 430 buildings sustained lesser structural damage. The remaining units in 430 buildings sustained lesser structural damage. The remaining building had non-structural damage such as broken windows, damaged plaster, disrupted utilities or damaged exterior surface, requiring lower repair costs.

4. Seismic Retrofitting

There are approximately 26,360 units in approximately 770 unreinforced masonry residential hotels and apartment buildings, most of which are occupied by low income households. The extent and phasing of retrofit work is under study by the City. It is estimated that eight to twenty thousand dollars per unit of public subsidies will be needed to rehabilitate and seismically upgrade these public subsidies and still maintain the low income rent structure in these units. buildings and still maintain the low income rent structure in these units. These costs would depend on the type of building, the level of retrofit, and the availability of construction expertise.

In addition to the unreinforced masonry buildings much of San Francisco's older housing stock needs some sort of seismic upgrading, including bolting foundations and structural reinforcement.

For purposes of estimating the needs to 1995 it is assumed that 2,000 units a year should be retrofitted.

E. REPLACEMENT OF LOST UNITS

The City's housing stock is diminished by demolitions, abatement enforcement and conversions. These lost units need to be replaced.

TABLE 46

SUMMARY OF REPLACEMENT HOUSING NEEDS TO 1995

| <u>113</u> | eed to 95 |
|--|---------------------------------|
| Demolition due to Earthquake SRO Units Other Units Other Demolition and Replacement Loss of Secondary Units Conversions to Commercial Use TOTAL | 500 200 275 400 200 |

1. Loss of Units Through Earthquake Damage

As previously indicated the October earthquake severely damaged about 1,500 residential units, primarily in buildings in unstable soils in the Marina, South of Market, and Richmond. Approximately 200 residential units were demolished as a direct result of the October 17, 1989 earthquake and subsequent fire. An additional 500 residential hotel units were also demolished.

2. Loss of Units Through Building Demolition

Since 1980, building demolition (other than earthquake related demolition) has accounted for the loss of about 600 single family homes and 400 flats or apartment units in buildings with two to nine units. Although some of these units were owner occupied or vacant, it is estimated that a large percentage of these units were lower income rental units. One for one replacement housing is required for the conversion or demolition of residential hotel guest rooms, but not for the demolition or conversion of lower income rental housing units. State law requires replacement of lower income rental units demolished in buildings with three units or more located in the California Coastal Zone.

Private sector demolition activity decreased to less than 50 units in 1989. At this lower rate, it estimated that about 275 units would be needed to replace these units by June 1995.

3. Loss of Illegal Secondary Units Through Code Enforcement

The total number of illegal, predominantly secondary units, has been estimated to be about 20,000 units. While many illegal secondary units may not meet existing code requirements, they constitute a major supply of affordable housing. Each year the Bureau of Building Inspection, primarily through complaints, cites approximately 250 cases of illegal housing units. Some types of illegality, such as violations of one-to-one parking provisions, excess number of units permitted under zoning regulations, basement units with substandard ceiling heights, or units with severe egress problems cannot be remedied except by removal.

In 1988, about 50 secondary units were removed. The volume of complaints has been increasing and it is estimated in the future that 50 to 100 units per year will be removed because of code enforcement action. Based on a loss of 70 units per year, it is estimated that about 400 units would be needed by June 1995 to replace these units.

4. Loss of Units From Conversions to Commercial Use.

While the conversion of residential use to commercial uses has declined significantly from the high rates experienced in the late 70's, illegal conversions is still a concern in a number of areas. No reliable data lists the extent of illegal conversions. Simply to acknowledge that the problem exists is assumed that conversions will result in a loss of about 200 units by 1995.

F. HOUSING AFFORDABILITY NEEDS

1. Affordability of New Housing Construction

State law requires that the City address the housing needs for all income levels. The foregoing estimates of need are stated in terms of the total number of units needed and are not broken down into various income levels. Information enabling such a breakdown to be developed is not available. ABAG Information enabling such a breakdown to be served in new construction. The for determining what income levels need to be served in new construction. The ABAG figures are based on income distribution of all existing households in the City and the region. The ABAG figure splits the difference between the City and the regional figure in an effort to move the City closer to the city and the regional figure in an effort to move the city closer to the overall regional distribution while the income distribution of the existing population is not necessarily an accurate measure of the income distribution of the incremental new population, the ABAG figures in the absence of better figures, will be used to set targets for future housing production. The ABAG figures are as follows:

TABLE 47

NEW CONSTRUCTION HOUSING NEED BY INCOME CATEGORY (1990 to 1995)

| | Very Low (50% of Median) | Low (80% of Median) | Moderate (120% of median) | (Above 120%) |
|---------|-----------------------------|------------------------|------------------------------|--------------|
| PERCENT | 24% | 16% | 20% | 40% |

Source: ABAG Housing Needs Determination, January 1989,

TABLE 48

HOUSING AFFORDABILITY PROBLEMS

| | | <u>Units</u> |
|----|-----------------------------------|--------------|
| _ | a wasyment of Pent | 85,004 |
| 1. | Overpayment of Rent | 11,444 |
| 2. | Overcrowded Households | 1,965 |
| 3. | Rental Subsidy Expiration by 1995 | • |

Sources: 1980 US Census; see text under these categories.

2. Households Overpaying

The high cost of housing has many troublesome effects, including: (1) overpayment as more of a household's income is needed to go toward housing; (2) overcrowding from households having to crowed into smaller units or are forced to share more of their living space; (3) more workers per household needed to make the monthly payments and mothers with small children having to work to pay mortgage or rent payments; (4) increased commuter traffic from San Francisco job holders who cannot afford to live in the City; (5) and an increase in the homeless.

It is estimated that approximately 20% of all renter households in San Francisco paid at least half their income on housing. And one of every seven San Francisco renters, or 14% percent, live below the poverty line. Table 49 indicates the extent of overpayment by renters and homeowners.

TABLE 49

OVERPAYMENT* BY HOUSEHOLDS EARNING 80% OR LESS OF MEDIAN INCOME
SAN FRANCISCO 1980

| Type of | Total | Number* | Percent |
|-----------|---------|------------|------------|
| Household | Number | Overpaying | Overpaying |
| Owners | 32,252 | 9,609 | 30% |
| Renters | 122,865 | 85,004 | 69% |
| TOTAL | 155,117 | 94,613 | |

Source: ABAG, 1980 Census

3. Overcrowded Households

Housing costs have forced overcrowding. To afford the high cost of housing, many low income families have to crowd into small one bedroom or studio units which are more affordable. In some cases two or three families are crowded into a 2 or 3 bedroom apartment or flat. The 1980 census reported 11,400 overcrowded units with more than 1.5 persons per room. The 1990 Census is expected to show an increase in overcrowding.

4. Expiration of Subsidized Section 8 Rental Housing and Mortgage Subsidies

As shown on Table 37 about 2,000 low income units will lose their Federal rental Section 8 subsidies by 1995 unless a program is developed to continue the affordability of these units. A total of 3,168 units are subject to Federal mortgage expiration.

^{*} Payment of more than 25% of income

IV. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT

INTRODUCTION

This section describes the City's inventory of land suitable for residential development and assesses the housing development potential of that land.

A. HOUSING OPPORTUNITY AREAS

Although San Francisco is already highly developed, there is still a significant amount of undeveloped or underdeveloped land that is suitable for residential development. An inventory of sites suitable for residential development has identified 580 acres of land on which 42,000 units of housing could be built. Much of this future housing potential is in the eastern side of the City where about 26,000 units can be constructed in undeveloped or underdeveloped sites; another 9,000 units can be constructed in commercial mixed use districts throughout the City; and about 7,000 units can be accommodated in vacant and underutilized sites in residential districts and publicly owned sites throughout the City.

The housing opportunity estimates in Table 50 represent an assessment of what can realistically be built in these areas and not the maximum permitted residential development capacity. The housing opportunity sites are those deemed suitable for residential development.

This estimate is based on housing production trends, projects under construction and under review, and an assessment of the housing potential in these areas over the next five years. The Fillmore and YBC Redevelopment areas' total of 2,213 is the number of units under construction or planned over the next few years to complete these areas. The Van Ness corridor estimate of 2,000 units is based on a total of about 1,100 units under review or under construction and a balance of about 900 units coming from other soft sites with a high development potential following the completion of these other sites. A total of 2,800 units over the next five years are estimate to be constructed in the neighborhood commercial districts. This estimate is based on Neighborhood Commercial Rezoning EIR projections of future housing potential and an assessment of past construction trends in neighborhood commercial areas in the Housing Inventory reports from 1980 to 1989. That is an average annual total of about 500 units per year in neighborhood commercial areas. (See page 49 of An Inventory of Land Suitable for Residential Development.) The 1,000 units each for the North of Market and Downtown area is based on previous estimates from the North of Market Area Plan and the Downtown Plan EIR, and an assessment of past and future development trends.

A general estimate has been made of the total housing potential on the eastern side of the City without specifying which sites may or may not developed within the next five years. This estimate is shown for the eight subareas in the eastern side of the City. It shows that less than half of the housing potential from housing opportunity sites in the eastern side of the City would be realized within a five year time frame.

This results in a Citywide housing development potential of over 25,000 units in the Residence Element's five-and-a-half year period."

TABLE 50

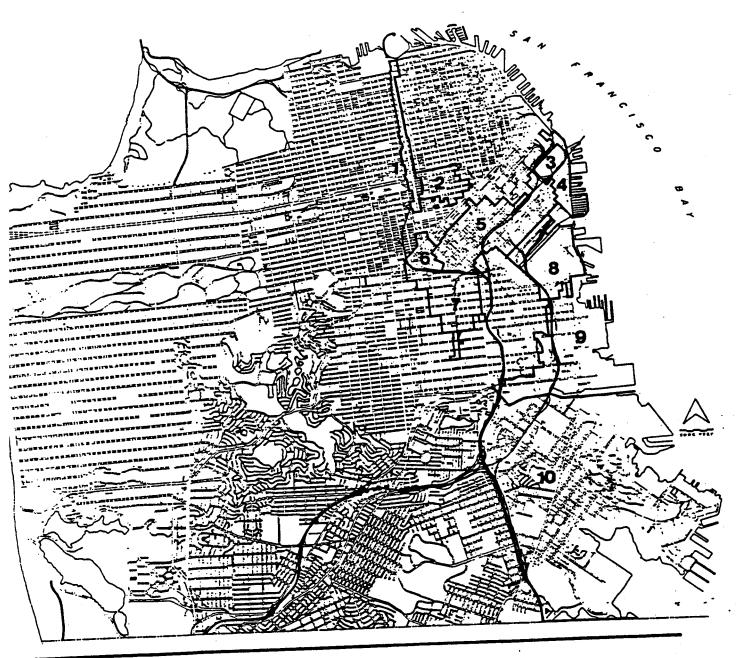
SAN FRANCISCO HOUSING OPPORTUNITY SITES
1990

| | 199 | <u>Acres</u> | Potential # of Units | Projections 1990-1995 |
|----------------|--|---|--|--|
| Α. | Eastern side of City 1) South of Market 2) South Van Ness 3) North Mission Industrial 4) Central Waterfront 5) South Bayshore 6) Mission Bay 7) Rincon Point - South Beach Redev. 8) Rincon Hill | 15 7 25 16.5 163 100 24 23 | 3,300 1,900 2,400 874 5,000 8,000 1,500 3,000 25,974 | 2,000 1,200 900 400 1,900 500 1,500 2,200 10,600 |
| В. | Other Mixed Use Districts ²⁾ 1) Van Ness Corridor 2) Redevelopment-Fillmore 3) Redevelopment - YBC 4) Neighborhood Commercial Districts 5) North of Market 6) Downtown TOTAL | 18 9 3 58 6 2.5 96.5 | 2,000 1,526 687 2,800 1,000 1,000 9,013 | 2,000 1,526 687 2,800 1,000 1,000 9,013 |
| C. D. E. | Other Vacant Residentially Zoned Land Publicly Owned Land Residentially Zoned Land Developed at less than allowable density. | 68 42 <u>NA</u> 110 | 1,500 1,650 <u>4,000</u> 7,150 | 1,000 1,200 4,000 6,200 |
| | GRAND TOTAL | 580.2 | 42,137 | 25,813 |

Notes: 1) This total is for the portion of the project not yet completed.

Projections for the 1990 to 1995 period, units in B, C, D and E areas. The Residential Conservation Study proposed controls would decrease 2) residential development to a relatively small extents within a citywide context - an estimated 1600 units within the approximately 99 acres of RM and RH-3 Districts to be reclassified. The possibility of four story contruction in former 40 foot height districts would be reduced by reclassifications ranging from two stories (24 feet) to three stories with a potentially set back fourth story. Similarly, the creation of new depth limits would decrease the buildable envelopes in RH-1, Single Family Districts, but generally increase the envelop in RH-2 Two Family Districts. The figure of 4,000 additional units is based on past trends reduced to reflect a greater emphasis on housing preservation than on demolition and replacement and the proposed Neighborhood Rezoning controls. The 4,000 units is only .04% of the development potential in the residential zoned districts.

³⁾ This number represents primarily additional units to existing buildings and to a lesser extent permitted replacement housing.



HOUSING OPPORTUNITY AREAS

MAP 2

- 1. Van Ness Corridor
- 2. North of Market
- 3. Rincon Hill
- 4. Rincon Point/South Beach
- 5. South of Market

- 6. South Van Ness
- 7. North Mission
- 8. Mission Bay
- 9. Central Waterfront
- 10. South Bay Shore

Table 51 shows that the eastern industrial side of the City alone could accommodate about 44,000 units if all the unused capacity in undeveloped and underdeveloped sites were developed residentially. Of this 44,000 unit capacity only about 26,000 units are identified in Table 50 as sites with a housing opportunity potential, excluding many undeveloped or underdeveloped sites which, based on preliminary field observations, were considered unsuitable for residential development or more suitable for commercial or industrial uses.

The housing potential estimates in Tables 50, 51, and 52 are based on a site by site inventory of existing uses in the eastern side of the city. The terms used in these tables are explained below.

Housing Opportunity Sites Study, Terms and Methodology

"Housing Opportunity Sites". These are sites which are suitable for residential development based on criteria and site analysis of each site. In the eastern side of the City, they consist of "undeveloped and soft sites" determined to be suitable for residential development based on a preliminary street survey of such factors as proximity to residential districts, parks, views, transportation, potential hazardous waste problems, and live/work potential, etc.

"Unused Capacity". These estimates represent a broad development potential if all the "undeveloped and soft" sites in an area are developed residentially at permitted zoning densities.

"Undeveloped Land" includes unimproved or undeveloped vacant lots used for open storage, parking, or other open uses. These sites theoretically could be readily developed for residential use.

"Soft Sites" are a second category of housing potential sites which include sites with older vacant buildings, unsafe buildings and buildings and uses which underutilize the site. These sites have structures which could be reused or rebuilt for residential use.

"Built-Out Capacity". This is the "theoretical" build-out capacity if all the industrial "M" and heavy commercial "CM" land areas are rebuilt at currently permitted residential densities (1 unit to 800 sq. ft. of lot area for M-1, and 1 unit to 200 sq. ft. of lot area for CM). Existing residential units or live/work units which would be demolished are deducted to arrive at a Net Built-Out total. The South of Market net built-out capacity estimate includes all zoning categories within that district, including residential.

Land use data for each site were compiled using a standard format for computer data entry and analysis. The data were comprehensive and included the square footage of each building, number of buildings in each lot, each type of use, open space, number of stories, height, zoning, lot area, floor area ratio, census tract, and other information. The data base is in Volumes of survey forms organized by block and lot, and in a computer land use data base Parodox program.

Lists and maps of individual housing opportunity sites, undeveloped sites, and "soft sites" are contained in the <u>Inventory of Land Suitable for</u> Residential Development, San Francisco Department of City Planning, December 1989.

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Table 51 identifies 373 acres in housing opportunity sites located in the eastern side of the City, yielding about 26,000 units. That includes 8,000 units in the proposed Mission Bay development, 5,000 units in the South Bayshore area, 3,000 units in the South of Market area, and another 4,500 units to be developed in the Rincon Hill and South Beach Redevelopment units to be developed in the Rincon Hill and South Beach Redevelopment units to be developed in the Rincon Hill and South Beach Redevelopment units to be developed in the Rincon Hill and South Beach Redevelopment private and public resources are developed depends on the availability of private and public resources and effective demand (i.e. market absorption). Private and public resources and effective demand (i.e. market absorption) take place over a 20 year period.

TABLE 51 HOUSING POTENTIAL ESTIMATES Undeveloped Sites. Soft Sites. and Housing Opportunity Sites 1990

| Eastern Side of the City | ACRES | UNUSED CAPACITY (UNITS) | HOUSING OPPORTUNITIES (UNITS) |
|---|-------------------------------|-------------------------------|-------------------------------|
| 1) South of Market Capacity Total Built-Out Capacity (all zoning) a) Undeveloped Sites b) Soft Sites c) Opportunity Sites | 286 - 15 - 50 - 15.8 | 55,170 3,300 10,800 | 3,300 |
| 2) South Van Ness Study Area Total Built-Out Capacity (CM, M-1) a) Undeveloped Sites b) Soft Sites c) Opportunity Sites | 36 9.4 6.9 7 | 7,050 2,169 1,824 | 1,900 |
| 3) North Mission Industrial Total Built-Out Capacity (CM, M-1) a) Undeveloped Sites b) Soft Sites c) Opportunity Sites | 186 22 20 24.7 | 18,254 1,951 1,934 | 2,400 |
| 4) Central Haterfront Total Built-Out Capacity (CM, H-1) a) Undeveloped Sites b) Soft Sites c) Opportunity Sites | 179 43.4 24.7 16.5 | 1,334 | 874 |
| 5) South Bayshore Total Built-Out Capacity (M-1) a) Undeveloped Sites b) Soft Sites | 200 154 30 162.7 | 11,299 5,010 1,402 | 5,000 |
| c) Opportunity Sites 6) <u>Mission Bay</u> (Undeveloped) | 100 | 8,000 | 8,000 1,500 |
| 7) Rincon Point - South Beach (Redevelopment and Other) | 24 | 1,500 | 3,000 |
| 8) Rincon Hill (Undeveloped) | 23 | 3,000 | J, 500 |
| Undeveloped Sites Soft Sites Total | 390. <u>131.</u> 522. | 6 17.294 | |
| Opportunity Sites | 373. | .7 | 25.974 |

Zoning Densities

Table 52 shows the zoning and permitted residential densities on the housing opportunity sites in the eastern industrial districts. The permitted residential densities in manufacturing "M" districts is 54 units per acre, and 218 units per acre in commercial industrial "CM" districts. Higher densities are permitted for elderly housing. The housing potential estimates shown are based on what is permitted in each site under existing zoning regulations.

These housing densities are generally comparable with the City's overall density of 62 units per acre in completed residential projects in the South Beach Redevelopment Project and the 80 units per acre average density proposed for Mission Bay.

TABLE 52 HOUSING OPPORTUNITY SITES by Zoning and Density 1990

| Eastern Side of the City | | | Permitted | Potential # |
|---|--|---|--|--|
| Planning Area | Land Acres | Present ^e Zoning (U | Density nits per Acre) | of Units |
| 1) South of Market (Undeveloped Sites) Total | 14.6 1. 15.8 | SLR, RSD RED SPD | 218 109 72 | 3,182 · 115 15 3,312 |
| 2) South Van Hess (Undeveloped & Soft Sites) | 3.5 3.1 -4 7.0 | C-3-G CM RH-3 | 218 218 43 | 1,224 687 16 1,929 |
| 3) North Mission Industrial (Undeveloped & Soft Sites) Total | 6.3 14.6 <u>3.8</u> 24.7 | CH H=1 P(RH=1) | 218 54 54 | 1,395 803 212 2,410 |
| 4) Central Naterfront (Undeveloped & Soft Sites) Total | .6 8.56 .24 .96 .99 .69 | M-1 M-2 MC-2 RM-2 RH-3 P(RM-3) | 54 54 54 29 43 43 | 324 462 13 2 43 30 874 |
| 5) South Bayshore Park Perimeter Hunters Point Shippard Bayview Hill East India Basin Safeway Site Lucky Lager Executive Park Infill Vacant Sites Total | 34 50 . 33 . 15 . 2.5 . 6.5 . 9.7 . 12 . 162.7 | M-1, P P, M-1 RH-2, RM-1 H-1 HC-3 H-1 C-2 RH-1, RH-2 | 54 54 30 54 72 54 54 54 | 1,200 1,724 600 436 73 189 500 300 5,022 |
| 6) Hission Bay 7) Rincon Point/South Beac 8) Rincon Hill GRAND TOTAL | 100 h 24 23 373.7 | Art. 9/ Mixed Use M-1 RC-4 | 80 62 130 | 8,000 1,500 <u>3,000</u> 26,047 |

[•] For zoning definitions see footnote to Table 54.

Realization of Housing Potential

Housing in Industrial Areas

Housing development in the industrial areas south of Market Street have totaled about 3,000 units within the last five years and a total of about 4,500 units are planned in the Rincon Hill and completion of the South Beach/Rincon Point Redevelopment areas, both former industrial areas on the eastern side of the city. In 1988, 47% of the citywide total housing construction consisted of units completed in these areas. These projects indicate the feasibility of housing in those kinds of areas.

Even though the level of housing development in these projects has been impressive in recent years, little new residential activity has taken place in other industrial areas outside these project areas. However, other planning, rezoning and redevelopment activity preceded these new residential development projects. To facilitate and expedite residential development in industrial areas, similar actions are needed and are underway. The South of Market area has recently been rezoned and a redevelopment project to emphasize affordable housing is being created. Area plans and rezonings are nearing completion in Mission Bay and South Bayshore.

These three areas would yield about 20,800 units from housing opportunity sites. The other areas where area plans and rezonings need to be completed are the Central Waterfront, South Van Ness, and North Mission Industrial area. About 5,000 units could be constructed in these three areas.

Housing in Commercial Areas

Current City Planning Code regulations and Master Plan housing policies encourage housing over commercial-retail whenever possible. Mixed-use commercial/residential projects account for the majority of the new housing construction between 1980 and 1990. Over 2,000 units have been completed in the Van Ness corridor alone. It is estimated that residential construction will continue in these districts. Over 9,000 units could be constructed in these districts over the next five years.

The industrial areas which have been or will be rezoned contain the majority of undeveloped or soft sites were only partially completed or in process during the 1985 to 1990 period. One of the most active areas was the South of Market district in which approximately 2,150 units of housing were completed during the 1985 to 1990 period, primarily on undeveloped or soft sites, but also including some redevelopment sites. Other areas had not yet begun a vigorous transition to housing which is anticipated to accelerate in the period to 1995.

Housing in Residential Areas

Residential development on remaining vacant residentially zoned sites will continue as market pressure intensifies to build on available residential sites, particularly in the South Bayshore, Bernal Heights and other districts that still have vacant sites. These sites generally have low density RH-1 or RH-2 zoning which permit one or two units per lot. It is estimated that there is infill housing potential of approximately 1,500 units on vacant parcels.

Current Projects Under Review

As of September 1, 1990 there are 4,000 units under review in the Department of City Planning. Most of these units are in large projects in mixed use districts and previously industrial or heavy commercial areas.

Housing On Public Land

Table 53 lists publicly owned housing opportunity sites. Many of these sites are undergoing feasibility analysis and would require rezoning from public to residential. This is not an exhaustive list of all public surplus properties and air-rights developments in publicly owed sites that potentially could be available. Further refinements of the list is part of the City's ongoing implementation program. Potential housing units estimates are based on permitted densities on adjacent sites. TABLE 53

HOUSING OPPORTUNITIES ON PUBLICLY OHNED LAND

| | HOUSING OF | PUNTONA 12CO Y | - | |
|-------|-----------------------------|---------------------|---------------------------------------|---------------------------|
| | | Assessor's Block | Area <u>sq.ft</u> . | Potential <u>Units</u> |
| Α. | Unified School District | | | |
| | | 2554 | 36,400 | 160 |
| 1. | Marshall Annex | 3554 | 58,900 | 10 |
| 2. | Grant School | 963 | 29,000 | 19 |
| 3. | Corbet | 2718 | 55,650 | 36 |
| 4. | Jose Ortega | 7074 | 30,000 | 20 |
| 5. | I. M. Scott | 4107 | 87,000 | 40 |
| 6. | Burnet | 5310 | 108,000 | 60 |
| 7. | Jedediah Smith | 4713 | 60,000 | 40 |
| • | Francis Scott Key | 1797 | 10.6 acres | 385 |
| 8. | TOTAL | | IV.D acres | |
| В. | PUC/MUNI | | | |
| | | : 19 | 113,437 | 280 |
| 1. | Kirkland Bus Yard | . 13 | • | |
| 2. | Presidio Division | 1072 | 235,550 | 400 |
| | Trolley | 4213 | 80,000 | 40-80 |
| 3. | 24th St. & Utah | 4213 | | • |
| 4. | | 6979 | 3,000 | 5 |
| • • • | station | 6272 | 58,000 | 46 |
| 5. | Potrero Storage | 4024 | 192,000 | 200 |
| 6. | North Mission Storage TOTAL | 3971 | 15.6 acres | 971 - 1,011 |
| | IOIVE | | | |
| C. | Parking Authority | | | |
| | | 1439 | 9,000 | 10-15 |
| 1. | 320 8th Ave'. | 1440 | 10,000 | 12-17 |
| 2. | 370 9th Ave. | 1440 | , , , , , , , , , , , , , , , , , , , | • |
| D. | <u>Hater Dept</u> . | | | |
| | nes Dagmain | 5710 | 15,000 | 10-14 |
| 1. | College Hill Reservoir | 6238 | 75,000 | 30–45 |
| 2. | Rutland at Leland | 3180 | 583,704 | 200 |
| 3. | | 3100 | | |
| | TOTAL | | 42 acres | 1,618 - 1,687 |
| | GRAND TOTAL | ! | 56 | |
| | | | | |

B. BUILD OUT CAPACITY ESTIMATES

Table 54 following indicates the unused zoning capacities in residential and non residential districts.

TABLE 54

MAXIMUM CITYHIDE ZONING CAPACITY FOR RESIDENTIAL UNITS
IN RESIDENTIAL AND NON RESIDENTIAL ZONING CATEGORIES
December, 1989

| oning | Density | Net | Zoned Capacity | Existin Units |
|---------------------|---------------|--------------|-------------------|------------------|
| ategory | per acre | Acres | | |
| esidential | Zoning Distr | icts * | | |
| RH-1 | 14 | 5,920 | 82,880 | 100,300 |
| RH-2 | 29 | 3,624 | 105,086 | |
| RH-3 | 43 | 880 | 37,840 | |
| RM-1 | 54 | 1,231 | <u>66.474</u> | |
| Sub Total | | • • | 209,400 | 64,900 |
| RM-2 | 72 | 339 | 24,408 | |
| RC-2 | 72 | 4 | 288 | |
| Sub | Total | • | 24,696 | 33,450 |
| RM-3 | 109 | 117 | 12,753 | |
| RM-4 | 218 | 154 | 33,572 | |
| RC-3 | 109 | 24 | 2,616 | |
| RC-4 | 218 | 139 | 30.302 | 07 056 |
| Sub | Total | 12,432 | 79,243 | 97,350 |
| TOTAL Residential D | | Districts | <u>396.219</u> | 296.000 |
| on-Resider | tial Zoning D | istricts | | • |
| NC-1 | 54 | 213 | 11,502 | |
| NC-2 | 54 | 328 | 17,712 | |
| NC-3 | 72 | 376 | 27,072 | |
| NC-S | 54 | 207 | 16.578 | |
| NCD Sub | 54 Total | 307 | 72,864 | 20,00 |
| • | | 260 | -14,526 | |
| C-2 | 54 | 269 . 113 | 24,634 | |
| C-3-0 | | 96 | 20,928 | |
| C-3-9 | 218 | 128 | 27.904 | |
| <u>C-M</u> Sub | 218 Total | 140 | 87,922 | 9,00 |
| | | 1044 | 56,376 | • |
| M-1 | 54 54 | 1047 | 56.538 | |
| <u>M-2</u> Sub | 54 Total | 1041 | 112,914 | 3,00 |
| | AL Commercial | 3,921 | 273,700 | 32.00 |
| GRAND TOTAL | | | | 328,00 |

In residential areas, the RH-1 and RM 2-4 zoning districts are already substantially built out and contain a number of non conforming structures with more than the presently permitted density. The RH-2, RH-3 and RM-1 zoning districts have the greatest capacity for new units.

In non-residential districts, neighborhood commercial districts which generally encourage upper story residential uses have a theoretical capacity of over 50,000 units. Housing is a conditional use in M-1 and M-2 districts. These districts have a theoretical capacity of 112,914 units if all the acreage zoned M-1 and M-2, excluding Port lands, were developed with housing at a density of 54 units per acre. However, as shown in Tables 51 and 52, the actual amount of housing that might be developed in these areas is much less.

The capacities shown on Table 54 substantially exceed the 1995 Housing Needs RESIDENTIAL ZONING DENSITY DEFINITIONS identified by ABAG.

RH-1 Single Family Residential House Districts: Includes single family homes detached, attached, and single family homes with small secondary units.

RH-1(D) One Dwelling detached in larger lots with side yards (4,000 sq. ft)

One Dwelling unit per lot area of 2,500 sq. ft., row houses. RH-1

One Dwelling unit per lot (2,500 sq. ft.) with minor second unit. RH-1(S)

Residential Two and Three Unit Buildings: Primarily two and three unit flats on lots of 25 feet by 100 feet with separate entrances to each unit.

Two Dwelling units per lot area (2,500 sq. ft.).

Three Dwelling units per lot area (2,500 sq. ft.). RH-3

Residential Mix Districts: Districts containing a mix of buildings found in RH districts and larger higher density apartment buildings, generally located near shopping and transit cornidors. Permitted densities increase fourfold from one unit to 800 sq. ft. of lot area to one unit to 200 sq. ft of lot area.

Low density one dwelling unit for each 800 sq. ft. of lot area. RM-1

Moderate density one dwelling unit for each 600 sq. ft of lot area. RM-2

Medium density one dwelling unit for each 400 sq. ft. of lot area.

RM-3 High density one dwelling unit for each 200 sq. ft. of lot area. RM-4

Residential Commercial Combined Districts: These districts combine residential use over ground floor commercial support services.

Low density one dwelling unit for each 800 sq. ft. of lot area. RC-1

Moderate density one dwelling unit for each 600 sq. ft of lot area. RC-2

Medium density one dwelling unit for each 400 sq. ft. of lot area. RC-3

High density one dwelling unit for each 200 sq. ft. of lot area. RC-4

Neighborhood Commercial Districts permit residential unit densities based on adjacent residential districts or not to exceed the following densities: These districts encouraged housing development over ground floor or second story commercial uses.

NC-1, NC-2, Sacramento and West Portal NC-S districts: One unit for each 800 sq. ft

NC-3, and other special NC-S districts (Broadway, Hayes-Gough, Upper Market Street, North Beach, and Polk Street): One unit for each 600 sq. ft.

NC-S Districts: One unit for each 400 sq. ft. of lot area

Chinatown Mixed Use District: One unit for each 200 sq. ft. of lot area.

Commercial Districts permit residential unit densities based on adjacent residential districts or not to exceed the following densities:

C-2: Community Business: One unit for each 800 sq. ft. of lot area.

C-3-O,C-3-R,C-3-S,C-3-G (Downtown Office, Retail, Support Services, General

Commercial): One unit for each 125 sq. ft. of lot area.

C-M: Commercial Manufacturing mixed districts: One unit for each 200 sq. ft. of lot

Light Industrial M-1 and Heavy Industrial M-2 Districts permit residential unit densities based on adjacent residential districts or at a minimum RM-1 density of no less than one unit for each 800 sq. ft of lot area.

South of Market Use Districts:

Residential Enclave Districts: One unit to each 400 sq. ft. of lot area. RED

South Park District: One unit to each 600 sq. ft. of lot area. SPD

Residential Service District: One unit to each 200 sq. ft. of lot area. RSD

Service/Light Industrial/Residential District: One unit to 200 sq. ft. of lot area. SLR

Service/Light Industrial District: One unit to 200 sq. ft. of lot area. Service/Secondary Office District: One unit to 200 sq. ft. of lot area. SLI 022

V. CONSTRAINTS TO HOUSING PRODUCTION AND CONSERVATION

INTRODUCTION

This section addresses existing and potential constraints to housing 71nstruction and preservation which may impede meeting the City's housing needs.

PHYSICAL CONSTRAINTS

Availability of Sites

As shown in Section IV, there are adequate housing opportunity sites to meet the City's housing needs. The housing potential in San Francisco may not be apparent at first sight because of the highly built up environment. A mix of commercial, residential and industrial uses is required in most of the housing potential sites. The City and the development community has responded to the housing challenge with housing projects in sites where least expected. Creative site and project planning has produced many new residential projects over commercial in neighborhood commercial districts, in office development districts, in industrial areas zoned for new residential developments and in sites previously zoned for public use. Future housing developments will continue to call for this same creativity.

Affordable housing sites include publicly owned surplus sites, air-rights over privately owned sites, and projects subject to affordable housing requirements.

2. Infrastructure

City infrastructure pertaining to the availability of water hook ups, sewage treatment, gas and electric services on City streets is not a constraint to future housing development. Potential new residential development estimates are within the City's infrastructure service capacity. Most residential development sites are already developed areas which are adequately served by the existing infrastructure, even those sites in the eastern industrial areas. Some large projects may need localized infrastructure improvements to connect to the City's systems. The cost of these improvements would be tied to the development project.

San Francisco's Clean Water Program is in the process of completing four new waste water treatment facilities which will increase the outflow capacity in the eastern industrial side of the City. The Mariposa Facility is to be completed by 1993, the Islais Creek Facility by 1994, the Yosemite and the Sunnydale Facility by 1992. The western side of the City is also to be surrounded by new transport and treatment facilities which are well under way in the planning and construction. The City's outflow capacity improvements are supported by Federal and State financing and by user fees.

The capacity of the city water reservoirs is adequate to serve San Francisco's future housing development, although water rationing may be needed, as is currently the case, in drought years. Water conservation after the 1989 drought has reduced overall City water consumption and increased the City's hook up capacity. 59

The City's solid waste disposal services have about a 15 year land fill capacity at today's usage. If garbage disposal rates increase significantly as a result of new residential developments — current dumping sites are going to fill up sooner. This is not going to be a problem in the next five—year period. However, in the long range, new sites need to be secured and recycling programs improved unless garbage disposal is going to be a constraint to San Francisco's residential growth. Recent State legislation requires the City to initiate recycling programs to reduce solid waste by 25% within the next 5 years and by 50% by the year 2000. The City curbside recycling program will be serving the entire city by April 1991.

3. Availability of Recreational Open Space

Most of the City's existing public open space is on the western side of the city while most of housing potential is on the eastern industrial side of the City. The availability of recreational open space to new households locating there is an issue. New Bay Shoreline recreational parks are planned in the Recreation and Open Space Element of the Master Plan. The proposed Mission Bay project will be adding a substantial amount of new public recreational open space near the central waterfront area. In the northern part of the Bay Shoreline, the Rincon Point – South Beach Redevelopment project will be adding two new shoreline parks. In the South Bayshore area the City is adding two new shoreline parks. In the South Bayshore area the City is developing a new India Basin Shoreline Park and the State is expanding the new Candlestick Point Recreational Shoreline Park. Additional recreational open space which may be needed can be required as part of area plans, rezoning provisions and, subdivision code requirements.

4. Availability of Commercial and Other Public Support Services

New housing on the eastern side of the City will need to be served in conjunction with new residential serving neighborhood commercial retail support services. Currently, there are some neighborhood commercial stores serving the daytime industrial labor force and scattered residential enclaves. Mission Bay will add substantial amounts of retail uses including enclaves. Mission Bay will add substantial amounts of retail uses including a projected supermarket. A new supermarket site is to be developed in the South Bayshore by the Redevelopment Agency. Residential rezonings will provide space for commercial activities.

Other public support services will be provided on the eastern side of the City as part of the Mission Bay development. They include a recreational center, a new elementary or middle school and a police station.

B. MARKET CONSTRAINTS

The high costs of land and housing construction are the most serious constraints to housing production in San Francisco. While the cost of housing varies widely depending on the location, the size, quality, and type of construction (lowrise, highrise), the costs for new housing construction are among the highest in the nation. Potential conditions which can add to the cost of housing construction in San Francisco include the limited availability and high cost of land, demolition often required with the reuse

of a site, possible toxic waste clean up needed in some industrial sites, higher costs associated with multi story developments, high foundation costs to deal with potentially seismically unstable soils, and high labor construction costs.

Table 55 illustrates the range of production costs for new construction by unit size and building type. Land costs have experienced the biggest increase in recent years and account for more than 50% of the cost of single family homes. Generally the more units per lot area the less the land cost per unit. Construction costs vary with the quality of materials and architectural detailings, woodframe versus concrete and steel construction, number of bathrooms, and building height which affects life safety systems. Woodframe construction is a lower cost construction technique for low and medium density developments under 50 feet in height. Concrete or steel frame developments become more economical with increased densities and heights. Construction costs generally account for about 53% of the unit cost.

"Soft costs" can include predevelopment consultants, architectural and engineering fees, permit and legal fees, construction management and financing, property taxes and insurance and other overhead carrying costs. These costs range from 7% to 15% per unit. Generally the longer the planning and construction process, the more the carrying costs. Development profits generally account for 16% of the unit value or about 20% of total land and development costs.

TABLE 55 MARKET RATE HOUSING PRODUCTION COSTS San Francisco 1990

| | <u>Higher</u> Studio | Density Me | dium Density 2 bedroom | Lower Density 3 bedroom |
|--|-------------------------|------------|---------------------------|----------------------------|
| Unit Size Average Sq. Ft. | 450-600 | 600-750 | 850-1,200 | 1,200-1,900 |
| Unit Value | \$140,000- | \$170,000- | \$225,000- | \$335,000- |
| | \$180,000 | \$230,000 | \$300,000 | \$400,000 |
| Production Costs Land Cost (14%-60%) | \$25,000- | \$30,000- | \$35,000- | \$90,000- |
| | \$50,000 | \$70,000 | \$95,000 | \$150,000 |
| Soft Costs (7%-15%) Construction(47%-55) Profit(16%-30%) | \$10,000 | \$15,000 | \$20,000 | \$30,000 |
| | \$70,000 | \$100,000 | \$130,000 | \$160,000 |
| | \$40,000 | \$55,000 | \$60,000 | \$55,000 |

Source: Estimates based on average per unit market value and cost components of new construction, rounded-off to the nearest thousand.

The Mayor's Office of Housing estimates that an average subsidy of \$30,000 to \$60,000 per unit of local subsidy is required to make the cost of a unit affordable to lower income households. Table 56 shows how the subsidy cost per unit varies depending on the unit size and household income. At an average subsidy cost of \$40,000 per unit, about \$82 million would be needed annually to meet the City's new construction housing affordability needs over the next five years.

61

TABLE 56

PROPORTION OF HOUSING COST THAT CANNOT BE CARRIED BY RENTS* San Francisco, 1990

| | Studio | 1 Bed Rm | 2 Bed Rm | 3 Bed Rm |
|-----------------|--------|----------|-------------|----------|
| Very Low Income | 51% | 58% | 62% | 65% |
| Lower Income | 24% | 33% | 38% | 44% |
| Median Income | 5% | 16% | 2 3% | 30% |
| Moderate Income | 0 | 0 | 7% | 16% |

Source: S.F. Dept. of City Planning

1. Potential Cost Reductions

The high cost of housing can be reduced by a number of methods including:

- Non profit sponsor projects eliminate the profit margin.
- Joint venture projects by non profit and for profit sponsors gain tax benefits which reduce overall costs.
- Lower income units in mixed projects with market rate units are more economical to produce.
- Land write downs and air rights projects over private and public properties reduce site acquisition costs.
- Lower interest rates for projects with low and moderate income units will reduce finance and carrying costs.
- Density bonus for low and moderate income housing; the increased densities reduce the per unit cost.
- Reduction of the parking requirements for lower income or other units for which households depend on public transit.
- Construction of "micro" units for single room occupancy households (SRO's) and other small size units will reduce the per unit cost.

These measures can be used in combination to reduce the subsidy needed to construct affordable housing.

^{*} Rental housing constructed by a non-profit housing organization, assuming rent will be equal to 30% of household income.

C. AVAILABILITY OF FINANCING

Interest rates over the last few years have been reasonably good for market rate housing construction in both owner occupied and for rent multi unit projects. This lending climate is expected to remain fairly stable over the next few years.

Affordable housing projects depend on the availability of financing from lending institutions, community reinvestment activity, direct public funding sources and the availability of tax exempt bond financing for single and multi unit developments.

A number of the larger lending institutions headquartered in San Francisco have set up special funds for community reinvestment purposes. Those loans are at a fair market rate of return and based on sound lending practices. This source of funding requires that lending institutions be socially responsible to lower income communities by financing community based rehabilitation and new construction activity. A consortium of lending rehabilitations have formed the California Community Reinvestment Corporation institutions have formed the California Community Reinvestment Corporation for the express purpose of pooling funds for lower income affordable housing developments. This source of loan monies will be available for the first time in San Francisco beginning in 1990.

Lending institutions are expected to expand their financing of affordable housing projects as a result of recent amendments to the National Community Reinvestment Act of 1977. Beginning in July of 1990, banking institutions are required to determine the credit needs of the community they serve and to report what they will do to meet that need. In addition, the new legislation requires that the loan activity be reported by household income, race, sex and requires that the loan activity be reported by household income, race, sex and requires tract. The National Comptroller of the Currency Administration of by census tract. The National Comptroller of the Currency Administration of National Banks will be evaluating their community lending activities.

Another important source of financing affordable housing construction is single family and multi unit tax exempt bonds. In the past the City has made extensive use of tax exempt bond financing to reduce interest rates on new housing projects. With the adoption of the 1986 tax legislation, the use of tax exempt bond financing has become more restrictive, less attractive to tax exempt bond financing has become more suitable for non-profit housing private for profit developers, and more suitable for non-profit housing developers.

The Mayor's Office of Housing is preparing to issue a \$35 million single family bond this summer which would finance about 300 low and moderate income units. The authority for issuing tax exempt bonds is due to expire in September of 1990. City representatives will be lobbying the U.S. Congress to extend this important source of affordable housing financing.

Other local sources of funding include direct funding from the general fund, development impact fees such the City's Office Affordable Housing Program, City Hotel Tax Funds, CDBG Community Development Housing Funding Programs, and Redevelopment Tax Increment Funds, and increases in the real estate transfer tax.

D. GOVERNMENT CONSTRAINTS

This section reviews City Master Plan policies, Planning and Building Codes, and development procedures and requirements to evaluate their impact on the City's ability to respond to its housing needs.

Government Regulations

San Francisco housing policy in the 1980's has encouraged residential development and housing preservation and has led to the adoption of a number of amendments to the City Planning Code, including (1) requiring housing above commercial or neighborhood commercial and other special mixed use housing development districts, (2) adoption of rezoning controls which protect existing residential densities, (3) rezoning of commercial, industrial, and publicly owned sites to residential use, (4) permitting affordable housing to exceed the basic floor area ratio in downtown office development districts, and (5) permitting higher densities in adopted affordable housing development districts.

Residential developments are required to comply with City Planning Code regulations related to permitted land uses, densities, lot size, heights, open space, setbacks, design, and parking requirements. Residential development is a principal permitted use in all residential and commercial use districts. Buildings over 40 feet in height in residential districts require an conditional use approval. In industrial districts, residential developments require Conditional Use (CU) permit approval because of the concern over possible conflicts between existing industrial uses and new residential

Project sponsors must obtain appropriate building and City Planning permits to assure that certain standards are met. Residential projects deviating from these standards or raising important planning or environmental concerns are subject to greater scrutiny under permits for conditional use approval, variances, discretionary review, rezonings, planned unit development approval, and environmental impact review. Those special permits take longer to process because they require greater study and analysis, notification, public hearings, and approval by the City Planning Commission or Zoning Administrator. Approval of such permits may be subject to certain conditions or mitigation requirements.

By definition these regulations are "constraints" in that they impose limitations or requirements on development. However, these regulations have been carefully worked out over the years to deal with problems associated with development. Without these regulatory controls even greater constraints resulting from public opposition to development - be they moritoria, growth limitations, or whatever - would likely result. Viewed in this light, the regulations are not considered to be constraints. Conditional Use permit review of mixed use (including residential projects) in industrial areas provides greater scrutiny to insure that such projects are not incompatible with existing industrial uses, and that potential conflicts are mitigated. CU permit approval involves City Planning Commission review and a public hearing. Conditional Use permit approval generally takes longer than principally permitted uses projects which are permitted "as of right" without City Planning Commission review, provided

they meet all applicable Planning Code requirements and no Discretionary Review is required. In recently adopted area plans, residential developments are permitted "as-of-right" in previously zoned industrial areas determined to be suitable for residential development, unless they exceed 40 feet in height.

Projects subject to Conditional Use approval require that a determination be made as to whether the proposed project is necessary and desirable, compatible with and not detrimental to the area with respect to size, shape, traffic, parking, noise, open space, design, and other features, and that the project is consistent with City Planning Code and Master Plan policies.

The adoption of Proposition M by voter initiative in 1986, requires that new residential developments be reviewed for consistency with Master Plan priorities to conserve and protect existing housing and neighborhood character. These policies strive to resolve potential conflicts between new construction and existing neighborhood character.

These various requirements take additional time to administer and can add to the cost of the project. Some of the rules could be simplified to facilitate housing development. However, many of the rules and discretionary processes are necessary to gain acceptance of housing in the proposed locations and at the proposed densities.

Various regulations regarding design quality affect cost and therefore can be a constraint on affordable housing construction. Review processes do take into account cost considerations in reviewing affordable housing projects and do allow various cost cutting measures in the design. On the other hand, the processes are also based on the recognition that a cheap and badly designed project will affect neighborhood acceptance of affordable housing projects.

2 Permit Processing

Delays in processing building permits are largely due to the volume and complexity of residential permits. Changes in public policy have required much greater staff scrutiny of all permit regulations to insure appropriate building scale and adequate public review. There also has been an increase in the number of permit applications for residential construction and alterations without a commensurate increase in staff to process these alterations without a commensurate increase in staff to process these permits. This has resulted in backlogs in new construction permits, permits. This has resulted in backlogs in new construction permits, commission approval.

If the permit is incomplete, inaccurate, inappropriate or appealed, a substantially greater delay results. Projects requiring City Planning Commission review typically take six months to be heard, variance applications take about nine months to be heard and building permits take from one month to three months.

The Department of City Planning has recently taken a number of steps to improve permit processing, including: filling staff vacancies and adding new positions in permit processing, allocating overtime pay to reduce the backlog, improving certain steps in permit application information

submittals, providing management level assistance to the Zoning Administrator, reorganizing staff sections to create more space for permit review staff, and creation of a management Permit Process Improvement Group with representatives from City agencies and citizen organizations. A process for expediting the review of earthquake-related repairs and new construction was developed in response to the October 17, 1989 earthquake. These steps was developed the backlog for applications not requiring environmental have eliminated the backlog for applications not requiring environmental evaluation or a hearing before the City Planning Commission or Zoning Administrator.

More resources are needed to improve the permit process. There is currently pending a permit fee increase that would fund additional staff that would eliminate all backlogs and provide a computerized permit information system.

3. Building Permit Review Fees

The Department of City Planning and the Bureau of Building Inspection require fees for building permits based on a project's cost of construction. Fees for permit applications range from \$32 for an alteration costing \$500 and not requiring planning review, to \$4,396 for new construction costing \$500,000. The higher the cost of construction, the higher the fee, but the lower the fee as a percent of the total cost of construction. For example, the planning and building permit fee is 2.5% of a project costing \$10,000, 1.3% for a project costing \$100,000, and only .7% for a project costing one million.

Generally, a project requires only a building permit. However, some projects also require additional permits such as Conditional Use, Demolition or Coastal Zone permit, or may require other actions such as Zoning Variances, Zoning Reclassification, Subdivision, and Environmental Evaluation, for which the payment of an application fee is required.

The application fee for permits for Conditional Use and Coastal Zone Permits and for Variances and Environmental Evaluation are based on the cost of construction. The table below provides an example of various fees.

TABLE 57

SAMPLE OF PERMIT FEES BASED ON CONSTRUCTION COST
1990

| Construction Cost \$ | Building <u>Permit</u> | _ | ity Planning lan Check | Condi Varia | tional Use, nce. Coastal | | ironmental <u>luation</u> |
|--|---------------------------|------------------------------------|----------------------------------|----------------------|-------------------------------------|----------------|-----------------------------------|
| \$ 10,000 \$ 50,000 \$ 100,000 \$ 500,000 \$ 1,000,000 | \$ 7,1 | 208 \$ 736 \$ 133 \$ 516 \$ 273 \$ | 45 105 180 780 1,530 | \$ \$ \$ \$ | 275 446 566 1,526 2,726 | \$ \$ \$ | 160 228 313 993 1,843 |

The fees collected generally cover only a portion of the Department's cost to review applications. The fees charged are in line with those charged by other cities of comparable size. Some project fees in San Francisco may be slightly higher than in other less densely populated Bay Area cities because of the complexity and extensive public review which is required in San Francisco. Permit fees do add to development costs but they are not seen as a significant constraint on housing development. Development projects by non-profit housing organizations are exempt from City Planning permit fees pursuant to City Planning Code Section 351(e), 360(g) and 361(c).

Other new construction fees include: water and sewer hookup and school fees. Water hookup costs depend on the meter size and the property's location. The standard minimum cost is \$1,700 for single family homes. Sewer hookup permit fees averages about \$250 for site inspection and permit processing. School fees for residential construction are based on \$1.58 per square foot of habitable space. Additions of less than 500 square feet and senior housing projects are exempted. These fees are consistent with state guidelines for school fees."

4. Building Code Standards

Various building code provisions add to the cost of construction and thereby act as a constraint on building development. The code provisions are based on considerations of safety. However, there may be alternative less costly ways to achieve the same level of safety. For example, local amendments to the State Uniform Building Code (UBC) make housing construction in San Francisco in certain situations more economical to build. For example, a recent amendment to San Francisco's Building Code permits four stories of less costly wood frame construction over ground floor garage with sprinklers. State regulations permit only three stories of wood frame San Francisco Building Code also permits fire escapes for certain required exits, whereas the UBC does not. Parapet requirements for residential wood frame construction are waived in San Francisco if the roof is constructed entirely of non combustible materials. Local amendments also permit wood frame on a concrete podium up to a height of 50 feet if fire truck access to the podium is provided.

5. Infrastructure Standards

The City imposes various on and off-site infrastructure improvements on new development whenever such improvements do not already exist. The various standards for street widths, curbing requirements and circulation improvements have been carefully developed over the years and are not believed to be excessive or to impose undue burdens on development. standards that apply citywide and they conform to the developed pattern of the City. Given the densities at residential land is developed in San Francisco these infrastructure costs, even when born by the developer, represent a relatively small cost per unit and are not deemed to be a constraint.

E. RESOURCES TO MEET CURRENT AND FUTURE HOUSING NEEDS

There are a number of potential approaches to meeting the housing needs. These are listed here to illustrate the broad range of options. The programs described in the implementation section of the Residence Element have drawn from this list although not every approach has been adopted nor is every proposed program listed here

.1. Jobs/Housing Balance

Develop programs that will increase housing production to be able to house new San Francisco workers in San Francisco.

Promote employment of existing San Francisco residents in major new job creating projects. This reduces the number of jobs going to commuters if more housing is not built in San Francisco and reduces the need to provide housing for these commuters.

Promote transit first policies to reduce auto commuting resulting from job

Tie permitted job growth directly to housing production rates.

2. Availability of Sites

Rezone Commercial Industrial areas to residential use.

Upzone to permit increase housing densities in selected areas.

Facilitate the use of second units in selected districts.

Rezone, acquire, and develop surplus public lands.

Require a housing component with all major new office developments

Adopt minimum development standards to assure that commercial sites are not underutilized and that the housing potential is maximized.

Housing Affordability

- Create a land banking program of land acquisition for future affordable housing developments.
- Relax minimum lot sizes, and parking requirements for affordable housing. Eliminate all permit fees for permanent lower income affordable housing.
- Provide additional staff resources to facilitate and expedite projects, including community and design review; provide interdepartmental coordination and review of complex affordable housing projects.

Allow use of alternative building design and construction materials where appropriate and not in conflict with health and safety standards.

Monitor housing production to determine whether a variety of housing types are produced to meet the City's family, rental and other housing needs.

Require that all districts of the City provide for a fair share of the City's low-and moderate income housing need.

- Require replacement of housing units demolished due to public or private
- Create a property tax exemption or lower rates for affordable housing.
- Provide greater funding for non-profit housing organizations to acquire residential hotels and other buildings which can be rehabilitated or reused for lower income households.

Rezone undeveloped subareas in a manner which requires that a percentage of the units be for low-and moderate income households.

Establish a local housing trust fund and increase local private sector participation in financing low-and moderate income housing rehabilitation

Coordinate inspection/enforcement activities for existing housing with

information and technical assistance on rehabilitation resources.

Utilize the city's capital improvement program to target needed infrastructure improvements in areas proposed for affordable projects.

Provide density bonus or other incentives for projects with a certain

percentage of lower income units.

Enact programs to conserve subsidy termination units as affordable.

Availability of Financing

Require a housing component in all new major office developments. Seek more participation by churches, labor unions and other institutions.

- Work with lending institutions on community reinvestment.
- Organize and utilize local and regional mortgage investment pools.

Establish a Housing Trust Fund.

5. Government Constraints

- Create a "one-stop" consolidated permit processing center and expedite the time it takes to process a building permit. Prioritize the review of
- Allocate more planning staff to Residence Element implementation programs.
- Provide better public information on the availability of affordable lower income housing.

VI. ENERGY CONSERVATION

Energy costs constitute 3% to 4% of the total housing cost for San Francisco moderate income households. Lower income households pay a larger share of their income for utilities (8% to 18% of income) and consume a disproportionately higher amount of utilities because these residents tend to live in buildings with poor insulation and old inefficient appliances.

In 1983 the City enacted the Residential Energy Conservation Ordinance. The Ordinance required the installation of energy saving measures upon sale or comprehensive inspection of the property, such as ceiling insulation, caulking/weatherstripping, heating duct and pipe insulation, and water heater insulation blanket and water flow devices. It is estimated that these energy saving devices reduce energy costs by 15% to 20%. A total of about 147,000 residential units have participated in the program, and have resulted in an energy savings of over five million dollars.

The average energy cost (gas and electricity) per household was \$530 per year in 1989. This was a slight decrease from \$542 per year in 1984. The fact that average per household energy consumption has remained the same or decreased slightly is reflective of increased energy conservation and preservation by San Francisco utility users. The City also has adopted energy conservation measures applying to the stock of residential hotels, requiring minimum and maximum heat standards and installation of energy efficient devices.

VII. COASTAL ZONE HOUSING

The City's entire western shoreline is within California's coastal zone area. The coastal zone boundary includes about 30 residential blocks fronting near the shoreline. California State Regulations require that the Residence Element detail new construction and demolition activity occurring along the California Coastal Zone.

Except for 110 residential units which are under construction on the vacant parcel 3 of the Ocean Beach development, there has been little new construction, demolition or conversion in the coastal zone since 1985.

Within the larger census tract areas fronting the coastal shoreline (about 150 blocks), new construction in infill sites has averaged about 9 units per year and demolition has averaged about 2 units per year.

TABLE 58

COASTAL AREA¹⁾ NEW CONSTRUCTION AND DEMOLITION ACTIVITY 1980 to 1988 FOR CENSUS TRACTS 479, 352, 354, 604

| New Constr | uction ¹⁾ | Demoliti | Demolition | |
|--------------|----------------------|--------------|------------|--|
| # Structures | # Units | # Structures | # Units | |
| 48 | 91 | 22 | 24 | |

Footnotes:

- 1) The residential area within the designated coastal zone boundary is about one-fifth the size of the residential area contained in the census tracts reported.
- 2) Excluding the Ocean Beach residential development at the former Playland site. This project is listed here separately.

 PHASE I: 100 Market rate units completed in 1982

 PHASE II: 83 Section 8 units completed in 1983

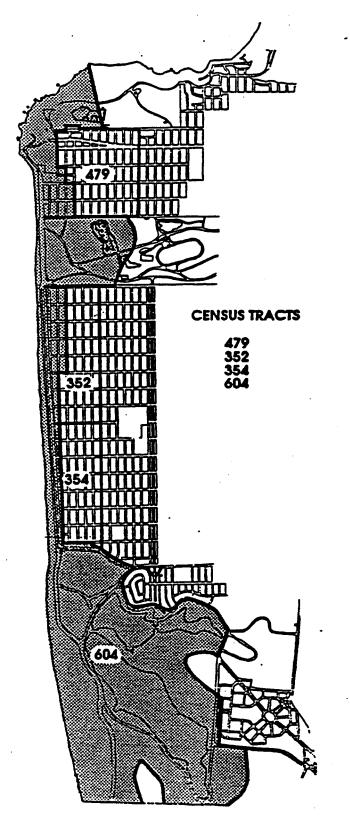
 PHASE III: 110 Market rate units under construction

Residential development in the coastal zone must conform to City Planning Code density requirements. Development projects in the coastal zone also are required to apply for a coastal permit and are reviewed for consistency with Western Shoreline Master Plan policies regarding housing preservation and affordability policies contained in the Western Shoreline Plan (Objective II, Policies 1-4), and Proposition M policies, which aim to preserve the City's supply of affordable housing.

In addition, new construction and demolition permits are reviewed for consistency with Article 10 of the California Government Code which requires that affordable lower income units converted or demolished in the Coastal Zone Area be replaced on a one-for-one basis and that new housing developments, where feasible, provide housing units for persons and families of low or moderate income.

COASTAL ZONE





MAP 3

PART TWO OBJECTIVES AND POLICIES

INTRODUCTION

This Part II sets forth objectives and policies regarding housing.

It is through the implementation of these objectives and policies that the city will be addressing the problems and needs identified in Part I. Part III will present the implementation program to be undertaken over the next five years.

PRIORITY MASTER PLAN POLICIES

The Master Plan (Introduction pages (iii) and (iv) establishes two policies of particular relevance to this Residence Element. They are

- that the city's supply of affordable housing be preserved and enhanced
- that existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

These policies provide the general theme on which the Residence Element is based. These policies are to be given priority and are to be the basis upon which inconsistencies in this Element and other parts of the Master Plan are resolved.

SUPPLY OF NEW HOUSING

OBJECTIVE 1.

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT GROWTH.

New housing, particularly permanently affordable housing is required to help meet the City's housing needs, as identified in Part I. New housing is needed to reduce homelessness, to accommodate projected new population growth, to improve the jobs/housing balance so that fewer holders of new San Francisco jobs will have to live outside the city and commute to work, to increase the vacancy rate and thereby reduce the pressure on rents, and to meet the needs of particular existing population groups not adequately housed in the existing stock.

New residential development must be of a character and stability that preserves the city's neighborhoods and maintains the quality of life for existing and future residents. The issue centers on how to accommodate new residential development without jeopardizing the very assets that make living in San Francisco desirable.

To insure balance in development and change in San Francisco, the City should apply various growth management techniques to encourage residential development in areas where it can be accommodated and discourage it where it cannot. The City should use its zoning and related land use controls, and guidelines, environmental review processes, policies of the Master Plan and

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area plans, the capital improvements program and various financial programs to deal with issues of how much and where residential development should occur.

Over the last fifteen years, the City's employment growth has far exceeded the supply of affordable housing and thus created a significant jobs/housing imbalance within the City. In essence, not enough new affordable housing has been constructed in the City to meet the needs of the expanding workforce. On the other hand, a modest surplus in the most expensive housing has occurred.

The jobs/housing imbalance has particularly harmed lower-income households who are unable to compete in the housing market as demand for, and the cost of, housing has escalated. The most serious aspect of the jobs/housing imbalance is the unavailability of housing in the City for those households which are defined as low and very-low income.

Although San Francisco will maintain an overall jobs/housing imbalance because it has historically developed as an employment center, the City must make new efforts to balance future employment growth and the supply of housing. In particular the City should meet the housing goals proposed by the Association of Bay Area Governments (ABAG) which have been adopted as part of this Element. These goals require that the City absorb a greater percentage of new workers in San Francisco than has been the trend for the last fifteen years. The ABAG goals call for new housing of suitable affordability which would reduce by half the number of new workers who would have to live outside the City and commute to work because of the housing shortage in the City.

The primary means by which the City has addressed the jobs/housing balance in the past have been through housing mitigation under the Affordable Housing Production Program and through efforts to increase employment of San Franciscans in newly-created jobs as provided by Section 164 of the Planning Code. To the extent that these programs do not meet the jobs/housing balance goals of this element, the City should adopt new programs to meet the housing needs. As a first step, the City should aggressively carry out the intent of Section 164.

Policy 1-1

Promote development of permanently affordable housing on surplus, underused and vacant public lands.

The opportunities for development of housing, particularly permanently affordable housing, on public property should be aggressively pursued. The City owns a number of sites which are underused. In some cases the air rights of these sites may be made available for housing without interfering with their current public use. Housing over public parking, transit facilities or water storage facilities are examples of such joint use. When City property is no longer needed for the purpose for which it was acquired and if it is not needed for some other public purpose (such as open space and recreation land); it should be rezoned and sold or leased for development of permanently affordable housing. The City may also be able to make some of its properties outside City and County limits available for housing. The City can also acquire surplus federal and state property to be disposed of by sale or lease, if funds are available. Development of publicly owned or controlled sites in redevelopment areas designated for housing should be expedited.

Policy 1-2

Facilitate the conversion of underused industrial and commercial areas to residential use, giving preference to permanently affordable housing uses.

Opportunities exist for major new residential development in certain areas close to downtown. New housing can be provided there without significant displacement of existing residential units or commercial or industrial activity. In some areas entire new residential neighborhoods can be created or are in the process of being created. In others, housing can be introduced on vacant or underused sites adjacent to sites which are and will remain in active commercial or industrial use. Live-work space for artists may be a particularly appropriate use to provide a buffer between commercial or industrial space and residential areas. Map 3 identifies a number of such areas where partial or total conversion to residential use would be appropriate.

Policy 1-3

Create incentives for the inclusion of housing, including permanently <u>affordable</u> housing in commercial developments.

Mixed residential/commercial building development near the heart of downtown would provide needed housing and add vitality to an area that lacks life at night and on weekends. Existing incentives should be maintained and new ones created to encourage housing and live-work space in the downtown area except in the retail and financial districts.

Policy 1-4

Locate infill housing on appropriate sites in established neighborhoods.

In established neighborhoods new housing construction should be located:

- On vacant sites which are not designated for open space.
- On sites where nonconforming uses have been terminated.
- On transportation corridors.
- On street rights of way no longer needed for streets or open space.
- Above lower level retail uses in neighborhood shopping districts.
- On sites with buildings that cannot feasibly be rehabilitated or brought to acceptable levels of seismic safety.

Policy 1-5

Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower income households.

Secondary units ("in-law" or "granny" units) are smaller dwelling units within a structure containing another much larger unit, frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors and others who, because of modest incomes or lifestyle, prefer or need small units at relatively low rents. Neighborhood acceptance of secondary units should be encouraged in areas where off-street parking can be provided (it could be tandem parking) and where the secondary unit can be installed without adversely affecting the exterior appearance of the building, or, in the case of new construction, can be accommodated within the permitted building envelope. Secondary units should also be limited in size to control their impact.

Policy 1-6

Discourage development of new housing in areas unsuitable for residential occupancy, or on sites containing existing housing worthy of retention.

Certain sites, because of their location or existing use, are not appropriate for new residential development. The City should discourage, and, in some instances, prohibit the development of new housing:

- On sites which should be acquired for open space.
- In areas of severe geological hazard (as indicated in the Community Safety Element) unless the hazard can be compensated for through building design and construction.
- In areas where prior use has contaminated the soil, unless the hazard can be economically mitigated.
- In areas of high transportation noise levels (as indicated in the Environmental Protection Element) unless the noise can be compensated for through building siting and design.
- On sites where the use of adjacent properties is incompatible with residential use.
- On sites which should be reserved for future "high-job-yield" uses. As proposals are made to rezone such sites or to approve residential uses, consideration will be given to the land needs of existing and future uses which provide economic vitality and employment opportunities, while satisfying the City's need to accommodate additional housing.

- On sites where the development would require demolition of an historically significant building.
- On sites where the development would require demolition of existing sound or rehabilitable residential units, particularly units suitable for households with children or lower income level households.

Policy 1-7

Obtain assistance from office developments and higher educational institutions in meeting the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

New or expanding commercial activities in the city increase the city's employment base. These new jobs are important to the residents of the city and of the Bay Area, and contribute to the continued economic vitality of the region. The workers filling these jobs need housing. Similarly, educational institutions provide needed services and contribute to the intellectual and cultural life of the city. At the same time, their non-resident student body must be housed. Both office developments and educational institutions should assist in meeting the City's housing needs by contributing in some manner to the provision of additional housing.

Policy 1-8

Encourage construction of new single room occupancy residential hotels.

San Francisco has a relatively large stock of older residential hotels, but little experience in new construction. Other cities have demonstrated that it is possible to provide small but good quality units for single persons. Existing regulations with respect to densities, provision of kitchen facilities and parking do not facilitate the creation of SRO hotels. The regulations should be modified and appropriate sites and sponsors for SRO hotels should be developed.

HOUSING DENSITY

OBJECTIVE 2.

TO INCREASE THE SUPPLY OF HOUSING WITHOUT OVERCROWDING OR ADVERSELY AFFECTING THE PREVAILING CHARACTER OF EXISTING NEIGHBORHOODS.

In order to maintain the city's livability, new housing developments should, as a general rule, reflect the predominant intensity level of the surrounding neighborhood. The lot pattern and building bulk should relate to surrounding properties, and the potential number of residents and amount of activity generated should not overly congest the surrounding area. In cases where a density bonus is granted to facilitate the provision of affordable housing, the new housing should use design and other techniques to improve compatibility with its surroundings. Neighborhood groups, the developers and the City should work together to create acceptable design.

Policy 2-1

Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character.

In establishing allowable residential densities, consideration should be given to the prevailing building type in the surrounding area, so that new development is not incompatible with existing scale and character. Established architectural characteristics should be respected. Prevailing densities should be exceeded only when it is clear that, because of the specific location and design of the project, the existing scale and character of the neighborhood will not be disrupted.

Policy 2-2

Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are permanently affordable to lower income households.

Moderate to high densities presently exist in established residential areas adjacent to downtown and should be maintained. As areas adjacent to downtown and commercial and industrial areas are rezoned for housing densities should be established which are consistent with this policy.

Some neighborhood commercial districts, which already contain substantial amounts of housing, may be able to handle increased residential density without generating additional traffic and parking problems if (i) they have a reduced need for auto ownership because their proximity to transit, work, shopping, and other services can attract residents who do not use automobiles, or (ii) anticipated parking demand can be accommodated on-site in new development or in community parking facilities. In these cases increased density should be encouraged.

Policy 2-3

Allow flexibility in the number and size of units within permitted volumes of larger multi unit structures, especially if the flexibility results in creation of a significant number of dwelling units that are permanently affordable to lower income households.

Traditionally in San Francisco housing density standards have been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. This method of calculating density encourages larger units and is particularly appropriate for lower density neighborhoods consisting primarily of one or two-family dwellings.

In other areas, which consist mostly of taller apartments and which are well served by transit, the density might more appropriately be controlled by the volume of the building rather than number of units. Here the building envelope, as established by height, bulk, set back, parking and other Code requirements, would fit the maximum residential square footage which could be sub-divided into a greater number of smaller units or a smaller number of larger units.

Policy 2-4

Adopt specific zoning districts which conform to a generalized residential land use and density plan and the Master Plan.

Applying policies under this Objective 2 results in land use and density patterns shown on the accompanying Generalized Residential Land Use Plan and Density Plan Maps. Specific zoning use districts should conform generally to these maps, although minor variations consistent with the general land use and density policies may be appropriate. They should also conform to the other objectives and policies of the Master Plan.

The Generalized Residential Land Use Plan provides for five density categories:

TABLE 59

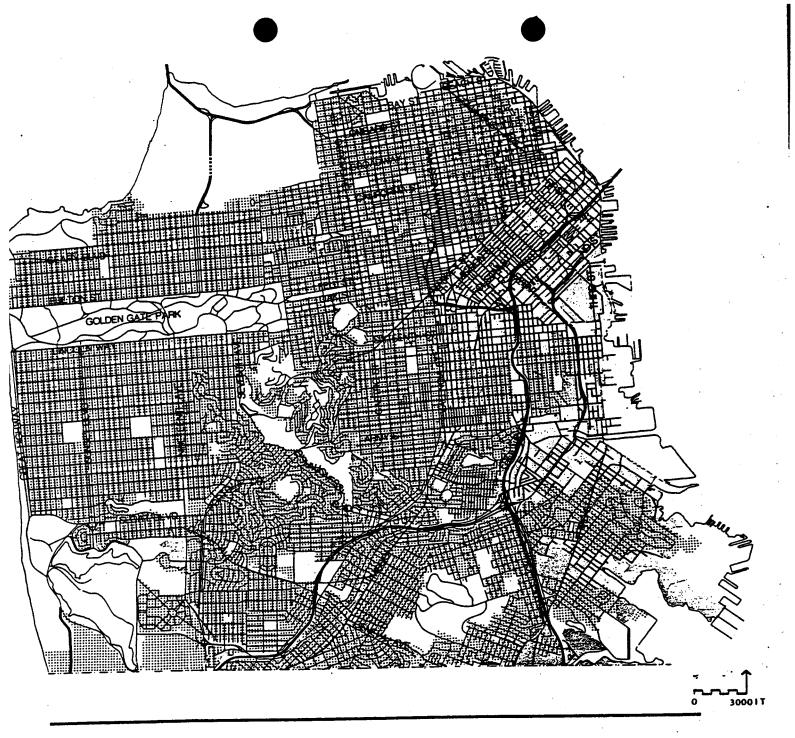
POTENTIAL RESIDENTIAL AND POPULATION DENSITY BY ZONING DISTRICTS

| Classifi- cation | Zoning Districts | Average Units <u>Per Acre</u> | Average Persons <u>Per Acre</u> * | General Location |
|---------------------|---------------------|-------------------------------------|---|--|
| Low Density | RH-1 | 14 | 24–31 | Appropriate in areas for single families, located predominantly in the southern and western parts of the city. |

POTENTIAL RESIDENTIAL AND POPULATION DENSITY (cont'd) BY ZONING DISTRICTS

| Classifi- <u>cation</u> | Zoning <u>Districts</u> | Average Units <u>Per Acre</u> | Average Persons <u>Per Acre</u> * | General Location |
|----------------------------|--|-------------------------------------|---|--|
| Moderately Low Density | RH-2 RH-3 MB-R-1 | 36 | 64–94 | Appropriate in the central hills areas, along Diamond Heights, Twin Peaks, and Potrero Hill, around Golden Gate Park in the Richmond, and northern part of the Sunset districts and in the Marina district and the edges of Mission Bay bordering open space areas. |
| Medium Density | RM-1, C-1, C-2 M-1, M-2 NCD, MB-R-2 | 54 | 118 | Appropriate for nonresidential commercial and industrial districts, and certain areas adjacent to the commercial zones and the central area in Mission Bay. |
| Moderately High Density | RM-2, RM-3 RC-2, RC-3 MB-R-3 | 91 | 160-240 | Appropriate for the more intensively developed northeastern part of the city, for major transit corridors such as Van Ness Avenue, Upper Market Street and Columbus Avenue, in major redevelopment areas such as the Western Addition and the Golden Gateway areas, in Nob Hill, Chinatown, and North Beach, and the edges of Mission Bay bordering commercial and industrial areas. |
| High Density | RM-4, RC-4 C-3, C-M | 283 | 475–760 | Appropriate for certain areas in the northeastern part of the city, including downtown districts as well as heavy-commercial districts. |

^{*} Based on city-wide average household size of 2.19. See Map 5.



GENERALIZED RESIDENTIAL LAND USE PLAN

MAP 4

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RESIDENTIAL RH, RM Districts

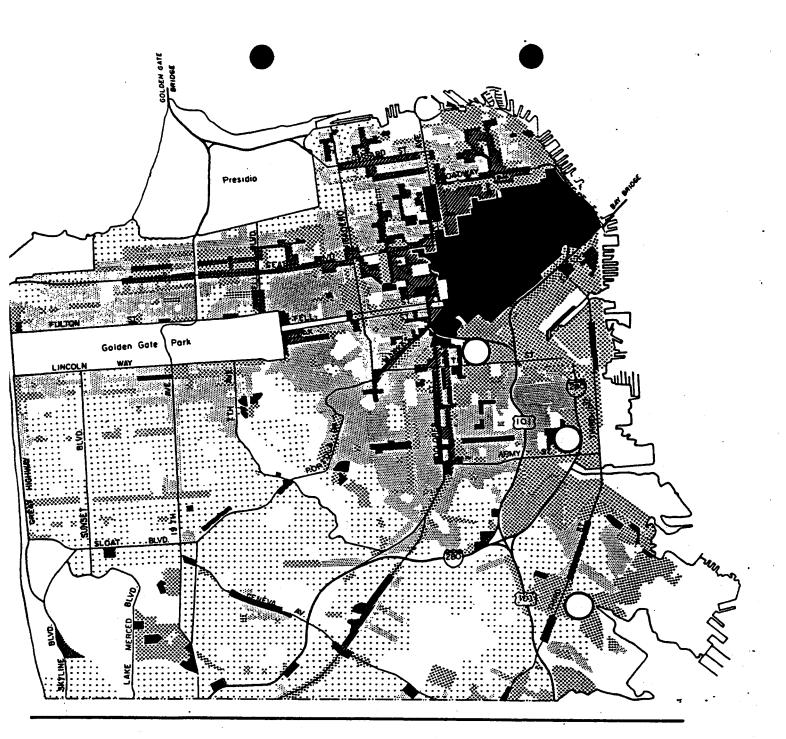
MIXED USE Predominantly Residential RC Districts



MIXED USE

Commercial/Residential/Industrial

PUBLIC/OPEN SPACE P, OS Districts



RESIDENTIAL DENSITY PLAN

LOW DENSITY
Average 14 Units Per Acre

MODERATELY LOW DENSITY Average 36 Units Per Acre

MEDIUM DENSITY
Average 54 Unit Per Acre

AREAS PROPOSED FOR REZONING (Appropriate densities will be determined in the rezoning studies.)

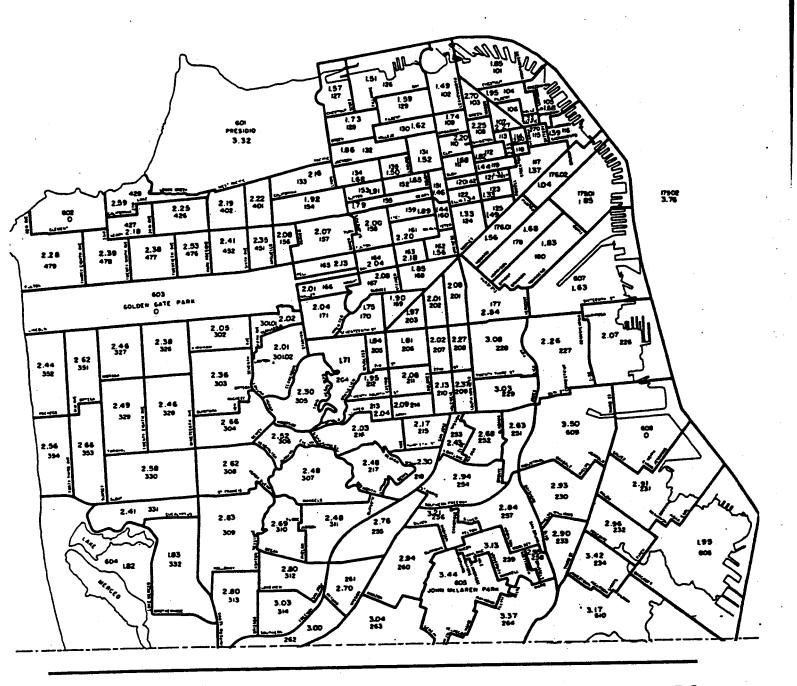
MAP 5

11/1/

MODERATELY HIGH DENSITY Average 91 Units per acre.

HIGH DENSITY Average 283 Units Per Acre

PUBLIC AREAS



1980 CENSUS HOUSING Mean Number of Persons Per Unit

MAP 6

RETENTION OF EXISTING HOUSING

OBJECTIVE 3.

TO RETAIN THE EXISTING SUPPLY OF HOUSING.

The existing housing stock is the city's major source of inexpensive housing. It is virtually irreplaceable given the cost of new construction and smaller public budgets. Priority should be given to retention of existing units as a primary means to provide affordable housing.

Policy 3-1

Discourage the demolition of sound existing housing.

Demolition of existing housing generally results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly and are frequently condominiums rather than rental units. Demolition often results in displacement of residents, causing personal hardship and relocation problems. The City should take appropriate steps to discourage demolition of existing housing that is sound or capable of rehabilitation, particularly where those units provide an affordable housing resource.

Policy 3-2

Control the merger of residential units.

The merger of units - combining two dwelling units into one - occurs rather infrequently and has not resulted in a substantial reduction of the housing supply. Mergers should be considered on a case by case basis and approved or rejected on their individual merits.

However, because the critical shortage of affordable housing, the merger of units should not be approved if it would change the rent-control status of a building. If an existing tenant household is displaced, relocation benefits and moving expenses should be provided.

Policy 3-3

Consider legalization of existing illegal secondary units where there is neighborhood support and the units can conform to minimum Code standards of safety and livability and the permanent affordability of the units is assured.

It has been estimated that there are in excess of 20,000 housing and live-work units built without permit. They often exceed allowable densities, do not provide for requisite parking, and do not meet minimum standards of safety and livability. Nevertheless these units constitute a major source of affordable housing and their loss would cause great hardship.

Proposals to allow legalization of secondary units under certain conditions and for certain occupancies have been made over the years, but have not been adopted because of neighborhood opposition. In the meantime units are eliminated through abatement proceedings (largely originated by complaints) and additional units are created without permit. Efforts should continue to develop an approach with the affected neighborhoods to deal with the problems created by these units, without substantially reducing their number or adversely affecting their affordability.

Policy 3-4

Restrict the conversion of rental housing to condominiums or other forms of tenure or occupancy.

Conversion of existing rental apartment buildings to condominiums, stock cooperatives or tenant in common ownership depletes the supply of the City's most affordable housing stock. It also brings into conflict two desirable goals — expansion of homeownership opportunities and preservation of the existing rental housing stock. Conversions expand the number of units available for purchase but they do so by reducing the number of units available for rent once owners wishing to occupy evict existing tenants. In the process, existing and future tenants who cannot or do not wish to buy can be deprived of housing opportunities. Conversions should not result in a shift in the balance between ownership and rental housing. During periods when the demand for rental housing is high yet new market rate construction of rental units is relatively low, new construction should provide the majority of homeownership opportunities in multi-unit buildings. Condominium conversions should be regulated by ordinance in such a way as to:

- Preserve a reasonable balance between ownership and rental housing in San Francisco by providing for an annual limitation on the number of units which may be converted in any one year;
- Promote the meaningful expansion of homeownership opportunities for existing tenants and prevent the displacement of existing tenants by requiring a high degree of tenant intent to purchase their rental unit as a condition of approval;
- Reduce the impact of such conversions on non-purchasing tenants who
 may be required to relocate by providing procedures for relocation,
 and providing for the reimbursement of costs resulting from such
 relocation;
- Prevent the displacement of elderly and disabled tenants by assuring them of extended leases to remain in their units subsequent to conversion;
- Assure that purchasers of converted housing have been properly informed as to the physical condition of the structure offered for purchase;

- Prevent the effective loss of the City's low and moderate income housing stock by requiring sales price limitations on those units proposed for conversion which are found to be part of the low or moderate income housing stock;
- Expand the supply of the City's affordable housing stock by providing that a minimum of ten percent of the units in any condominium conversion subdivision be made permanently affordable, allowing construction of an equivalent number of such units elsewhere or in-lieu payments into a City Housing Development Fund.
- Provide for continuing affordability requirements on resales of units sold at below market prices.

Rental apartment buildings are also converted to owner occupancy through tenant-in-common purchases of the building and eviction of the tenants, which is permitted for owner occupancy. Regulations similar to the condominium conversion regulations should be adopted to deal with tenant-in-common purchases.

Policy 3-5

Prohibit the conversion of rental housing to time share, corporate suite or hotel use.

Use of large older apartment buildings for time sharing or corporate suites in effect converts these units to something more like a hotel than an apartment for permanent occupancy. There has also been a trend to convert small apartment units near downtown to hotels. Use of apartments in this way should be prohibited so that these rental units are not lost as a housing resource for San Francisco residents.

Policy 3-6

Restrict the conversion of housing in commercial and industrial areas.

Many parts of San Francisco were developed before there were zoning regulations which strictly separated various types of land uses. As a result there were many thousands of housing units built in areas which also contain industrial and commercial uses and which have since been zoned industrial or commercial. Most of these housing units are sound or rehabilitable and are relatively inexpensive. They represent a significant portion of the city's affordable housing supply and would be very difficult to replace. Yet, in many of the areas in which such housing is located, it would be profitable to convert to a non-residential use.

In neighborhood shopping areas, conversions of upper floor housing units to non-residential use should be subject to conditional use review. Under such review, the desirability of retaining the housing can be weighed against the public benefits to be gained by the alternative use. As a general rule, conversion should be allowed only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial

district. Similarly, in Downtown commercial districts conversions to non residential use should be subject to conditional use review.

Enclaves of housing within industrial areas of the city should be protected by residential zoning so that conversion cannot take place. However, the continuation of residential uses on scattered and isolated lots within developed industrial areas may be in conflict with legitimate industrial needs. Here conversion should be a conditional use so that the specific industrial need can be weighed against the need to conserve housing.

Policy 3-7

Preserve the existing stock of residential hotels.

Residential hotels represent a unique and often irreplaceable resource for many thousands of lower income elderly and disabled households. Most of these hotels are close to downtown and many are subject to strong economic pressures leading to conversion or demolition. As San Francisco has grown as a tourist center many of these hotels have been converted to tourist use, either permanently or during the tourist season. Some hotels have been demolished and replaced with other uses. The retention of these units as housing for permanent residents should be encouraged.

Residential hotels located in predominantly residential areas should be protected by zoning which does not permit commercial or tourist use. In non-residential areas, conversion of units to other uses should not be permitted or be permitted only where a residential unit will be or has been replaced with a comparable unit elsewhere.

For those hotels which are operated as mixed tourist/permanent resident hotels, better enforcement is needed to assure that the availability of the hotel for permanent residential occupancy is not diminished.

SEISMIC SAFETY

OBJECTIVE 4

TO REDUCE THE RISK OF BODILY HARM AND LOSS OF HOUSING IN AN EARTHQUAKE.

Policy 4-1

Build new replacement housing to compensate for the affordable housing rendered uninhabitable by the October, 1989 earthquake.

Replacement of the affordable housing units lost as a result of the Loma Prieta earthquake, at comparable rental levels, should be pursued aggressively.

Policy 4-2

Reduce seismic hazards in unreinforced masonry buildings without reducing the supply of affordable housing.

San Francisco has 21,000 residential units in 770 unreinforced masonry buildings. Because of the way these buildings were constructed (the walls are not adequately reinforced and the floors are not adequately tied to the walls) they are very vulnerable to damage or collapse in an earthquake. Most of these buildings are located South of Market, in the Tenderloin, Chinatown, and along the Bush Street and Van Ness Avenue corridor. Half of the units are in residential hotels which are predominantly occupied by persons of relatively low incomes.

The City should set standards for improving the safety of these buildings which will reduce loss of life in an earthquake while minimizing financial hardship and dislocation to owners and residents. and set a timetable for meeting the standards

The potential magnitude of displacement depends on the level of seismic upgrading to be required. The risk of bodily harm has to be balanced against financial hardship and the hardship of displacement and the loss of affordable housing.

The new regulations should provide incentives for retention of existing housing. Safeguards and financial assistance should be provided to avoid displacement of existing tenants. Where relocation is unavoidable financial and other assistance should be provided. When demolition is required, the City should assure provision of new replacement housing at rents comparable to previous levels in numbers necessary to maintain the affordable housing supply.

Policy 4-3

Improve the seismic stability of existing housing.

In addition to unreinforced masonry buildings, there are many other residential buildings which are also vulnerable to damage in an earthquake. In many cases, relatively inexpensive measures such as bolting frames to foundations and installing shear walls when needed can be undertaken by property owners. The City should take steps to facilitate these safety precautions.

HOUSING CONDITION

OBJECTIVE 5.

TO MAINTAIN AND IMPROVE THE PHYSICAL CONDITION OF HOUSING WHILE MAINTAINING EXISTING AFFORDABILITY LEVELS.

Over two thirds of San Francisco housing is more than fifty years old. As the city's housing stock ages it becomes increasingly important to maintain it in sound physical condition. Slum clearance projects of the past were in part necessitated by failure to keep up the quality of housing. Much private reinvestment in and renovation of the city's older housing, particularly of Victorians, in recent years has replaced the need for some of the kinds of direct public intervention that were required in the past. Even so there is a continuing need for housing rehabilitation. In addition, care must continue to be taken to detect incipient decline in housing quality and to take steps to arrest it once detected. The City should monitor those areas of the city where a decline in housing quality might be expected to occur and take appropriate remedial steps where necessary.

Policy 5-1

Assure that existing housing is maintained in decent, safe sanitary_condition at existing affordability levels.

The City should ensure that residential units continue to meet the standards of the housing code by periodic inspection of apartments and hotels and response to complaints. Code compliance activities should be designed to minimize the financial hardship which required rehabilitation may impose on those unable to pay increased rent. Low interest and deferred payment loan programs should be targeted to benefit low and moderate income tenants. Rent regulations should provide sufficient incentive to the owner to maintain a building in good condition.

Policy 5-2

Promote and support voluntary housing rehabilitation which does not result in the displacement of lower income occupants.

Land use regulations should maintain their strong preservation orientation and act as an incentive to rehabilitation of existing housing, as well as a guide to new development. The City should establish other means, such as provision and maintenance of public improvements, to act as incentives for housing maintenance and rehabilitation. Neighborhood conditions should be monitored and in areas where housing is being under-maintained, appropriate measures, such as counseling and provision of loan funds, should be taken quickly to arrest deterioration.

Policy 5-3

Assure correction of serious continuing code violations and loss of housing

Where there is a refusal to correct serious but remediable violations, the City should make the repairs and recover the costs by liening the property. In aggravated cases the buildings should be placed in City receivership. Public assistance should be provided to maintain affordability levels.

With respect to Code enforcement in hardship cases compliance with full requirements should be deferred to the extent legally permissible if all life safety hazards are abated. In particular, the City should extend the period allowed for code compliance to avoid potential displacement of low- or moderate-income households until replacement housing can be found.

Policy 5-4

Maintain and improve the existing supply of public housing.

The San Francisco Housing Authority is the largest landlord in San Francisco and is one of the few sources of permanently affordable housing for low income households. Operating subsidies and modernization funds provided by the Federal government have not been adequate to keep this housing in sound condition. Increased Federal support, innovative local financing techniques, condition measures (such as weatherization to reduce fuel costs), and cost reduction measures all required to maintain and improve this valuable supply of affordable housing.

A nonprofit "Friends of Public Housing" should be established to seek grants for innovative renovation and management programs.

Long-range plans for public housing should be developed including identifying opportunities for potential mixed income infill development where consistent with overall social goals.

Policy 5-5

Preserve landmark and historic residential buildings.

A priority policy of the Master Plan is that landmarks and historic buildings be preserved. (See Introduction, page iv) Preservation of these buildings is important to the character and quality of the city's neighborhoods. They also are important housing resources. Many have larger units particularly suitable for families with children. More specific policies for these buildings are contained in the Historic Preservation Element.

AFFORDABILITY

OBJECTIVE 6

TO IMPROVE THE CITYWIDE AFFORDABLE HOUSING DELIVERY SYSTEM.

Policy 6-1

Reorganize and coordinate governmental activity related to affordable housing

In order to insure that the City's housing policies and programs are effectively coordinated to generate the maximum results in addressing San Francisco's housing problems, a Housing Coordinating Group should be established under the direction of the Deputy Mayor for Housing and Neighborhoods. It should include all of the various City agencies involved with housing, including: the Mayor's Office of Housing; the City Planning Department; the Redevelopment Agency; the Housing Authority; the Bureau of Building Inspection; the City Attorney's Office; the Rent Stabilization Board and the Human Rights Commission.

A centralized process should be established under the Deputy Mayor for the application and evaluation of all housing development proposals requiring financial assistance. Consolidation of technical staff to achieve coherence and eliminate duplication of activity should be considered.

Policy 6-2

Expand affordable housing capacities of community based non-profit organizations.

Community— and constituency—based nonprofit housing development corporations have proven to be effective vehicles for development of affordable housing. The City should provide them with the technical and financial means to increase their production capacity. New community—based nonprofit housing development corporations should be established in areas which are underserved.

Policy 6-3

Improve the planning review and approval process and give priority to permanently affordable housing projects.

The planning review and approval of affordable housing projects should be improved. Delays are costly and frustrating. Without diminishing public participation, the administrative processing and approval of affordable housing should be expedited through administration action, local legislation and if necessary State legislation including:

- Shortening of time periods for environmental review under the California Environmental Quality Act (CEQA);
- Preparing program EIRs for area plans and rezonings in sufficient detail to eliminate the need for subsequent project EIRs on residential projects.

- Streamlining and consolidating the public hearing process and avoiding duplicative discretionary hearings and appeals;
- Prioritizing plan check and other administrative processing through the Planning Department, Bureau of Building Inspection, Redevelopment Agency and other public agencies with respect to applications for affordable housing projects;
- Adopting neighborhood dispute resolution methods to minimize administrative appeals and judicial challenges of projects, and consequent time delays, and to mitigate neighborhood resentment and opposition to affordable housing projects;

Priority in processing should be given to projects that include affordable housing.

Policy 6-4

Create greater public awareness of the affordable housing problem and support for affordable housing.

Affordable housing projects are frequently stalled or killed because of community opposition. Greater public awareness of the affordable housing problem and potential solutions is needed to gain public support. Past affordable housing developments should be evaluated and their actual achievements documented and publicized. Any continuing problems these developments have created should be analyzed and appropriate corrections made in future developments. Neighborhood based affordable housing and implementation should be initiated as a means to gain public acceptance.

OBJECTIVE 7.

TO INCREASE LAND AND IMPROVE BUILDING RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING.

Policy 7-1

Create more housing opportunity sites for permanently affordable housing.

Publicly owned land represents a major potential source of sites for affordable housing. Except where required for other public purposes, public land in conjunction with other financial subsidies should be committed to permanently affordable housing development. Sites which are suitable and can be made available for residential development should be identified. The evaluation should include options for joint development or relocation of current facilities to other sites. Zoning controls should be established for the sites which will maximize affordable housing on them. Priority should be given to immediate development of those public sites where 100% permanently affordable housing is achievable.

Large and privately held land parcels should also be identified and actively promoted for affordable housing. New programs should be established to acquire land and appropriate buildings for land and building "banking" in advance of specific project proposals.

Underutilized nonresidential land primarily on the eastern side of the City should be rezoned to residential use, with requirements, incentives and bonuses which are consistent with appropriate height and bulk for the areas to achieve affordable housing. In the rezoning of nonresidential land to residential use the goal should be to achieve the provision of a minimum of 10% permanently affordable units for all residential development containing more than 10 units. Program EIRs should be developed for those areas with sufficient detail to eliminate need for subsequent project EIRs on residential projects.

Strategic housing development areas should be identified where city initiative, similar to that taken on the Sixth Street corridor, may be required. Mixed use or multiple site development can accomplish neighborhood improvement through balanced housing and economic development. These areas might include, for example:

- Select public housing sites
- Farmer's Market area
- Bayview/Third Street Corridor
- Various commercial districts along transportation corridors

Policy 7-2

Include affordable units in larger housing projects.

Inclusion of affordable housing should be required as a condition of approval of housing projects containing 10 or more units which seek Planning Commission

approval as conditional uses or planned unit developments. As a general guideline, a minimum of 10% of the units should be affordable. The exact number of units should be determined on a case-by-case basis depending on the amount of private benefit conferred to the developers as a result of the discretionary approval. Approvals conferring large benefits would be conditioned on a greater housing affordability component. Less significant approvals would be conditioned on lower housing affordability requirements.

As an alternative to providing affordable units on site, the units could be provided, at the City's discretion, in another project in the same general area or an in-lieu cash contribution could be made to the City's affordable housing fund. The in-lieu contribution should be based on the amount of subsidy determined by the Mayor's Office of Housing to be required to produce a unit meeting the affordability standards.

Policy 7-3

Grant density bonuses for construction of affordable or senior housing.

A response should be developed by the City to the State Law which calls for adoption of an ordinance permitting a 25% density bonus for projects which provided 20% of the units for lower-income households, 10% of the units for very-low-income households, or 50% of the units for senior citizens.

Policy 7-4

Promote more economical housing construction to achieve affordable housing.

The planning, building and other construction-related codes influence the price of new housing and the cost of maintaining existing housing. The City's codes should be reviewed regularly to ensure that standards and requirements do not unduly restrict needed housing development or unnecessarily increase the cost of housing. In administering codes, departments should regularly evaluate whether standards can be modified, without sacrificing quality and safety, to aid in lowering the cost of new housing. In particular, economies of construction could be improved by maximizing the ability to construct medium density housing in wood frame construction, up to five stories in height, in areas where the height limit would allow it.

Policy 7-5

Encourage energy efficiency in new residential development and weatherization in existing housing to reduce overall housing costs.

Energy saving features such as orientation or window placement to optimize passive solar heating and use of natural daylight, can be "designed in", at little or no additional cost. Often features which add to the initial cost of a structure are highly cost-effective in terms of the life cycle or operating costs of the residential unit. For example, weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and lower overall housing costs. These approaches should be pursued.

Policy 7-6

Encourage industrialized housing production techniques where such techniques result in compatible quality of design at lower cost.

At its best industrialized housing uses high technology and mass production techniques to reduce costs without sacrificing quality of design. Industrialized wood construction techniques used in lower density housing and light-weight prefabricated, pre-stressed concrete construction in moderate and high density housing have the potential of producing great savings in construction time and cost. The use of these and similar techniques should be encouraged.

Policy 7-7

Allow construction of unconventional housing types that reduce cost, if quality can be maintained.

Prefabricated mobile homes can be a valuable source of low cost housing. Their use as temporary, emergency or transitional shelter on otherwise unutilized sites should be explored.

Reduction of minimum lot size requirements which would allow smaller structures on smaller lots should also be considered as a means of providing low-cost housing.

OBJECTIVE 8.

TO EXPAND FINANCIAL RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING.

Policy 8-1

Enhance existing revenue sources for permanently affordable housing.

Existing financial programs, including Federal and State low-income tax credits and various HUD programs should be maintained at maximum levels. Extensive lobbying efforts at State and Federal levels need to be carried out to protect the existing programs and create new ones. Joint metropolitan/statewide efforts to allow more creative revenue resources should be supported.

A comprehensive City financial and debt management system to raise additional funds or reduce debts for affordable housing should be established.

Policy 8-2

Create new sources of revenue for permanently affordable housing.

New revenue sources are needed if the City is to make a significant dent in the need for affordable housing. There are a number of potential sources.

Incremental tax revenues in Redevelopment project areas can be used for affordable housing. The Redevelopment Agency has a policy of allocating at least 50% of its increment funds for low and moderate income housing construction or renovation.

A major source of new revenue to the City which could be allocated to affordable housing is the real estate transfer tax. The current tax rate is much lower than some other counties in the Bay Area. Increasing this tax and devoting much of the increased revenue to preservation of affordable housing (see Objective 10) and to new affordable housing development should be given high priority.

The Seismic Rehabilitation Program funds should be supplemented with locally generated funds for seismic and code related rehabilitation. A general obligation bonds issue may be warranted. Technical assistance should be given to building owners in packaging tax credits and utilizing other State and Federal financial programs.

The requirements of the Office Affordable Housing Production Program, whereby new office development is obligated to assist in the production of housing, should be reassessed periodically to determine their adequacy and appropriate adjustments should be made.

Policy 8-3

Provide new mechanisms to assure long-term financing for permanently affordable housing.

Voter approval should be sought for a guaranteed annual commitment to an affordable housing fund similar to the commitment that has been made to the Open Space Acquisition Fund for development and maintenance of open space. A commitment of \$30,000,000 per year, for a period of 12 years would be desirable.

The feasibility of establishing a Housing Finance Agency with the ability to raise revenue from various sources for exclusive use for affordable housing and land banking, should also be explored.

Policy 8-4

Develop greater investment in and support for affordable housing programs by corporations, churches, unions and financial institutions.

Greater corporate investment in and support for affordable housing should be developed. Churches are an untapped source of funding, as are dozens of local foundations. The AFL-CIO is seeking ways to use pension funds to invest in new housing developments built by union labor. The San Francisco Development Fund is working with the Federal Reserve Bank to create a local affordable housing mortgage pool, similar to SAMCO which operates statewide. The Mayor's office should serve as a coordinator, mobilizing the efforts of private and non-profit sectors.

Financial institutions are required by the federal government to have community reinvestment programs. This provides a potential source of financing for non profit sponsored low and moderate income housing development.

OBJECTIVE 9.

TO IMPROVE THE FOCUS OF AFFORDABLE HOUSING PROGRAMS.

Policy 9-1

Employ uniform definitions of permanent affordability.

The following definitions of affordability should be used uniformly for all developments providing affordable housing and existing ordinances with different standards should be brought into compliance.

| | Maximum Income | Goal for Average Incomes |
|--------------------|----------------|--------------------------|
| Rental Programs | | |
| Low Income | 80% of Median | 60% of Median |
| Very Low Income | 50% of Median | · |
| Ownership Programs | 120% of Median | 100% of Median |

Using HUD income categories the maximum rental and ownership amounts for each income category should be computed annually.

Median income figures are reported by the U.S. Department of Housing and Urban Development for the three county area comprised of San Francisco, Marin and San Mateo, referred to as the Central Metropolitan Statistical Area or (CMSA), imposed on San Francisco, Marin, and San Mateo. Average incomes are higher in Marin and San Mateo than they are in San Francisco, thus giving an upward bias to the numbers. The City should develop median income figures for San Francisco alone. Until that can be done a compensating factor should be built into the city's programming for affordable housing. This has been done, for example, in rental projects in which the city is providing subsidy (land or financing or both) where the affordable rental units are required to average 60% and not exceed 80% of the CSMA median.

Policy 9-2

Make affordable housing permanently affordable.

Affordable housing units which are created by various city actions should be required to remain affordable for as long a period as is legally permissible. The necessity of such requirement is underscored by the magnitude of the potential loss of existing HUD-financed affordable rental units which had a 20 year period for continuance of below market rents. In the past, locally assisted units have been required to remain at affordable rental rates or sales prices for periods as short as ten years. As the experience with expiring HUD contracts indicates, expiration dates arrive all too soon and a problem thought to be solved becomes a problem again. Most recently, 50 year terms have been imposed by the City. If legally permissible, an even longer term should be required.

Policy 9-3

Establish affordable housing priorities which emphasize the needs for very low income housing.

In order to assure that the best use is made of limited affordable housing tools and resources, the following priorities for their use should be established and followed.

Priorities:

- Resources should be allocated on a priority basis to the preservation and improvement of the existing financially subsidized affordable housing stock.
- An increase in the construction of new affordable housing should be pursued.
- The development of mixed income housing and integration of special user housing into conventional housing should be promoted to achieve social and cultural diversity.
- A minimum threshold of local financial assistance should be maintained to address the most urgent housing needs as follows:

Transitional and permanent housing for the homeless

Renovation and improvement of Public Housing

Unreinforced masonry buildings housing very low income households

- Adequate programs in cooperation with State and Federal agencies need to be developed to assist HUD sponsored housing with expiring subsidies.
- Goals for development of housing resources to meet the needs of special users should be established. (See Objective 13, Policy 3.)
- The application of physical accessibility standards to as many affordable housing developments as is feasible should be promoted.
- Occupancy criteria should be developed which insure that special housing unit types are occupied by the intended user group.
 Preference should be given to households with dependent children in rental or sale of multiple bedroom units.
- Codevelopment of appropriate support facilities, along with affordable housing should be promoted. Childcare facilities at or near location of multifamily developments and in conjunction with upgraded public housing should especially be promoted.

OBJECTIVE 10.

TO PROTECT THE EXISTING AFFORDABILITY OF HOUSING.

Policy 10-1

Preserve affordability of existing affordable units.

Over the years, the city has in certain instances required the provision of affordable housing units as a condition of approval of a project. However. aggressive monitoring and enforcement are needed to assure the continued availability of these units. An affordable housing monitoring program with an adequate fee system to financially support all monitoring costs should be established. Monitoring of all affordable housing conditions should be centralized. Standard affordability restrictions which allow for effective monitoring and enforcement should be developed. Stiff penalties for non-compliance should be created to provide strong economic disincentives against loss of required affordable housing units. City housing agencies and the City Attorney's Office should devote adequate resources to monitor compliance and administer sanctions against non-compliance. Adequately funded new programs are needed for enforcement of violations which are removing affordable housing units.

Policy 10-2

Protect existing buildings at risk of losing their subsidies or being converted to market rate housing.

A number of subsidized housing projects were created with federally supported programs with fixed terms, which are about to expire or be subject to early terminations. There are problems both with termination of mortgages and with termination of Section 8 rent subsidies. Twenty seven low income rental projects have been identified as being subject to termination of federal mortgage and/or rent subsidies through 1995. These projects contain 3,725 housing units. Federal legislation is currently pending which would extend Section 8 subsidies affecting up to 2,000 of these units. Such legislation has been focussed on short term extensions, making local action necessary.

In order to prevent the loss of affordable housing resulting early termination of HUD mortgages, a residents and/or non-profit ownership and management program to acquire existing "at risk" buildings should be created. The City can facilitate such acquisition through technical and financial assistance, and by potential regulation of fair return price, and establishment of right of first refusal by qualified tenant associations or non profits. In terms of tenants who lose Section 8 subsidies, the City should establish priorities for their relocation in new locally assisted developments.

Regulatory measures should require sufficient notice to tenants on intended prepayment and/or termination of HUD mortgages of assisted housing developments to allow consideration of tenant purchase. Public hearings should be required on owners' plans, number of affected units, current and proposed rents and schedules. Findings on these issues should be forwarded to the Board of Supervisors. Other appropriate measures to be taken include

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legislative advocacy both at a State and Federal level to preserve subsidies and mitigate losses, educational and information efforts and active monitoring by the City of projects where owners have indicated intent to convert.

Given the magnitude of the cost to preserve existing subsidized housing, the success of a local strategy will be dependent upon federal resources and regulatory requirements.

Policy 10-3

Ensure equal access to, protection for, and affirmative marketing of affordable housing.

The enforcement of Fair Housing Access laws should be supported to prevent discrimination against minorities, special users, the poor, immigrants, and non-traditional households. Periodic reporting on the composition of resident populations in various publicly supported housing projects and affordable units required as a condition of permit approval should be required to facilitate compliance monitoring. Counselling and education to maintain housing rights should be promoted.

The State and Federal Housing Requirements regarding displacement prohibitions, and other restrictions where affordable housing rehabilitation or construction might impact the community should be adopted as City policy. An Affirmative Action Fair Marketing Plan should be adopted such as the H.U.D. program to advertise available affordable housing in multilingual media. The City should monitor and strictly enforce these requirements. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by undeserving parties. Community forums including the Human Rights Commission should be provided in order to diffuse unwarranted opposition to affordable housing.

Policy 10-4

Safeguard tenants from excessive rent increases while assuring landlords fair and adequate rents.

In recent years various pressures on the limited housing supply have resulted in substantial increases in rent levels causing displacement and economic hardship to those unable to pay those rent increases. As long as these pressures continue, a regulatory process should be maintained which stabilizes rent levels and protects tenants from excessive rent increases and arbitrary eviction while at the same time allowing the landlord a fair rent and sufficient incentive to maintain housing quality. This regulatory process should include provisions that prevent excessive rent increases when units become vacant, thereby reducing the incentive for landlords to pressure tenants to vacate so rents may be raised.

OBJECTIVE 11

TO ACHIEVE AFFORDABILITY THROUGH VARIOUS FORMS OF OWNERSHIP.

Policy 11-1

Encourage non-profit and limited equity ownership and management of housing.

Housing owned by non-profit corporations whose specific purpose is to provide decent shelter to low and moderate income households can be an effective means of providing affordable housing. Similarly, conversion of buildings by their tenants to limited equity cooperatives and condominiums can stabilize and, as general housing prices increase over time, can lower housing costs. The City should encourage these forms of ownership.

Policy 11-2

Support new affordable ownership programs.

The American dream of homeownership is beyond the reach of most San Francisco households. The City should take steps to deal with this problem. For example, first-time homebuyer programs, including development of a second mortgage loan pool or other appropriate mechanisms to assist buyers meet down-payment requirements, should be broadened.

NEIGHBORHOOD ENVIRONMENT

OBJECTIVE 12.

TO PROVIDE A QUALITY LIVING ENVIRONMENT.

Housing quality involves not only the physical condition of housing structure itself but also the condition of the surrounding neighborhood and the adequacy of its amenities, facilities, and services. Proper housing development must also address these matters.

Policy 12-1

Assure housing is provided with adequate public improvements, services and amenities.

Many factors add to neighborhood livability, including the quality of schools, the availability of quality, affordable child care, the effectiveness of police and fire services, and access to open space and recreational opportunities. Regular maintenance of streets and sidewalks, provision of street trees, and protection of residential areas from excessive traffic, are also important to neighborhood life. Good design of buildings can add amenity to the neighborhood. All of these factors should be addressed by the City in providing its residents a quality living environment.

Policy 12-2

Allow appropriate neighborhood-serving commercial activities in residential areas.

Certain non-residential uses are desirable and appropriate in residential areas. For example, small pedestrian-oriented grocery stores and other convenience shops, can meet frequent and recurring needs of residents without disrupting the residential character of the area. On the other hand, other types of non-residential uses are noisy, or unattractive, or generate excessive traffic, and therefore would be undesirable in residential areas.

Commercial uses should be allowed in residential areas only if they meet the following criteria:

- The use is primarily pedestrian-oriented.
- The use serves the needs of the immediate residential neighborhood and does not draw significant trade from outside the neighborhood.
- The use does not displace a unit suitable for residential occupancy.
- The use does not disrupt or detract from the livability of the surrounding neighborhood.
- There are no suitable locations in immediately adjacent neighborhood commercial areas.

- The design of the building is in keeping with the established residential character of the area, and all signs are carefully regulated.
- Truck traffic servicing the use is minimized, and truck delivery hours are restricted.

Community services such as child care centers are particularly appropriate in residential areas, even though they may draw from a larger area and may not be primarily pedestrian-oriented.

Non-residential use, if essential to the preservation of a landmark building, could be also be permitted if the specific use is compatible with the surrounding environment.

Policy 12-3

Minimize disruption caused by expansion of institutions into residential areas.

The expansion needs of institutions often conflict with efforts to preserve and protect the scale and character of residential neighborhoods. Large educational, religious, and medical institutions attract people from outside a neighborhood, aggravating traffic and parking problems. Institutional buildings also tend to be larger in scale and more intensely used than surrounding residential buildings. In addition, institutional expansion often requires removal of housing and displacement of residents.

To minimize the disruption caused by expansion of large institutions, the City should carefully review expansion plans. The needs of adjacent residential areas for housing, on-street parking and safe, quiet streets should be considered, in addition to the needs of the institution. Educational and medical institutions should be required to develop and submit master plans to the City, before the City reviews any specific expansion requests. Such a master plan should define long-term and short-range development plans of the institution. Early review of institutional development plans will permit exploration of alternate ways to address the needs of the institution in order to minimize potential conflicts with the residential area.

Policy 12-4

Promote construction of well designed housing that conserves existing neighborhood character.

Residents of San Francisco should be able to live in well designed housing suited to their specific needs. To ensure that housing provides quality living environments and complements the design character of the surrounding neighborhood, the following general design and amenity guidelines should be applied in evaluating new residential developments and alteration of existing buildings.

RESIDENTIAL PROJECTS

Exterior Appearance

- Design new and substantially altered buildings in a manner which conserves and protects neighborhood character (See "Residential Design Guidelines", Department of City Planning, November 2, 1989 for more specific guidelines and illustrations.)
- Relate the form and architectural character of new and substantially altered buildings to the general scale and character of surrounding buildings.
- Orient dwelling units and dwelling unit entrances to the street.
- Encourage articulation of the building facade through use of set backs, bay windows, cornice details, entry details and other variations in horizontal or vertical planes.

On wide frontages, provide architectural variety by breaking up the facade into modules whose widths are in keeping with surrounding buildings. Make each module architecturally distinctive through such techniques as changes in facade articulation, in roof forms or cornice treatments, in the shape and location of garage and residential entries, in window forms and patterns, and in materials and ornamentation.

- Finish the rear facade and all visible sides of the building in materials similar in quality and appearance to those of the front facades.
- Relate set backs to the set backs of nearby buildings.
- Avoid disruptive intrusion into a well defined interior block open space.
- Incorporate "good neighbor" gestures minor changes in building form that reduce loss of light, views and privacy.
- Minimize the number and width of garage doors and curb cuts.
- Enclose parking and screen it with solid garage doors, active uses (such as unit entries and occupied rooms), solid walls and landscaping. Minimize openings for ventilation and locate so that driveways and maneuvering and parking areas within the structure, and their light sources, are not visible from the street and to the extent possible from nearby buildings.
- Landscape set backs and relate the type of landscaping to that of adjacent properties.
- Install street trees, if none exist.

Recreation/Open Space

- Provide adequate on-site usable open space.
- Relate the type, amount and location of open space to the types of households expected to occupy the building. (See Figure 9, "Residential Open Space Guidelines" in the Recreation and Open Space Element, Page 1.3.49 for more specific guidelines.)
- Provide convenient access from interior living areas to the open space.

Facilities

 In larger projects, include needed facilities such as storage facilities, laundry facilities, community rooms for provision of day care and group activities, and facilities for recycling of waste materials.

Environmental Factors (sunlight, topography, noise, climate)

- Expose all units to natural light.
- Insulate units from the intrusion of exterior and interior noise.
- Relate building construction to the topography, geology and climate of the area.
- Apply energy conservation measures in the design of the building.
- Protect the access of nearby parks and open space to sunlight and vistas.

Security

- Incorporate concepts of security in the design of the building, especially in the number of units per entrance, sense of personal space and ability of the residents to effect self-policing of the grounds and immediate surroundings.
- Provide adequately lit unit numbers (addresses) which are easily read from the street or circulation ways.

Art Work

 In larger projects, incorporate art work in the exterior of the building or its common open space.

<u>Lot Layout</u>. (Larger subdivisions and planned unit developments)

- Provide a lot layout and pattern that integrates well with the urban fabric of the surrounding area.
- Create a street pattern which ties into surrounding streets.
- Avoid creating dead end streets and cul de sacs where it is possible to create through streets.
- On wide blocks, create midblock lanes that function as public streets.
- Create pedestrian passageways to provide convenient circulation within the project and convenient connections to areas outside the project.
- Create a lot or building pattern that orients the fronts of buildings to, and creates multiple building entries from the street.
- Avoid perimeter walls and driveways around projects.
- Avoid creating overly wide streets and sidewalks. Provide sidewalks wide enough to accommodate street trees.
- Underground utilities.
- Provide sites for convenience shopping facilities to serve the residents of the immediate vicinity if such facilities do not exist nearby.
- Provide sites for childcare facilities to serve residents of the immediate vicinity if such facilities do not exist nearby, or if nearby facilities are at or near capacity.

Policy 12-5

Relate land use controls to the appropriate scale for new and existing residential areas.

In recognition of the special character of single and two family neighborhoods, zoning envelopes should be tailored to the prevailing built pattern to maintain the low density character. In all other new and existing residential areas, the zoning envelope should be of an appropriate scale and form to encourage residential development and diversity of housing choice.

Policy 12-6

Modify proposed developments which have substantial adverse environmental impacts or otherwise conflict with the Master Plan.

Proposed new developments receive environmental evaluation which analyzes their likely environmental impacts. Projects with substantial adverse environmental impacts should be considered in conflict with the Master Plan, in the absence of substantial and overriding social or economic factors. The environmental review and project review processes should be closely coordinated to result in development plans with no substantial adverse environmental impacts or other Master Plan conflicts.

ACCESSIBILITY

OBJECTIVE 13.

TO PROVIDE MAXIMUM HOUSING CHOICE.

Population diversity is one of San Francisco's important assets. To retain this diversity, a variety of housing opportunities should be available. Households should be able to choose the form of tenure most suitable to their needs, from either a rental or an ownership housing stock. A variety of unit sizes is also important, so that both larger and smaller households can be accommodated in adequate numbers. Units of varied costs are necessary to provide opportunities for households of different income levels. Finally, there should be units with special features suitable for households with special needs.

Social and economic factors can discriminate against certain population groups and limit their housing opportunities. Racial minorities face constraints as to where they can live, leading to patterns of economic and racial segregation. Families with children are constrained by the types and sizes of units available to them; suitable units tend to be limited by erosion of the older housing stock and discriminatory rental practices. Standard housing units with special features for elderly and handicapped persons are in short supply as is space for artists who live and work in the same unit. If San Francisco is to retain its economic, racial and cultural diversity, opportunities should be expanded for population groups for whom affordability and accessibility are crucial.

Policy 13-1

Prevent housing discrimination based on age, race, religion, sex, sexual preference, marital status, ancestry, national origin, color, disability, health (AIDS/ARC), source or amount of income, citizenship or employment status as a family day care provider.

To insure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. In particular, the Human Rights Commission should immediately implement the 1987 amendments to the City's Fair Housing Law by promulgating appropriate regulations to handle complaints of housing discrimination. Moreover, residential apartment owners should be prohibited from using arbitrary income requirements which unnecessarily exclude lower income families. The City should make use of opportunities in its interaction with community groups, businesses, and other agencies to eliminate housing discrimination.

Policy 13-2

Promote adaptability and maximum accessibility of residential dwellings for disabled occupants.

Disabled San Franciscans are less able to compete for scarce housing units, in

part because so many are not physically accessible to them and in part because the disabled often have lower than average incomes. The City should take an active role in expanding the availability of units suited to households with special needs. Congregate housing with central eating facilities is an appropriate form of housing for some elderly households. In accordance with local policy and applicable law, new housing should be made accessible or adaptable to the disabled. "Accessible" means that the housing presents no physical barriers to handicapped people. "Adaptable" means housing whose entry and circulation are designed and constructed so that the unit can be made fully accessible by making relatively minor adjustments and additions rather than structural changes.) The goal should be that at least 10% of all new units are made fully accessible.

Policy 13-3

Increase the availability of units suitable for special user groups with special housing needs including large families, the elderly, and the homeless.

In addition to the disabled, other households with special needs have difficulty finding suitable housing in San Francisco. Many large families, newly immigrated to the United States, are crowded into units designed for much smaller households. The large number of single parent and two working parent households makes the provision of childcare facilities an important component of family housing developments. New housing construction should include units to accommodate large families, which should be the subject of affirmative marketing efforts by the developer. Many of the City's elderly citizens occupy housing which is not designed to meet their special needs. Shelters and transitional housing facilities are not available in sufficient numbers to meet the needs of the city's homeless population. The psychiatrically disabled need housing with additional support services. The City should take an active role to encourage the expansion of the availability of housing units suited to needs of these groups including physical design features and ancillary social and medical service facilities.

The City should adequately support efforts by potential sponsors to identify and develop sites and buildings for special users and promote cooperative effects between social service agencies and housing providers to develop special user housing. The City should also seek to reduce institutional barriers to development of innovative forms of housing.

When units are constructed or rehabilitated to meet the needs of special user groups and have received City support or waivers, there should be monitoring to assure that such units continue to be occupied by the intended group.

The City should encourage and support development of unique (unconventional) housing types which meet the particular needs of various user groups. For example, live work units in industrials areas, with large work spaces and loft sleeping facilities are particularly suited to the needs of some artists and artisans.

Policy 13-4

Eliminate discrimination against households with children.

Households with children often have difficulty in finding suitable housing because many landlords do not want children as tenants. The City should prohibit discrimination against children and encourage the construction of units suitable for families with children. In assisted housing, households with dependent children should have preference in rental or resale of multiple bedroom units. The City should implement the 1987 ordinance prohibiting residential apartment owners from discriminating against families based on household size unless occupancy of the dwelling by a family of that size is not permitted by the Housing Code.

Policy 13-5

Encourage economic integration in housing by ensuring that new permanently affordable housing is located in all of the City's neighborhoods, and by requiring that all new large market rate residential development includes affordable units.

Patterns of economic segregation are evident in San Francisco. Although housing opportunities for low- and moderate-income households are available in many areas of the city, they tend to be concentrated in a few areas. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas of the city. The affordability of housing is a city wide problem. All neighborhoods of the city should be expected to accept their fair share of affordable housing.

Private reinvestment in many areas of the city, in a process of economic gentrification, is resulting in displacement of low- and moderate-income households by higher income groups. Special efforts should be made to maintain the economic diversity of these areas.

Policy 13-6

Provide adequate rental housing opportunities.

Since approximately two-thirds of San Francisco's residents are renters, the availability of sound rental housing is of major importance, especially for the young and elderly population, who tend to rent, rather than own, their residence. Low vacancy rates and high rents are indicators of a continuing demand for rental housing.

Ihe public sector should make a concerted effort to do what is within its control to encourage the development of affordable rental housing and to ensure that there is an adequate supply.

Policy 13-7

Expand opportunities for home ownership without significantly diminishing the supply of rental housing.

The City should work to expand opportunities for owner-occupancy of housing and develop special programs to facilitate home ownership for households of varied income levels.

It is important that households be ready and able to assume the financial and management responsibilities of home ownership. To protect housing purchasers, the City should explore establishing such safeguards as presale inspections for all property transfers and should encourage home ownership counseling services.

Policy 13-8

Amend regulations relating to group housing to ensure a distribution of quality board and care, adult day care facilities and single room occupancies.

Older large buildings and formerly commercially occupied spaces may be suitable for conversion to group housing. Because of the availability of certain types of residential buildings and services in certain parts of the city, board and care and adult day care facilities have tended to become concentrated in those areas. Applications for new facilities may continue to reinforce these concentrations unless they are carefully reviewed. It is desirable that group housing and board and care homes be distributed throughout the city so that people are offered a choice of locations and over-concentration of facilities in particular neighborhoods is avoided. However, the Federal fair housing laws prohibit limitations on board and care facilities and group homes to the extent that these limitations diminish housing opportunities for disabled persons and families with children. Adult day care facilities which allow disabled or elderly persons to live and home but receive daily support, should be located close to their clients. In reviewing applications for board and care homes and adult day care facilities. the following factors should be among those evaluated:

- In the case of day care facilities, proximity to clients' residences
- Accessibility to recreational facilities and open space.
- Proximity to commercial areas and shopping.
- Proximity to community services.

DISPLACEMENT

OBJECTIVE 14

TO AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT.

Because of the economic and social hardships involved when a household is forced to move, and the difficulty of funding replacement housing at comparable rents, every reasonable effort should be made to minimize the need to displace residents, particularly those with lower incomes or families with children, from their homes.

Policy 14-1

Minimize relocation hardship and displacement caused by the public or private demolition or conversion of housing.

Private demolition of housing can cause particular hardships because of the absence of relocation assistance programs for displaced households. Property owners should provide assistance in finding suitable relocation housing if any lower-income households are to be displaced. Property owners should inform tenants at the earliest possible date of any proposed demolition plans and should arrange for counseling assistance for the displaced households. Owners should not be permitted to demolish existing housing units until efforts have been made to assist tenants in obtaining relocation housing.

Policy 14-2

Permit displaced households the right of first refusal to occupy replacement housing units of comparable in size, location, cost and rent control protection.

To minimize displacement and help protect the population already residing in an area, persons temporarily or permanently by publicly sponsored or assisted rehabilitation or new construction should be restored to their previous position to the maximum extent feasible. In cases of existing units converted to condominium or cooperative ownership, existing tenants should be given the right of first refusal to purchase the converted units.

Policy 14-3

Provide relocation services where publicly funded or private actions cause displacement.

When displacement does occur as a result of public actions, uniform relocation services (counseling, locating replacement housing, and moving expenses) should be provided regardless of whether the displacement is caused by federal, state or locally funded activities. In the case of privately funded displacement, the developer should be requested to provide such services.

HOMELESSNESS

OBJECTIVE 15.

TO DEAL WITH THE ROOT CAUSES OF HOMELESSNESS, RECOGNIZING THE SOLUTION IS MORE THAN THE PROVISION OF EMERGENCY SHELTER.

Homelessness has grown to a scale unprecedented in the United States since the 1930s. The legacy of the 1980s that has regarded temporary shelter as an adequate response to homelessness should be overcome. Shelters are not an acceptable alternative to decent, affordable housing. While the City should not relax its commitment to offering shelter to anyone who would otherwise be forced to live in streets, parks and doorways, the vision and the overall direction should remain fixed on the goal of creating and preserving low-cost housing, jobs and job training programs and the necessary health and social support services that enable people to live with the greatest degree of independence possible. Such services for the homeless should be provided in a multilingual and multicultural context where appropriate.

It is critical that San Francisco and other cities begin to develop a regional approach to homelessness in the Bay Area and that increased state and federal support be provided if local efforts are to succeed.

Policy 15-1

Shift focus from provision of temporary shelter to provision of permanent affordable housing.

The creation of new low-cost housing will be the best measure of the degree and rate of success in efforts to address homelessness. Creation of new units of permanently affordable housing for the very low income should be a high priority. Existing low cost housing should be preserved so that those with very low incomes do not risk becoming homeless. To this end, the Residential Hotel Conversion rules have recently been strengthened. There should be more aggressive enforcement of all laws protecting low-cost housing.

Policy 15-2

Develop strategies to deal with root causes of homelessness including lack of financial resources, employment and health services.

Measures that go beyond shelter are needed to address the root causes of homelessness. These include stable sources of income from jobs or through federal, state or local entitlement programs and health and social support services for short or long periods of time to assist people with special needs in regaining their capacity to live with the greatest degree of independence possible.

Policy 15-3

Provide emergency assistance programs including emergency access to food, clothing and shelter, improve coordination of services in existing shelter programs and expand health care outreach services.

While the emphasis should be on provision of permanent housing, the City should provide an emergency shelter program which provides temporary shelter and links homeless people to more comprehensive services. By combining a drop-in center with a multi-service program, a multiplicity of needs can be addressed in one location.

Although there are shelter programs that target different populations (men, women, youth, seniors, physically disabled people, undocumented, etc.), or programs for people with mental health or substance abuse problems, there is no central intake capacity to help people reach the appropriate service provider. There is need for a central intake and multi-service centers that can be points of entry to the service system for people who would otherwise be in the streets. While an intake facility should initially target the section of the city with the highest concentrations of homeless people, there should also be satellite facilities that target other neighborhoods where homeless people whose needs are not being met by the multiservice center are present.

Homeless people often have difficulty gaining access to the health care system, whether it is because the multiplicity of problems they experience overwhelms health care providers, their behavior or appearance makes them unwelcome or they themselves regard health care as low on the survival priority list. There is need for outreach services to provide health care in locations where homeless people are, in a manner that gains their trust and with a goal of integrating them into the larger health care system.

Policy 15-4

Facilitate childcare and education for children of homeless families.

Homeless families, just like other families, require a broad variety of child care programs to meet their particular needs. For some, the need is for developmentally appropriate, well-equipped spaces which offer privacy, enabling families an opportunity to interact and play with their children. For other parents, who may need time for respite, to participate in job training, or to look for work or run errands, the need is for a drop-in on-site or near-site child care program. In other instances the need may be for an on-site licensed childcare programs that serves the special needs of these children, such as the need to be near their parent, to be in care with siblings in mixed age groups, and the need to be safe in yet another temporary setting. Homeless children also need access to off-site non-temporary child care programs which can meet their developmental needs.

Policy 15-5

Adopt measures that prevent homelessness.

The success of new assistance programs for the homeless becomes less likely as more and more people continue to become homeless. It is, therefore, critical to adopt preventative measures at the same time new programs are being designed and implemented. Prevention initiatives and programs are needed to assist people in maintaining their current housing and to protect the existing stock of low-cost housing. People who currently live in low-cost housing and who depend upon public assistance or minimum wage jobs are at particularly high risk of losing their homes if faced with sudden job loss, medical problems or other unanticipated expenses. Assistance for people who are facing eviction is a critical component in preventing homelessness.

A publicly funded renter's emergency assistance pool should be established to prevent homelessness, modelled on the privately funded AIDS Emergency Fund. The pool should be used to augment existing State programs which provide one month's rent, but do not provide last month's rent or the security deposit.

STATE AND REGIONAL COORDINATION

OBJECTIVE 16.

TO ADDRESS AFFORDABLE HOUSING NEEDS THROUGH A COORDINATED STATE AND REGIONAL APPROACH.

Housing is a regional concern. Problems such as the inability of large numbers of people to afford decent housing, inequities and discrimination in the housing market, and the inadequacy of public resources cross the boundaries of local jurisdictions and cannot be addressed solely on a local level. Region-wide strategies are needed. Investment decisions made by the private sector are rarely confined to the limits of single governmental jurisdictions — broader housing market areas are considered. A strategy dealing with housing problems in the Bay Area must therefore involve a regional approach. Furthermore, effective solutions to housing problems in the Bay Area can be developed only if all agencies and organizations dealing with housing in the Bay Area coordinate their activities.

Policy 16-1

Encourage the balancing of regional employment growth with the development and growth of affordable housing in the region.

San Francisco is part of the larger regional economy of the Bay Area and economic decisions made by one community often affect other communities in the region. Thus decisions made by some cities to limit commercial or residential growth impact other cities in the region. Efforts should be made to balance employment and housing growth within the region. Aggregated together, current local government development policies will not house the labor supply needed for jobs currently projected for the region. If these policies remain unchanged, housing must be provided outside the region extending commute patterns, or regional job growth will be curtailed, or both.

The Association of Bay Area Governments has established a regional goal to house within the region up to 50% of the difference between the projected growth in Bay Area jobs and the growth in the region's labor supply. To reduce the jobs-housing imbalance in the region by that amount by 1995, almost 50,000 additional housing units are needed within the region.

Policy 16-2

Encourage development of housing in the bay area which will meet regional housing needs and contribute to the quality of life in the region.

New residential development and rehabilitation of existing housing should be planned to conserve open space and to take advantage of the availability of employment opportunities, public transit systems, and community services. San Francisco should take an active role in promoting quality new housing development in the Bay Area in areas where adverse impacts on the environment will not be generated and the use of public transit will be enhanced.

Policy 16-3

Encourage the distribution of affordable housing throughout the Bay Area without diminishing efforts to expand such housing in the City.

Local communities throughout the Bay Area should accept responsibility for housing families of all income levels. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco. Housing opportunities for low- and moderate-income households should be available throughout the region, and all localities in the Bay Area should provide their fair share of such housing. Responsibility should be shared by the public and the private sector.

State law allows joint exercise of powers between jurisdictions which enable entrepreneurial action at a larger-than-local scale. There is substantial opportunity for expanding the resources of affordable housing by cooperative efforts between localities themselves and the localities in relation to the State. For example, the risk factor for bonding can be reduced through joint bond issues with potential state participation and by state insurance of joint bond issues.

Policy 16-4

Encourage the State of California to develop and implement an affordable housing plan.

With the continuously decreasing level of federal support for housing programs, the financial powers of the State become critical. A number of recent housing bond proposals have been enacted at a state level, but there also needs to be a long range plan for affordable housing and a clearer articulation of the State's role.

PART THREE IMPLEMENTATION PROGRAMS

INTRODUCTION

Part Three is divided into three sections.

- The First Section contains the quantified goals and targets for the production, affordability, and public funding of new housing and the rehabilitation of existing housing. Henceforth, each Annual Housing Inventory Report, which is published about June of the year following the year being reported, will be report progress in achieving the
- The Second Section contains a narrative description of the various programs to be undertaken during the five year period to implement the objectives and policies in Part Two.
- The Third Section contains in tabular form a summary of the programs described in Section Two, together with an indication of the agency responsible for carrying out the programs, the staff and budget requirements, and the implementation time table. This table will be Housing Inventory Report.

SECTION ONE: GOALS AND TARGETS

Table 60 establishes quantified goals for new housing production, affordability, and public funding for new construction and rehabilitation of existing housing during the five and one half year period from January 1990 to July 1995. Table 61 sets forth the quantified targets for 1990. Table 62 indicates the local financial resources available for affordable housing. Continuing process of establishing goals and targets, programming resources, and reporting actual achievement. It is proposed that each year there be a establishing program targets for the next year and a process of establishing program targets for the next year. As new information becomes establishing program targets for the next year. As new information becomes revised and appropriate adjustments will be made. The annual housing production will result in housing types appropriate for meeting the housing needs of special population groups identified in Part I, Table 43. Each year possible, to indicate how the needs of these special population groups are

Specific goals for reduction of overcrowding and overpayment of rents (See Part I, p. 48) have not been established because of the difficulty in measurement, the decennial census being the only source of information. However, it is expected that realization of the goals for new housing production and affordability will serve also to reduce number of households living in overcrowded conditions and the number of households paying an excessive portion of their income for rent.

Achieving the housing production and affordability goals will be very difficult, if not impossible. Meeting the new housing production goals, for

example, requires production of over 4,000 units a year while housing production over the last five years increased to an averaged 1,850 units a year and the highest figure in the past 20 years was 2,600 units in 1989. With respect to affordability, the amount of subsidy required far exceeds current or forseeable resources.

A compelling argument can be made that the housing goals should be "realistic", that they should be set at a level where achievement is reasonably assured. This Element takes another approach for several reasons. The goals are five year goals and it is impossible to predict what resources will be available 3, 4 or 5 years in the future. Furthermore, the availability of resources will, in part, depend on what the goals are. Therefore, it is believed to be more appropriate that the five year goals aim which will be more closely related to the resources known to be, or reasonably expected to be, available. Each year it will be possible to examine the allocate more resources for the following year.

TABLE 60

HOUSING PRODUCTION, AFFORDABILITY, AND PUBLIC FUNDING GOALS (Jan. 1990 - July 1995)

I. INCREASE TOTAL HOUSING SUPPLY

| <u>Ouantity</u> | _Units | |
|---|-----------------------|---|
| Units needed to: | | |
| a. Accommodate population growth * | | |
| b. Improve jobs/housing balance * | 7,026 | * |
| (reduce commuting by new job holders | 10,090 | |
| c. Reduce homelessness | | |
| d. Replace lost units | 2,000 | |
| i. demolition | | |
| ii. abatement of illegal units | 275 | |
| iii. Conversion | 400 | |
| iv. losses due to earthquake | 200 | |
| e. Improve functioning of the housing | 700 | |
| market (increase vacancy rate | 1.776 | |
| Total - 1990-95 | 22,467 | |
| Total per year | 4,080 | . • |
| <u>Affordability</u> | | |
| • | | |
| Income levels of new housing(1) ABAG % | Units | Subsidy Needed |
| a. Very low income (below 50%) 24% | E 202 | (millions) |
| U. LOW INCOME (50-79%) | 5,392 3 FOE | \$269.6 - \$377.4 |
| c. Moderate income (80 - 119%) 20% | 3,595 4,403 | \$147.3 - \$222.9 |
| d. Market rate (120% and over) 40% | 4,493 <u>8,987</u> | \$ 36.0 - \$ 59.3 |
| • | _0.30/ | O |
| Total - 1990-95 | 22,467 | \$452.9 - \$659.6 |
| II. IMPROVE EXISTING HOUSING SUPPLY | | |
| Condition | | |
| CONTRICTOR | _Units | Subsidy Needed |
| Private Housing Dakatian | | (millions) |
| Private Housing Rehabilitation Unassisted | • | (11111111111111111111111111111111111111 |
| Publicly assisted(2) | 55,000 | |
| Public Housing Rehabilitation(3) | 9,900 | \$148.5 |
| Earthquake Damage Repair | 4,290 | \$ 30.2 |
| Seismic Safety Upgrade (UMBs) (4) | 14,100 | \$ 12 \$ 24. |
| obstance Surety Opyrade (OMBS) (4) | 10.000 | \$ 55 \$100. |
| Total 1000 or | _, | 4100 |
| Affordability Total - 1990-95 | 93,290 | \$245.7 - \$302.7 |
| Extension of Expiring HUD Rent Subsidies | 2,000 | \$ 60. |
| NOTE: # footnotes are at the end of Table 61. | | ¥ 00. |
| * Based on ABAG <u>Projections 90</u> prorated from | | |
| Jan. 1990 to June 1995. | | |
| | • | |

TABLE 61

ANNUAL PRODUCTION, AFFORDABILITY, AND PUBLIC FUNDING TARGETS Estimates for 1990

| I. New Construction (1) Income level of new housing Very low income (<50%) Low income (<80%) Moderate income m (<120%) Market Rate (>120%) TOTAL | 27% 13% 16% 45% | 400 275(8) 345(9) 1.000 2,000(10) | Subsidy Needed (Millions) (b) \$20 - \$32 \$ 8 - \$14 \$ 4 - \$ 6 0 \$30 - \$49(7) |
|--|--------------------------|---|--|
| Existing Housing | | | 7-7 473 |
| Private housing Rehab. Unassisted Publicly assisted(2) Public Housing Rehab(3) Seismic Upgrade (UMB)(4) Expiring HUD Subsidies(5) TOTAL OVERALL TOTAL | | 10,000 950 780 500 100 12,330 | 0 \$13.5 \$ 5.5 \$ 5 \$ 7.5 \$ 3. \$27 \$29.5 \$67 \$78.5 |

Mayor's Office of Housing, San Francisco Redevelopment Agency and Department of City Planning estimates.

NOTES FOR TABLES 60 AND 61:

(1) All projects assume low end land costs and rental paynments of 30% to 33% of household incomes. Cost estimates are based on per unit subsidy of:

| | Boots are pased | on per unit |
|-----------------------|-----------------|-------------|
| Very low income | Relital | Ownership |
| Low income | TEO 70 000 | \$65-90,000 |
| Modern L | £40 co oo | \$50-90,000 |
| Moderate income | f A 1A | \$50-80,000 |
| ,000 per unit average | 4 0-10,000 | \$40-60,000 |

- (2) Based on \$15,000 per unit average rehab assistance. (3) Based on \$7,000 per unit public housing rehab cost.
- (4) Based on \$5,000 to \$10,000 per unit seismic retrofit cost applied to /0% of the residential units (Table 60); Annual cost (Table 61) is for 25% of the residential units to be retrofitted.
- (5) Based on \$30,000 per unit cost for expiring Section 8 units.
- (6) City's share of funding plus state, federal, annd other funding sources; City's share is typically 33 to 50% of total funding.
- (7) In addition, homeless shelter facilities for 200 are targeted at a total cost of \$2 to \$3 million (\$10,000 to \$15,000 per bed without accounting
- (8) Assumes 75 units in 1990 and 600 units in 1990-95 through development incentives/bonuses without public subsidy.
- (9) Assumes 225 units per year of moderate income market rate for rent units without subsidies, and 100 homeownership units with subsidies.
- (10)Projected level of new construction for 1990 based on projects under review and projects under construction by household income.

TABLE 62

LOCAL FINANCIAL RESOURCES FOR AFFORDABLE HOUSING Estimates for 1990

| Program | Source of Funds | Annual Annual |
|-------------------------------|--|---|
| EXISTING PROGRAMS | | Annual Amount |
| POTENTIAL PROGRAMS | Federal Community Develop. Block Grant(CDBG) CDBG Federal RRP Office Dev. Fees 1990 Hotel Occupancy Tax Tax Increment EXISTING PROGRAMS: | \$ 2,500.000 \$2,000,000 \$1,500,000 \$5,480,000* \$2,700,000 \$10,000,000 \$24,180,000 |
| City Seismic Rehab Program: | · | |
| OAHPP: (a) Lower to 2 | Obligation Ilion Bonds (for 10 years) Pr Existing Fee Threshold 5,000 sq. ft. *** | \$5,000,000 |
| Rede | st fee and include arable dev. on Port & velopment land | \$300,000 -0- to \$1,500,000 |
| Affordable Housing Trust: | | , |
| Contr | & Debt Mgmt Trage Private Sector ibutions | \$1,000,000 \$1,000,000 to \$5,000,000 |
| Housing Affordability Fund:** | | 43,000,000 |
| Housing | roved General cation to Affordable | \$28,200,000 |
| TOTAL POTENTIAL N | IEH PROGRAMS: \$35,500,000 to | _ |

OVERALL TOTAL \$59.680.000 to \$66.180.000

^{*} Future years: 475,000 sq. ft. at \$6.90 equals 3.2 million per year.

** The existing Housing Affordability Fund established in 1986 and funded only once with \$10 million. No general funds have been allocated subsequently.

*** Adopted 3/23/90.

SECTION TWO - IMPLEMENTATION PROGRAMS - NARRATIVE

This section describes the programs that are to be undertaken over the five years to carry out the Objectives and Policies of Part Two and to address the housing needs identified in Part One. The programs are described under the policies they are intended to implement.

A report titled "An Inventory of Land Suitable for Residential Development. December, 1989, as amended August 1990 (See page 51) prepared by the Department of City Planning identifies and analyzes various sites with residential development potential. This comprehensive land inventory provided the orientation for the rezonings in various areas which will stimulate housing development. (It should be noted that housing is permitted as a principal or conditional uses throughout the City.) The inventory provides a list of of publicly owned sites which will be programmed for housing. (See Table 53, p. 55. As indicated on Table 50, p. 49, there are more than enough housing opportunity sites to meet the projected housing needs.

The criteria for the number of Housing Opportunity sites suitable for residential development considers the availability of public services and facilities, proximity to transportation, open space, and neighborhood retail support services (See report An Inventory of Land Suitable for Residential Development, page 55). Except for Mission Bay, all of the identified Housing Streets, utilities, transit, parks, and other public facilities which are in existing or adjacent neighborhoods. The availability of these services are sent seen as a significant constraint to development in these areas (page 58, proposed new support services are contained in the area plans for these areas (South of Market, Mission Bay, South Bayshore, Rincon Hill/South Beach Redevelopment, North Mission, etc.). In addition, a Citywide inventory of Facilities Planning Master Plan update to begin next year.

In Mission Bay, under the terms of a Development Agreement, the developer will be providing the bulk of the public facilities and the City will provide the services, relying on the net revenues derived from the project.

Where there is a need for infrastructure improvements or additional public or private support services, such improvements would be tied to the development project and public improvements planned for these areas (page 58, 59 of R.E.). City Master Plan policies, Area Plans, Subdivision Code, and City Planning Code regulations address this concern.

OBJECTIVE 1

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEET IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT GROWTH.

(Obj. 1) Policy 1

Promote Development of Permanently Affordable Housing on Surplus, Underused and Vacant Public Lands.

Affordability requirements, as they are codified, will be applied to publicly owned land. The Mayor's Office of Housing and the Planning Department will be refining and updating the City's list of City and School District land with additional information on State and Federally owned land. Many City departments and agencies that control land see it primarily as a financial asset. Even when land has been made available for housing by City departments, the land is sold at high value. The policy of trying to get maximum price for public land is inconsistent with the goal of affordable housing. As sites are analyzed, the potential for write down in land cost will be addressed.

(Obj. 1)Policy 2

Facilitate the Conversion of Underused Industrial and Commercial Areas to Residential Use, Giving Preference to Permanently Affordable Housing Uses.

The Planning Department will undertake the development of an inclusionary housing requirement linked to rezoning of current non-residential land for consideration by the Planning Commission and Board of Supervisors. This will involve amendment of the subdivision ordinance and Planning Code to require provision of a minimum number of affordable units on any parcel being subdivided and in any discretionary approval of larger housing projects by the Planning Commission. A parallel effort will explore existing provisions of the Planning Code that in effect constitute a density bonus so that the bonus is used to achieve affordability.

In addition staff recommendations regarding the rezoning of non residential land to residential use for example, South Van Ness, Inner Mission, Central Waterfront and Bayshore will include some form of affordable housing requirement.

A goal of these efforts will be to provide that at least 10% of the housing units in future private development is permanently affordable.

The proposed Mission Bay Plan provides that 37-1/2% of the units will be below market rate. Santa Fe Pacific will ultimately be developing approximately 5,000 market rate units and an additional 800 entry level middle income units on 73 acres of land. The City will provide the subsidy to develop 2,200 affordable housing units on 25 acres of land. Between 1990 and 1995, it is expected between 500 and 1,000 units will be completed.

(Obj. 1) Policy 3

Create Incentives for the Inclusion of Housing, Including Permanently Affordable Housing in Commercial Developments.

The Planning Code contains an incentive for new housing in downtown by allowing housing to exceed the basic floor area ratios in the C-3-G (Downtown General Commercial) and C-3-S (Downtown Support) districts. The cost of the housing cannot exceed middle income levels (150% of median income). Such incentives could be extended to other C-3 districts.

(Obj. 1)Policy 4

Locate In-fill Housing on Appropriate Sites in Established Neighborhoods.

The housing market is so strong that little additional encouragement is needed to obtain new in-fill housing on vacant sites. In 1979 the Department of City Planning published a Housing Opportunity Report which identified sites that were vacant and residentially zoned. It was estimated at that time that such sites would accommodate approximately an estimate of the proportion of new construction on such sites since that time, it is believed that space for approximately 2,500 units remains. The Department of City Planning will soon have the computerized ability to determine all assessors' parcels (encompassing both public and private lands in the City) which are vacant and to categorize these parcels estimate will be published.

With respect to in-fill housing on already developed sites, the Residential Rezoning Study currently underway in the Department of City Planning will be addressing the issue of which controls are appropriate in relation to replacement of existing housing with new housing.

(Obj. 1) Policy **5**

Allow New Secondary Units in Areas Where Their Effects Can Be Dealt With and There is Neighborhood Support, Especially if that Housing is Made Permanently Affordable to Lower income Households.

The Mayor's Housing Advisory Committee examined the existing information regarding illegal units, with the intent of formulating policy that would be consistent with the goal of protecting the existing affordable housing stock. In the process of looking at the issue, it became clear that changes in City policy over the years, combined with changing public attitudes and private housing needs, have made the issue ever more complex.

The Committee contrasted Depression and War and Post War units often created with the tacit support of both neighbors and the City with more recently created units in new larger structures, within which instant convertibility was intended in violation of applicable density standards. The potential for such conversions has affected pricing.

The Department of City Planning will undertake a more complete analysis of the types and locations of illegal units, their impact on housing costs (both to the occupants of the units and to the owners of the buildings they are in), current and future trends, and suitable locations to encourage new secondary units. Such a study will begin in 1991.

(Obj. 1) Policy 6

Discourage Development of New Housing in Areas Unsuitable for Residential Occupancy, or on Sites Containing Existing Housing Worthy of Retention.

The Discretionary Review powers of the Planning Commission to review any building permits which may conflict with the Master Plan, together with demolition controls in the Master Plan and Planning Code, will be used to discourage housing in unsuitable locations or where existing housing should be retained. The Department through the Zoning Administrator will continue to require approval of a building permit for new construction prior to issuance of a demolition permit on the same site unless immediate demolition is required for safety reasons. As proposals are made to rezone commercial or industrial districts, consideration will be given to the land needs of existing and future uses which provide economic vitality and employment opportunities, while satisfying the City's need to

(Obj. 1) Policy 7

Obtain Assistance from Office Developments and Higher Educational Institutions in Meeting the Housing Demand they Generate, Particularly the Need for Affordable Housing for Lower Income Workers and Students.

(a) Office Development

In April 1981, the San Francisco City Planning Commission adopted a set of Interim Guidelines requiring major downtown office developers to mitigate the effects of office development on housing demand. In the Interim Guidelines period from 1981 to 1985, thirty-eight (38) office projects contributed over \$28 million to the construction and rehabilitation of low and moderate income units. A total of 5,690 housing units were assisted. Of these 67% were for low or moderate income households.

The current ordinance entitled the "Office Affordable Housing Production Program" (OAHPP) was adopted in August 1985. It requires that office projects over 50,000 sq. ft. provide housing or pay an in-lieu fee. The requirements are computed as follows: the office project gross sq. ft. times .000386 for the housing unit requirement or times \$6.90 for the in-lieu fee requirement. Sixty percent of the units developed or assisted by OAHPP must be affordable to low or moderate income households and must represent an addition to the housing stock. The ordinance requires that developers have approved plans for meeting their OAHPP obligation before initial occupancy of their office building. The in-lieu fee is administered by the Mayor's Office of Housing and is adjusted periodically.

Eleven office projects have been approved by the Department of City Planning since the adoption of the OAHPP Ordinance. These projects totaled 3,076,305 gross square feet and they are required to provide for 1,098 housing units or pay the in-lieu fee.

The annual evaluation of the Office-Affordable Housing Production Program has lead to a number of amendment proposals. These amendments would require that projects over 25,000 sq. ft. be subject to OAHPP; lower the threshold of affordable units; change the index; increase long term affordability from 20 to 50 years; require that OAHPP housing development plans be submitted to the City within one year of the permit for the office development project and improve enforcement mechanisms to insure long term affordability.

As needed, further amendments will be made to improve the operation of the program.

(b) Institutional Master Plans

Under Section 304.5 of the Planning Code, institutions are required to adopt and maintain Institutional Master Plans, which are to include any development plans. The conformity of the development plans with the City's Master Plan, and thus with the policies of this Residence Element, are included in the review of those Institutional plans. As part of this process, larger educational institutions will be encouraged to provide housing for their non-resident student body.

(Obj. 1) Policy 8

Encourage Construction of New Single Room Occupancy Residential Hotels

The Department of City Planning, Mayor's Office of Housing and the Redevelopment Agency will work together to develop appropriate amendments to the Planning, Housing, Building and other codes to modify the restrictions that make it difficult to gain approval of new residential hotels. The Redevelopment Agency and the Mayor's Office of Housing will work in the South of Market Emergency Recovery Project and in other appropriate areas to develop sites and sponsors for new residential hotels.

TO INCREASE THE SUPPLY OF HOUSING WITHOUT OVERCROWDING OR ADVERSELY AFFECTING THE PREVAILING CHARACTER OF EXISTING NEIGHBORHOODS.

(Obj. 2) Policy 1

Set Allowable Densities in Established Residential Areas at Levels Which Will Promote Compatibility with Prevailing Neighborhood Scale and Character.

The comprehensive rezoning of residential districts adopted in 1978 was intended to set allowable densities at the level of generally prevailing densities. An exception was the RH-2 (two family) districts which were not reduced to RH-1 even though most of the buildings were single family because it was not economic to demolish one unit and replace it with two. In the late 1980's, the economics of housing construction changed and public concern became focussed on the scale of development in areas which demolition of single family homes. These concerns resulted in another residential rezoning study which is in process 1989-90, this time within the context of a public initiative (Proposition M) which more strongly protection of neighborhood character.

The study identified clusters of one and two family homes in zoning districts permitting higher densities and has tentatively proposed reclassification of many of them. In the remaining two family districts, it is tentatively proposed to limit the second units to 600 square feet or less.

The Planning Commission and the Board of Supervisors are expected to act on permanent zoning controls in 1990.

(Obj. 2) Policy 2

Encourage Higher Residential Density in Areas Adjacent to Downtown, in Underutilized Commercial and Industrial Areas Proposed for Conversion to Housing, and in Neighborhood Commercial Districts Where Higher Densities Will Not Have Harmful Effects, especially if the Higher Density Provides a Significant Number of Units that are Permanenetty Affordable to Lower Income Households.

Present zoning in the vicinity of Downtown largely reflects this policy. The Neighborhood Commercial districts permit medium to moderately high residential density. More study is needed in Neighborhood Commercial districts on how to accommodate residential parking and transportation needs without weakening the cohesiveness of ground level commercial activities.

(Obj. 2) Policy 3

Allow Flexibility in the Number and Size of Units Within the Permitted Volumes of Larger Multi-unit Structures, Especially if the Flexibility Results in Creation of a Significant Number of Dwelling Units That Are Permanently Affordable to Lower Income Households.

Rezonings since 1985 - Downtown, Rincon Hill, Chinatown, North of Market, Van Ness, South of Market - have controls incorporating this policy.

(Obj. 2) Policy 4

Adopt Specific Zoning Districts Which Conform to a Generalized Residential Land Use Plan and the Master Plan.

The zoning controls in the Planning Code are consistent with the Land Use Plan. As other rezonings occur the Land Use Plan and the zoning controls will be kept consistent. For example the pending rezoning study may involve some minor amendments to the generalized residential density diagram (Map B). However, most of the changes being considered are dispersed and cover less than a block.

TO RETAIN THE EXISTING SUPPLY OF HOUSING.

(Obj. 3) Policy 1

Discourage the Demolition of Sound Existing Housing.

The "Proposition M" Master Plan priority policy states that "existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods" and provides that all demolitions and changes in use must be found to be consistent with the priority policies. This policy sets a context for the practice of the Planning Department in not approving a residential construction permit unless there has already been approval of the new definitions of demolition for building permit purposes so some demolitions have occurred without Departmental review. Work is proceeding on more appropriate definitions so that Department review will be assured.

A further implementation of this priority policy has occurred in most recent planning and rezoning studies: North of Market, Downtown, Chinatown, Van Ness, South of Market and the Residential Rezoning study which established further limits on demolitions in their respective areas. Generally either demolitions are prohibited or a conditional use authorization is required for removal of housing. Future rezonings will have similar provisions.

The Residential hotel ordinance (Chapter 41 of the Administrative Code) permits demolition only if units are replaced on a one to one basis or an in lieu fee payment is made. The Board of Supervisors has had under consideration an extension of such replacement requirements to other forms of housing. Such legislation will require creation of a public interest test which identifies a number of conditions under which a permit shall or shall not be granted.

(Obj. 3) Policy 2

Control the Merger of Residential Units.

The Planning Commission will adopt a merger policy which may encompass Code amendments. The policy will address mitigation, in the form of relocation payments, in certain cases. In other cases, there may be a prohibition of mergers. The Commission has had a past policy of not permitting mergers which would result in loss of rent stabilization through merger to four or fewer units.

(Obj. 3) Policy 3

Consider Legalization of Existing Illegal Secondary Units Where There is Neighborhood Support and the Units Can Conform to Minimum Code Standards of Safety and Livability and the Permanent Affordability of the Units is Assured.

A study will be commenced in FY 90-91 which will document numbers and types of illegal units; analyze types of violations - density, parking; extent of correctability. The study will address potential waiver of parking; extent of affordability with special emphasis on retention of affordable units. Appropriate conditions and requirements for legalization will be recommended.

(Obj. 3) Policy 4

Restrict the Conversion of Rental Housing to Condominiums or Other Forms of Tenure or Occupancy.

The Condo Conversion Ordinance was adopted by Board of Supervisors 1979, revised in 1982, and revised again in 1989. The current version places a 200 unit annual limit on conversions and directs that only small projects with established owner occupants be considered. Future revisions to the Condo Conversion ordinance may involve further regulation of partnership occupancies including tenant compensation, but at same time support to affordability guarantee for non-participating renters to remain.

(Obj. 3) Policy 5

Prohibit the Conversion of Rental Housing to Time Share, Corporate Suite Use or hotel use.

The Planning Commission has a practice of including in motions of approval for residential projects prohibitions of corporate suites/de facto hotel use. This will be continued. In addition, the Department will propose new legislation which in part will involve clearer definitions of residential use and will be designed to limit and restrict conversion of apartments to hotels.

(Obj. 3) Policy 6

Restrict the Conversion of Housing in Commercial and Industrial Areas.

Conversion is regulated in C-3, NC and South of Market zones. Proposals to deal with conversions are also included in the pending Fisherman's Wharf and South Bayshore rezonings. The issue will also be addressed in the Central Waterfront, South Van Ness, Inner Mission rezonings.

The Proposition M Master Plan priority policy on conservation of existing housing provides protection until more explicit controls are developed.

(Obj. 3) Policy 7

Preserve the Existing Stock of Residential Hotels.

The Residential Hotel Ordinance was enacted in 1980 and amended in 1987 to improve operation and enforcement. It is in the process of being amended in 1990 to, among other things, improve reporting requirements; require permits to convert and notice of proposed conversions; provide temporary conversion rules and weekly rental; improve enforcement capacity; create a private right of action; achieve definitional consistency with Planning Code and to create stronger replacement provisions. The amendments propose that replacements or 80% of cost of replacement be provided, in cases of conversions and demolitions.

TO REDUCE THE RISK OF BODILY HARM AND LOSS OF HOUSING IN AN EARTHQUAKE.

(Obj. 4) Policy 1

Build New Replacement Housing to Compensate for the Affordable Housing Rendered Uninhabitable by the October, 1989 earthquake.

The City will facilitate the construction of replacement housing through the South of Market Emergency Redevelopment Area and through code amendments that will make construction of new single room occupancy units more feasible. Single room occupancy units comprised many of the units made uninhabitable by the October earthquake. The proposed financial program involves use of G.O. bonds, tax increment funds and some of the revenues from a higher Real Estate transfer tax. See Table 59.

(Obj. 4) Policy 2

Reduce Seismic Hazards in Unreinforced Masonry Buildings Without Reducing the Supply of Affordable Housing.

The City currently has under analysis several alternative approaches to reducing the earthquake related life safety hazards associated with approximately 2,000 privately owned unreinforced masonry buildings (UMBs). These regulations have the potential to affect approximately 770 the alternatives involve amending about 26,360 residential units. Three of require that UMBs be structurally strengthened to reduce the potential for environmental impact report and a socio-economic impact study are is expected to be submitted to the Board of Supervisors for its consideration by the end of 1990.

(Obj. 4) Policy 3

Improve the Seismic Stability of Existing Housing.

Pursuant to a legal settlement, the City Planning Department will be revising the Master Plan Seismic Safety Element and the Office of Emergency Services will be updating and improving the City's Emergency Preparedness plans. These revisions will address this issue.

TO MAINTAIN AND IMPROVE THE PHYSICAL CONDITION OF HOUSING WHILE MAINTAINING EXISTING AFFORDABILITY LEVELS

(Obj. 5) Policy 1

Assure That Existing Housing is Maintained in Decent, Safe, Sanitary Condition at Existing Affordability Levels.

a) Housing Assistance Plan

The City's Housing Assistance Plan (HAP) is required by the U.S. Department of Housing and Urban Development (HUD) for eligibility for federal community development and housing assistance programs. It was approved by HUD on October 25, 1988 for a three year period through 1991. The Plan documents housing stock conditions and three year goals.

(b) The 1988-1991 HAP

The HAP sets as a target an average of approximately 650 units/year to be rehabilitated with public assistance. All units are expected to accommodate lower income households. Most of the units to be assisted are rental units.

Programs involved (annually)

| <u>Rental</u> | Units |
|--|------------|
| Community Housing Rehab CHRP | |
| Rental Rehab 312 | 150 200 |
| California Special User | 6 20 |
| California Deferred Payment Rehab CDBG Public Housing Rehab | 5 170 |
| | |

551

<u>Owner</u>

| CHRP Code 312 | Enforcement | Rēhab | Fund | (CERF) | 75 20 —_4 |
|---------------------|-------------|-------|------|--------|-----------------|
| | | | | | |

94 650

(c) The 1992-1995 HAP

On the assumption that HUD regulations do not change, the HAP will be prepared for this period. The HAP will take into account this Master Plan policy and the goals in Part Three, Section One.

(Obj. 5) Policy 2

Promote and Support Voluntary Housing Rehabilitation Which Does Not Result in the Displacement of Lower Income Occupants.

The major sources of below market loans for housing rehabilitation which are primarily channeled through the Mayor's Office of Housing include the following:

(a) Community Housing Rehabilitation (CHRP) CDBG - HUD

Original target \$2.1 million/year vs. goal \$2.5 million; 1984-1989 - \$10.67 million total; new HAP target: 150 units/year for 1988-89; actual Rental Housing Rehab, 1984-1989: 943 units

(b) <u>Home Improvement Loan Program</u> (HILP) - HUD

In operation July 1983 — June 1985 — 362 units rehabbed; is now CHRP; 1984—1989: 65 units/year; new HAP target: 75 units/year; CERF Code Enforcement and Rehab fund: 20 units/year

(c) Deferred Payment Rehabilitation Loan Program (DPLRH): SB. 966 - State

Rehab of low income units; Original target: 100/year; 1984-1989 average: 94 units/year; new HAP target: 5 units/year

(d) CHFA and Other State Programs

CHFA - revenue bonds used for multi-family rehab; 1986-1989: 14 units per year / 4 loans; HAP target: not included

(Obj. 5) Policy 3

Assure Correction of Serious Continuing Code Violations and Loss of Housing.

The City Attorney's Office will be asked to develop a standardized approach to placing delinquent properties in a receivership program. An appropriate model is the Bureau of Building Inspection Repair/Demolition fund which provides for repair of substandard buildings with imminent danger problems. With the Board of Supervisors' approval a lien is put on the property to be repaired. Such a program would be coupled with greater code enforcement activity.

(Obj. 5) Policy **4**

Maintain and Improve the Existing Supply of Public Housing.

The San Francisco Housing Authority operates 6,637 units of public housing in 44 locations. Much of this housing was built over thirty years ago. There is a continuing need for maintenance and upgrading. Some very major renovations and replacements have been recently completed or are in progress.

(a) Modernization and Rehabilitation -1985-89

Rosa Parks modernization was completed and is now senior housing. Under HUD and some local funding Plaza West (Yerba Buena Gardens) replacement construction started. The project will provide 203 dwelling units, which is 129 fewer than were demolished. There will be a greater proportion of larger units. Block grant and OAHPP sources were allocated to "vacate" program to bring damaged vacant units back into availability.

(b) Continuing Program - 1990 - 95

The emphasis will be on rehabilitation of vacant units. There is an approximately annual turnover of approximately 780 units, with an average cost of rehabilitation of \$4,500 each. The Housing Authority needs \$3.51 million/year to keep pace.

(c) Friends of Public Housing

The feasibility of forming such a neighborhood-based program to ameliorate relations between residents of public and private housing will be studied.

(Obj. **5**) Policy **5**

Preserve Landmarks and Historic Residential Buildings.

Preservation policies have been incorporated in major rezonings: Van Ness, Rincon Hill, South End, Chinatown and in the pending Fisherman's Wharf and South Bayshore rezonings. Landmark and Historic District designation will encourage owners of multi family structures to utilize 1986 Tax Act.

The Department will continue to assist in Federal Environmental Review for historically significant local buildings receiving federal assistance. . Since 1984, 50 residential structures have been awarded CDBG monies for institutional or residential improvement.

A major Citywide Architectural Survey is in process covering 2,100 unreinforced masonry buildings (UMBs) funded through the State Office of Historic Preservation as part of an EIR which will address seismic retrofitting of these structures. The UMB study recommendations will address the preservation of important buildings.

From 1990 through 1995, the Landmarks Preservation Advisory Board will seek the means to undertake a new City wide survey to augment the survey completed in 1976. The Board will continue with additional landmark and historic district nominations. Historic Districts that may be considered include Chinatown, Richmond, Cottage Row (Bush/Sutter) Streets, Russian Hill and Presidio Heights.

Proposition M priority policy "that landmarks and historic buildings be preserved" is used to prevent inappropriate demolitions of these buildings. Procedures need to be developed and adequate staffing needs to be provided so that proposed alterations which would damage the historic qualities of a building can be reviewed and prevented.

IMPROVE THE CITYWIDE AFFORDABLE HOUSING DELIVERY SYSTEM.

(Obj. 6) Policy 1

Reorganize and Coordinate Governmental Activity Related to Affordable Housing.

This activity involves new responsibilities for the newly created Deputy Mayor for Housing and Neighborhoods. The four central entities in the Housing Delivery system are the Planning Department, the Mayor's Office of Housing, the Redevelopment Agency and Housing Authority. The Bureau of Building Inspection, the Rent Stabilization Board, Human Rights Commission and City Attorney are also included. The Deputy Mayor will establish a coordinating group, establish a centralized process for applications involving financial assistance and evaluate potential for the establishment of a local Housing Finance Agency with its own direct revenue source.

(Obj. 6) Policy 2

Expand Affordable Housing Capacities of Community Based Non Profit Organizations.

The Mayor's Office of Housing through block grants and the Redevelopment Agency through various sources will continue to support community and constituency based non-profit housing development corporations in areas which are under served Land and building banking in advance of a specific development project can provide resources for non profit organizations.

(Obj. 6) Policy 3

Improve the Planning Review and Approval Process and Give Priority to Permanently Affordable Housing Projects.

- (a) Priority Processing for Affordable Housing. As part of the budget and work program consideration for 1989, the City Planning Commission in Resolution 11610 directed that priority in staffing and processing be given to affordable housing projects. It is expected that this priority approach will be continued during 1990 to 1995, and it will be aided by augmented City staffing for housing activities.
- (b) Program Environmental Impact Reports Applicable to New Housing. To the extent possible, the Department when undertaking major planning and rezoning studies that involve new residential designations will prepare a Plan Environmental Impact Report or a Program Environmental Impact Report which would evaluate potential residential development which is consistent with that Area Plan, simplifying environmental review of subsequent projects.

- (c) <u>Documentation of Procedures</u>. The Department will develop a manual for residents and project sponsors that describes the planning process, especially for the pre-permit application stages.
- (d) <u>Centralized Counter</u>. The Department of City Planning and the Bureau of Building Inspection are seeking space for a centralized counter staffed by both Planning and Inspection personnel. Relocation to integrated "one stop" process.
- (e) <u>Dispute Resolution</u> The Department of City Planning will continue to encourage the use of community boards to resolve disputes over development proposals. This method of dispute resolution can help to minimize administrative appeals and judicial challenges of projects, and consequent time delays, and to mitigate neighborhood resentment and opposition to affordable housing projects.
- (f) Improved Administrative Processing. Without diminishing public participation, procedures will be developed and implemented through local administrative action or legislation. If necessary state legislation will be sought to expedite the administrative processing and approval of affordable housing projects, including:

Streamlining and consolidating the public hearing process to avoid duplicative discretionary hearings and appeals;

Prioritizing plan check and other administrative processing within not only the Planning Department, but also the Bureau of Building Inspection, Redevelopment Agency and other public agencies with respect to applications for affordable housing projects.

(Obj. 6) Policy 4

Create Greater Public Awareness of the Affordable Housing Problem and Support for Affordable Housing.

The Mayor's Office and Press Secretary work with City Departments concerned with housing to publicize in the local press and media the affordable housing problem and local solutions. Housing agencies produce informational materials. Involvement and contact by City agencies with neighborhood groups is also an important part of public awareness. Publicity will include success stories of past affordable housing developments and their impacts.

As uniform standards for affordability are established, they will be widely publicized. Part of the outreach will be directed to developing greater corporate investment and support for affordable housing.

INCREASE LAND AND IMPROVE BUILDING RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING.

(Obj. 7) Policy 1

Create More Housing Opportunity Sites for Permanently Affordable Housing.

The primary means for increasing sites for affordable housing will be enactment of new zoning controls for currently non residential areas. The Department of City Planning has undertaken rezoning studies for the South of Market, South Van Ness, Inner Mission, Central Waterfront and Bayshore. The South of Market and Bayshore controls are expected to be adopted during 1990. The remaining studies will be recommended in 1990.

The Department and the Mayor's Office of Housing will also make more detailed assessment of potential strategic housing development sites where economic and neighborhood improvements also are important. City staff will also identify and actively seek large privately held land parcels for affordable housing.

There are three categories of future affordable housing sites: publicly owned land; privately owned non residential land; and privately owned residentially zoned land. The publicly held sites will have the highest affordability requirements — up to 100%. Reclassification of the non residential land will respond to the goal of 10% affordable units. For the third category of sites, the feasibility of a conditionally authorized density bonus will be explored. Revision to the existing density bonus components of the Planning Code will result in incentives directly linked to affordability.

Community Development Block Grants, bonds secured by tax increments from redevelopment areas and other local sources of funding will be used for site acquisition both in and outside Redevelopment Areas.

Neighborhood commercial zoning on privately held land also presents housing development opportunities. Off site parking solutions or reduced parking requirements will be studied in relation to the housing capacities of the neighborhood commercial districts.

(Obj. 7) Policy 2

Include Affordable Units in Larger Housing Projects

This policy will be implemented by the staffs of the Mayor's office of Housing and the Department of City Planning working with the sponsors of the housing projects.

(Obj. 7) Policy 3

Grant Density Bonuses for Construction of Affordable or Senior Housing.

The City will enact an implementing ordinance to conform to the State Density Bonus Law, Government Code Sections 65913.4, 65915 and 65917, which call for granting a density bonus and an additional incentive to a developer of a five or more unit housing development agreeing to construct

- a) 20% of the units for lower-income households; or
- b) 10% of the units for very low-income households; or

c) 50% of the units for senior citizens.

Examples of other incentives linked to density bonuses include allowing mixed use zoning or regulatory concessions resulting in identifiable cost reductions.

(Obj. 7) Policy 4

Promote More Economical Housing Construction to Achieve Affordable Housing.

Code standard changes to be studied by the Department of City Planning include modification of the existing 2,500 square feet minimum lot size where appropriate to encourage innovative affordable housing and further refinement of new secondary units zones where this is consistent with existing neighborhood patterns and supported by residents.

In reviewing the Uniform Building Code update and determining what local modifications are appropriate, the Bureau of Building Inspection with the assistance of the Mayor's Office of Housing and the Planning Department will consider the standard for use of less expensive wood frame construction consistent with fire safety.

(Obj. 7) Policy 5

Encourage Energy Efficiency in New Residential Development and Weatherization in Existing Housing to Reduce Overall Housing Costs.

(a) Title 24 and Residential Energy Conservation Ordinance

The Bureau of Building Inspection will ensure compliance with Title 24 (the State energy code) and has currently three mechanical engineers assigned to conduct residential Title 24 new construction review. The number of permit reviews conducted each year varies between 700 and 1000 per year averaging about 850 per year.

In addition to Title 24, residential buildings are also required to comply with the Residential Energy Conservation Ordinance (RECO). RECO affects all residences at time of sale or at time of meter conversion, major improvement or condominium conversion.

(b) **EIR and Discretionary Review**

Energy staff at the Public Utilities Commission Bureau of Energy Conservation will seek to impact energy efficiency during the EIR review process and during discretionary review. A standard energy conservation requirement has been used in motions of approval for

discretionary reviews. This stated that, at the end of the discretionary review process and before a building permit is issued, the project sponsor shall "consider all appropriate energy conservation measures" and, in addition, submit a report assessing the cost effectiveness of specified conservation measures and provide "reasons for rejecting those measures not employed.

(c) Mission Bay

A set of energy conservation guidelines has been developed for Mission Bay by the Bureau of Energy Conservation. The Bureau will work with Mission Bay builders in implementing these guidelines.

(d) <u>Weatherization</u>

The City has an opportunity to link residential weatherization work to City administered rehab loan programs. The Bureau of Energy Conservation will assist in reviewing the feasibility of such a linkage and instituting it if appropriate. PG&E and EOC provide weatherization as an independent service not tied to other rehabilitation work.

(Obj. 7) Policy 6

Encourage Industrialized Housing Production Techniques Where Such Techniques Result in Compatible Quality of Design at Lower Cost.

The City will advocate the convening of appropriate parties at a regional level. Subjects for consideration include: (1) a technological, financial and market assessment of such techniques (2) drafting and lobbying for technological development legislation to help stabilize new technologies and to their application, (3) use of State/local joint powers and (4) opportunities for job formation and training at all levels.

(Obj. 7) Policy 7

Allow Construction of Unconventional Housing Types that Reduce Cost, If Quality Can Be Maintained.

The San Francisco Planning Code does not discriminate against modular or pre-fabricated housing, as long as local design and environmental

EXPAND FINANCIAL RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING.

(Obj. 8) Policy 1

Enhance Existing Revenue Sources for Permanenty Affordable Housing.

The following enhancements of financial programs for affordable housing will be the responsibility of the Mayor's Office of Housing and the Redevelopment Agency under the coordination of the Deputy Mayor for Housing and Neighborhoods. The Board of Supervisors and Mayor will have an important role in authorization of the extension of local programs and in lobbying efforts. The intent is to maintain existing financial programs at maximum level. The City will also need to maximize lobbying effort at State and Federal levels to protect existing programs. These include: (1) extension of Federal and State low-income tax credits; (2) Continuing support for at-risk Section 8, 221d3, 235/36 and similar HUD projects; (3) renovation of existing Public Housing.

The Deputy Mayor and housing agencies will assist in review of City charter and City and State laws including taxation and fee restrictions which could act as obstacles for affordable housing production. Another local action to be considered is provision of a local property tax abatement for affordable housing, if current State rebate provisions are discontinued. There will be increased lobbying effort and joint metropolitan/statewide efforts to allow more creative revenue resources.

The Board of Supervisors will be asked to consider establishment of a comprehensive City Financial and Debt Management system to raise additional funds or reduce debts for affordable housing. The annual goal would be \$2,000,000. They will also consider expansion of a San Francisco First Time Homebuyer Program for issuing certificates or second mortgages for purchases of affordable housing. The City would solicit initial capital and program support costs from local lenders.

Overall the effort will be to increase the State and federal commitment to housing and to expand local programs. Existing and pending federal and state programs are as follows:

Federal:

- CDBG site acquisition
- CDBG community housing rehabilitation (CHRP)
- **HUD** Rental Rehab
- HUD 202 New Construction
- Tax incentives/credit etc.
- HUD Section 312 low interest loans to owners
- McKinney Homeless Act
- HUD Section 8 existing rental certificate

State:

- California Housing Finance Agency
- Deferred Payment Rehab Loans Program
- Special Users Housing Rehab Program residential hotel New state bond program

Seismic

Rehabilitation of existing housing

Tax credits

The Redevelopment Agency has a policy to spend at least 50% of its tax increment funds for low and moderate income housing. The Agency has establised a Citywide Tax Increment Housing Program (TIHP) to produce housing for homeless, lower-income renters, and first time homebuyers. addtiona to the TIHP, the Agnecy spends funds for affordable housing in Redevelopment Project Areas for special projects. In fiscal year 1989-90, the Agency spend \$17 million for low and moderate income housing which is apbout 50% of its tax increment budget. Of this total, \$10 million was spent under the TIHP and \$7 million for homeownership housing in Hunters Point. In fiscal year 1990-91, \$12 million has been allocated for low and moderate income housing, again, approximately 50% of the Agency's tax increment budget. Of this total, \$8 million has been allocated for the TIHP and \$4 million for affordable housing in the South of Market Earthquake Recovery Redevelopment Project Area.

Over the next five years, approximately 50% of the Agency's tax increment budget, or about \$10 million, will be allocated for low and moderate income housing each year. Approximately \$8 million will be allocated for the TIHP and \$2 million for special affordable housing projects.

(Obj. 8) Policy 2

Create New Sources of Revenue for Permanently Affordable Housing.

(Obj. 8) Policy 3

Provide New Mechanisms to Assure Long-term Financing for Permanently

(a) Annual Commitment 5, 4.

The Board of Supervisors will be requested to submit for voter approval for a guaranteed annual commitment to the San Francisco Trust for Land and Housing of \$30,000,000 per year, for a period of

Housing Finance Agency (b)

In conjunction with the Trust discussed above, a feasibility study will be conducted by the Mayor's Office of Housing and if it is feasible, a Housing Finance Agency will be established which will have the ability to raise revenue for exclusive use for affordable

(c) Private Enterprise

(1) Tax credits

The 1986 Federal Tax Reform Act established a tax credit for developers of low-income housing. Credits are earned based on the number of total units developed which are rented below specified rent levels. In 1987, the State of California enacted a similar program of credits. Through syndication, these credits can generate investments by limited partners to cover development costs. The City recommends local projects to the State Allocation committee for approval. The City will lobby to continue and expand these credits.

(2) Depreciation

As a non-cash item, depreciation allows improved cash flow on real estate investments, thus provides incentive for investment. Depreciation starts again on resales. Depreciation can be an important factor in joint venture transactions between profit and non-profit developers. City agencies dealing with housing will continue to follow tax and depreciation rules as they affect housing investments.

(Obj. 8) Policy 4

Develop Greater Investment in and Support For Affordable Housing Programs by Corporations, Churches, Unions and Financial Institutions.

As outlined in the Affordable Housing Action up to \$5 million per year could be generated by private sector donations. Even more money could be generated by a more aggressive effort. Examples of how that could work include:

SAMCO: A Statewide affordable housing mortgage pool created by California Savings and Loans

San Francisco Development Fund working with Federal Reserve Bank to create a similar pool for banks

AFL-CIO is seeking way to use pension funds to invest in new housing developments built by union labor

Churches are an untapped source of funding, as are dozens of local foundations.

The Mayor's Office of Housing and the Deputy Mayor for Housing and Neighborhoods will serve as coordinators, mobilizing these efforts.

TO IMPROVE THE FOCUS OF AFFORDABLE HOUSING PROGRAMS

(Obj. 9) Policy 1

Employ Uniform Definitions of Permanent Affordability.

Citywide Uniform Affordability Standards will apply HUD income categories as shown on Table 19. The HUD categories establish the maximum rental and ownership amounts for each income category annually. These standards will be reviewed periodically for adequacy.

(Obj. 9) Policy 2

Make Affordable Housing Permanently Affordable

The City will work with State and federal agencies to develop programs to assist HUD sponsored housing with expiring subsidies.

The City and Redevelopment Agency has established a policy whereby housing assisted by City funds will be affordable by low and moderate income families for the life of the project unless financing or legal impediments require a lesser period of time — but in no event shall this be less than 50 years. This policy will be continued.

(Obj. 9) Policy 3

Establish Affordable Housing Priorities which Emphasize the Needs for Very Low Income Affordable Housing.

In order to maintain a minimum threshold of local financial assistance to address the most urgent housing needs, the following goals for allocating available housing funds will be pursued.

- (a) Transitional and permanent housing for the homeless minimum annual commitment: \$3 million (85 - 100 units)
- (b) Renovation and improvement of public housing. Minimum annual commitment: \$3 million (110 - 130 units)
- (c) Unreinforced masonry buildings housing very low income households minimum annual commitment: \$2.5 million (150 175 units)

TO PROTECT THE EXISTING AFFORDABILITY OF HOUSING

(Obj. 10) Policy 1

Preserve Affordability of Existing Affordable Units

Monitoring of affordability of units constructed with City assistance and/or created as a condition of approval of a project will be centralized in the Mayor's Office of Housing with staff assigned to this activity.

Financing agreements and conditions of approval will contain procedures to recapture the units if there is a default.

(Obj. 10) Policy 2

Protect Existing Buildings At Risk of Losing Their Subsidies or Being Converted to Market Rate Housing.

Implementation of this policy will focus both on local legislation and staff effort by the Redevelopment Agency. The proposed local legislation would provide for 18 month advance notice of intent by an owner of assisted housing who intends to prepay or termine; Planning Commission public hearing on intended prepayments; relocation assistance not to exceed \$5250 per household; requirements to offer for sale to qualified notice such as tenant association or non-profit organization; 12 month Preservation Appeals Board.

Because a majority of existing subsidized units are in Redevelopment Areas, the Redevelopment Agency will staff a Subsidized Housing Preservation group to assist the City in developing and implementing an action program designed to preserve the City's subsidized housing stock. The City and the Redevelopment Agency will review their regulatory agreements on existing affordable housing projects to analyze potential for extending the existing affordability restrictions.

The Subsidized Housing Preservation Group is comprised of community-based organizations and individuals, with participation by City agencies involved in housing. Tasks for the group include addressing Housing Element requirements by the January 1, 1992 deadline, actively monitoring individual projects, identifying financial resources and possible opportunities for expansion of local resources; surveying owners; reviewing Redevelopment Agency Land Disposition Agreements and networking. There will also be need for continuing lobbying on state and federal legislation, and for education and outreach to tenants in publicly

The success of the local strategy will depend heavily on Congressional action to extend or provide additional resources to preserve HUD-subsidized housing stock

(Obj. 10) Policy 3

Promote Equal Access to, Protection For, and Affirmative Marketing of Affordable Housing.

In evaluating housing opportunity areas, the City will seek to maintain a ratio of assisted housing in neighborhoods which is no greater than the ratio City wide, thus distributing access to assisted units throughout the City. The Human Rights Commission will continue to support and monitor Fair Housing Access laws.

(Obj. 10) Policy 4

Safeguard Tenants From Excessive Rent Increases While Assuring Landlords Fair and Adequate Rents.

The Rent Stabilization ordinance was enacted in 1979. It has since been amended 26 times. In 1982, the ordinance put more responsibilities on landlords for rent increase process. In 1984, the allowable annual increases were tied to the Consumer Price Index, and held to a minimum of 4% and a maximum of 7%. In 1989, a rent registration fee was enacted for stabilization activities.

In the next five years, the following issues are likely to be considered: vacancy control, status of illegal units, seismic retrofit, limits on percent of ownership for owner occupancy evictions.

The ordinance provides that:

- (1) All private rental units, with certain exceptions which include owner-occupied buildings with four or fewer units, are subject to an allowable annual increase of between four and seven percent, inclusive. The allowable annual increase is determined by the area Consumer Price Index.
- (2) Increases beyond the annual allowable increase are permitted if the increases are due to increased utility costs which are passed through to the landlord.
- (3) The Rent Stabilization and Arbitration Board (the Board), besides administering the rent control ordinance, hears appeals of the decisions of hearing officers who arbitrate disputes over rent increases. The Board consists of five members, two landlords, two tenants and one person who is neither a landlord nor a tenant, who are appointed by the Mayor.
- (4) Landlords may also seek rent increases beyond the annual allowable increase due to capital improvements, rehabilitation, energy conservation measures, or increased operating costs of rental units. In order to make such increases, landlords must petition and be granted approval for such increases from the Board. This provision of the ordinance exists to encourage landlords to maintain and/or

- (5) If additional rent increases are sought for capital improvements, rehabilitation, or energy conservation measures, the Board shall determine the amount and time period of rent increases appropriate to amortize such costs.
- (6) Tenants may petition the Board in order to seek reductions to their rents if the services for their units are reduced by their landlords, or if the landlords have failed to perform ordinary repair and maintenance, and their landlords have not accordingly reduced the rents charged to the tenants.
- (7) Evictions without proper cause or retaliatory evictions are prohibited.
- (8) Units which become vacant are not required to adhere to the rent stabilization ordinance while they remain unoccupied.

Since the enactment of the ordinance, the Board has handled an average of 5,300 petitions per year, involving both tenants and landlords.

TO ACHIEVE AFFORDABILITY THROUGH VARIOUS FORMS OF OWNERSHIP

(Obj. 11) Policy 1

Encourage Non-profit and Limited Equity Ownership and Management of Housing

(a) Block Grants

Through neighborhood-based non-profit housing developers, this program provides Community Development Block Grant funding to acquire buildings for rehabilitation and sites for new construction. The new or renovated housing produced is owned and managed by the non-profit organizations, which keeps the housing affordable.

Site Acquisition funds are awarded to projects based on need for financing. Applicants are required to maximize funding from other sources, and to utilize Site Acquisition for gap financing only. The funds are generally advanced as 30-year conditional grants. As long as affordability and low-income occupancy requirements are met, no repayment is required. At the end of the 30-year period, the funds convert to a full grant. Annual funding is approximately \$2.4 million and is expected to continue at that level through 1995. The allocations have ranged from \$2 to \$2.5 million, depending on the volume of projects being proposed by the non profits.

Hotel Room Tax Low Income Housing Fund

A portion of the City's tax on hotel room charges is allocated to assist housing for elderly and handicapped which is non-profit and will remain affordable for at least 40 years. The fund has been used since 1973 to build replacement housing around the Yerba Buena Center. Beginning in 1987, the fund has been available to assist projects citywide. The Fund is administered by the Chief Administrative Officer, with assistance in project selection from MOH. Annual funding is approximately \$2.8 million and is expected

Increased Availability of City Owned Property to Developers of Non-profit/Limited Equity Housing.

In seeking developers for housing on city owned properties, priority will be given to non-profits.

(Obj. 11) Policy 2

Support New Affordable Housing Ownership Programs.

The Mayor's Office of Housing will be working to broaden the existing first time homebuyer program by development of a second mortgage loan pool to assist buyers in meeting down payment requirements.

Both the Redevelopment Agency and the Mayor's Office of Housing will support tenant sponsored cooperatives and condominium conversions.

The Planning Department will encourage private sector sponsors to offer to sell units to the City or non profit sponsors.

TO PROVIDE A QUALITY LIVING ENVIRONMENT.

(Obj. 12) Policy 1

Assure Housing is Provided With Adequate Public Improvements, Services and Amenities.

(a) Recreation and Open Space

Ad valorem tax funds in the San Francisco Park and Open Space Funds provides funds for the acquisition, renovation, maintenance and improvement of open space and recreation facilities. The tax involves a set-aside of 2.5¢ per \$100 of assessed value for a term of fifteen years. It produced \$14 million in 1989. Comparable amounts are expected in the future.

(b) Facilities and Public Environment Improvement

Concentrating on the six neighborhood Strategy areas: Rincon Point-South Beach, North of Market, Western Addition, Bayview/Hunters Point, Mission, Chinatown/North Beach. CDBG funds are used for such activities as:

Renovation of recreational facilities Renovation of neighborhood and senior centers Renovation of childcare centers Development of new neighborhood centers Improvements to the public environment

(c) Street Improvements

The City's gas tax and road fund receipts are used for street cleaning, maintenance/repair, and such improvements as curbs, street widening, and traffic islands. Annual expenditures are approximately \$15 million.

In November, 1989 San Francisco voters authorized use of a 1/2 percent sales tax for a twenty year period. The revenue estimated to be generated amounts to \$902 million and will be expended in accord with a Transportation Expenditure Plan adopted by the Board of Supervisors. The Plan allocates sales tax revenues to four transportation categories in the following proportions: Transit - 60%; Streets and Traffic Safety - 30%; Paratransit - 8% and Transportation Systems Management - 2%. First priority is given transit improvements and renewal of the City's aging transportation infrastructure.

(Obj. 12) Policy 2

Allow Appropriate Neighborhood-serving Commercial Activities In Residential Areas.

(a) Extension of Neighborhood-serving Non-Conforming Uses.

The 1978 amendments to the Planning Code established a process as outlined in Section 186 whereby those non-residential uses in residential areas which were made non-conforming by the Planning Code provisions adopted in 1960 can have their termination dates extended or removed.

1987 Amendments to the Planning Code further liberalized non-conforming use provisions in relation to the Neighborhood Commercial districts. No time limits or termination dates are applicable to such uses. A guiding standard contained in the Commerce and Industry Element of Master Plan is that neighborhood shopping districts should be within a half a mile of residential area. However, the Planning Code allows extensions of non conforming uses if they are located more than 1/4 miles from a neighborhood shopping district. This is to provide convenience goods and services on a retail basis to meet the frequent and recurring needs of neighborhood residents within a short distance of their homes.

This Residence Element policy is applied when there is a consideration of such extensions.

(Obj. 12) Policy 3

Minimize Disruption Caused by Expansion of Institutions into Residential Areas.

Section 304.5 of the Planning Code which was enacted in 1977 requires large medical and educational institutions to prepare and periodically revise master plans to guide future development. These plans are to be submitted for public review and hearing before the City Planning Commission. In addition to describing expansion plans, the Master Plans include the actions to be taken to minimize the adverse impacts on surrounding residential areas. Governmental and public concerns regarding the proposals in the Master Plan are, through this process, brought to the projects are too far advanced.

(Obj. 12) Policy 4

Promote Construction of Well Designed Housing That Conserves Existing Neighborhood Character.

In 1989, the Department published <u>Residential Design Guidelines</u> to assist in the plan check and review process for residential developments. A future program will involve drafting of additional guidelines which will differentiate the criteria to be applied to high density development from those for low to medium density. These additional guidelines could define and quantify the minimum requirements for on-site and off-site amenities for larger parcel development in advance of project review and approval.

A part of the process for developing these additional guidelines would involve post-construction Planned Unit Development evaluations, including attitudes of adjacent neighbors.

(Obj. 12) Policy 5

Relate Land Use Controls to the Appropriate Scale for New and Existing Residential Areas.

As part of the Residential Rezoning Program (88-89) much analytical work has gone into the questions of scale. Zoning controls are proposed to be amended to be more responsive to average or prevailing patterns of height and depth of existing buildings. In one and two family areas, the new controls are intended to have fixed building height and depth that will still be compatible with the neighborhood scale. These controls are intended to be applied in conjunction with the Residential Design Guidelines.

(Obj. 12) Policy 6

Modify Proposed Developments Which Have Substantial Adverse Environmental impacts or Otherwise Conflict with the Master Plan.

The Department maintains a project review staff to review the design of projects. The Planning Commission may use its powers of discretionary review to improve design. The Department also maintains an environmental review staff to assess the environmental impacts of projects. The Planning Commission may impose mandatory mitigation measures for adverse impacts.

TO PROVIDE MAXIMUM HOUSING CHOICE

(Obj. 13) Policy 1

Prevent Housing Discrimination Base on Age, Race, Religion, Sex, Sexual Preference, Marital Status, Ancestry, National Origin, Color, Disability, Health Status (AIDS/ARC), Source or Amount of Income, Citizenship or Employment Status as a Family Day Care Provider.

In November 1979, the San Francisco Board of Supervisors adopted Resolution 1045-79 which reaffirmed support of state and local fair housing legislation and opposition to discrimination in the purchase and rental of housing. In 1978 the City passed legislation prohibiting discrimination based on sexual preferences.

Legislation prohibiting discrimination on the basis of AIDS/ARC in housing and strengthening the Fair Housing for Children ordinance was recently adopted. These prohibitions are among the strongest in the nation. In addition, the City, through the use of CDBG funds, has continued to provide and increase public resources to addressing this problem.

These ordinances will continue to be administered by the Human Rights Commission.

(Obj. 13) Policy 2

Promote Adaptability and Maximum Accessibility of Residential Dwellings for Disabled Occupants.

The City Planning Code (Sec 209) permits a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when such dwellings are specifically designed for and occupied by senior citizens or physically disabled persons. Increasing the availability of accessible housing will probably require additional approaches which will be defined in future studies by the City and by advocacy groups.

The City, through plan checking by the Bureau of Building Inspection, enforces the standards for accessibility and adaptability for the disabled as legislated in Title 24, Part I and II of the California Administrative Code, or as adopted locally. Specialized staff within the BBI are assigned to this activity.

Adaptability standards for condominiums, to supplement state requirements for rental projects, were adopted in 1987. The requirement for adaptability is in place as promulgated by the State Department of Housing and Community Development. The San Francisco Housing Authority has a strong policy of encouraging accessible housing in new construction and rehabilitation.

(Obj. 13) Policy 3

Increase the Availability of Units Suitable for Special User Groups with Special Housing Needs Including Large Families, the Elderly and the Homeless.

This policy will be implemented in larger part through review of proposed housing projects and advocacy of a mix of unit sizes and types to accommodate special users. The Planning Code (Sec. 209) currently provides an incentive for elderly housing and housing specifically designed for handicapped persons by allowing double density.

The City will continue to have an Disability Access Coordinator in the Department of Public Works to act as point person and provide resources on special physical design features to accommodate disabled persons.

The City will be promoting development of appropriate support facilities along with affordable housing. This includes childcare facilities near location of multi-family developments and in conjunction with upgrading Public Housing.

Where special housing has been included in city-assisted housing, the Mayor's Office of Housing is the monitoring agent and the funding agreement is written to be binding. In the case of privately developed special housing which has received a density bonus, the monitoring has been the responsibility of the Department of City Planning. This will be centralized in the Mayor's Office of Housing.

(Obj. 13) Policy 4

Eliminate Discrimination Against Households with Children.

New State and federal legislation addressing discrimination against households with children has been passed, in recent years, improving the City's and other agencies ability to enforce the law. In 1987. the City amended its fair housing law for families with children, making it one of the strongest laws in the country. It prohibits some of the most common surcharges and restrictive rules. The City, particularly standards, rent Commission will be urged to aggressively implement this law including the promulgation of rules to handle complaints of discrimination. These rules are still not in place, almost three years after the 1987 amendments were

(Obj. 13) Policy 5

Encourage Economic Integration in Housing by Ensuring That New Permanently Affordable Housing is Located in All of the City's Neighborhoods, and by Requiring That All New Large Market Rate Residential Developments Include Affordable Units.

Implementation of this policy has occurred through the City's efforts to achieve the deconcentration of assisted housing opportunities by dispersing assisted housing away from the most heavily impacted areas of the City. The City will continue to promote of new market rate housing in or near such impacted areas.

(Obj. 13) Policy 6

Provide Adequate Rental Housing Opportunities.

(a) Preservation

The City's programs regulating demolition and conversion are, or will be designed to implement this policy.

(b) Rental Housing Finance Program

The Mayor's Office of Housing will continue to finance programs to build multifamily rental housing, including use of multifamily mortgage Revenue bonds.

(c) Other Programs Assisting Rental Housing

The Mayor's Office of Housing and the Redevelopment Agency will continue to administer the following programs:

- Housing site acquisition for non profits
- Office Affordable Housing Production Program
- Hotel Room Tax Low Income Housing fund
- HUD 202 New Construction
- New State bond program related to construction of rental housing
- Tax credits for low income housing production

(Obj. 13) Policy 7

Expand Opportunities for Home Ownership Without Significantly Diminishing the Supply of Rental Housing.

Home ownership programs administered by the Mayor's Office of Housing and/or the Redevelopment Agency include bond financed mortgages and below market interest rates for first time homebuyers. The City also may administer land equity loans for units built on land once owned by the city. "Sleeping seconds" or shared appreciation arrangements will be used to reduce monthly mortgage costs and recoup the savings for the next qualified homebuyer. The City will be ready to take advantage of any new State bonding programs directed to home ownership. A \$2 billion program has been proposed by the Governor.

In the private sector, local lending institutions can provide for biweekly loans, wherein mortgage payments are made every two weeks. This form of payment substantially decreases both the interest expense and term of conventional loans. The City can promote awareness of this technique and work with local lending institutions to encourage them to provide this option in their home financing loans.

(Obj. 13) Policy 8

Amend Regulations Relating To Group Housing to Ensure a Distribution of Quality Board and Care, Adult Day Care Facilities and single room occupancies.

Section 209.3 of the Planning Code defines residential care facilities as including, but not limited to, "a board and care home, family care home, long term nursery, orphanage, rest home, or home for psychological disorders. These uses are permitted as principal uses in all residential districts for six or fewer persons, and as a conditional use for seven or more persons. The Commission will review such conditional use applications in relation to this master plan policy. The City, however, should not use conditional use criteria or other special restrictions on residential care facilities to limit uses for groups which have compelling needs for housing and services. In particular, the City should ensure that local law does not conflict with the federal Fair Housing Amendments Act of 1988, which prohibits, among other things, restrictions on housing and residential care facilities for disable persons and children.

The Department of City Planning will study the potential for expanding as-of-right group housing and the group housing definitions as contained in sections 209.2 and 216 "Other Housing" and in the Neighborhood Commercial controls.

TO AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT.

(Obj. 14) Policy 1

Minimize Relocation Hardship and Displacement Caused by the Public or Private Demolition or Conversion of Housing.

The programs described in Objective 3, "Retention of Existing Housing" address this policy.

(Obj. 14) Policy 2

Permit Displaced Households the Right of First Refusal to Occupy Replacement Housing Units of Comparable Size, Location, and Rent Control Protection.

This policy is being implemented through sections in the Rent Stabilization, Condominium Conversion and in the residential hotel conversion ordinances.

(Obj. 14) Policy 3

Provide Relocation Services Where Publicly Funded Actions or Private Actions Cause Displacement.

As a matter of City policy all local public programs directly causing displacement include relocation services and benefits equal to those of the Federal Uniform Property Acquisition and Relocation Act.

The City Planning Commission and other City decision-makers would implement this policy as part of their review and approval powers.

DEAL WITH THE ROOT CAUSES OF HOMELESSNESS, RECOGNIZING THE SOLUTION IS MORE THAN THE PROVISION OF EMERGENCY SHELTER.

(Obj. 15) Policy 1

Shift Focus From Provision of Temporary Shelter to Provision of Permanent Affordable Housing.

Under the coordination of effort by Deputy Mayor Housing - Neighborhoods, the City will undertake more aggressive enforcement of all laws protecting low cost housing. The Mayor and Board of Supervisors will be requested to provide more staffing for Planning Code enforcement

The Department of Social Services will study creation of a housing referral program to develop a comprehensive inventory of available low cost housing and provide housing counseling and placement services. A potential financial resource for such a program is Redevelopment funds Services will also study and if feasible implement a rental deposit guarantee program — assistance for last month's rent and security deposit utilizing the State Emergency Shelter Program. Social Services is already negotiating rent discounts with landlords in exchange for guaranteed rent payments from General Assistance recipients.

Block grant funds will continue to be allocated to rehabilitation of vacant public housing units. The Housing Authority has targeted a 98% occupancy rate by end of 1990. One of the sources of funding will be \$1.8 HUD Comprehensive Improvement Assistance in CDBG funds.

Portions of new Affordable Housing funds, CDBG, AFL-CIO Housing Pension Fund, Residential Hotel Conversion fund and Federal Emergency Management Administration funds will be used for acquisition and rehabilitation of residential hotels and apartments by non-profit developers. A replacement of residential hotels destroyed by the 1989 earthquake.

Homeless shelters and transitional housing are permitted as principal or conditional uses throughout the City. The Mayor's Office of Housing and the Department of City Planning are identifying and, in appropriate cases, developing sites for homeless shelters and transitional housing. For example, permanent shelters at 5th and Bryant and Polk and Geary are currently in the process of approval.

(Obj. 15) Policy 2

Develop Strategies to Deal With Root Causes of Homelessness Including Lack of Financial Resources, Employment and Health Services.

The Department of Social Services will continue effort to expand assistance to homeless people in gaining access to entitlement programs (AFDC, SSI, GA.) Such assistance includes establishment of entitlement outreach, SSI Advocacy Programs, improved check cashing services, pilot money management training. To the extent that an individual's immigration status disqualifies that person from certain entitlements or housing programs, he or she should be given priority for emergency shelter programs.

The Department of Social Services and City Planning through its Employment Brokerage requirements will provide assistance to homeless people in seeking employment. Such assistance includes job training for eligible AFDC clients and new work incentives for General Assistance who should not be not penalized for working. Other needed services include job preparation and a centralized job bank.

(Obj. 15) Policy 3

Provide Emergency Assistance Programs Including Emergency Access to Food, Clothing and Shelter, Improve Coordination of Services in Existing Shelter Programs and Expand Health Care Outreach Services.

The Department of Social Services and the Mayors' Homeless Coordinator together with the Deputy Mayor for Housing and Neighborhoods will seek creative financing for provision of a 24-hour drop-in center with showers, storage, telephones. Such centers are intended to combine shelter, transitional housing, job training and development, health care and case management. Community and City agencies will provide the services.

The Mayor's Office will be able to submit strong applications demonstrating broad coordination and support every time a new funding source become available. The Mayor's Homeless Coordinator will create a regular forum in which providers of emergency shelter and related services can improve their coordination of efforts. The Clothing Bank, a project of the San Francisco fashion industries will continue to distribute clothing to agencies serving homeless people and will be supported in its efforts by designers, retailers and the public.

The City, through the Department of Social Services, will increase efforts to encourage eligible homeless people to obtain food stamps and participate in bulk purchasing and distribution of quality surplus food.

(Obj. 15) Policy 4

Facilitate Childcare and Education for Children in Homeless Families.

The City will seek the assistance of the State and private sources and will use CDBG funding to develop child care in family shelters. The Department of Social Services and the San Francisco Unified School District will coordinate school enrollment and special services to homeless families (Social Services,

(Obj. 15) Policy 5

Adopt Measures that Prevent Homelessness.

The San Francisco Housing Authority and the Department of Social Services will study the feasibility of establishment of an early eviction warning system for public housing tenants receiving welfare payments. The study tenants receiving welfare. The Department of Social Services will designate a "point person" to coordinate eviction assistance, including pre-eviction emergency loans. Such loans would come from establishment of a emergency eviction fund by the Mayor's Office of Housing.

A further related action is strengthening of the Residential Hotel Conversion Ordinance. Finally the City will support and if possible initiate Federal and State efforts to protect and extend existing housing subsidies.

OBJECTIVE 16

TO ADDRESS AFFORDABLE HOUSING NEEDS THROUGH A COORDINATED STATE AND REGIONAL APPROACH

(Obj. 16) Policy 1

Encourage the Balancing of Regional Employment Growth With the Development and Growth of Affordable Housing in the Region.

This policy will be implemented by the City setting an example in the way it carries out housing and economic development within the City.

(Obj. 16) Policy 2

Encourage Development of Housing in the Bay Area Which Will Meet Regional Housing Needs and Contribute to the Quality of Life in the Region.

This policy will be implemented by the City by setting an example in the way it carries out rehabilitation and development of housing within the City.

(Obj. 16) Policy 3

Encourage the Distribution of Affordable Housing Throughout the Bay Area, Without Diminishing Efforts To Expand Such Housing in the City.

This policy will be implemented by the City by setting an example in the way it integrates low and moderate housing into both new and existing neighborhoods.

Cities have the ability to use Joint Power and other collective and cooperative arrangement to make more effective use of financial resources for housing production. San Francisco will encourage ABAG to take the lead in studying the feasibility of joint powers approaches to housing finance. The City is already participating in a pool of regional housing mortgage funds.

(Obj. 16) Policy 4

Encourage the State of California to Develop and Implement an Affordable Housing Plan.

As part of the dialogue involved in the State Housing and Community Development Department review of San Francisco's Residence Element, the City Planning Department staff will actively request and seek legislative means to require a more active role in affordable housing planning at the State level.

SECTION TWO - IMPLEMENTATION PROGRAMS - CHART

| 1 2 |
|------------------------------|
| to be Part of work 1000 1000 |
| |

Pending rezonings - Hission Bay, Central Waterfront, Bayshore, Morth Hission, etc. Interim and Permanent Zoning controls; reclassification of 1850 parcels to lower change density Survey/Study — accommodate residential parking in NC districts Amendments interpretation; possible planning Code changes (Secs. 503, 511) Survey & Study (1990) Zoning Administrator Master Plan, change in Mission Bay area Type of Action Policy directive Survey/Study. Planning Code. Study/Survey Zoning Survey/Study densities 1990 1991–1992 (The density reclassification is only one component of the larger study which also addresses other aspects of neighborhood character.) 1990-1993 1990-1991 and ongoing 1993-1994 Timing (year) ongoing 1990 Will be considered as part of pending area plans, rezonings Budget (\$)xr. 230,000 172,500 5,750 14,375 (Part of workload of Zoning Administrator and Resid., Rezoning Part of Mission Bay implementation 6 (Part of workload Commission Cases) RESIDDICE ELDIDIT IMPLEMENTATION PROGRAM SCHEDILE interns (not count-ing environ review) (FTE) 1/10 FTE Staff m 3 -5 See Responsible Agency v B of S, CA, DCP/CPC DCP. 881, CA, B of DCP/CPC, B of S DCP/CPC 8 of S S ð 6 DCP/CPC, B 8 DCP/CPC, 핥 Page Flexibility in number and size of units within permitted envelope Conformity of zoning districts to Master Plan density More housing development near Downtown and in Neighborhood Commercial Districts \$ Study legalization of existing illegal units Clearer definition of demolition" to facilitate better regulation, review better regulation, review Extension of replacement requirement for demolitions more forms of housing than residential hotels Densities compatible with neighborhood character Restrict Mergers PROGRAM II. Housing Density II-1 OBJECTIVE and POLICY 11-2 11-3 1 1111 111-1 111-2 111-3 III. Retention of Existing Housing

| | 2 | ESIDENCE ELEMENT IMPLEMENTATION BROWNS | | | • |
|----------------------|----------------------------------|--|--|--|---|
| OBJECTIVE and POLICY | CY PROGRAM | | MANUSCAN SCHEDU | 4 | |
| 7-111 | | Page | Staff (FTE) | Budget Timing | - Bu |
| | housing; compensation to | CPC/DCP, B of S, RSB, SFRA | 1/10 | 4 | +- |
| | re partnerships/tenant in common | | - | | <u> </u> |
| | | - | | year to assist in expiring | CPC policy on mergers |
| 9-111 | Extend conversion protection | - ' | | subsidies | |
| | industrial areas | , c, a o | - S | 1-2) | Zoning amendments |
| 111-7 | Preservation of residential | 188 | | | |
| | | : 5 | 271 | 115,000 1990-1995 | 95 Amendment of Hotel regulations |
| Av. Seismic | South of Hartet | | | | regulations |
| [V-] | Redevelopment. | SFRA | (9 part cax | \$1.5 million 1990-1992 | 92 Redevelopment |
| į | Uparading of | | | million us thru | |
| IV-2 | Masonry bldgs containing | CAO, DPH/BBI, DCP/CPC, | 7 | 500,000 1990-1991 | - Friday nanda |
| • | | | \$5-7 G-0.0 | _ <u> </u> | S Bidg. Code: local and other other financial resources |
| IV-3 | Improvement of seismic | DCP/CBC ARE | | yar | |
| | Butsting housing | 8 | 1-1/2 \$ 86 1-2 \$60- Consultant 100,000 Study? | 86,250 1990-1991 1990-1991 1992-1993 | |
| V. Housing | | \int | | | Changes in bidg. Code for fill areas? |
| V-1 | Housing Assistance Plan | MOH, HUD, 8 of S | * | 57,500 annual | Three year planning document |
| | | | | | Federal housing assistance |

RESIDENCE ELEMENT IMPLEMENTATION PROGRAM SCHEDULE

| Type of Artion | Expenditure of Non-Local \$; Local \$ in Housing Trust fund to be established by voters | Enforcement. Adm/Pro | Non-Local \$-HUD. Local \$ in Housing Trust fund to be established by voters. Con- tributing from developers in lieu of inclusionary units | Neighborhood Organization participation | Survey/Study. Zoning (new designation on landmarks) Haster Plan - Area Plans Tax incentives | Managerial oversight | Local expenditures; Survey/Study | Non-Local \$ Local \$ | Survey/Study; Assignment of staff |
|--------------------|---|--|--|--|---|---|--|--|--|
| Timing (vear) | Leunne | 1991 | 1990-1995 | | 1990-1995 | 1990-1992 continuing if Mayor reelected | 1990-1995 | 1990-1995 | 1991–1995 |
| Budget (\$) vr. | \$3.2 million (existing) \$20.0 million (proposed) | \$ 57,500 | \$ 172,500 \$4.0 million proposed | \$ 28,750 | \$ 57,500 | \$ 94,000 | \$ 14,375 57,500 | \$ 57,500 | \$ 28,750 |
| Staff (FTE) | 4 staff, 3 consult- tants | - | 60 | 2/1 | - | - | 1/4 | | 1/2 |
| Responsible Agency | MOH, HUD, Housing Dev. Corps. etc. | 881, CA, 8 of S | HA, HUD, B of S, HOH neighborhood residents | HOH? | DCP/CPC, LPAB, B of S, IRS | ¥10 | HOH | HOH SFRA | BBI/DPW DCP/CPC CA, RSB? |
| PROGRAM | Below market loans for housing rehabilitation. Community Housing Rehab, Home Improvement Loans | Standardized approach to serious continuing Code violations (receivership) | Rehabilitation of public housing (vacant units) | Neighborhood-based "Friends of Public Housing" groups | Preservation of residential buildings of architectural or historical importance | Centralization/consolidation of government activities related to affordable housing | Landbanking in advance of specific project proposals | Support/expansion of capacity of nonprofit housing develop-ment corporations | Special program for enforcement of code violations which would remove affordable housing |
| E and | V. cont. | £-3 | J | ** | V-5 | VI. Affordability Delivery Systems VI-1 | VI-2 | VI-2 | VI-2 |

| | | | for affordable housing staff in | Assignment of staff | | Assignment of staff | | Local \$ - need new leased facility - possible lease- back transaction | | Admin, Procedures in process | DR's | Newsletters, brochures, press releases | • |
|---|----------------------------|---|---------------------------------|--|-----------|------------------------|-------------------------|--|-----------------|------------------------------------|---------|---|-------------------|
| | Timing | | | 1990-1995 (esp. with major eastside | rezonings | 1991 | | 1993-1995 | | 1990-1995 | | 1990-1995 | |
| HEDRI F | Budget | \$ 172,500 | | \$ 57,500 86,250 | | \$ 5.750 + printing | 21693 | to be determined based on feasibility of new | facility | ı | 1. | 5,750 | Printing costs |
| N PROGRAM SC | Staff | m | | 1 - 1-1/2 | | 1/10 | | will use existing staff | | Part of PR functions | | 97.7 | |
| RESIDENCE ELEVENT IMPLEMENTATION PROGRAM SCHEDULF | Responsible Agency | DCP/CPL, Mayor, 8 of S 881, SFRA, MOH | | DCP/CPC | 968 | · | and and | a of S | | UCF/CPC Voluntary Organizations | #G# | Press secty SFRA | |
| MESTORIA | - 1 | affordable housing/staff for (See also I-2) | Haster EIRs applicable to new | | for | | "me charlised Counter - | | Boards' dispute | | housing | | |
| | VESTELLIVE and POLICY VI-3 | | VI-3 | | 17 | - | VI-3 | | VI-3 | | 7-17 | • | |

Revision of density bonus provisions of Planning Code. Review of Non-local (CDBG Policy guidelines adopted by CPC; Revision of density bonus provisions of Planning Code Regulation (portion of housing inspection responsibility) reimbursed by fees monitoring Amendments/local exceptions .
to Uniform Bidg. Code. Every
Every 3 years must relate to
climate, geology, geography Revision of density bonus provisions of Planning Code Areas Plan Rezoning. Acquisitions. N funds); local \$ Iype of Action assets survey Lobbying ABAG liaison | Process | 1990-1995 1991-1992 1990-1995 1/4 encompassed in CU process 1/4 | 14,400 | 1990-1995 1990-1995 1990-1995 1990-1995 1990-1995 1990-1991 1990-1995 Timing (year) : Budget (\$) yr. encompassed in CU 115,000 172,500 million 57,500 57,500 6,000 172,500 57,500 3,000 RESIDDICE ELDIENT IMPLEMENTATION PROGRAM SCIEDULE gned ~₩ organizations (pro bono) | professional not ass (FTE) ۳_ \$2 3 1 20 1 20 22 ~ Staff ۵ 2 Responsible Agency S : DCP/CPC, B of DCP/CPL, B of DCP Mayor's Office DCP/CPC, MOH 881/DPV C/A DPN DPN/HID PUC/BEL SFR SFR SER Page (Limits to local modification of UBC: already 1 floor more than standard for wood frame) Review of Uniform Building.Code standards to reduce housing cost Title 24 and Residential Energy Conservation Ordinance Hission Bay energy management Creation of more sites for affordable housing (See I-2) Industrialized housing production technique Inclusionary housing requirement Site acquisition Density Bonus PROGRAM VII. Land and
Building Resources OBJECTIVE and POLICY VII-1 VII-2 VII-3 VII-4 VII-4 VII-5 9-11A

| | | Timing | | 1990-1995 | | | e | | - local | election | 1991-1993 election | | Research leading to legislation | 1 | contributions | 1990-1995 Admin procedures monitoring | of resales | 1995 Monitoring by Resale Informa- tion Specialist; Adm. Process. | | 1995 Local funding; budget decisions | | 1995 Admin, Procedures |
|---|----------------------|--------------------|----------------|-----------|----------------------------|-------------------------------------|-----------------|---|--------------|---|--------------------|------------------------|---------------------------------|--|----------------------------|---------------------------------------|--------------------------------|--|-----------------------------|---|--------------------------------|------------------------|
| | | <u> </u> | derai 10 | 00 199 | \dashv | | | | | | (39 | 1320es) | | origina | | | 1 | 1990-1995 | | 1990-1995 | | 1990-1995 |
| | | Budget (S) vr | 12- | \$ 57,500 | | | \$9 million | \$28 million | \$20-25 mil. | | | | | to be determined | | \$ 57,500 | | (L-X] se | | staff work | | \$7,500 |
| PROGRAM SCI | | 100 | Part of S | + | | | | | | | | | | HOH | | ± | | 3 3 1 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | | Portion of | | - |
| RESIDENCE ELEMENT INPLEMENTATION PROGRAM SCIETHIE | | Responsible Agency | Hayor DIFEN | B of S | | | | 00 of S 00 of S 00 of S | | B of S | | City Atterney/HOM | | DHFN and Community based Non-Profit Organizations | | | 2 | SFRA | | MOH, SFRA, Mayor, B of S Budget Analyst, Electorate | | MOH, City Attorney |
| RESIDEN | | F 20e | | | | | | | | | , | | | | | | | | | | | = |
| | PROGRAM | 7 | | | Creation of new sources of | housing • Adjustment in calculation | of transfer tax | rate to 1.1% (\$11 per \$1,000) • Creation of a Housing Trust fund | | • General Obligation bond series of 3 \$50 million | 1 2 3 4 6 3 | Housing Finance Agency | Outreach to Corporation | Churches, Unions, etc. | Uniform affordability con- | | Keeping affordable housing af- | Changes in term of affordability (50 years) | Affordable Housing Princits | 300 C | | requirements |
| | OBJECTIVE and POLICY | VIII. Financing | VIII-1 | | VIII-2 | | | | | Z-111A | | VIII-3 | VIII-4 | | | <u>-</u> - | IX-2 | | IX-3 | · | X. Affordability Protection | ī |

RESIDENCE ELEMENT IMPLEMENTATION PROGRAM SCHEDULE

| | | | | | ļ. | | |
|--|---|------|-----------------------------|----------------|--|---------------------|---|
| OBJECTIVE and POLICY | PROGRAM | Page | Responsible Agency | Staff (FTE) | Budget (\$) vr. | Timing (year) | Type of Action |
| X-2 | Protection of at-risk units | - | SFRA, MOH, B of S. Mayor | ± | to be determined | | Local legislation; technical assistance; lobbying |
| ij | Balance in ratio of assisted housing in SF neighborhoods | | DCP/CPC, HOH, SFRA | (part of CU | process) | 1990-1995 | Project approvals |
| 1 | Rent Stabilization (Rent Stabilization Board) | | 88.88 | 20 | \$1.2 mil- lion | 1990-1995 | Admin. Proc. Regulation local funding; fees |
| XI. Denership XI-1 | Non-profit/limited equity | | нон | 1 + | \$ 57,500 determined | | Technical assistance funding |
| х1-2 | Affordable Housing Ownership First Time Homebuyer Program | · | нон | ÷ | \$ 57,500 \$10,000,000+ Per year | 1990-1995 1990-3 | Local funding; mortgage revenue bonds - \$35 million 1990-3; additional authoriza- tions to be sought. |
| XII. Quality Living Environment XII-1(a) | Acquisition and improvement | | R&P CPC B of S | 1-1/2 | \$ 86.250 | vear | foral funding - se lares cat |
| 3 | of open space Facilities and sublic environ- | | | | | | |
| | mental improvements in six neighborhood strategy areas | | B of S | 77 | \$ 172,500 \$2.9 mil- lion | year1y | Non local (Federal) funding |
| (3) | Street improvements | | PPV S of S | က | \$ 172,500 | yearly | Local funding — gas tax |
| 3 | Parking facilities in neighborhoods | | PATC B of S OCP/CPC | - | 57,500 amount to be determined | | Local funding |
| • | Transit and street improvements | | TA DPM HUNI | lmm | \$45 million \$ 172,500 \$ 172,500 | yearly | Localfunding — 1/2 percent sales tax |
| XII-2 | Continuation of meighborhood serving non-conforming uses | | DCP/CPC B of S | 01/1 | 5,750 | 1990 | Amendment to Sec. 179 Planning Code to extend 3 more years |
| XII-3 | Conditional use processing for expansion of large medical or educational institutions | | OCP/CPC | 1/2 | \$ 28,750 | annually | Assignment of staff |
| | | | | | | | |

| 10 DOM: |
|----------------|
| MPLENERITATION |
| ELDEDIT 1 |
| RESIDENCE |

RESIDENCE ELEMENT IMPLEMENTATION PROGRAM SCHEDULE

| 2010000 | | | | 55-03 | 4.5 | | |
|---|--|---------|--|--|--|-----------|---|
| אמורי וייי שומי למודי | | Page | Responsible Agency | (FTE) | (S)vr. | (vear) | Type of Action |
| 7 | Preventing/addressing discrimination against families with minor children | • | HRC | See VI-1 | | 1990-1995 | Sec. 100 of Police Code (added 1987); state and federal laws |
| XIII-5 | Economic integration in housing | | DCP/CPC | Sec. 1-2 | | 1990-1995 | CPC Policy guidelines on inclusion of affordable housing in projects of 10 or more units |
| 9-111K | Rental housing - preservation Rental housing - finance | ww I | DCP/CPC, B of S, BBI, BPA, RSB HOH, SFRA, B of S | part of | plan check case load case load 57.500 | workload | Regulatory — demolitions; margers to 4 units or less |
| | Rental Housing - Site Acquisition (also covered in IX-9) | | SFRA. 8 of S | + m | 125.1 | ~ ‡ | Mortgage revenue bonds for multi-family housing CDBG local courses of |
| 7-111X | First Time Homebuyer program | | HOH, 8 of S | + 2 | (Sec. IX-4) | 1990 | financing including hotel tax QAMPP. Tax Increment Issuance of mortgage revenue bonds |
| | | | | | | ÷. | Monitoring results of affordable units |
| 8-111x | Incentives for increase in board and care facilities | | DCP/CPC | small part of plan check as CU case work. | * 11,500 | 1990-1995 | Zoning regulation - permitting these facilities in residential districts if 6 or fewer persons (PC 209.3) Conditional Use for larger facilities |
| XIV. Hitigation of Displacement XIV-1 | Minimization of hardship or displacement caused by demolitions/conversions | | See Objective III | | | | Regulations; studies |

| | W | RESIDENCE ELEMENT INPLEMENTATION PROGRAM SCHEDURE | PROGRAM SCH | 7 # P.E | | |
|--------------------------|--|---|----------------------------------|--------------------------------|----------------------|--|
| OBJECTIVE and POLICY | PROGRAM | | \$1.47 | | | - |
| XIV-2 | | Responsible Agency | FEE | Budget (\$) yr. | Timing (year) | Type of Action |
| | | 7. S. | part | of normal workload | kload | Regulation |
| | Condominium Subdivision | Ado | * | 2 | * | |
| | Residential Hotel Ordinance | Map + Surveys | | (from owners | • | |
| | | IHVO | (administer | | | moving Regulation Regulation |
| XIV-3 | Central Relocation Services | - 1 | | | | |
| | Action including fires | Hayar's Office | 1-1/2 | \$ 172,500 80,000 92,000 | 1990-1995 | Location of units; rent assistance: |
| : | | | | + American Red Cross+ | | emergency aid: Coordination of efforts through Rent Assistance Committee |
| XIV-4 | Replacement of units lost due | 9 04 6 | | Spun CC | | (SFRA, DSS, HO, CR, HA) |
| | to seismic retrofit | Rayor | part of seismic to be determined | retrofit | study | Regulation: explanation of |
| XV. Homelessness XV-1 | Hodified as 12. | | | 1 | 1991-1992 | local/non-local funds |
| · · | | DSS/Tenderloin Housing Clinic | contract | \$ 100,000 | Origoing | Negotiated rent discourse s |
| 1-vx | Housing Referral | Dee/7-1-1-1 | | 1 | | for G.A. recipients |
| | | Clinic Housing | contract | \$ 100,000 | ongoing | Service; counseling |
| X-1 | Community Housing Partnership | United Way | | | | |
| | Council of Community Housing Organizations) | 955 | · | 800,000 | Ongoing 1990-1995 | New non-profit to acquire/ |
| . XX-1 | Purchase/Renovation of | | | | | 200 units/yr. |
| | Residential Hotels - Prop 77, State of Calif. | ğ | • | \$12,000,000 | 1990 | Use of state bond resources |
| XV-2 | Local match reserve fund | 346 | | | | |
| | | ? | • | 1,000,000 | 1990-1995 | Facilitation of use of state, |
| | | | | | | homeless |

RESIDENCE ELEMENT IMPLEMENTATION PROGRAM SCHEDULE

| | | | | 77-13 | | | |
|--------------------------------------|--|------|---|---------------------------------------|--------------------------------------|-----------|--|
| VENETITYE AND POLICY | PROGRAM | Page | Responsible Agency | (FTE) | 6udget (\$) vr. | (resy) | Type of Action |
| XV-2 | Job Bank | | | | | | |
| XV-2 | Monitoring of local program with participation of clients | | 055 | | | 1990-1995 | Monitoring/Evaluation |
| XV-3 | Multi-service centers - 425 beds | | State, FEMA, Red Cross, MOH | | \$10,000,000 | 1990 | Construction/rehab of facilities (2 in 1990) |
| XV. | Child Care for homeless families | | носс | component of transitional | component of transitional housing | | |
| XV-5 | Transitional Housing — 180 beds/ McKinney Act | | 055 | | \$ 6,000,000 | 1990-1991 | 5 facilities; 2 for families; 2 for youth; 1 for mentally disabled |
| XV-5 | Early eviction warning | | SFHA; DSS | part of staff w | part of existing staff work load | 1990-1995 | Administrative procedures; counseling |
| XVI. Regional Approach XVI 1-3 | Liaison to ABAG Participation in Bay Vision 20/20 process Joint trips/conferences with Bay Area mayors | | 805; Nayor's Office Mayor's Office, DCP Mayor's Office; MOBED | (supervisor part time 1/20(DCP) | minimal \$ 3,000 | 1990-1995 | Representation of City on regional planning matters |
| ≯ −1AX | Objectives and Policies. State and Regional Coordination - Encourage the State of California to develop and implement an an Affordable Housing Plan. | _ | HCD | Sacramento lobbyist | part of lobbying | ongoing | Lobbying for creation of State Mousing Plan and State investment in housing. |
| RES1:33 | | | | | | | |

INTERNAL CONSISTENCY

The Residence Element is part of the official Master Plan of the City and County of San Francisco. The Master Plan contains the following additional elements:

Commerce and Industry
Transportation
Public Facilities
Recreation and Open Space
Urban Design
Environmental Protection
Community Safety

These elements have been reviewed in the context of the proposed new Residence Element and all elements of the Master Plan have been found to be internally consistent.

APPENDICES

- A: Public Participation in the Development of the Residence Element
- B: Evaluation of the 1984 Residence Element
- C: Financial Summary of Local Government Agencies Providing Housing Services

PUBLIC PARTICIPATION IN DEVELOPMENT OF THE RESIDENCE ELEMENT

- 1. May, 1989 Release to the public of draft of Mayor's Action Plan for Affordable Housing. At the same time, the Planning Department released a preliminary Needs Analysis for the Residence Element. This notification process reached over 1,000 groups and individuals, among them a number of low income housing advocacy groups. Such groups included the Gray Panthers, Hospitality House, North of Market Planning Coalition, Public Housing Tenants, San Francisco Housing and Tenants Council, Neighborhood Legal Assistance, Council of Community Housing Organizations, Chinatown Resource Center, Asian Neighborhood Design, Catholic Charities, Affordable Housing Alliance, Old Saint Mary's Housing Committee, Independent Housing Services, Delancy Street and the Salvation Army.
- 2. June, 1989 the Planning Commission and Redevelopment Agency held a joint public hearing on the <u>Mayor's Action Plan</u> and the preliminary <u>Needs Analysis</u> in the Supervisors' Chambers receiving testimony from about 55 individuals and groups. Most testimony was supportive of the Action Plan. The Planning Staff drew much material from the Action Plan to rewrite Part III, the Five Year Implementation Program component of the draft Residence Element.
- 3. March 1, 1990 Release of Residence Element Draft for Citizen Review and brief presentation to public and Planning Commission on March 1, 1990. Mail out to mailing list of both interested parties and neighborhood groups (approximately 1,500 names) on availability of draft for pick-up. Initial print run of 750 copies, later supplemented by 300 more. About 850 distributed as of April 25. Staff available by phone to discuss element. Phone number included in all publicity materials.
- 4. March 5 9, 1990 Distribution/delivery of 25 to 50 copies each and meeting announcements to four active community based non-profit housing development corporations. Personal requests to disseminate materials, announcements. Distribution of multiple copies to Public Library.
- 5. March 7 April 25, 1990 About 20 additional meetings held with various civic and neighborhood groups at their invitation. They included SPUR, Coalition of San Francisco Neighborhoods and individual neighborhood organizations such as the Richmond Community Association and Potrero Boosters. Average attendance was about 15 people per meeting.

- 6. March 28 April 7, 1990 Four City Planning Department sponsored public meetings were held at public school and library locations in each quadrant of the City. There were three evening and one Saturday meetings. Publicity for meetings was sent to local press, including an extensive mailing to the ethnic press. There was coverage in Sunday Examiner Neighborhood section. Meeting notices were also posted in the Main Public Library and around city on some lampposts.
- 7. April 6, 1990 Legal notice of Planning Commission public hearing on Residence Element. <u>Draft for Citizen Review</u> was published in San Francisco <u>Examiner</u>. Additional small public meeting notices were published in the <u>Guardian</u>, <u>Chronicle</u> and <u>Independen</u>t the week before the hearing.
- 8. April 24, 1990 Strong editorial in the San Francisco <u>Independent</u> arouses citizen interest. Over 50 calls received in 1-1/2 days; callers encouraged to come to hearing, write or testify. Materials sent out to them.
- 9 April 26, 1990 Formal public hearing at Planning Commission on <u>Draft for Citizen Review</u>. Thirty persons, testify and a number of written comments received.
- 10. May 3, 1990 Hearing on draft EIR.
- 11. May 17, 1990 Continuation of public hearing. Fourteen persons testify and further written comments received.
- 12. **May 25, 1990** Working summary of testimony and written comments received as of May 17 was released and mailed to those who had participated.
- 13. May 30, 1990 Ads placed in seven community based newspapers announcing the Planning Commission Housing Workshops.
- 14. May 31, 1990 Continued public hearing/workshop held 12:15 to 1:55 pm as special meeting of the Commission. The panel discussion-workshop focussed on City and Non Profit Programs for Affordable Housing. Besides the panel, there was testimony from five other persons.
- 15. June 7, 1990 Continued hearing/workshop on Affordable Housing Case Studies. The workshop focused on the barriers to affordable housing and how the Residence Element may set policies to address these problems. Non profit developers discussed their frustrations with funding mechanisms and governmental procedures in the development process for affordable housing.

- 16. June 14, 1990 Continued hearing/workshop on the Jobs/Housing Balance. Six panelists from regional, community and environmental organizations discussed regional employment and housing construction trends. The groups included SPUR, ABAG, the Sierra Club and the Council of Community Housing Organizations.
- 17. July 13, 1990 Release of Residence Element <u>Proposal for Adoption</u>; mailed out to all commentators with summary of changes made in response to public and City agency comments on <u>Draft for Citizen Review</u>. Notice of availability/hearing schedule sent to Residence Element Mailing list.
- 18. August 2, 1990 Public Hearing on Certification of EIR and Residence Element Proposal for Adoption

RESI 32

EVALUATION OF THE 1984 RESIDENCE ELEMENT

This section evaluates San Francisco's Residence Element of June 1984 with respect to (1) meeting the housing needs, (2) appropriateness of the housing goals, objectives, and policies established in Part II, and (3) progress in implementing the housing programs set forth.

1. Achievement of Housing Need

In reviewing the housing needs for the next five years, it is important to evaluate progress on the City's last targets. The following describes total production through 1989 and the affordability achieved.

a) Total Housing Production Through 1990

New housing construction was close to target with ABAG's projected housing needs of 1,480 units per year or a total of 14,833 units between 1980 and 1990. Table ___ of the Residence Element shows a total of 13,797 housing units completed from 1980 through 1989. The 1990 count is expected to increase the new construction total to more than 14,692 units in the 10 year period.

If the lower income units brought back into use by non-profits' rehabilitations are included, total housing production exceeded the ABAG housing production estimates by about 1,500 units.

TABLE B-1
HOUSING NEED ESTIMATES COMPARED TO ACTUAL PRODUCTION

| | ABAG Estimate | DCP Estimate | Actual Production 1980-90 * | Actual Production as Percent of ABAG | Actual Produc. Percent of DCP |
|---------------|------------------|-----------------|-----------------------------------|---|--|
| Total Units | 14,833 | 14,833 | 16,224 | 109% | 109% |
| Low-Mod Units | 10,087 | 8,158 | 5,893 | 58% | 72% |

^{*} Includes 1,532 units rehabilitated that were previously uninhabitable.
b) Affordability of Housing Production

The 1984 Residence Element contained two affordability needs estimates: One prepared by ABAG called for 68% of the units to be for low and moderate income households, the other based on the Mayor's Citizens Housing Task Force Report called for a lower percent (58%) of low and

moderate income units to avoid further impaction of lower income households in the City. Our findings indicate that San Fraciscoc met 58% of the need for low and moderate income households projected in the 1984 Residence Element, when actual units produced are compared to the ABAG estimates, and 72% of the projected needs when units produced are compared to the lower Housing Task Force estimates.

Actual units produced by income categories are summarized as follows:

Very low:

Production met 60% of ABAG estimate and more than 100% of

the Task Force estimate.

Low:

Production met 78% of ABAG estimate and more than 100% or

the Task Force estimate.

Moderate:

Production met only 36% of ABAG estimate and 22% of the

Task Force estimate.

Market:

Production met more than twice the ABAG needs estimate and

155% of the DCP need estimate.

The greatest deficiency was in providing moderate income housing. There were some moderate income units within the "market rate" category, estimated to comprise about 5%. However for these lower end market rate units, there were no restrictions other than rent stabilization, to maintain affordability.

TABLE B-2 HOUSING AFFORDABILITY NEEDS COMPARED TO ACTUAL PRODUCTION 1980 to 1990

| By Income Level | ABAG NEED ESTIMATES No./Percent | PRODUCTION 1 | REHAB ² | TOTAL | PERCENT OF ABAG NEED |
|---|--|-----------------------------------|-------------------------|-----------------------------------|---------------------------|
| Very Low (<50%) Low (51-80%) Moderate 4 (81-120%) Market Rate (>120%) | 4,450/30% 2,670/18% 2,967/20% 4,746/32% | 1,943 1,326 1,091 10,332 | 766 ³ 766 | 2,709 2,092 1,091 10,332 | 61% 78% 36% 217% |
| Total Housing | 14,833 | 14,692 | 1,532 | 16,224 | |

<u>Footnotes</u>:

New construction through 1988 plus projects under construction which contained an affordability component. Source: Department of City Planning Housing Information Series, May 1989.

Footnotes to Table B-2, continued from previous page:

- (2) The Mayor's Office of Housing facilitated non profit organizations to rehabilitate 6,350 units under the City's rehabilitation assistance program for lower income units. Of these, it was determined that 1,532 units were vacant/uninhabitable. State Residence Element Guidelines indicate that units brought back into the market by rehabilitation can be counted as part of the housing production total for completeness.
- (3) The total number of vacant/uninhabitable units rehabbed (1,532) was equally divided into very low income and low income units although the exact breakdown is not available.
- (4) The figures for moderate income housing production includes only those units which were specifically constructed for moderate income households and not those which were market rate priced for moderate income households.

c) Comparison of Previous Projected Needs with Current Projected Needs

| HOUSING NEED ESTIMATES By Income Level | ABAG 1980 TO 1990 No./Percent | ABAG <u>1988 TO 1995</u> No./Percent |
|--|--|---|
| Very Low (<50% of median) Low (51-80% of median) Moderate (81-120% of median) Market (>120% of median) | 4,450 30% 2,670 18% 2,967 20% 4,746 32% | 6,184 24% 4,123 16% 5,154 20% 10,307 40% |
| Total Housing Need | 14,833 | 25,765 |
| Annual Rate | 1,483 | 3,435 |

The significant increase in projected housing needs is due primarily to a new jobs/housing commuter reduction policy. The affordability requirements differ from the previous in that the projected needs are based of the City's median income distribution and not on the higher region median income which results in further impacting the City's regional share of lower income households.

2. Evaluation of Objectives and Policies

The 1990 element will contain sixteen objectives, with policies and text under each objective. The 1984 Residence Element contained nine objectives.

The results of the prior element, in terms of identified needs for affordable housing, has shown the need for more focus on issues of affordability. Five

new objectives dealing with affordability issues, including delivery systems, land and building resources and financing have been added. These additions reflect the work and recommendations of a broadly based Mayor's Housing Advisory Committee, appointed by the Mayor in November 1989. Its recommendations are contained in the Mayor's Action Plan for Affordable Housing.

Another new objective deals with seismic safety, a policy area not addressed in the prior element but brought to more awareness by the October, 1989 earthquake and level of damage done to San Francisco's housing stock.

The prior element did not specifically address homelessness which has become a major civic concern. The new objective and policies draw from the Mayor's report entitled "Beyond Shelter: A Homeless Plan for San Francisco."

The proposed amendments to the Residence Element include some reorganization of current policies among these new objectives and some rewording of current policies to reflect a greater emphasis on housing preservation and permanent affordability. They are summarized as follows.

Objectives 1 and 2 pertain to new housing construction. These objectives and policies would be largely unchanged. Some proposed rewordings would emphasize the importance of affordability issues. Policy 8 under Objective 5 would be modified slightly and moved to Objective 1. It would become: "Obtain assistance from office developments and higher educational institutions in meeting the housing demand they generate, particularly the need for affordable housing for lower income workers and students." Policy 3 under Objective 2 would be changed slightly to read: "Allow flexibility in the number and size of units within permitted volumes of larger multi-unit structures. Ensure that this flexibility results in creation of a significant number of permanently affordable units."

Objectives 3. 4 and 5 aim to encourage housing preservation. These three objectives have been strengthened by Proposition "M" Master Plan priority policies on housing and neighborhood preservation. Objective 3 is: "To retain the existing supply of housing." New policies would be added which would control the merger of residential units, consider the legalization of existing illegal secondary units where there is neighborhood support and the units conform or can be made to conform to minimum standards of safety and livability, and restrict the conversion of rental housing to condominiums or other forms of tenure or occupancy.

The new Objective 4 aims to better prepare in the event of a major earthquake. It reads: "To reduce the risk of bodily harm and loss of housing in an earthquake." It contains three policies: "Build new replacement housing to compensate for the affordable housing rendered uninhabitable by the October 1989 earthquake," "Reduce seismic hazards in unreinforced masonry

buildings without reducing the supply of affordable housing," and "Improve the seismic stability of existing housing." This objective reflects the City's new emphasis on earthquake preparedness.

Objective 5 (the former Objective 4) is: "To maintain and improve the physical condition of housing while maintaining existing affordability levels." One new policy would be added. It is: "Assure correction of serious continuing code violations and loss of housing." This section underlines the need to continue to upgrade the City's housing stock.

Objectives 6 through 11 address housing affordability needs and resources. They replace the former Objective 5, containing some of the same policies, but with more specificity, as well as new policies. These four objectives provide greater organization and focus to the City's efforts to encourage and facilitate affordable housing production.

Objective 6 reads: "Improve the citywide affordable housing delivery system." Three new policies would be added under Objective 6: "Reorganize and coordinate the governmental activity related to affordable housing," "Expand affordable housing capacities of community based non-profit organizations," and "Create greater public awareness and support."

A new <u>Objective 7</u> underlines the need to secure sites for affordable housing, and to use technological advances to further affordability. It is "Increase land and improve building resources for affordable housing." It would contain six policies of which three are new. They are to create more housing opportunity sites for affordable housing, include affordable units in larger housing projects, provide density bonuses affordable housing. It would also be more specific about the construction methods which might reduce housing costs which should be encouraged. The 1984 element did not focus so specifically on the question of sites for affordable housing, and did not recommend that affordable units be required or encouraged in large private developments.

A new <u>Objective 8</u> addresses funding sources. It is "Expand financial resources for permanently affordable housing."

A new <u>Objective 9</u> aims to: "Improve the focus of affordable housing programs." It would contain three new policies: "Employ uniform definitions of permanent affordability," "Make affordable housing permanently affordable," and "Establish affordable housing priorities." These changes also reflect increased priority for affordable housing.

A new <u>Objective 10</u> is: "To protect the existing affordability of housing." It would contain two new policies: "Preserve affordability of existing housing," and "Promote equal access to and protection for affordable housing." These changes also reflect increased priority for affordable housing.

A new <u>Objective 11</u> is: "To achieve affordability through various forms of ownership." It would contain one new policy: "Support new affordable ownership programs," reflecting increased priority for affordable housing.

Objective 12 is the current Objective 6 unchanged. It reads: "To provide a quality living environment." A new policy is added which reads: "Relate land use controls to the appropriate scale for new and existing residential areas."

Objective 13 is the current Objective 7 largely unchanged (policy 8 has been moved to Objective 3). It is: "To provide maximum housing choice." Some of the policies have been strengthened. For instance, the conditions listed in policy 1 as unacceptable bases for discrimination have been broadened.

Objective 14 is the current Objective 8 somewhat strengthened. It deals with issues of displacement.

A new <u>Objective 15</u> deals with the problem of the homeless. It is: "Deal with the root causes of homelessness recognizing the solution is more than the provision of emergency shelter." It contains five new policies: "Shift focus from provision of temporary shelter to provision of permanent affordable housing," "Develop strategies to deal with root causes of homelessness, including lack of financial resources, employment and health services," "Provide emergency assistance programs including emergency access to food, clothing and shelter, improve coordination of services in existing shelter programs and expand health care outreach services," "Facilitate childcare and education for children of homeless families," and "Adopt measures that prevent homelessness."

Objective 16 is the current Objective 9 largely unchanged. Instead of calling for a regional approach, the Objective now is: "To address housing needs through a coordinated State and regional approach." One policy would be added: "Encourage the State of California to develop and implement an Affordable Housing Plan." This objective recognizes the need to solve regional and State-wide problems at a higher level of planning and coordination.

RESI:38

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| ACTION | TAKEN BY | DATE | IMPLEMENTS 08JECTIVE POLICY | STATUS |
|--|----------------------|--------------|--|---|
| HOUSING PRODUCTION 1. Rezone surplus school sites for family housing | B GG FOH OF | 1987 | 10 | Poly High completed in 1989: 114 lower income units by non-profit sponsor. |
| 2. Misconsin St. Project Affordable Family Housing | DCP B of S | 1983-4 | 10 E | Parkview Heights completed: 120 units; 40 low income, 80 moderate income. |
| Redevelopment housing Market rate and affordable projects | R/A | 1984 | 5 2 | Most projects completed. Out of 5,684 units planned over 3,500 units completed, balance under construction. Projects include Rincon Point—South Beach, Hunters Point, and Western Addition. |
| 4. Other public properties | DCP B of S MOH | 1983-5 | 5 . | General Car Barn completed, Balboa Park reservoir defeated by voters. Other sites still being considered. |
| 5. Area Rezonings for residential use | | | | |
| Rincon Hill | DCP B of S | 1986 1989 | P2 | Completed. 3,000 units development potential. Permit approval and units under construction under way. |
| Van Ness Ave. | DCP B of S | 1990 | • | Completed. About 2,000 units constructed in the Van Ness Corridor; over 800 units are under review. |
| DCP - Department of City Planning R/A - Redevelopment Agency BBI - Bureau of Building Inspection RSB - Rent Stabilization Board | | | MOH = Mayor's B/S = Board of HRL = Human R | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| 1 | ACTION | TAKEN | DATE | IMPLEMENTS OBJECTIVE | STATUS |
|-----------|---|---------------------------|---------------------|---|--|
| ٠. | FAR bonus to allow housing above base FAR in C-3-6 and C-3-S downtown districts | DCP B of S | 1985 | P3 00 E4 | Completed, adopted as part of Downtown Plan |
| 7. | Encourage infill housing in vacant housing opportunity sites | DCP Assessor B of S | 1 | P 0 4 | Most infill sites have been bult on. Update of the remaining vacant sites is pending computerization of merger of zoning and Assessor's information |
| 8. INC | 8. Permanent controls for Secondary Units. DCP study of ways to legalize units in appropriate areas | DCP B of S | 1986 | | Section 206.1 of Planning Code provides for minor second units in RH-1S zones; the Board of Supervisors adopted an ordinance in 1986 exempting the City from the state secondary unit leastleated. |
| 6 | Rezoning to maintain neighborhood scale | DCP B of S | 1990 | 02 P 1 | Proposed permanent controls are undergoing citizens' review. Interim controls are in place. Also subject to Proposition M policies to preserve the neighborhood character. |
| <u>.</u> | Preserve existing housing and encourage higher density rezonings in areas near downtown: Chinatown, South of Market, and North of Market. | | 1985-90 | 05 P2 | Chinatown Plan and rezoning completed in 1987; South of Market Plan and rezoning completed in 1990. North of Market rezoning completed in 1985. |
| Ė | Consider unit size in establishing allowable densities | DCP B of S | 1986 | 02 P3 | Accomplished in area rezonings (see #5 + w) |
| | DCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | ₹ ₩ ∓ | MOH = Mayor's B/S = Board of HRL = Human Ri | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| | ACTION | TAKEN | DATE | TUDI GUT | |
|--------------|--|-----------------------------|--------------|---|---|
| | | 8 4 | 3100 | INTLEMENTS 08JECTIVE POLICY | STATUS |
| 12. | 12. Adopt zoning districts which conform to Residential Land Use Plan | | | 50 | Residential rezoning study, ongoing. |
| HOUS | HOUSING PRESERVATION 13. DCP Study on legal means to discourage demolitions | DCP voters | 1989 | 5 13 | Require CU authorization for housing demolition in all area rezoning plans; adopt demolition moratorium in 1988; policy that demolition permits not be issued until permit for new construction issued; Prop M housing preservation policy adopted by voters; part of pending Residential Rezoning. |
| 7 | 14. Condo conversion ordinance and DCP study on need for moratorium | DCP B of S | 1984 1989 | 03 P2 | 200 unit per year limit on conversion enacted and renewed |
| 5. | . Restriction of conversion of housing in neighborhood commercial areas | DCP B of S | 1987 | 23 33 | Completed, second and third story conversion prohibited or limited in most neighborhood commercial districts as part of Neighborhood Commercial Rezoning |
| 16. | Residential hotel conversion and demolition ordinance | DCP MOH B of S BBI | 1990 | P 23 | Strengthening amendments adopted; more \$ for replacement; increased enforcement mechanisms. |
| 17. | 17. City deferred loans; systematic code enforcement; concentrated mandatory code enforcement | MOH | 1984 on | P1 | Systematic code enforcement dropped in favor of more routine or annual inspections; scheduled to be reestablished in 1989. |
| | DCP - Department of City Planning R/A - Redevelopment Agency BBI - Bureau of Building Inspection RSB - Rent Stabilization Board | • | ¥&± | MOH = Mayor's B/S = Board of HRL = Human Ri | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| ACTION | TAKEN BY | DATE | IMPLEMENTS OBJECTIVE | STATUS |
|--|--------------------------|---------------|---|--|
| 18. HUD modernization CD36 OAHPP | B of S H/A HOH | 1984-90 | 04 P2 | Rosa Parks conversion remodeling achieved with CDBG, OAHPP and City funds. CDBG funds (\$14 million/yr) go to rehabilitation of vacant units. Plaza West started. |
| 19. Housing Development. Corps. Voluntary housing rehabilitation programs | MOH R/A | 1985- 1990 | 2 64 | Community Housing Rehabilitation Loan fund comes from CDBG and provides low interest |
| HOUSING AFFORDABILITY | | | | residents. Over 6,000 units for low income assisted with \$16 million, since 1980. |
| 20. Mortgage revenue bonds South Beach redevelopment project study. | # Q | 1985 on | 05 P1 | 1,244 units have been assisted with \$123 million of bonds. |
| 21. Aggressively seeking of State and Federal housing subsidy funds | MOH C1ty Lobbyists | | P2 52 | Tracking of new state program by Mayor's Office (Prop. 77 and Prop 84); lobbying efforts in Mashington on expiring subsidy issue; push at state level for earthquake relief. |
| 22. Apply inclusionary housing policy on case by case basis if possible | DCP | 1984- 1990 | 93 93 | Policy becoming more explicit - resolution of Planning Commission to state policy, criteria as pending. |
| OCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | ¥ 2 | MOH = Mayor's (B/S = Board of HRL = Human Ri | Mayor's Office of HousingBoard of SupervisorsHuman Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| | 1 | ACTION | TAKEN BY | DATE | IMPLEMENTS | S |
|------|-----|--|----------------------|-------------------|--------------------|---|
| | 23 | 23. Residential Rent Stabilization ordinance and Board | B of S RSB | 1979 | POLICY 05 P4 | New cons |
| B-11 | 24. | Compliance with Title 24; project reviews related to energy conservation residential weatherization | 881 DCP | 1984 | 8 S | 1990. Prs; DCP b and EOC p |
| | 25. | Removal of Code Constraints to affordable and/or innovative housing | BBI DCP B of S | 1988-90 | 05 8 | Live-work legislation adopted Citywide and South of Market for Commercial and Industrial Zoning Districts. |
| | 26. | . Housing site acquisition pool by non-profit community development corporation | HQ. | 1980 on | 05 P7 | 54 projects containing 3,042 units have been assisted with \$22.6 million of CDBG funding, \$63.6 million of other funds and 22.5 million |
| | 27. | 27. Office Housing Production Program | DCP B of S | 1986- 1990 | 88.5 | date, OAHPP has produced over \$34 million |
| | 28. | . Rewrite institutional Master Plan Guidelines | | | | 1990 to apply to projects over 25,000 sq. ft. Mork has been done on amendments to Planning |
| • | | DCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | MOH B/S HRL | | Code With regard to institutional master plans. Mayor's Office of Housing Board of Supervisors Human Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| | | | 000100000000000000000000000000000000000 | SALL MAINTENCE RESIDENCE ELEMENT |
|--|----------------------|----------|---|--|
| ACTION | TAKEN BY | DATE | IMPLEMENTS 08JECTIVE POLICY | STATUS |
| 29. Computerized permit tracking system Common location for permit | BBI DCP B of S | 1990 | 05 99 | Major equipment and software funding achieved by BBI; DCP funding for computerization pending. |
| | | | | Feasibility study (RFP) for new BBI/DCP facility approved - pending funding and site selection |
| of ty's codes | 881 0Cb | on-going | 05 P10 | UBC is subject to periodic updates (every 3 years). |
| Open Space acquisition and park renovation fund | R&P DCP B of S | on-going | 90 6 | Set aside of 2.5¢ per \$100 if assessed value will continue for 15 years. \$14 million produced in 1989. |
| NEIGHBORHOOD ENVIRONMENT | na yor | | | |
| 32. Extensions of neighborhood serving non-conforming uses | DCP B of S | 1987 | 95 P2 | 1987 amendments to Planning Code liberalized non-conforming use provisions in neighborhood commercial districts. |
| 33. Review of Institutional Master Plan | 6 | 1984-89 | 93 83 | Approximately 25 Institutional Master Plans, primarily hospitals were reviewed. A number of them were updates of ten year old plans. |
| DCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | | MOH = Mayor's B/S = Board o HRL = Human R | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

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PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| ACTION | TAKEN BY | DATE | IMPLEMENTS 08JECTIVE POI ICY | STATUS |
|--|---------------------------|---------|---|--|
| 34. Improved design through discretionary reviews (DR) | Ö | 1984-89 | 90 4 | Discretionary Review used extensively in Downtown Area (Planning Code § 309) Design Guidelines adopted and DR extensively applied in residential districts. |
| 35. Modification of project having adverse environmental impact through EIR process. | DC ₀ | 1984-90 | 00 g 82 | Adoption of mitigation measures and monitoring of their implementation. |
| 36. Board of Supervisors' Ordinances in support of fair housing; against discrimination based on sexual preference | B of S HRC | | 00 1 d | The City has shown leadership in passing legislation prohibiting discrimination on basis of AIDS/ARC. |
| 37. DCP study of adaptability accessibility for disabled owners and tenants | State Legis. B of S | 1985-87 | 07 P2 | Housing Adaptability standards become part of State Law - Title 24 in 1985. By ordinance San Francisco extended these standards to condo projects. |
| 38. Ordinance prohibiting housing discrimination against families with children | B of S MOH HRC | ongoing | P3 3.7 | CDBG funds provide and increase public resources in addressing this problem. City has Fair Housing for Children Ordinance. |
| DCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | | MOH = Mayor's B/S = Board of HRL = Human Ri | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| ; | ACTION | TAKEN BY | DATE | IMPLEMENTS | STATUS |
|-----|--|---------------|----------|--|---|
| 39 | 39. Deconcentration of assisted housing | ¥ | | POLICY 07 P4 | Housing Authority replacement project (Plaza West) to be rebuilt at lower density; most assisted projects relatively small in scale. |
| 40. | . Preservation of rentals; rental housing finance programs | MASS MORE | | 07 P5 | Condo Conversion limit in effect, eviction protection in Rent Stabilization Ordinance. \$123 million of multi-family Mortgage Revenue bonds issued to assist 1,300 units. |
| ₽. | 41. Mortgage revenue bonds | MOH B of S | | 07 P6 | See above (#39) |
| 42. | . Board and Care facilities permitted by Planning Code in most districts | 20 | on-gotng | 04 88 | Most board and Care facilities applications are approved. For six or fewer persons, no Planning Commission action is required. |
| 43. | 43. Varied life style housing not precluded in Planning Code | | | 07 84 | See #25 |
| AXC | AVOID DISPLACEMENT | | | | |
| 44. | 44. Mitigation of displacement | a DCb | 1989 | 60 6 6 6 6 6 6 6 6 6 6 | Adopt ordinance requiring tenant relocation costs under certain circumstances. |
| | DCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | | MOH = Mayor's C 8/S = Board of HRL = Human R19 | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

PROGRAMS IMPLEMENTING THE SAN FRANCISCO RESIDENCE ELEMENT

| | | | שלו השורו שלי | JAN TRANCISCO RESIDENCE ELEMENT |
|--|------------------------|---------|--|--|
| ACTION | TAKEN BY | DATE | IMPLEMENTS OBJECTIVE | NTS 1984 STATUS |
| 45. Right of first refusal to displaced households | B of S RSB DCP | | 70 08 08 72 | Rent stabilization ordinance provision, Condo Conversion rules, practice of Planning Commission in conditions or motions where |
| 46. Relocation services provided when public actions cause displacement | MOH MOH | | 9 8 8 8 | R/A provides assistance related to long term City actions. MOH provides assistance for |
| REGIONAL COORDINATION | | | | funds used for aid. About 3 City or R/A staff assigned. |
| 47. Balance of employment and housing at regional level. | DCP B of S | Ongoing | 60 E | Office Affordable Housing Program (OAHPP) available as model for region in meeting |
| 48. Participation with ABAG on rehabilitation and development of housing meeting regional needs. | DCP Mayor B of S | Ongoing | 03 P2 | development. Ordinance adopted in 1985 and amended in 1990. Over 34 million collected. On-going City liaison with ABAG |
| Encouragement of distribution of low and moderate income housing throughout region. | Mayor B of S | Ongoing | 93 33 36 | On-going City liaison with ABAG |
| DCP = Department of City Planning R/A = Redevelopment Agency BBI = Bureau of Building Inspection RSB = Rent Stabilization Board | | | MOH = Mayor' B/S = Board HRL = Human | Mayor's Office of Housing Board of Supervisors Human Rights Commission |

FINANCIAL SUMMARY OF LOCAL GOVERNMENT AGENCIES PROVIDING HOUSING SERVICES - SAN FRANCISCO, 1990

| | Name of Agency | Designated Housing Staff | Estimated Budget | Type of Funding |
|-----|--|--------------------------------|----------------------------------|----------------------------------|
| 1 | . SF Housing Authority Public Housing Section 8 (4313) | 148 25 | \$28 million \$31.6 million | Non-local Federal contract |
| 2. | . Redevelopment Agency | 10 | \$500,000(staff) \$10,000,000 | Discretionary |
| 3. | Mayor's Office of Housing and OCD | 18 incl. 2 | \$1,000,000 (staff) | Discretionary |
| | , | consultants | \$24.1 million ' | |
| 4. | Rent Stabilization Board | 20 | \$1.2 million | Fees |
| 5. | Dept. of Public Works Hsg Insp 30 PAD 16 Subdiv. 4 Tit.24 4 54 | | \$3.1 million | Fees |
| 6. | City Attorney | 8 | \$800,000 | Discretionary |
| 7. | City Planning | 15.8 | \$3.5 million | Discretionary |
| 8. | Human Rights Commission | 2 | \$60,000 | Discretionary (Block Grant) |
| 9. | Unreinforced Masonry Study/CAO | 3 | \$500,000 · | Discretionary |
| TOT | AL - | 251.8 | \$104.360 million | |

Source: Inquiries by Dept. of City Planning

ACKNOHLEDGEMENTS

City Planning Commission

James B. Morales, President
Wayne J. Hu, Vice President
Susan J. Bierman
Douglas J. Engmann
Edward C. Sewell
Rudolf Nothenberg, Chief Administrative Officer, Ex-Officio Member
Norman Karasick, City Architect, Alternate
Thomas J. Elzey, General Manager, Public Utilities Commission, Ex-Officio Member
Romaine Boldridge, Administrative Secretary PUC, Alternate

Department of City Planning

Dean L. Macris, Director of Planning
Milton R. Edelin, Deputy Director
George A. Williams, Assistant Director
Robert Passmore, Zoning Administrator
Amit Ghosh, Chief of Comprehensive Planning
Lois H. Scott, Chief Housing Planner
Roger Herrera, Housing Planner
Janice King, Word Processing
Rosalie Pereira, Word Processing
Clarence Lee, Graphics
Scott Dowdee, Computer Assistance

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City Planning Interns:

Cynthia Bokura, U.C.L.A.
Jack Conviser, Cooper Union
Peter Cheng, U.C.L.A.
David Fisher, U.C. Santa Cruz
Holger Floeting, Germany
Treva Ingrasci
Thomas Kronemeyer, Germany
David Levy, U.C. Berkeley
William Meng, S.F. State University

Appendix B-2

Original 2004 Residence Element

HOUSING ELEMENT PART I: DATA AND NEEDS ANALYSIS

INTRODUCTION

The *Data and Needs Analysis* is the first of two sections of San Francisco's revised *Housing Element*. The information presented here is the basis for the following section of the Element – objectives and policies that seek to address housing needs identified by this effort.

This section contains a description and analysis of San Francisco's population and employment trends; existing housing characteristics; overall housing need, including special needs groups; and capacity for new housing based on land supply and site opportunities.

Information is presented on trends since the 1990 Residence Element was published and on expected developments of the next five years, at which time the Housing Element will be updated. Primary data sources include the 2000 Census for existing conditions, projections published by the Association of Bay Area Governments (ABAG), and extensive independent analysis by the Planning Department. The data used are the most reliable available for assessing existing conditions. Furthermore, such standard sources provide a basis for consistent comparison with older data and form the basis for the best possible forecasts. The data provide a general picture of economic trends and therefore do no not necessarily reflect the specific effects of the recession underway or particular trends or cycles in the housing market and the wider economy. Historically, however, San Francisco's housing market and economy have been strong, suggesting that current conditions may be temporary.

I. POPULATION AND EMPLOYMENT TRENDS

Housing needs in San Francisco are affected primarily by population and employment trends. The 1990s was a period of growth for San Francisco. In 2000, the Census counted 776,733 San Franciscans and there were 634,430 jobs in the City according to the Association of Bay Area Governments (ABAG). Over the ten-year period, population grew 7.3% (52,774 new people) and employment 8.6% (49,680 new jobs). Much of this job growth occurred in the later part of the decade, as the City's economy dramatically recovered from the recession of the early 1990s that saw over 30,000 jobs lost.

San Francisco's tight housing market notwithstanding, and as many more unrelated San Franciscans shared accommodations, the 2000 Census revealed no change in the average household size. The median age of San Francisco residents has also risen since 1990, as the "baby-boom" generation ages.

San Francisco continues to be a culturally and racially diverse place. Although the 1990 Census revealed that all "minority" ethnic groups combined represented a majority of the city's population, the 2000 Census marks the first time in modern history that no single racial group constitutes a majority of the population. Although a robust economy has generated considerable wealth and opportunity for many in the San Francisco Bay Area, many city residents have not shared these economic gains, and over 26% of San Francisco households still earn less than 50% of the region's median income.

A. POPULATION

1. Population Change

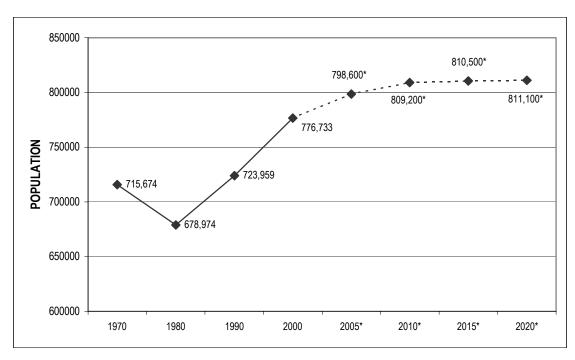
After decades of decline, the City's population began growing again by the 1980s (Table I-1). San Francisco's growth rate was higher from 1990-2000 (7.3%) than it was from 1980-1990 (6.6%), but is expected to taper considerably by 2010. ABAG projects

growth that would bring San Francisco's population to 798,600 by 2005 and to 809,200 by 2010, an overall increase of almost 32,500 persons who will need to be housed over the next ten years (Graph I-1).

TABLE I-1 San Francisco Population Trends, 1980 - 2000

| Sun Truncisco I opinunon Trenus, 1700 2000 | | | | | | | | |
|--|---------|---------|---------|-----------|-----------|--|--|--|
| | 1980 | 1990 | 2000 | % Change | | | | |
| | 1300 | 1330 | 2000 | 1980-1990 | 1990-2000 | | | |
| Total Population | 678,974 | 723,959 | 776,733 | 6.6% | 7.3% | | | |
| Household Population | 654,511 | 699,330 | 756,976 | 6.8% | 8.2% | | | |
| Household Growth | 298,956 | 305,584 | 329,700 | 2.2% | 7.9% | | | |
| Source: U.S. Census Bureau | | | | | | | | |
| | | | | | | | | |

GRAPH I-1 San Francisco Population Trends and Projections, 1970 - 2020



Sources: U.S. Census Bureau; * Association of Bay Area Governments, ABAG Projections 2002

2. Household Characteristics

According to the 2000 Census, the number of San Francisco households grew from 305,584 in 1990 to 329,700, an increase of 24,116 new households or about 7.9% growth (Table I-2). The U.S. Bureau of the Census defines a household as all persons occupying a housing unit including single persons, single families, two or more families living together, or any other group of related or unrelated persons." Furthermore, the Census categorizes households as either family or non-family. The Census definition of a family is that the householder (the person or persons who hold the lease or who pays the mortgage) is related by birth, marriage, or adoption to someone else in the housing unit. For instance, unmarried heterosexual or lesbian couples are not families according to the Census but any couple with adopted children would be identified as such. According to ABAG projections, the number of total households will continue to increase, growing to 342,730 in 2010 or about 1,303 new households annually.

As shown in Table I-2, the average household size remained about the same in the last 10 years and is still smaller than the Bay Area average. ABAG projects that the number of persons per household will be leveling off in the next 20 years. In 2000, almost 70% of all households in the City were comprised of one or two people and household sizes are expected to remain proportionally about the same (Table I-3) as the previous decades.

TABLE I-2 San Francisco Household Growth, 1980 - 2020

| | 1980 | 1990 | 2000 | 2010* | 2020* |
|-----------------------------------|---------|---------|---------|---------|---------|
| Number of Households | 298,956 | 305,584 | 329,700 | 342,730 | 347,180 |
| Average Household Size | 2.19 | 2.29 | 2.30 | 2.30 | 2.27 |
| Average Household Size (Bay Area) | 2.57 | 2.61 | 2.69 | 2.73 | 2.72 |

Sources: U.S. Census Bureau; *ABAG Projections 2002

TABLE I-3 Changes in Household Size, 1970 - 2000

| Household | 1970 | | 1980 | | 1990 | | 2000 | |
|-----------|---------|------------|---------|------------|---------|------------|---------|------------|
| Size | No. | % of Total |
| 1 | 110,333 | 37.4% | 123,915 | 41.4% | 120,047 | 39.2% | 127,380 | 38.6% |
| 2 | 90,753 | 30.7% | 90,681 | 30.3% | 91,894 | 30.0% | 101,781 | 30.9% |
| 3 | 38,024 | 12.9% | 36,554 | 12.2% | 38,158 | 12.5% | 41,831 | 12.7% |
| 4 | 25,348 | 8.6% | 23,321 | 7.8% | 26,532 | 8.7% | 28,563 | 8.7% |
| 5 | 14,668 | 5.0% | 12,335 | 4.1% | 14,504 | 4.7% | 14,293 | 4.3% |
| 6+ | 16,048 | 5.4% | 12,150 | 4.1% | 14,849 | 4.9% | 16,002 | 4.9% |
| TOTAL | 295,174 | 100.0% | 298,956 | 100.0% | 305,984 | 100.0% | 329,850 | 100.0% |

Source: U.S. Census Bureau

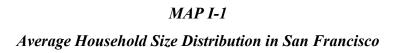
There are variations in average household size according to household ethnicity. Table I-4, below, shows that households falling under the "Other Race" and the Native Hawaiian/Pacific Islander categories tend to be larger, averaging 3.7 and 3.5 people per household, respectively. Hispanic or Latino households are similarly larger than the citywide average with 3.2 people per households. There are, on average, three people in an Asian household while Black households are generally on par with the citywide average. White households are smallest in size, averaging less than two persons per household.

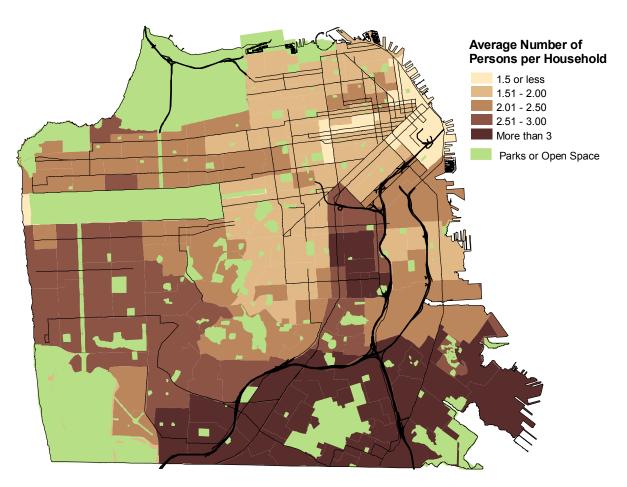
TABLE I-4
Household Size by Ethnicity

| Household | Average Household Size | No. of Households |
|----------------------------------|---------------------------|----------------------|
| White | 1.92 | 199,980 |
| Black | 2.31 | 23,860 |
| American Indian/Alaska Native | 2.39 | 1,303 |
| Asian | 2.99 | 79,058 |
| Native Hawaiian/Pacific Islander | 3.53 | 905 |
| Other Race | 3.69 | 12,803 |
| Two or More Race | 2.45 | 11,791 |
| Hispanic / Latino | 3.23 | 31,509 |
| All Households | 2.30 | 329,700 |

Source: U.S. Census Bureau

Household size generally correlates with income, but geographically it also reflects existing neighborhood housing stock. Larger households of four or more are generally found in the southeastern neighborhoods of the Mission, Bayview, Visitacion Valley, and the Excelsior. Smaller households are found in the western neighborhoods. The central and northeastern portions of the city generally have households of two or less, with the residential population tapering off near the commercial and industrial areas of the Financial District and South of Market Street (Map I-1).





For better map readability, please see document on-line at http://www.sfgov.org/planning/citywide/c1_housing_element.htm San Francisco continues to have a comparatively small number of family households. According to the 2000 Census, family households comprised 44% of the total household population. This is considerably less than the Bay Area region average of almost 65% family households. Family households in San Francisco tend to be larger, averaging 3.22 persons per household.

TABLE I-5
Family and Non-family Households

| | 1990 | 2000 |
|--|---------|---------|
| All Households | 305,584 | 329,700 |
| Family Households | 141,790 | 145,186 |
| As Percent of All Households | 46.4% | 44.0% |
| Bay Area Family Households as Percentage of All Households | 65.50% | 64.7% |

Source: U.S. Census Bureau, ABAG

Families

Table I-6 below shows that the median family income is higher than the median non-family income. However, a family's median income is not enough to afford the average rent, \$2,050, for a 2-bedroom home. Moreover, the average family size is 3.22 and the average household size is 2.3. Thus, while family income is somewhat higher than that of non-families, it has to be spread among more people. This information demonstrates both the need for larger units affordable to families in San Francisco and the on-going need for affordable housing for the population in general.

TABLE I-6
Family Incomes by Ethnicity

| | | | | Estimated | | Median |
|----------------------------------|----------|---------|--------|-----------|--------|--------|
| | | Average | Per | Average | Median | Non- |
| | Total | Family | Capita | Family | Family | Family |
| | Families | Size | Income | Income | Income | Income |
| White | 66211 | 2.72 | 48393 | 131629 | 81891 | 52715 |
| Afrrican American | 12449 | 3.16 | 19275 | 60909 | 35943 | 21103 |
| American Indian/Alaska Native | 514 | 3.39 | 22588 | 76573 | 35000 | 24922 |
| Asian | 51667 | 3.67 | 22357 | 82050 | 56679 | 30365 |
| Native Hawaiian/Pacific Islander | 644 | 4.47 | 12476 | 55768 | 31985 | 38333 |
| Other Race | 8639 | 4.19 | 15730 | 65909 | 46683 | 31801 |
| Two or More Races | 5062 | 3.33 | 22091 | 73563 | 51571 | 41677 |
| Hispanic or Latino | 18890 | 3.88 | 18584 | 72106 | 46809 | 35911 |

¹ People who identify themselves as Hispanic or Latino may also identify themselves as a particular ethnicity.

Most families with a single parent are in households headed by women. Women still suffer from the income gaps between men and women in the job market, forcing them to survive with less income than their male counterparts. This exacerbates the need for affordable housing in order to avoid an increase in homeless families.

B. EMPLOYMENT

1. Jobs

Employment growth in San Francisco directly affects the demand for housing. As shown in Table I-7, total employment in San Francisco has been growing steadily since 1970.

TABLE I-7 San Francisco Employment Trends and Projections, 1970-2020

| Year | Number of Jobs | % Change |
|-------|-------------------|----------|
| 1970 | 494,129 | |
| 1980 | 552,200 | 11.8% |
| 1990 | 579,180 | 4.9% |
| 2000 | 634,430 | 9.5% |
| 2010* | 690,420 | 8.8% |
| 2020* | 745,600 | 8.0% |

Source: U.S. Census Bureau * ABAG Projections 2002

From 1990-2000, San Francisco experienced an overall job growth rate of 9.5%, an increase of over 55,000 jobs in 10 years. The City's population grew by 52,700 people in the same time period or almost a corresponding 1:1 growth ratio of people to jobs. Most of this job growth occurred in the latter part of the decade, as San Francisco recovered dramatically from a significant economic recession in the early 1990s that resulted in a loss of almost 30,000 jobs. The current employment forecasts from ABAG project a growth of almost 56,000 new jobs between 2000 and 2010 (about 8.8% growth) and an additional 55,180 new jobs by the year 2020 (8.0% increase).

As shown in Table I-8, much of the employment growth from 1990 to 2000 occurred in the service sector (52,000 new jobs). The construction industry also grew rapidly during this period (6,000 jobs).

TABLE I-8 Employment Growth by Industrial Sectors, 1990 – 2000

| Industry | 1990 | 1995 | 2000 | % Ch | ange |
|--------------------|---------|---------|---------|-----------|-----------|
| industry | 1990 | 1990 | 2000 | 1990-1995 | 1995-2000 |
| Agriculture | 2,300 | 2,220 | 700 | -3.5% | -68.5% |
| Construction | 16,350 | 15,810 | 22,420 | -3.3% | 41.8% |
| Manufacturing | 39,790 | 40,440 | 30,540 | 1.6% | -24.5% |
| High Technology* | 9,950 | n/a | 6,410 | -35.6% | |
| Transportation | 40,290 | 39,840 | 41,690 | -1.1% | 4.6% |
| Wholesale | 30,560 | 24,020 | 23,450 | -21.4% | -2.4% |
| Retail | 80,120 | 75,860 | 94,450 | -5.3% | 24.5% |
| FIRE | 75,400 | 71,350 | 74,480 | -5.4% | 4.4% |
| Services | 229,470 | 231,190 | 281,510 | 0.7% | 21.8% |
| Business Services* | 68,200 | na | 83,660 | 22.7% | |
| Government | 64,900 | 58,570 | 65,190 | -9.8% | 11.3% |
| TOTAL | 579,180 | 559,300 | 634,430 | -3.4% | 13.4% |

Source: ABAG Projections 2002

The ABAG projections are the official projections of growth for the Bay Area. They are used by numerous local governing agencies to project needs and problems. The California State Housing and Community Development Department requires these figures be used for determining housing needs for the state.

The Association of Bay Area Governments (ABAG) projects the number of jobs for each county in the Bay Area for a 15-20 year time frame. The purpose of the projections is to identify potential regional needs and problems. The assumptions that ABAG used in 2002 are based on demographic and economic data. The demographic assumptions include fertility, births, deaths, migration, household sizes, and labor force participation rates. Economic assumptions include exports, the rate of GDP growth energy prices,

^{*}High Technology is calculated under Manufacturing & Business Services in Services

productivity and interest rates. Table I-9 below provides ABAG's projections for 2020, and Table I-10 is a comparison or ABAG projections for 1990 and 2000.

TABLE I-9
Employment Trends and Projections by Industry, 1990 - 2020

| la diretur | 1990 2000 | | 2000 2040 | | 1990 - 2000 | | 2000 - 2010 | | 2000 - 2020 | |
|----------------|-----------|---------|-----------|---------|-------------|----------|-------------|----------|-------------|----------|
| Industry | 1990 | 2000 | 2010 | 2020 | Change | % Change | Change | % Change | Change | % Change |
| Agriculture | 2,300 | 700 | 700 | 700 | (1,600) | -69.57% | - | 0.00% | - | 0.00% |
| Construction | 16,350 | 22,420 | 24,080 | 26,150 | 6,070 | 37.13% | 1,660 | 7.40% | 3,730 | 16.64% |
| Manufacturing | 39,790 | 30,540 | 32,990 | 35,710 | (9,250) | -23.25% | 2,450 | 8.02% | 5,170 | 16.93% |
| Transportation | 40,290 | 41,690 | 44,790 | 48,650 | 1,400 | 3.47% | 3,100 | 7.44% | 6,960 | 16.69% |
| Wholesale | 30,560 | 23,450 | 25,340 | 27,430 | (7,110) | -23.27% | 1,890 | 8.06% | 3,980 | 16.97% |
| Retail | 80,120 | 94,450 | 102,620 | 110,730 | 14,330 | 17.89% | 8,170 | 8.65% | 16,280 | 17.24% |
| FIRE | 75,400 | 74,480 | 80,010 | 86,900 | (920) | -1.22% | 5,530 | 7.42% | 12,420 | 16.68% |
| Services | 229,470 | 281,510 | 309,870 | 333,270 | 52,040 | 22.68% | 28,360 | 10.07% | 51,760 | 18.39% |
| Government | 64,900 | 65,190 | 70,020 | 76,060 | 290 | 0.45% | 4,830 | 7.41% | 10,870 | 16.67% |
| TOTAL | 579,180 | 634,430 | 690,420 | 745,600 | 55,250 | 9.54% | 55,990 | 8.83% | 111,170 | 17.52% |

Source: ABAG Projections 2002

TABLE I-10
ABAG Projections in 1990 for Jobs in 2000

| Industry | 1990 Projections for 2000 | Actual Jobs in 2000 |
|---------------------------------|---------------------------|---------------------|
| Agriculture, Mining | 1,470 | 700 |
| Construction | 29,400 | 22,420 |
| Manufacturing | 45,510 | 30,540 |
| High Technology | 7,250 | 6,410 |
| Transportation, Comm. Utilities | 56,990 | 41,690 |
| Wholesale Trade | 17,900 | 23,450 |
| Retail Trade | 95,140 | 94,450 |
| F.I.R.E. | 93,090 | 74,480 |
| Services | 246,420 | 281,510 |
| Business Services | 105,500 | 83,660 |
| Government | 56,890 | 64,900 |
| Total Jobs | 642,810 | 634,430 |

Job growth in the service and retail sectors is expected to be strongest. By 2010, service sector jobs will increase by approximately 28,000 and in the retail sector by 8,200 (Table I-9). Change in the manufacturing and wholesale sectors will not be significant. Over the next 20 years, almost 111,200 new jobs will be created in San Francisco, more than any other city in the region. However, much of the growth in the service sector will be in low- to medium-skilled jobs such as cashiers, cooks, and general managers, with pay scales ranging from \$15,000 to \$70,000 a year (Table I-11). Some of this growth will be absorbed by San Francisco residents through the First Source Hiring Program. However, this is a limited program since it only applies to city contracts and commercial development that is over 25,000 square feet.

TABLE I-11

Wage by Sector, 2001

| Sector | Average Annual Wage | Annual Average Number of Jobs, 2001 |
|----------------------------------|--|--|
| Office | \$89,458 | 236,969 |
| Retail | \$27,574 | 101,505 |
| Industrial | \$57,735 | 107,837 |
| Hotel | \$30,063 | 17,962 |
| Cultural/Institutional | \$41,686 | 122,222 |
| Source: City and County of San F | Francisco Planning Department and Cali | fornia Employment Development Division |

The housing needs of San Francisco are based on providing housing to support the entire workforce of the City, which includes both San Francisco residents and commuters.

¹ Chapter 83 of the Administrative Code of San Francisco is the First Source Hiring Program. The purpose of this program is to foster construction and permanent employment opportunities for qualified economically disadvantaged individuals. Participation in this program shall be required in City contracts and City property contracts.

² To date, the First Source Hiring Program has employed at least 229 people permanently and 332 people through construction jobs. These numbers represent minimums, because not all hires are recorded.

While San Francisco serves as a regional center for employment, it also has a duty to house its workforce to the greatest extent possible. The average income for the San Francisco workforce demonstrates the lack of housing affordable to many San Francisco workers, both residents and commuters. Table I-12 below shows the average wage by sector and total jobs in each sector. The office sector was by far the largest employer with 236,969 jobs. The retail and industrial sector had 101,505 and 107,837 jobs respectively. The cultural/institutional sector also had a large number of jobs with 122,222 employees in 2001. With an average rent of \$2057 for a two-bedroom apartment in 2003, an employee must make \$98,400 to afford such a unit. Not even the average office worker was able to afford this rent.

Because each sector in Table I-11 contains a variety of occupations, it is useful to call out the fastest growing categories of jobs in San Francisco, as shown in Table I-12. None of these employees makes the \$98,400 required to be able to afford the rent of an average two-bedroom apartment in San Francisco.

TABLE I-12 Fastest Growing Jobs and Current Mean Wages

| Job Classification | ı | Mean Hourly Wage | Mean Annual Wage, 2003 | Job Growth 1999-2006 | Total Jobs 2006 |
|--|----|---------------------|-------------------------------|----------------------------|-----------------------|
| Waiters & Waitresses | \$ | 7.31 | \$ 15,000.00 | 550 | 11,670 |
| Food Preparation Work | \$ | 8.41 | \$ 17,490.00 | 300 | 7,170 |
| Janitors & Cleaners | \$ | 9.38 | \$ 19,520.00 | 830 | 11,030 |
| Guards & Watch Guards | \$ | 9.62 | \$ 20,010.00 | 670 | 6,460 |
| Cashiers | \$ | 9.63 | \$ 20,030.00 | 1,240 | 10,540 |
| Sales Person, Retail | \$ | 9.79 | \$ 20,360.00 | 3,020 | 19,940 |
| Cooks | \$ | 10.41 | \$ 21,640.00 | 410 | 5,610 |
| General Office Clerks | \$ | 11.77 | \$ 24,474.00 | 220 | 18,560 |
| Receptionists and Information Clerks | \$ | 12.46 | \$ 25,930.00 | 610 | 8,430 |
| Painters, Construction & Maintenance | \$ | 16.57 | \$ 34,460.00 | 190 | 1,930 |
| Carpenters | \$ | 20.86 | \$ 43,390.00 | 230 | 3,420 |
| Registered Nurses | \$ | 21.99 | \$ 45,732.00 | 410 | 7,370 |
| Electricians | \$ | 23.79 | \$ 49,490.00 | 180 | 2,180 |
| Systems Analysts, Electronic Data Processing | \$ | 29.74 | \$ 61,000.00 | 1,640 | 5,760 |
| General Managers & Top Executives | \$ | 40.51 | \$ 75,000.00 | 1,000 | 20,110 |

Source: EDD, Occupational Employment Statistics Survey

San Francisco has not produced a large number of family-sized units for a number of decades. This is explained in part by the lower profit margins associated with constructing family housing units. But it is also a response to demand, which is in turn affected by a number of factors. First, the cost of family-sized housing is prohibitive to many families who currently live in smaller units. Second, quality of life issues, perceived or real, affect families' decisions to live in the city: the quality of the school system, the general cost of living, access to open space, sense of security, the environment. This can encourage existing families to leave the city and discourage families living elsewhere from moving into the city. Thus, to house the work force requires not just building housing appropriate to a certain demographic but creating a place that, overall, is inviting to them; creating livable neighborhoods, more than just constructing units, is essential. Furthermore, in San Francisco, the right kind of unit must 19 Housing Element Part I Adopted May 13, 2004 be encouraged. For families, this does not mean single family homes; rather, given land availability, three and four bedroom units in multi-unit buildings would be appropriate.

2. Employed Residents and Commuters

During the recession between 1990 and 1995, the number of employed residents in San Francisco suffered a decline, as indicated in Table I-13, below. However, that trend was dramatically reversed in the latter part of the decade with an increase of 65,051 employed residents from 1995-2000. ABAG's *Projections 2002* indicate this trend will continue over the next 10 years with 22,850 additional employed residents.

TABLE I-13 Employed Residents Trend, 1990 - 2025

| Year | Employed Residents | No. of Change | % Change |
|------|-----------------------|------------------|----------|
| 1990 | 391,292 | 11,492 | -2.9% |
| 1995 | 379,800 | 11,492 | -2.970 |
| 2000 | 444,851 | 65,051 | 17.1% |
| 2005 | 455,600 | 10,749 | 2.4% |
| 2010 | 467,700 | 12,100 | 2.7% |
| 2015 | 468,500 | 800 | 0.2% |
| 2020 | 471,300 | 2,800 | 0.6% |
| 2025 | 473,700 | 2,400 | 0.5% |

Source: ABAG Projections 2002

The number of workers per household continued to increase from 1990 to 2000 (Table I-14). In part this reflects the increase in housing costs during this period. This trend is expected to peak at 1.4 workers per household by 2010, and level off thereafter.

TABLE I-14
Average Number of Workers per Household Trends and Projections, 1990-2025

| | 1990 | 2000 | 2005 | 2010 | 2015 | 2020 | 2025 |
|-----------------|------|------|------|------|------|------|------|
| San Francisco | 1.28 | 1.35 | 1.35 | 1.40 | 1.34 | 1.36 | 1.36 |
| Bay Area Region | 1.40 | 1.50 | 1.50 | 1.51 | 1.52 | 1.54 | 1.56 |

Source: ABAG Projections 2002

Commuters into San Francisco hold 47% of the jobs in the City. Over half of these workers commute into the City via the Bay Bridge corridor. The number of San Francisco jobs held by commuters and the estimated growth in commuting workers into the City through 2020 is shown on Table I-15 below. Between 1990 and 2000, commuters obtained 60% of new jobs in the City. For the next ten years, the regional transportation goal is to reduce commuting and it assumes that a smaller share of new jobs created in San Francisco will be taken by non-San Francisco residents.

ABAG projects job growth and then allocates housing based on this job growth. As a regional job center with limited land, San Francisco will continue to have a larger share of commuters than other cities in the Bay Area. Table 1-15 shows that commuters will take up a smaller share of the new jobs in San Francisco. This figure does not pertain to the distribution of jobs throughout the area. The figure is actually related to the regional transportation goal, not the job forecast. Rather, it indicates that of the jobs created in San Francisco, more of those jobs will be taken by San Francisco residents than has occurred in the past.

TABLE I-15 Growth in Workers Commuting into San Francisco, 1990-2010

| | 1990 | 2000 | 2010 |
|------------------------------|---------|------------------|------------------|
| Commuters | 250,909 | 280,863 | 313,239 |
| San Francisco Residents | 328,271 | 347,997 | 374,111 |
| Total Jobs | 579,180 | 628,860 | 687,350 |
| % of Commuters | 43.3% | 44.7% | 45.6% |
| | | | |
| Increase | | 49,680 | 58,490 |
| Increase Change in Commuters | | 49,680 29,954 | 58,490 32,376 |

Source: Metropolitan Transportation Commission

3. Employed Residents, Household Workers and Income

Generally, the overall number of employed persons in a city is probably not correlated with income. Rather, income levels relate more directly to general economic characteristics of an area, fluctuations in wages earned, inflation, and most directly job mix. However, data suggest that some family incomes may rise as a result of increased employment. It is reasonable to expect that as employment increases, families would benefit from increased employment, thus increasing family income. This is evidenced in the increase in the median family income presented in the table below. Similarly, between 1990 and 2000, the number of families with no workers decreased from 14.9% to 12.8 %, possibly benefiting families. Additionally, the table below shows that the number of families with 2 workers increased by about 5%, implying that those families

earned more (one cannot be sure because, for instance, a family may have lost one job and replaced it with two lower-paying positions).

Median incomes for non-family households increased at a faster rate than median family incomes, suggesting that families have and are now facing more challenges than non-family segments of the population.

TABLE I-16 Income

| | 1990 (1989 | 2000 (1999 | 2000 in 1989 |
|------------------------------------|------------|------------|--------------|
| | Dollars) | Dollars) | Dollars |
| Median Household Income | 33,414 | 55,221 | 41,101 |
| Median Family Income | 40,561 | 63,545 | 47,296 |
| Median Non-Family Household Income | 27,093 | 46,457 | 34577 |
| Per Capita Income | 19,695 | 34,556 | 25,719 |

Source: Census Bureau, 1990 and 2000

TABLE I-17

Number of Workers in Family

| Workers | 1990 | 2000 |
|---------|--------|--------|
| 0 | 21,147 | 18,798 |
| 1 | 38,150 | 38,729 |
| 2 | 62,099 | 66,231 |
| 3+ | 22,422 | 23,428 |

Source: Census Bureau, 1990 and 2000

C. Demographics

1. Age

Similar to nationwide trends, San Francisco's population is getting older as the baby boom generation ages. From 1990 to 2000, the 45–54 age group grew by 32,853 persons, or approximately 44%, the highest growth rate of any group in the population (Table I-18 and Graph I-2). This group is also expected to increase by approximately 51,000 by the year 2010. Similarly, the 55–59 age group is expected to grow by 58% from 2000 to 2010. Individuals between the ages of 20–34 are expected to decrease roughly 102,000 between 2000 and 2010. The number of children under 10 years of age is projected to increase by approximately 8,800 over the next ten years.

TABLE I-18 Change in Size of Various Age Groups, 1980-2010

| Age Group | 1980 | 1990 | 2000 | 2010 |
|------------|---------|---------|---------|---------|
| 0 to 4 | 31,537 | 35,599 | 31,633 | 33,600 |
| 5 to 9 | 28,596 | 31,562 | 31,564 | 38,400 |
| 10 to 14 | 32,674 | 30,140 | 30,813 | 47,000 |
| 15 to 19 | 42,374 | 35,362 | 33,334 | 54,800 |
| 20 to 24 | 65,242 | 59,103 | 56,054 | 46,800 |
| 25 to 34 | 151,222 | 158,534 | 180,418 | 87,300 |
| 35 to 44 | 81,143 | 129,853 | 133,804 | 112,800 |
| 45 to 54 | 70,025 | 74,865 | 107,718 | 159,100 |
| 55 to 59 | 38,480 | 31,193 | 35,026 | 65,800 |
| 60 to 64 | 33,396 | 32,368 | 30,258 | 50,200 |
| 65 + | 104,285 | 105,380 | 121,800 | 123,000 |
| Total | 678,974 | 723,959 | 792,422 | 818,800 |
| Median Age | 33.6 | 35.3 | 36.5 | 43.6 |

Source: U.S, Census Bureau, ABAG Projections 2000

200,000 180,000 140,000 120,000 100,000 80,000 40,000 20,000

10 to 14 15 to 19 20 to 24 25 to 34 35 to 44 45 to 54 55 to 59 60 to 64

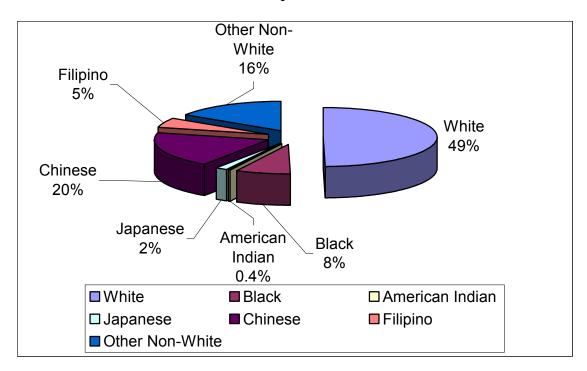
GRAPH I-2
San Francisco Population by Age Groups, 1980 –2010

Source: U.S. Census, ABAG Projections 2000

2. Ethnic Composition

The ethnic composition of San Francisco's population continues to become more diverse (Graph I-3). People claiming non-white racial affiliation in the 2000 Census comprise over 50% of the City's population, up from 46% 10 years before. The number of San Franciscans identifying with Hispanic origins (of any race) has risen 30% in the last 20 years, while the number of Asian, Hawaiian, and Pacific Island residents has increased over 45% since the 1980 Census. The proportion of both Whites and African Americans fell since 1990 (Table I-19).

GRAPH I-3
2000 Racial Composition



Source: U.S. Census Bureau

TABLE I-19 Change in Population Ethnicity, 1980 - 2000

| | 19 | 1980 1990 | | 1990 | | 00 |
|-----------------|---------|-----------|---------|---------|---------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| White | 402,131 | 59.2% | 388,341 | 53.6% | 385,728 | 49.7% |
| Black | 86,190 | 12.7% | 78,931 | 10.9% | 60,515 | 7.8% |
| American Indian | 3,566 | 0.5% | 3,354 | 0.5% | 3,458 | 0.40% |
| Japanese | 12,461 | 1.8% | 11,591 | 1.6% | 11,410 | 1.50% |
| Chinese | 82,244 | 12.1% | 130,753 | 18.1% | 152,620 | 19.60% |
| Filipino | 38,690 | 5.7% | 40,977 | 5.7% | 40,083 | 5.20% |
| Other Non-White | 53,692 | 7.9% | 70,012 | 9.7% | 776,733 | 15.8% |
| Total | 678,974 | 100.0% | 723,959 | 100.0% | 776,733 | 100.0% |
| | | | | | · | |
| Hispanic Origin | 84,194 | 12.4% | 96,640 | 13.3% | 109,504 | 14% |

Source: U.S. Census

Geographically, concentrations of major ethnic groups occur in a number of districts. Many Latino households occupy housing along the Inner and Outer Mission districts, extending along Mission Street south to Daly City. A distinct Filipino community follows a similar residential pattern, with additional concentrations in the Excelsior area. Concentrations of several Asian populations reside in Chinatown and its surrounding areas, as well as neighborhoods in the Richmond and Sunset Districts. Residential concentrations of African Americans occur in the Western Addition, South Bayshore, and Ingleside Districts. Vietnamese communities have a strong presence in the Tenderloin District north of Market Street, and neighborhoods throughout the Bayview and Visitacion Valley areas.

3. Income

The 2000 Census established San Francisco's median household income at \$55,221. This represents an increase of about 65% in the ten years between Census counts (Table I-20). The Census also found differences among the City's households. Median household income for family households, for instance, is about 15% more. Homeowners' households' median income is equivalent to 142% of the City's median income, while that of renting households is 82.5%. (Table I-21)

TABLE I-20
Change in San Francisco Household and Family Income, 1980-2000

| | 1980 | 1990 | 2000 |
|--------------------------------|----------|----------|----------|
| Median Household Income | \$15,867 | \$33,414 | \$55,221 |
| Median Family Household Income | \$20,511 | \$38,443 | \$63,545 |

Source: U.S. Census Bureau

The disparity is even more significant when households' median incomes are compared by ethnicity. Table I-21 shows that African American households' median income of \$29,640 is 54% of the City's median income, while White households' median income is \$63,227 or 115% of the City's median income. Asian households have a median income that is 90.4% of the City's overall median income, followed by Two or More Race and Other Race households whose median incomes are 89.3% and 86.8% of San Francisco's median income respectively. Median income of Hispanic or Latino households was pegged at \$46,883 or about 85.4% of the citywide median.

TABLE I-21 Median Household Income by Household Type, Tenure and Ethnicity

| | Median Income | | as % of SF Median Household Income |
|---|------------------|--------|---|
| Household Type | | | |
| Family Household | \$ | 63,545 | 115.1% |
| Non-Family Household | \$ | 46,457 | 84.1% |
| Tenure | | | |
| Owner Occupied Households Median Income | \$ | 77,917 | 141.1% |
| Renter Occupied Households Median Income | \$ | 45,275 | 82.0% |
| Ethnicity | | | |
| White | \$ | 63,227 | 114.5% |
| African American | | 29,640 | 53.7% |
| American Indian/Alaska Native | | 30,994 | 56.1% |
| Asian | | 49,596 | 89.8% |
| Native Hawaiian/Pacific Islander | | 33,750 | 61.1% |
| Other Race | | 47,651 | 86.3% |
| Two or More Race | | 49,040 | 88.8% |
| Hispanic or Latino | | 46,883 | 84.9% |

Source: U.S. Census Bureau

As noted earlier, ethnic households tend to be larger than the City's overall average household size (Table I-4). Thus a look at per capita income provides a starker reality of income disparity (see Table I-22). The 2000 Census shows that per capita income of San Franciscan of Native Hawaiian or Pacific Islander heritage is equivalent to only 36.1% of the City's overall, but for white San Franciscans, it is 140%. And while Asian households earn on average about 90.4% of the City's median income, per capita income of San Franciscans of Asian decent is \$22,357 or 64.7%.

TABLE I-22
Per Capita Income, by Ethnicity

| HOUSEHOLD | per Capita Income | as % of San Francisco per Capita Income (\$34,556) |
|----------------------------------|----------------------|---|
| White | \$ 48,393 | 140.0% |
| African American | 19,275 | 55.8% |
| American Indian/Alaska Native | 22,588 | 65.4% |
| Asian | 22,357 | 64.7% |
| Native Hawaiian/Pacific Islander | 12,476 | 36.1% |
| Other Race | 15,730 | 45.5% |
| Two or More Race | 22,091 | 63.9% |
| Hispanic or Latino | 18,584 | 53.8% |

Source: U.S. Census Bureau

The Department of Housing and Urban Development annually determines the area median income (AMI) for the San Francisco Primary Metropolitan Area, which includes the counties of San Francisco, Marin and San Mateo. This represents all household incomes for this larger area and is broken down by number of persons per household. For 2001, the area median income for a single person household was over \$56,000.

TABLE I-23
Household Income Standards by Household Size, 2001

| | Number of persons | | | | | |
|---------------------------|-------------------|----------|----------|----------|-----------|--|
| Income Categories | 1 | 2 | 3 | 4 | 5 | |
| as percentage of Area Med | dian Income (| AMI) | | | | |
| Very low (50% of AMI) | \$29,750 | \$34,000 | \$38,250 | \$42,500 | \$45,900 | |
| Low (80% of AMI) | \$47,600 | \$54,400 | \$61,200 | \$68,000 | \$73,450 | |
| Median (100% of AMI) | \$56,050 | \$64,100 | \$72,100 | \$80,100 | \$86,500 | |
| Moderate (120% of AMI) | \$67,250 | \$76,900 | \$86,500 | \$96,100 | \$103,800 | |
| Source: HUD | | | | | | |
| | | | | | | |

Despite this very high median income by national standards, San Francisco households' incomes are lower than the area median income. This is due in part to higher median incomes in San Mateo and Marin Counties, and the concentrations of lower-income families in the City. Marin County's median household income of \$ 71,300 and San Mateo's \$70,800 are quite higher than the City's median household income. Roughly 40% of all San Francisco households make less than 80% of the San Francisco PMSA area median income, and fall under the Department of Housing and Urban Development (HUD)'s low and very low income categories (Table I-24).

TABLE I-24
Income Distribution

| | In | come Distribution | | | |
|----------------------------------|----------|-------------------|---------------------|----------------|--|
| | Very Low | Low | <u>Moderate</u> | Above Moderate | |
| | , | , | (80-120% of median) | , | |
| All SF Households | 26.3% | 14.1% | 15.7% | 43.9% | |
| Median Income for SF, 2001 | \$54,700 | | | | |
| Source: estimates from ACS, 1999 | | | | | |

II. HOUSING CHARACTERISTICS

This section provides background information on the physical and qualitative characteristics of San Francisco's housing stock. The City's housing stock is older than other West Coast cities, with over 50% of the City's housing units constructed before World War II. Totaling about 340,000 units, the City's housing stock is roughly divided into low-, medium-, and higher-density structures. San Francisco's housing tends to be smaller in size, with 75 % of all units containing two bedrooms or less. San Francisco continues to be a city of renters who occupy 65% of housing units in the City.

Over 10,000 new housing units were completed in San Francisco since 1991, 75% in structures with ten or more units. This is down from the previous ten-year figure of almost 15,000 units between 1981 and 1990. Since 1990, 25% of all new housing was constructed in industrial areas in the South of Market district. Most of these were live/work units, which represent almost 21% of all new housing from 1991-2000. It is difficult to produce an accurate estimate on the number of live/work units used as a primary residence, as they are classified as commercial uses by the Planning Code.

Housing affordability continues to be a major concern to city households, as San Francisco has one of the least affordable housing markets in the nation. Although roughly 30% of new housing built since 1990 qualified as affordable, almost 80% of San Francisco households still could not afford the average monthly rent for a market rate two-bedroom apartment in 1999.

For affordable units made available by other than new construction since 1990, the Mayor's Office of Housing estimates that over 9,000 affordable units were acquired or rehabilitated, with almost 1,900 more units underway or being planned. (Table I-25) These numbers include both MOH and Redevelopment Agency projects.

TABLE I-25

Affordable Units Through Acquisition and Rehabilitation

| | Completed | Underway | Planned |
|------------------|-----------|----------|---------|
| Acquisition Only | 25 | 0 | 0 |
| Rehabilitation | 9,005 | 1,783 | 1,071 |

Source: Mayors Office of Housing and San Francisco Redevelopment Agency

A. EXISTING HOUSING STOCK

According to the 2000 Census, San Francisco's 346,527 housing units consist of roughly equal proportions of low-density single family, two to nine unit medium density, and ten unit plus high-density buildings (Table I-26). Table I-26 also shows that a vast majority of single-family units are owner-occupied (72%).

TABLE 1-26 San Francisco Housing Characteristics

| | All Housin | II Housing Units | | Renter Occupied | | Owner Occupied | | All Occupied Units | |
|------------------------------|------------|------------------|---------|-----------------|---------|----------------|---------|--------------------|--|
| TENURE STATUS | 346,527 | 100.0% | 214,385 | 65.0% | 115,315 | 35.0% | 329,700 | 95.1% | |
| STRUCTURE SIZE | | | | | | | | | |
| Single Family | 111,405 | 32.1% | 25,124 | 11.7% | 82,529 | 71.6% | 107,653 | 32.7% | |
| 2 - 9 Units | 120,003 | 34.6% | 91,412 | 42.6% | 23,071 | 20.0% | 114,483 | 34.7% | |
| 10 units or more | 114,559 | 33.1% | 97,593 | 45.5% | 9,450 | 8.2% | 107,043 | 32.5% | |
| Other | 560 | 0.2% | 256 | 0.1% | 265 | 0.2% | 521 | 0.2% | |
| Total | 346,527 | 100.0% | 214,385 | 100.0% | 115,315 | 100.0% | 329,700 | 100.0% | |
| UNIT SIZE | | | | | | | | | |
| No Bedroom | 62,278 | 18.0% | 55,678 | 26.0% | 2,784 | 2.4% | 58,462 | 17.7% | |
| 1 Bedroom | 96,929 | 28.0% | 79,126 | 36.9% | 13,063 | 11.3% | 92,189 | 28.0% | |
| 2 Bedrooms | 103,199 | 29.8% | 53,586 | 25.0% | 44,419 | 38.5% | 98,005 | 29.7% | |
| 3 Bedrooms | 59,793 | 17.3% | 19,790 | 9.2% | 37,821 | 32.8% | 57,611 | 17.5% | |
| 4 Bedroom | 18,331 | 5.3% | 4,764 | 2.2% | 12,874 | 11.2% | 17,638 | 5.3% | |
| 5 or more Bedrooms | 5,997 | 1.7% | 1,441 | 0.7% | 4,354 | 3.8% | 5,795 | 1.8% | |
| Total | 346,527 | 100.0% | 214,385 | 100.0% | 115,315 | 100.0% | 329,700 | 100.0% | |
| AGE OF HOUSING BY YEAR BUILT | | | | | | | | | |
| 1980 - March 2000 | 31,210 | 8.8% | 18,269 | 8.5% | 10,926 | 9.5% | 29,195 | 8.9% | |
| 1960 - 1979 | 66,944 | 18.8% | 41,712 | 19.5% | 12,028 | 10.4% | 53,740 | 16.3% | |
| 1940 - 1959 | 85,569 | 24.0% | 50,753 | 23.7% | 31,014 | 26.9% | 81,767 | 24.8% | |
| 1939 or earlier | 172,804 | 48.5% | 103,651 | 48.3% | 61,347 | 53.2% | 164,998 | 50.0% | |
| Total | 356,527 | 100.0% | 214,385 | 100.0% | 115,315 | 100.0% | 329,700 | 100.0% | |

Source: U.S. Census Bureau

Dwelling units in San Francisco are generally small in size. The 2000 Census showed that 76% of all units had two bedrooms or less. Only seven percent of housing units had four or more bedrooms. These units were primarily in single-family homes and two unit residential flats. Renters, who make up 65% of all households in the City, tend to have smaller units. Over a quarter (26%) of renting households live in units without a bedroom, compared to just 2.4% of home owning households.

Some homes may have been built larger originally, but a number of these have since been subdivided into smaller units similar in size to units built today. According to Assessor's data, between the years 1900 and 2000 the average unit ranged in size from 1,000 -1,200 square feet. The Assessor's database does not allow correlation between a specific year built and unit size because the data are based on the size of the unit today, not when it was originally built.

Almost 50% of San Francisco's housing stock was built prior to 1940. New construction since 1990 accounts for slightly more than 3% of the City's total housing stock. Housing added in the last 20 years represents approximately 7% of all units. Although older, most of the housing stock is in sound condition. Table I-26 details other differences in housing characteristics according to households' tenure status.

Approximately one-half of San Francisco's developable land is devoted to residential use. Of the residentially zoned acreage, a majority of the area (76%) is zoned for single family and two unit housing, at a housing density of approximately 10 to 29 units per acre. Other residential areas with higher housing densities, such as the Van Ness corridor and neighborhoods north of Market Street, bring average housing density citywide to 15 net dwelling units per acre.³ Table I-27 offers a listing of the City's zoning categories that permit residential development, grouping these by generalized housing density levels. Map I-2 provides a generalized illustration of housing densities citywide.

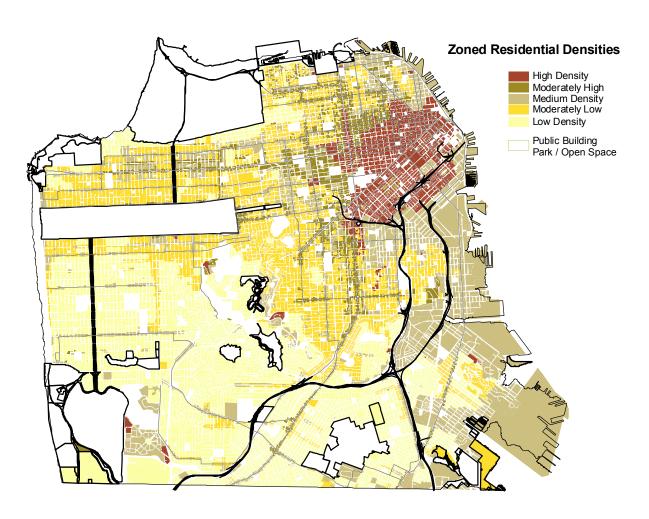
_

³ Not including right of way and streets.

TABLE I-27
Generalized Housing Densities Allowed by Zoning

| Density Level | Zoning District | Average Units per Acre | Population Density | General Locations | | | |
|-----------------------------|--------------------|--|-----------------------|--|--|--|--|
| Laux Daniella | RH-1 | 4.4 | 44 | Mostly single-family housing located | | | |
| Low Density | RH-1(D) | 14 | 32 | primarily in the southern and western parts of the City | | | |
| Moderately Low Density RH-3 | RH-2 | 36 | 02 | Smaller multi-family housing such as duplexes, triplexes, and flats located around the City's central hills areas of Diamond Heights, Twin Peaks, and Potrero Hill; also around Golden Gate Page 1 | | | |
| | 33 | in the Richmond, and the northern part of the Sunset districts, the Marina and edges of Mission Bay bordering open space areas. | | | | | |
| | RM-1 | 54 | | | | | |
| | C-1 | | 124 | Non-residential commercial and industrial | | | |
| Medium Density | C-2 | | | districts; certain areas adjacent to | | | |
| | M-1 | | | commercial zones; also in the central areas of Mission Bay | | | |
| | M-2 NCDs | | | areas or mission bay | | | |
| | RM-2 | 91 | 209 | More intensively developed northeastern part of the City; along major transit | | | |
| Moderately High Density | RM-3 | | | corridors such as Van Ness Avenue, Upper Market Street and Columbus Avenue; in major redevelopment areas | | | |
| | RC-2 | | | such as the Western Addition, Golden Gateway; in Nob Hill, Chinatown, North | | | |
| | RC-3 | | | Beach, edges of Mission Bay bordering commercial and industrial areas. | | | |
| | RM-4 | | 651 | Downtown districts, parts of the | | | |
| High Density | RC-4 | 283 | | northeastern section of the City; heavy | | | |
| | C-3 C-M | | commercial districts. | | | | |

MAP I-2
Generalized Housing Densities Allowed by Zoning



For better map readability, please see document on-line at http://www.sfgov.org/planning/citywide/c1_housing_element.htm

1. Changes In Housing Stock, 1990-2000

Accounting for new production, demolitions, and alterations, the City has seen a net change of 11,200 housing units in the last 11 years. From 1990 to 2000, a total of 12,434 new housing units have been completed at an annual rate of about 1,130 units per year (Graph 1-4 and Table I-28). Housing production in San Francisco slowed in the early and mid 1990s due to the economic recession of the time. Net new units from 1992-1995 averaged only 650 per year. In the six years from 1995-2000, the city's housing stock grew by 5,532 units, or about 922 per year. The last two years have seen an increase in the city's housing production. In 2000, 1,626 units, including live/work units, were completed. This is the highest single year total since 1991.

GRAPH I-4
S.F Housing Trends: New Construction and Demolitions, 1990-2000

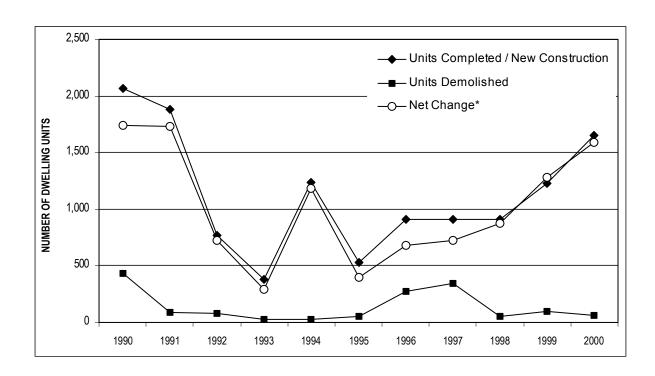


TABLE I-28
Housing Characteristics By Planning District

| Planning District | Single Family | 2 to 4 Units | 5 to 9 Units | 10 + Units | District Total |
|--------------------|------------------|-----------------|-----------------|---------------|-------------------|
| 1 Richmond | 10,206 | 15,291 | 5,146 | 6,088 | 36,731 |
| Percent | 28% | 41% | 14% | 17% | 10.8% |
| 2 Marina | 2,737 | 5,885 | 3,690 | 13,290 | 25,602 |
| Percent | 11% | 23% | 14% | 52% | 7.5% |
| 3 Northeast | 1,456 | 6,999 | 6,403 | 21,620 | 36,478 |
| Percent | 4% | 19% | 18% | 59% | 10.7% |
| 4 Downtown | 90 | 402 | 507 | 24,675 | 25,674 |
| Percent | 0% | 2% | 2% | 96% | 7.6% |
| 5 Western Addition | 1,554 | 6,042 | 3,910 | 16,229 | 27,735 |
| Percent | 6% | 22% | 14% | 59% | 8.2% |
| 6 Buena Vista | 1,743 | 7,015 | 3,360 | 3,915 | 16,033 |
| Percent | 11% | 44% | 21% | 24% | 4.7% |
| 7 Central | 8,143 | 10,045 | 3,039 | 4,789 | 26,016 |
| Percent | 31% | 39% | 12% | 18% | 7.7% |
| 8 Mission | 2,333 | 8,775 | 4,255 | 6,662 | 22,025 |
| Percent | 11% | 40% | 19% | 30% | 6.5% |
| 9 South of Market | 2,117 | 2,748 | 1,411 | 7,272 | 13,548 |
| Percent | 16% | 20% | 10% | 54% | 4.0% |
| 10 South Bayshore | 6,654 | 1,754 | 913 | 621 | 9,942 |
| Percent | 67% | 18% | 9% | 6% | 2.9% |
| 11 Bernal Heights | 5,136 | 2,998 | 481 | 517 | 9,132 |
| Percent | 56% | 33% | 5% | 6% | 2.7% |
| 12 South Central | 19,491 | 2,712 | 1,032 | 1,921 | 25,156 |
| Percent | 77% | 11% | 4% | 8% | 7.4% |
| 13 Ingleside | 15,736 | 1,434 | 469 | 4,679 | 22,318 |
| Percent | 71% | 6% | 2% | 21% | 6.6% |
| 14 Inner Sunset | 9,717 | 4,212 | 1,484 | 2,591 | 18,004 |
| Percent | 54% | 23% | 8% | 14% | 5.3% |
| 15 Outer Sunset | 18,639 | 4,065 | 1,355 | 1,155 | 25,214 |
| Percent | 74% | 16% | 5% | 5% | 7.4% |
| CITYWIDE TOTAL | 105,752 | 80,377 | 37,455 | 116,024 | 339,608 |
| Percent | 31% | 24% | 11% | 34% | 100.0% |

Map I-3
Planning Areas of San Francisco



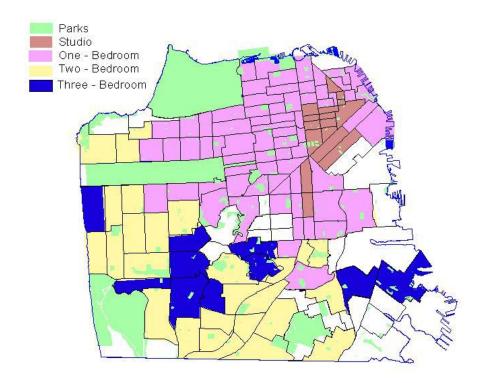
2. Type and Location of New Construction

Most of the new construction in the last 11 years has occurred in larger structures, with 84% of the housing developed in buildings with more than two units (Tables I-29 and I-30). Downtown, the Western Addition and South of Market areas absorbed most of the new housing development since 1990, accounting for 7,086 new units (57% of all new housing during that period). Since 1990, the total number of housing units in the South of Market planning area grew 31%. This figure includes live/work development during that time. Since 1998, the South of Market area has seen 864 new housing units completed. Other notable increases in housing stock by planning district were the Western Addition (9%), Bayshore (7%), and Downtown (5%). (Map I-3 and Table I-31)

TABLE I-29 Annual Change in Housing Units by Structure Type, 1990-2000

| Now Unite Total | | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | TOTAL |
|-----------------------|-------|-------|------|------|-------|------|------|------|------|-------|-------|--------|
| New Units Total 2 | 2,065 | 1,882 | 767 | 379 | 1,234 | 532 | 909 | 906 | 909 | 1,225 | 1,626 | 12,434 |
| Single Family | 89 | 79 | 111 | 51 | 63 | 69 | 84 | 165 | 117 | 181 | 99 | 1,108 |
| 2 Unit Building | 48 | 62 | 100 | 74 | 62 | 54 | 142 | 100 | 60 | 106 | 122 | 930 |
| 3-9 Unit Building | 190 | 129 | 96 | 56 | 121 | 89 | 159 | 127 | 96 | 160 | 217 | 1,440 |
| 10 - 19 Unit Building | 156 | 87 | 79 | 36 | 16 | 89 | 241 | 110 | 190 | 162 | 141 | 1,307 |
| 20 + Unit Building 1 | 1,582 | 1,525 | 381 | 162 | 972 | 231 | 283 | 404 | 446 | 616 | 1,047 | 7,649 |
| Units Demolished | 433 | 90 | 76 | 26 | 25 | 55 | 278 | 344 | 54 | 98 | 61 | 1,540 |
| Single Family | 18 | 46 | 35 | 17 | 14 | 33 | 31 | 29 | 36 | 55 | 31 | 345 |
| 2 Unit Building | 14 | 22 | 20 | 6 | 4 | 2 | 10 | 10 | 12 | 12 | 18 | 130 |
| 3-4 Unit Building | 25 | 6 | 3 | 3 | - | 13 | 4 | 3 | 6 | 21 | 12 | 96 |
| 5+ Unit Building | 376 | 16 | 18 | _ | 7 | 7 | 233 | 302 | - | 10 | - | 969 |

MAP I-4 Predominant Housing Unit Size



For better map readability, please see document on-line at http://www.sfgov.org/planning/citywide/c1_housing_element.htm

TABLE I-30 Comparison of Existing Stock with New Construction by Building Type, 1980-2000

| | 1980 | 1990 | 2000 | New Construction 1990 to 2000 | | | | |
|---|--------|--------|--------|-------------------------------------|--|--|--|--|
| Single Family | 32.3% | 32.0% | 31.3% | 8.4% | | | | |
| Two Units | 12.6% | 24.0% | 23.7% | 7.3% | | | | |
| 3 to 9 Units | 20.8% | 11.3% | 11.1% | 10.3% | | | | |
| 10 + Units | 34.3% | 32.7% | 34.0% | 74.0% | | | | |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | | | | |
| Source: U.S. Census; S.F. Planning Department | | | | | | | | |

TABLE I-31 Changes in the Housing Stock by Planning District, 1990-2000

| | Units Completed | Units Demolished | Net Change* |
|------------------|-----------------|------------------|-------------|
| Richmond | 478 | 138 | 372 |
| Marina | 375 | 39 | 283 |
| Northeast | 752 | 31 | 702 |
| Downtown | 1,148 | 32 | 1,140 |
| Western Addition | 2,817 | 540 | 2,246 |
| Buena Vista | 174 | 205 | (73) |
| Central | 372 | 65 | 371 |
| Mission | 877 | 245 | 708 |
| South of Market | 3,147 | 40 | 3,404 |
| South Bayshore | 720 | 16 | 702 |
| Bernal Heights | 182 | 12 | 162 |
| South Central | 747 | 52 | 630 |
| Ingleside | 328 | 28 | 296 |
| Inner Sunset | 167 | 62 | 105 |
| Outer Sunset | 176 | 35 | 125 |
| TOTALS | 12,460 | 1,540 | 11,173 |

^{*} Net Change includes Alterations.

3. Pipeline

In addition to new housing completed recently, housing in the production pipeline is an important indicator of future development. For the purposes of this report, the Planning Department defines the pipeline as those projects that have been approved by the Building Department within the past three years or filed within the past five years.

At time of the drafting of this report (May 2001), the Planning Department estimated that these projects could result in as many as 4,000 additional housing units in San Francisco in the next few years. This number does not include projects that will be filed and completed in the coming years, only those that have obtained approval. A more detailed discussion of expected housing production, as well as potential housing supply, is given in later sections of this report.

4. Live/Work

Although the City's Planning Code considers live/work units as commercial space, they serve as housing units and the Planning Department tracks information on live/work units in its annual housing inventory. In the ten years from 1991-2000, 2,133 live/work units were produced in San Francisco, and a total of 2,330 live/work units have been completed since 1987. Construction of live/work units surged in the past two years, as new units from 1999 and 2000 represent 35% of all new housing during that period. Over 71% of completed live/work units are located in the South of Market planning area.

Concerned with distortions in the housing supply and with the displacement of industry, the San Francisco Board of Supervisors passed a six-month moratorium on the construction of new live/work units in the city in February 2001. The temporary moratorium was intended to halt the approval of new projects while a study on the impact of live/work units on the city's housing market and industrial lands was being conducted. This moratorium has since been extended several times. In August 1999, the Planning Commission adopted interim zoning controls for southeastern portions of the city aimed at preserving industrially zoned lands from competing uses. These controls created Industrial Protection Zones where new housing and live/work units are not allowed, and accompanying Mixed Use Districts where housing would be encouraged.

5. Illegal New Construction

No information is currently available on the number of illegal secondary units that have been added to the City's housing stock.

6. Units Demolished

A total of 1,540 housing units were demolished between 1990 and 2000, with 433 units demolished in 1990. The number of units demolished from 1995-2000 totaled 890, or 148 per year. As shown in Table I-31, 35% of all units demolished were located in the Western Addition and 16% in the Mission District. Most of the 622 units demolished in 1996 and 1997 were older, larger public housing structures intended to be replaced by new public and affordable housing developments located in these areas.

Single-family homes represented 22% of residential units demolished from 1996-2000 (182 units), while housing in structures with 5 or more units comprised 65% of all units demolished in the same time period (545 units). Due to Department of Building Inspection record-keeping practices, the 576 unit Geneva Towers, which was torn down by the City in 1998, has not been included in the official tally of housing units demolished.

7. Other Changes to the Housing Stock

In addition to changes resulting from new construction and demolition, the quantity of housing in the City can be altered by other factors including the subdivision of units, dwelling unit mergers, elimination of illegal units via code enforcement, the conversion of an existing building's use, such as from commercial space to housing, and through implementation of legislation such as the Ellis Act.

Since 1990, 306 net units have been added to the City's housing stock by some type of alteration. The majority of alterations that produce additional housing usually result in a

single new unit. A small number of illegal units are also removed from the housing stock each year by code enforcement. A total of 494 housing units were removed in this fashion from 1991-2000. A total of 12 units were lost due to code enforcement in 2000. The number of housing (excluding live/work units) units lost by conversion to non-residential uses has decreased dramatically over the last thirty years. Approximately 40 units were lost to such conversion between 1991-2000, whereas over 1,000 units were converted to non-residential uses in the decade from 1970-1980 (Table I-32). The reduction in the number of converted units stems from regulations that discourage the loss of residential units to commercial uses. These regulations do not apply to live/work units. No information is available on the number of units illegally converted from residential use.

TABLE I-32 Housing Units Converted to Non-Residential Use

Housing Units Converted to Non-Residential Use

1970 to 1980* 1,094 1981 to 1990** 165 1991 to 2000** 42

The units held off the market by the Ellis Act increased significantly in recent years. (Table I-33) From the passage of the Act in 1986 until 1998 there were a total of 44 eviction notices given through the Ellis Act. In 1998 that number increased to 206 notices and in 1999 it peaked at 440 eviction notices. During the second half of the 1990s, however, owner move-in evictions increased dramatically; more than 1,000 eviction notices were given out annually through this process.

^{*} A Study of Conversion of Apartments to Non-Residential Uses in Commercial and Industrial Areas, DCP, 1981

^{**} Housing Inventory, 1981 - 2000

TABLE I-33

Number of Ellis Evictions

| Fiscal Year | Owner Occupied | Ellis |
|-------------|-------------------|-------|
| 88-89 | 564 | 18 |
| 89-90 | 545 | 3 |
| 90-91 | 469 | 4 |
| 91-92 | 356 | 4 |
| 92-93 | 293 | 0 |
| 93-94 | 344 | 0 |
| 94-95 | 360 | 0 |
| 95-96 | 467 | 0 |
| 96-97 | 1,075 | 3 |
| 97-98 | 1,400 | 12 |
| 98-99 | 1,198 | 206 |
| 99-00 | 938 | 440 |
| 00-01 | 988 | 274 |
| 01-02 | 726 | 148 |
| 02-03 | 516 | 187 |

Source: Bay Area Economics, San Francisco Housing DataBook, San Francisco Rent Board

8. Residential Hotel Stock

Residential hotel units (also SRO or Single Room Occupancy) refer to rooms for single occupancy that are generally rented to lower income persons. There are 518 residential hotels in San Francisco containing 19,645 rooms (Table I-34). Sixty-one of these hotels are operated by non-profit organizations, representing 17% of all residential rooms in the

City (3,314 rooms). Roughly 19% or 3,314 of the 16,331 rooms in for-profit residential hotels are tourist rooms.

TABLE I-34
Status of Residential Hotels in San Francisco

| | Residential Hotels Non-Profit | | | Non-Profit Res | sidential Hotels | | Total | |
|------|-------------------------------|----------------------|------------------|----------------|----------------------|--------------|----------------------|------------------|
| | No. of Bldgs | Residential Rooms | Tourist Rooms | No. of Bldgs | Residential Rooms | No. of Bldgs | Residential Rooms | Tourist Rooms |
| 1990 | 495 | 18,521 | 4,449 | 36 | 1,831 | 531 | 20,352 | 4,449 |
| 1995 | 496 | 18,415 | 4,457 | 36 | 1,481 | 532 | 19,896 | 4,457 |
| 2000 | 457 | 16,331 | 3,781 | 61 | 3,314 | 518 | 19,645 | 3,781 |

Source: Department of Building Inspection

The conversion of residential hotel rooms has significantly decreased from the conversion rate of the 1970s. This is due, in part, to the adoption of the Residential Hotel Ordinance in 1980, and subsequent amendments to that ordinance strengthening its enforcement in 1990. Over 900 SRO units were lost in the last 11 years, largely due to several significant fires, compared to the 410 units lost due to conversion, demolition, or damage from 1981-1989 (Table I-35). Prior to 1981, residential hotel rooms in San Francisco were disappearing at a significant rate, as the SRO stock decreased by 4,883 units from 1975-1980. The loss of SRO units may in fact have been greater than the figures reported, as it is difficult to track illegal conversions and units lost because of small scale damage.

TABLE I-35 Loss of Residential Hotel Rooms

| | 1975 - 1980 | 1980 - 1981 | 1981 - 1989 | 1990 - 2000 |
|-------------------|----------------|----------------|----------------|----------------|
| Demolitions/Fire | 985 | - | 99 | 909 |
| Conversions | 2,710 | 1,188 | 109 | - |
| Earthquake Damage | - | - | 202 | - |
| TOTAL | 3,695 | 1,188 | 410 | 909 |

Source: Department of Building Inspection

9. New Construction of Low and Moderate Income Housing

From 1990-2000, 3,492 new affordable housing units were constructed in San Francisco, 62% of which qualified as affordable at very low-income levels and 30% that was considered affordable for low income households (Table I-36). An affordable rental unit is defined as housing for which rent equals 30% of the income of a household earning 80% or less of San Francisco's median income.

Since 1990, 28% of all new housing in the City have been affordable units. Over the last five years, a total of 1,339 new affordable units were produced, representing roughly 24% of all new housing units produced during that time. These totals represent construction of new units, but do not include permanently affordable units that result from acquisition and rehabilitation of existing buildings by non-profit housing organizations. Fifty-nine percent of all affordable units produced from 1996-2000 targeted very low and extremely low income households, those earning less than 50% of area median income. Family units comprised the largest portion of affordable housing produced in the last five years, totaling 61% of these types of units.

TABLE I-36 New Construction of Low and Moderate Income Units, 1990-2000

| | | • • • | | | | | | | - | | |
|--------------------------------|-----------|----------|--------|----------|-----------|-------|-------|-------|-------|-------|------|
| New Construction of | Low and N | Moderate | Income | Units (1 | 1990 - 20 | 000) | | | | | |
| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
| Very Low | 278 | 203 | 16 | 108 | 686 | 82 | 83 | 287 | 213 | 136 | 67 |
| Low | 180 | 154 | 180 | - | 86 | 80 | 198 | 46 | 21 | 41 | 54 |
| Moderate | - | 32 | 54 | - | 4 | 10 | 63 | 36 | - | 63 | 31 |
| Total Newly | | | | | | | | | | | |
| Constructed | 458 | 389 | 250 | 108 | 776 | 172 | 344 | 369 | 234 | 240 | 152 |
| Affordable Units | | | | | | | | | | | |
| | | | | | | | | | | | |
| As % of Total New Construction | 22.2% | 20.7% | 32.6% | 28.5% | 62.9% | 32.3% | 37.8% | 40.7% | 25.7% | 19.6% | 9.3% |

10. Federally Assisted Units

Table I-37 describes units in San Francisco that receive support under the Federal Section 8 rent subsidy program or are managed by the San Francisco Housing Authority. In the Section 8 program, residents pay 30% of their monthly income in rent, and the government subsidizes the difference so that the property owner receives a HUD-determined fair market rent each month. Section 8 subsidies are associated either with a particular housing unit (project-based) or with a qualifying household (voucher/certificate program).

Section 8 housing units and those managed by the Housing Authority total almost 21,000 units, representing over 6% of the city's total housing stock. Senior and disabled renters that meet the income eligibility requirements are given priority on roughly a third of all Housing Authority units, while the remaining units are predominantly occupied by family households. Almost half of all residents in Housing Authority units are African-American, and approximately one-fifth is Asian-American.

The San Francisco Housing Authority total in Table I-37 does not include 661 formerly managed units that have been recently demolished as part of the federal HOPE VI rehabilitation program. The HOPE VI funds will support the rehabilitation of units at five former Public Housing Authority projects, and will result in over 1,200 upgraded units of affordable housing, 234 of which are already completed. Other Federally

assisted units include those subsidized under programs including HOPWA (Housing Opportunities for Persons with AIDS), which created 189 units as of 2001, HUD Section 811 (for those with Disabilities), 59 units, and HUD 202 (for Seniors), 1,534 units.

TABLE I-37 Citywide Inventory of Public Assisted Housing

| | Total No. of Units Elde | 2000 rly Units | Family Units |
|-------------------------|-------------------------|-------------------|--------------|
| Project Based Section 8 | | | |
| For profit | 4,085 | n/a | n/a |
| Non-profit | 3,957 | n/a | n/a |
| Tenant Based Section 8 | 6,641* | n/a | n/a |
| SF Housing Authority | 6,096 | 2,025 | 4,071 |
| TOTALS | 20,779 | 2,025 | 4,071 |

^{*}Total includes 909 Project-based units administered by SFHA Source: San Francisco Housing Authority and Redevelopment Agency

B. AFFORDABILITY

The housing needs for San Francisco are based on a regional assessment for the Bay Area. The Regional Housing Needs Determination process is a State mandate devised to address the need for and planning of housing affordable to many income levels and in all communities throughout the State. Each jurisdiction within the Bay Area (101 cities, nine counties) is given a share of the anticipated regional housing need. The Bay Area's regional housing need is specified by the California State Department of Housing and Community Development (HCD) and finalized through negotiations with ABAG. The following section addresses affordability within this context.

1. **Owner-Occupied Housing**

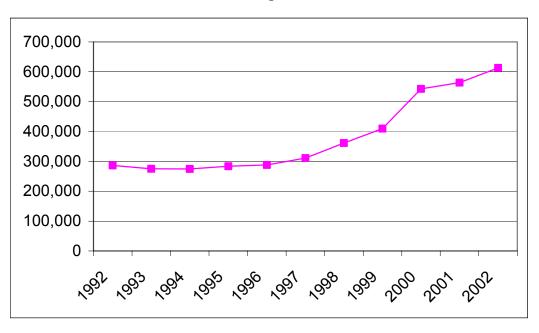
San Francisco's housing prices are among the highest in the nation. In 2000, the average price for a three bedroom home in San Francisco exceeded \$540,000, 30% higher than the Bay Area average (Table I-38). It is estimated that only 11% of San Francisco's households can afford a median priced home in the City. Statewide, over 30% of households in California can afford the median home sales price. The median price for a home in the U.S. in 2000 was near \$150,000, according to the *Housing Opportunity Index*, a report published by the National Association of Home Builders. The report estimates that almost 60% of all homes sold in the country last year were at prices affordable to a family earning the national average household income. In contrast, only 6% of home sales in San Francisco were affordable to households earning the area median income.

TABLE I-38 Housing Affordability of Average Single Family Homes

| | Median Price | Percent of Households Qualifying | | | | |
|---|--------------|--|--|--|--|--|
| San Francisco | \$540,000 | 11% | | | | |
| SF Bay Area Region | \$470,000 | 18% | | | | |
| Northern California (not including the SF Bay Area) | \$200,000 | 35% | | | | |
| California | \$250,000 | 32% | | | | |
| Nationwide | \$151,000 | 56% | | | | |
| Source: California Association of Realtors | | | | | | |

Graph I-5 depicts the rapid increase in housing prices in San Francisco over the past ten years. The average price of a three-bedroom house in San Francisco has increased by 86% since 1991, while the average price of a house in the Bay Area region spiked 56% in the same ten years. This dramatic increase is largely due to rising home prices in the last five years. Average home prices actually fell 2.7% in San Francisco from 1991-1995 and dropped 3.5% across the Bay Area over those five years. The high cost of home

ownership is generally prohibitive for San Francisco's low and moderate-income households, and homeownership for these households requires substantial subsidies.



GRAPH I-5 Housing Price Trends

Source: California Association of Realtors, *(Figures in current dollars)

Table I-39 below shows rates of home ownership by planning district. At least 50 percent of homes are owned in the Ingleside, Inner Sunset, Outer Sunset, South Central, and South Bayshore planning districts. Home ownership rates are lowest in the downtown, with only two percent of people owning their home.

TABLE I-39

Home Ownership by Planning District

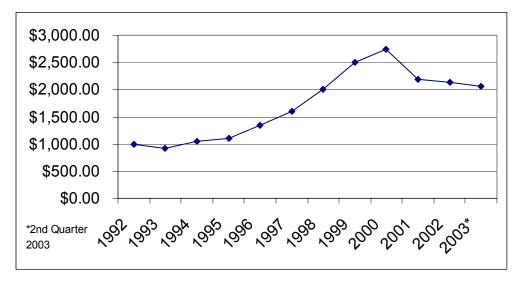
| | Rate of Home |
|-------------------|--------------|
| Planning District | Ownership |
| Buena Vista | 26% |
| Central | 41% |
| Downtown | 2% |
| Ingleside | 59% |
| Inner Sunset | 56% |
| Marina | 25% |
| Mission | 20% |
| Northeast | 15% |
| Outer Sunset | 59% |
| Richmond | 38% |
| South Central | 67% |
| South of Market | 32% |
| Western Addition | 19% |
| South Bayshore | 50% |

2. Rental Housing

According to the 2000 Census, 35% of San Francisco households own their homes, while 65% are renters. The rate of homeownership has been constant since the 1990 Census and is still much lower than the national average of 69%. Rents in San Francisco increased dramatically over the past decade, as job growth outpaced housing development and housing demand remained high in the City (Graph I-6). Average rents in San Francisco increased a staggering 175% from 1991-2000, and have risen by almost 21% per year since 1996. The average monthly rent for a two-bedroom apartment in 2000 was \$2,750. To afford this level of rent, a household would need to earn

approximately \$110,000 a year. It is estimated that only 17% of San Francisco households earned over \$110,000 in 1999.

GRAPH I-6
Rental Housing Price Trends



Sources: S.F. Property Report and Bay Area Council

Rental affordability is a citywide problem as shown in Table I-40. Based on the units surveyed, neighborhoods in the south, central, and eastern portions of the city are the most affordable. Even in these more affordable neighborhoods, the affordability gap for low and very low-income households is still significant. The least expensive average asking rent for a two bedroom by district (\$2,105) is still over 146% greater than what a low income household can afford.

TABLE I-40 Rental Affordability for Lower Income Households by Planning District, 2001

Rental Affordability for Lower Income Housholds, 2003

| | | Affordability Gap | | % Over Rents Affordable | |
|------------------------|--------------|-------------------|------------|-------------------------|------------|
| | Average Rent | | | | |
| | for a 2 | Very Low | | Very Low | |
| | Bedroom* | Income | Low Income | Income | Low Income |
| Richmond | \$1,900 | \$958 | \$392 | 201.73% | 126.01% |
| Marina | \$2,474 | \$1,532 | \$966 | 262.58% | 164.03% |
| Northeast | \$2,327 | \$1,385 | \$819 | 246.97% | 154.28% |
| Downtown | \$2,246 | \$1,304 | \$738 | 238.43% | 148.94% |
| Western Addition/Lower | | | | | |
| Pacific Heights | \$1,955 | \$1,013 | \$447 | 207.57% | 129.66% |
| Buena Vista | \$1,910 | \$968 | \$402 | 202.79% | 126.67% |
| Central | \$2,086 | \$1,144 | \$578 | 221.49% | 138.36% |
| Mission | \$1,687 | \$745 | \$179 | 179.09% | 111.87% |
| South of Market | \$2,576 | \$1,634 | \$1,068 | 273.50% | 170.84% |
| Bayview | \$2,190 | \$1,248 | \$682 | 232.48% | 145.23% |
| Bernal Heights | \$1,869 | \$927 | \$361 | 198.35% | 123.91% |
| South Central | \$1,930 | \$988 | \$422 | 204.92% | 128.01% |
| Ingleside | \$2,063 | \$1,121 | \$555 | 219.02% | 136.82% |
| Inner Sunset | \$1,958 | \$1,016 | \$450 | 207.86% | 129.84% |
| Outer Sunset | \$1,696 | \$754 | \$188 | 180.08% | 112.49% |
| Citywide Average | \$2,058 | \$1,116 | \$550 | 218.46% | 136.46% |

^{*}Source: MetroRents

3. Loss of Publicly Assisted Units

Through contracts managed by the San Francisco Housing Authority, the Federal project-based Section 8 program subsidizes rent on over 8,000 units of affordable housing in the city. Almost half of these units are in projects owned or managed by non-profit organizations. Section 8 units receive Federal subsidies that provide the owners of these units with the difference between 30% of the tenant's income, and a HUD established rent for the units.

Table I-41 shows Section 8 units with contracts set to expire in the next few years. Expiration of Section 8 subsidies in privately owned projects could force tenants to pay

market rate rents for their unit, or face eviction. Expiration of Section 8 contracts in nonprofit owned projects will burden organizations that lack sufficient income to meet operating costs and mortgage payments. Approaching Section 8 contract expirations threaten the affordability requirements of 2,025 units throughout the city. In addition, some 6,770 units subsidized by state and federal funds are similarly at risk in the next five years (Table I-42).

TABLE I-41 Expiration and Opt-Outs of Project Based Section 8 Contracts:

Buildings at Risk, 2000 -2005

| Project | Owner [1] | First Expire [2] | Units [3] | Flex [4] | LIHPRHA [5] | Rent Control |
|--------------------------|-----------|------------------|-----------|----------|----------------|-----------------|
| Bayview-Hunters Point | | | | | | |
| ALL HALLOWS GARDEN APTS. | LD | 9/30/1996 | 155 | Yes | No | Yes |
| BAYVIEW APARTMENTS | LD | 9/30/1996 | 146 | Yes | No | Yes |
| JACKIE ROBINSON GARDENS | LD | 8/31/1996 | 130 | Yes | No | Yes |
| LA SALLE APARTMENTS | PM | 10/16/1997 | 145 | No | No | Yes |
| RIDGEVIEW TERRACE | LD | 9/10/1996 | 101 | No | No | Yes |
| SHOREVIEW APARTMENTS | PM | 1/8/1998 | 156 | No | No | Yes |
| Diamond Heights | | | | | | |
| CASA DE VIDA | PM | 12/14/2001 | 21 | No | No | No |
| Hayes Valley | | | | | | |
| FAIR OAKS APARTMENTS | LD | 7/20/2021 | 20 | No | Yes | Yes |
| MERCY TERRACE | PM | 11/29/2003 | 158 | No | No | Yes |
| Ingleside | | | | | | |
| PAGE/HOLLOWAY APARTMENTS | PM or LD | 12/15/2020 | 15 | No | No | No |
| Mission | | | | | | |
| MARIPOSA GARDENS APTS. | LD | 9/19/2003 | 63 | No | No | No |
| MISSION BART APARTMENTS | PM | 10/20/2013 | 13 | No | No | No |
| MISSION PLAZA APARTMENTS | PM | 7/14/2000 | 132 | No | No | No |
| North Beach | | | | | | |
| WHARF PLAZA I | PM | 4/5/2002 | 116 | No | No | No |
| WHARF PLAZA II | PM | 6/15/2002 | 114 | No | No | No |
| Richmond | | | | | | |
| OCEAN BEACH APARTMENTS | PM | 4/25/2004 | 85 | No | No | No |
| Tenderloin | | | | | | |
| ASPEN TENDERLOIN APT | LD | 12/1/2003 | 82 | No | Yes | Yes |
| CRESENT MANOR | LD | 10/31/1996 | 92 | Yes | No | Yes |
| LASSEN APARTMENTS | PM | 6/21/2003 | 81 | No | No | Yes |
| PADRE APTS-NSA | LD | 7/30/2021 | 41 | No | Yes | Yes |
| SERENITY TOWERS | PM | 4/3/2003 | 72 | No | No | No |
| Western Addition | | | | | | |
| EMERIC-GOODMAN BUILDING | LD | 12/19/2004 | 30 | No | No | No |
| NAMIKI APTS | PM | 8/9/1999 | 33 | No | No | No |
| UNIVISTA APARTMENTS | LD | 8/31/1997 | 24 | Yes | No | Yes |
| Total | | | 2025 | | | |

^[1] LD = Limited Dividend, PM = Profit Motivated

First expiration of Section 8 Contract, typically 20 years after origination. Contract is renewed annually each year

Source: San Francisco Redevelopment Agency, May 2001

^[2] thereafter.

^[3] Units receiving project based Section 8 subsidy.

Flexible Subsidy Use Agreement: HUD rehabilitation loan program that provided funds to owners in exchange for a no-

^[4] prepayment provision, and increased Section 8 contract rent levels to cover new debt

Low Income Housing Preservation and Resident Homeownership Act: Provided federal funds to purchase at-risk

^[5] properties and extend affordability requirements for an additional 30 years

TABLE I-42
At-Risk Subsidized Housing, by Funding Source

| Funding Source | Project Name | No. of Units | Expiration |
|-------------------|--------------------------|-----------------|---------------|
| Tax Credit | Mercy Family Plaza | 36 | December 2006 |
| | Mission Capp Apartments | 48 | December 2006 |
| | Coleridge Park Homes | 49 | December 2006 |
| | Cambridge Hotel | 60 | December 2006 |
| | Total | 193 | |
| | 2800-2818 Bryant Street | 7 | February 1999 |
| HCD- | Woodward Gardens Hotel | 59 | March 1999 |
| Funded | 1204 Mason Street | 24 | March 2002 |
| Rentals | Clayton Hotel | 82 | June 2002 |
| | Tower Hotel | 34 | October 2003 |
| | Total | 206 | |
| | Webster Tower & Terrace | 31 | 2002 |
| | Rincon Center | 60 | 2000 |
| Bond | Bayside Village | 173 | 1999 |
| Funded | Fillmore Center | 223 | 2001 |
| | St Francis Place | 82 | 2000 |
| | Total | 569 | |
| | Maria Manor | 118 | August 2000 |
| | Alexis Apartments | 132 | August 2000 |
| | All Hallows Community | 45 | March 2004 |
| | All Hallows Garden Apts. | 150 | February 2000 |
| | Ammel Park Co-op | 95 | February 2000 |
| FHA- | Antonia Manor | 132 | October 2000 |
| Funded | Aspen Tenderloin Apts | 82 | December 2003 |
| | De la Esperanza Apts | 39 | June 2000 |
| | Bayview Senior Housing | 53 | May 2004 |
| [| Betel Apts | 41 | July 2003 |
| [| Bethany Center | 123 | February 2005 |
| | Casa de la Raza | 51 | April 2006 |

| Funding Source | Project Name | No. of Units | Expiration |
|-------------------|------------------------------|-----------------|----------------|
| | Casa de Vida | 21 | December 2001 |
| | Ceatrice Polite Apts | 91 | October 2004 |
| | Colosimo Apts | 11 | April 2002 |
| | Crescent Manor | 92 | September 2000 |
| | Dorothy Day Community | 100 | May 2006 |
| | Eastern Park Apts | 201 | November 2000 |
| | El Bethel Arms | 254 | July 2000 |
| | El Bethel Terrace | 100 | July 2004 |
| | Emeric Goodman | 30 | December 2004 |
| | Fellowship Manor | 105 | September 2000 |
| | Francis of Assisi | 110 | August 2000 |
| | Fredrick Douglas Haynes | 34 | May 2000 |
| | Friendship Village One | 68 | June 2000 |
| | Friendship Village Two | 90 | May 2000 |
| | Jackie Robinson Gardens | 52 | December 2000 |
| FHA- | Jones Memorial Homes I | 32 | June 2000 |
| Funded | Jones Memorial Homes II | 101 | July 2000 |
| | Jones Senior Homes | 51 | May 2004 |
| | La Salle Apts | 145 | April 2000 |
| | Lassen Apts | 81 | June 2003 |
| | Mariposa Gardens Apts | 63 | July 2003 |
| | Market Heights Apts | 32 | March 2006 |
| | Martin Luther King/Marcus Ga | 211 | November 2000 |
| | Mei Lun Yuen | 185 | May 2000 |
| | Menorah Park | 151 | April 2000 |
| | Mercy Terrace | 158 | November 2003 |
| | Mission Plaza Apts | 132 | July 2000 |
| | Nihonmachi Terrace | 82 | August 2000 |
| | Northridge Co-op Homes | 300 | April 2003 |
| | Ocean Beach Apts | 85 | April 2004 |
| | O'Farrell Apts | 100 | July 2005 |
| | On Lok House | 54 | October 2000 |

| Funding Source | Project Name | No. of Units | Expiration |
|-------------------|--------------------------|-----------------|----------------|
| | Park Sunset | 29 | September 2000 |
| | Presidio Gate | 54 | September 2005 |
| | Ridgeview Terrace | 100 | June 2000 |
| | Royal Adah Arms | 142 | May 2000 |
| | San Lorenzo Ruiz Center | 145 | January 2000 |
| | Shoreview Apts | 156 | May 2000 |
| = | Silvercrest Residence | 103 | May 2000 |
| FHA- Funded | Sutter Apts | 67 | June 2000 |
| i dilaca | Unity, Peace and Freedom | 88 | August 2000 |
| | Univista Apts | 24 | September 2000 |
| | Vincentian Villa | 72 | July 2000 |
| | Western Park Apts | 112 | May 2000 |
| | Wharf Plaza I | 116 | April 2002 |
| | Wharf Plaza II | 114 | June 2002 |
| | YWCA Apts | 97 | December 2000 |
| | Total | 5,802 | |
| | OVERALL TOTAL | 6,770 | |

C. Vacancy

The overall housing vacancy rate in San Francisco fell over the past ten years. About 5% of the City's housing stock was not occupied at any given time at the time of the Census in April 2000 (Table I-43). The 2.5% rental vacancy rate and less than 1% for sale vacancy rate led to intense bidding and rising housing costs. Almost 3,800 of all vacant housing in 2000 (or 1.1% of all housing units) are second homes for families with another primary residence, time shares, or corporately owned and utilized for employee housing.

The number of vacant units that are not available for sale or for rent are being held off the market for a number of reasons. According to information from the U.S. Census and ABAG's San Francisco Housing Databook (2002), in 2000, 3,762 units were held off the

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market because they were being kept for occasional use, for example, for seasonal or recreational use. An additional 5,142 units were held off the market for personal reasons of the owner, use by caretaker or janitor, boarded-up units that are not available for occupancy or units held for migrant workers. This total represents 2.6 percent of the total housing units in San Francisco in 2000.

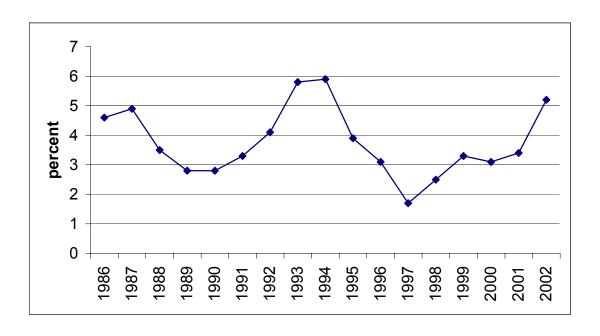
TABLE I-43 Trends in Vacancy Rate, 1970-2000

| | 1970 | 1980 | 1990 | 2000 |
|---------------------|---------|---------|---------|---------|
| Total Housing Units | 310,674 | 316,608 | 328,471 | 346,527 |
| Occupied | 295,484 | 298,956 | 305,584 | 329,700 |
| Vacant | 4.89% | 5.58% | 6.97% | 4.86% |
| For Rent Vacant | 3.17% | 2.68% | 3.71% | 2.50% |
| For Sale Vacant | | | 0.56% | 0.80% |
| Source: U.S. Census | | | | |

Note: The U.S. Census 2000 total housing unit count exceeds the S.F. Planning Department's housing unit total as the Census take into account illegal secondary housing units as well as occupied newly-constructed units that may not have received certificates of final completion from the Department of Building Inspection.

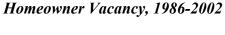
The vacancy data included in Table I-43 is calculated as part of the decennial census. The Census Bureau also undertakes an annual Housing Vacancy Survey which calculates vacancy rates for rental and homeowner properties in large metropolitan areas throughout the country. The methodology used to create this survey is different from that used for the decennial Census. Therefore, the results are not comparable. For example, the decennial census calculated a vacancy rate of 2.5 percent for 2000 while the Housing Vacancy Survey data may not be as reliable as the decennial census but allows yearly comparisons The Census Bureau is in the process of improving the Housing Vacancy Survey to make it consistent with other related Census data. Both data are provided here. Graphs I-7 and I-8 below show vacancy rates for San Francisco from 1986-2002 based on this annual survey. This information can supplement Table I-42 to compare trends in vacancies since 1986.

GRAPH I-7,
Rental Vacancy, 1986-2002

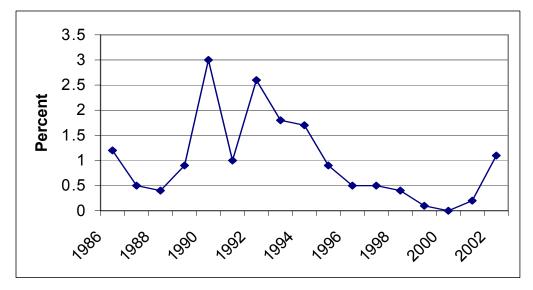


Source: Census Bureau, Housing Vacancy Survey

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GRAPH I-6B,



Source: Census Bureau, Housing Vacancy Survey

D. COASTAL ZONE HOUSING

California State regulations require that the Housing Element detail new construction and demolition activity occurring along the California Coastal Zone. The City's entire western shoreline is within California's coastal zone area. The coastal area zone boundary includes about 30 residential blocks that front near the shoreline.

Fifty-seven new units in 22 structures were built between 1990 and 2000, an average of about five new units a year. In this same period, six buildings with eight units were demolished, although four of these were rebuilt with a total of six units. Fourteen projects with 64 units are slated to be constructed in the coastal zone.

Within the larger census tract areas fronting the coastal shoreline (about 150 blocks), new construction in in-fill sites has averaged about 12 units per year and demolition has averaged about four a year.

TABLE I-44
New Construction and Demolition Activity in Coastal Area, 1990-2000

| Coastal Area New Construction and Demolition Activity (1990 - 2000) | | | | | |
|---|----------------------|--------------|----------------------|--------------|--|
| | Coast | al Area | Larger Census Tracts | | |
| | No. of Structures | No. of Units | No. of Structures | No. of Units | |
| New Construction Completed | 22 | 57 | 61 | 127 | |
| Demolition Completed | 6 | 8 | 57 | 46 | |
| Pipeline | 12 | 59 | 29 | 231 | |

Residential development in the Coastal Zone must conform to City Planning Code density requirements. Development projects in the coastal zone also are required to apply for a coastal permit and are reviewed for consistency with Western Shoreline General Plan policies contained in the Western Shoreline Plan and Proposition M policies, which aim to preserve the City's supply of affordable housing.

In addition, new construction and demolition permits are reviewed for consistency with Article 10 of the California Government Code which requires that affordable lower income units converted or demolished in the Coastal Zone Area be replaced on a one-for-one basis, and that, new housing developments, where feasible, provide housing units for persons and families of low or moderate income.

III. HOUSING NEEDS

This section examines the type, amount and affordability of new housing construction needed in San Francisco, as defined by the Association of Bay Area Governments, through June 2006. It is based, in part, on the data presented in the preceding Sections.

A. OVERALL HOUSING NEED

The Association of Bay Area Governments (ABAG), as required by State law, has determined San Francisco's share of new residential construction by income categories. San Francisco's share of the regional housing need for January 1999 through June 2006 was calculated as 20,374 units, or 2,717 units per year. This goal seeks to alleviate a tight housing market stemming from household growth, and to accommodate at least 50% of new workers. San Francisco would need a total annual housing production rate of 2,852 units through June 2006 to achieve a 5% vacancy rate over the City's housing need.

TABLE I-45
ABAG Housing Needs Assessment

Housing Needs Estimate (January 1999 to June 2006)

| Housing Need Related to Accommodate Household Growth | 6,449 |
|--|--------|
| Housing Need Related to House 50% of new San Francisco Workers in the City | 13,925 |
| | 20,374 |
| Annual New Housing Construction to Meet Housing Need | 2,717 |
| Annual New Construction to Meet Housing Need and Increase New Construction Vacancy Rate to | 2,852 |

B. HOUSING NEEDS OF SPECIAL POPULATION GROUPS

Various population groups warrant particular attention because the housing market has not adequately met their needs. These groups include the homeless; the mentally ill; the disabled; the elderly; multi-generational households; students; immigrants and refugees; persons with AIDS; and artists. The permanent housing needs of specific population groups are summarized below (Table I-46). It should be noted that these population groups are not mutually exclusive and their needs may overlap. For example, a person can be both elderly and a low-income minority. It is also estimated that 39% of the homeless suffer from mental illness and as many as 23% of the elderly have mobility or self-care limitations. Immigrants and refugees have extended families. Between 60 to 80% of all homeless individuals may suffer from one or more physical disability, mental illness, or substance addiction. More detailed information on the housing needs of these specific populations can be found in the 2000 Consolidated Plan (Mayor's Office of Housing, November 2000).

TABLE I-46
Permanent Housing Needs of Special Population Groups

| Population Group | Type of Units Needed | Units |
|-------------------------|--|-------|
| Homeless | Shelters, transitional housing, SROs, Small and Large Family | 3,500 |
| Mentally III | Board and Care, Institutional Facilities | 2,000 |
| Physically Disabled | Accessible Units of all Types | 3,177 |
| Elderly | Senior Housing Projects, Studios, 1 Bedroom | 1,500 |
| Low Income Minorities | Elderly, Small and Large Family | * |
| Families with Children | 2 or more Bedroom Family Housing | 4,000 |
| Low Income Singles | SROs, Studios, 1 Bedroom Units | * |
| Students | Dorms or Studios | 1,000 |
| New Immigrants | Small and Large Families | * |
| Terminally III Patients | Board and Care, Institutional Facilities | 3,000 |
| Artists | Affordable Live/Work Space | 1,500 |

*data unavailable

Source: 2000 Consolidated Plan

1. Homeless

Estimates of the homeless population in San Francisco range from 5,400 to 12,500 persons. The Mayor's Office on Homelessness counted 7,257 homeless persons on the streets and in homeless shelters in October 2001. Of these persons, 21% were counted in shelters and over 43% were counted on the streets. The bi-annual survey conducted by the Mayor's Office on Homelessness provides a snapshot of the number of homeless on one night.

TABLE I-47
Estimated Homeless Population in San Francisco, October 2001

| Total | 7,257 |
|--------------------------------------|-------|
| Irregularly Housed | 50 |
| Treatment programs & County Jail | 1,698 |
| Family Shelters & Emgergency Housing | 828 |
| Living on the Streets | 3,156 |
| Homeless Shelters | 1,525 |

Source: Mayor's Office on Homelessness

The Local Homeless Coordinating Board, assisted by the Department of Human Services, on the other hand, estimates the number of homeless to be 9,375 homeless individuals and 3,125 homeless families. The Board's wider parameters – which includes persons living in single-room occupancy hotels, and those temporarily staying with families or friends, as well as persons who experienced homelessness within a specific period of time – accounts for the difference in counts. The 2000 Consolidated Plan identified the unmet need for permanently housing homeless singles and homeless families at about 3,500 units.

The following brief profile of the homeless is based on various surveys. While not comprehensive, it nevertheless underscores the multiplicity of their housing needs:

- Most homeless are single adults, predominantly male (about 68%), between 31 and 50 years old (65%). African-Americans represent a disproportionate number of this homeless population (42%). Lack of income or loss of a job were most cited as the primary cause of homelessness; with a significant number unable to work because of physical disability (15%) or mental illness (11%). Over half have reported abusing drugs and/or alcohol.
- Homeless families are a growing segment of the City's homeless population, although they may not be as visible as the adult males living on the streets. They are most likely to be led by a single-parent (70%), and headed by women (90%). As many as 58% of individuals in homeless families are children, and half of these children are under five years old. Homeless family members are also disproportionately African-American (43%). Almost three-quarters were experiencing homelessness for the first time and over half report having a history of domestic violence. The main source of income for primary care givers in most homeless families is the Federal Aid for Families with Dependent Children (AFDC) program. Substance abuse also plagues homeless families, with over a third of primary caregivers reporting the use of drugs or alcohol.
- Over three-quarters of homeless youth (10 to 21 years old) are under 18 and many (62%) do not have the option of returning home due to physical, emotional, or sexual abuse, or the inability of the family to provide for them due to substance abuse or poverty. Homeless youth are often without viable means of support and as minors, have little access to benefits. They are also likely to have limited job skills and are vulnerable to substance abuse, prostitution, and exposure to HIV.

Homelessness can be triggered by other factors. The significant regional economic growth of the last few years has intensified the City's already tight housing market,

leading to what can be described as an affordable housing crisis. Not all residents of San Francisco benefited from the economic boom of the last few years. In 1999 rental vacancy rates dipped to less than 2%, and asking rent prices averaged \$2,016 for a two-bedroom apartment. In such conditions, unexpected displacement or eviction can be devastating to the estimated 10% of all families in City earning less than \$17,000 a year, roughly the national threshold for poverty.

Homelessness can also be a measure of the extent to which current production of affordable housing falls short of the actual need. The production of 3,490 affordable housing units from 1990 through 2000, in addition to the rehabilitation of almost 4,000 single-room occupancy residential hotel units (SROs), barely met the needs of households earning less than 50% of the area's median income.

2. Mentally Ill

San Franciscans with severe psychiatric disabilities often have extremely low incomes and are consequently forced to live in substandard housing without the supportive services and assistance that would allow them to live independently. Deinstitutionalization of the state's mental institutions in the late 1970s left the charge and housing of psychiatrically disabled residents to private board and care facilities. In 1977 there were 1,278 board and care beds. By 1995 this number shrank to 465.

In 1999, licensed board and care facilities in San Francisco managed 525 beds for San Francisco's mentally ill. However, the growing costs of patient care may again reduce the modest gain in out-patient service. At current supplemental security subsidy levels, operators are finding the provision of board and care for the mentally ill financially unattractive.

A survey conducted by the San Francisco Mental Health Association indicated an overwhelming desire on the part of mentally disabled persons to live alone or with one to two friends in apartments with support services as needed. The absence of affordable housing linked to supportive services, however, sends many of the City's mentally ill through a never-ending loop of short-term acute care and homelessness. The Department of Public Health's Division of Mental Health estimates a need for 2,000 supportive housing units for San Francisco's mentally ill.

3. Physically Disabled

Accessible housing is housing with special design features that accommodate people with physical disabilities; for example, the height of cabinets, the positioning of electrical outlets, the layout of fixtures and appliances, and wide interior spaces for wheelchair circulation. However, with over three-quarters of San Francisco's housing stock built before 1950, much of the City's housing has narrow corridors and doorways, steps leading to building entrances, and multiple stories without elevators – all presenting barriers to people with disabilities.

The Northern California Council for the Community estimates that 63,032 San Franciscans are physically disabled (*Building a Healthier San Francisco: A Citywide Collaborative Community Assessment*, 1999). The 1990 Census also counted 22,962 non-institutionalized adults as having mobility problems and who would need accessible housing units. San Francisco has a high percentage of elderly and other households that require housing that is accessible to the disabled. While more refined estimates of accessible housing needs are unavailable, assuming that 20% of physically disabled persons between the ages of 16 and 64 earn less than 50% of the area's median income, a need for 3,177 accessible affordable housing units would exist.

4. Elderly

The 2000 Census counted 136,369 or 18% of San Francisco's population as 60 years or older. This elderly population is expected to grow to 173,200 by 2010. The recent Census also estimated that 24% of all San Francisco households have one or more persons over 65 years old. About 32,300 elderly householders, representing about 10% of all households in 2000, lived alone.

Senior citizens have different housing needs especially as they develop health problems or experience decreased mobility. The U.S. Census Bureau estimates that 23% of persons 65 and over have mobility or self-care limitations. The Long-Term Care Pilot Project Task Force estimates that the City must develop a minimum of 1,500 units of affordable supportive housing. Older and disabled adults who require long-term care have a need for a broad range of on-site and off-site services including central dining, transportation services, limited or complete medical care, recreational and other services. For seniors living independently, there is a need for small, safe, easily maintained dwelling units.

Another segment of the population that has not been addressed are elderly women. The vast majority, or 80% of the people living in nursing homes are women. Women who are widowed receive less income than widowed men. More women are likely to experience a financial crisis after the age 65 than men. Divorced women typically lose financial support from pensions and other benefits.

5. Persons with AIDS and Terminally III Patients

Residential needs of persons with AIDS range from independent living to home care and hospice services. The San Francisco Five-Year HIV/AIDS Housing Plan Update estimated that there were over 7,960 people with AIDS living in the City. Thirty-eight percent of them are low income. Current available resources do not meet the need for

supportive housing for people living with AIDS. As many as 3,000 people were on the HIV/AIDS Housing Waitlist as this report was being drafted.

6. Low Income Ethnic Communities

Low-income households in communities of color have often been at particular disadvantage in the housing market. As Tables I-4, I-21 and I-22 showed, ethnic households tend to be larger and poorer. The high cost of housing and the limited supply of suitably sized units often results in many of these households living in cramped quarters (see Table I-54). The need here is for rehabilitation and affordability assistance for those living in the existing housing stock, as well as construction of new larger units.

7. Immigrants, Refugees and Undocumented Workers

San Francisco has long been a "Port of Entry" to the United States for immigrants and refugees. Legal immigrants come from various countries for which the U.S. government has established numerical quotas and preference categories related to relatives already in the United States. Refugees come from certain areas that the U.S. government designates as warranting opportunity for political asylum. These individuals are eligible for various forms of Federal aid. San Francisco also shelters a number of undocumented persons who are in the United States without legal status. Many of these new arrivals need low cost housing and support services, many of which are centered in San Francisco.

Shelter providers for the homeless also assist homeless persons who are undocumented. These persons have an urgent need for shelter because they are ineligible for public assistance programs such as General Assistance. Most immigrants and refugees, regardless of immigration status, also need housing services that are provided in a multicultural and multilingual context.

8. Multi-generational and Large Households

Multi-generational households, such as families with children and/or grandparents, and other large households need housing with sufficient bedrooms to prevent overcrowding, a challenge in San Francisco because the City's housing stock tends to have fewer numbers of bedrooms (see Table I-26). The 2000 Census estimated that 145,200 or about 44% of all San Francisco households are family households (see Table I-5). Of these family households, 54,700 or 38%, include children. However, 63,900 households, or almost one in five San Francisco households, include a person under 18 years of age. About a quarter of all San Francisco households include one or more persons over 65 years of age. Over 11,300 family households, or 3%, are headed by a single mother.

The Census also showed that average family household size in San Francisco, 3.22 persons per household, is significantly larger than the average for all households (2.30 persons per household). Table I-48 below shows that over 29,000 family households or almost 20% of all family households have five persons or more. If a household consists of five or more persons, it is considered "large." Less than 1% of non-family households can be counted as "large."

TABLE I-48
Household Size, by Household Type

| Number of | He | ousehold Ty | ре | | | |
|----------------------------|---------|-------------|------------|------------|---------|------------|
| Persons in Household | Family | % of Total | Non-Family | % of Total | TOTALS | % of Total |
| 1-person household | - | | 127,380 | 69.7% | 127,380 | 38.6% |
| 2-person household | 60,014 | 40.8% | 41,767 | 22.9% | 101,781 | 30.9% |
| 3-person household | 32,430 | 22.0% | 9,401 | 5.1% | 41,831 | 12.7% |
| 4-person household | 25,685 | 17.5% | 2,878 | 1.6% | 28,563 | 8.7% |
| 5-person household | 13,506 | 9.2% | 787 | 0.4% | 14,293 | 4.3% |
| 6-person household | 7,522 | 5.1% | 249 | 0.1% | 7,771 | 2.4% |
| 7-or-more-person household | 8,029 | 5.5% | 202 | 0.1% | 8,231 | 2.5% |
| TOTALS | 147,186 | 100.0% | 182,664 | 100.0% | 329,851 | 100.0% |

Source: U.S. Census Bureau

Based on the current waiting list managed by the San Francisco Housing Authority, there is an estimated need of over 17,000 affordable housing units for low-income families. Two-thirds of these families require a two or three-bedroom unit due to their larger family sizes. The remainder is mostly senior households requiring one-bedroom units.

9. Low-Income Single Persons

A sizeable number of San Francisco households are comprised of single persons. In 2000, about 39% of all households were single persons, down from 41% in 1980. As cited elsewhere in this report, high housing costs may increasingly be forcing individuals to share housing.

Many low-income, single person households are housed in single room occupancy residential hotels (SROs). While the rate of loss of residential hotel units has diminished in the last decade, the stock of low-income residential hotel units is still being slowly depleted.

10. Students

Institutions of higher learning do not provide sufficient housing for their student populations. The University of California Medical Center has a student enrollment of 3,780 but only accommodates 178 single students and 130 students in family housing. San Francisco's State University had a student enrollment of 26,800 in 2000 but only provides 1,500 student housing units.

And, while enrollment at San Francisco City College's Phelan Campus totaled 25,000 students in 2000, it provided no student housing despite an estimated need for

approximately 1,000 units to adequately house this student population. Clearly student housing needs differ by institutional demographics, such as age, but universities and other institutions of higher learning must seek to provide affordable housing opportunities for more of their students.

11. Artists/Artisans

Artists have special housing needs for affordable accommodations that provide large wall space, high ceilings, lofts, lighting, and the ability to work at all hours of the day or night. There is high demand for such flexible space in the city, as many of San Francisco's artists live in apartment units not suitable for such activities. It was estimated that about 60% of San Francisco artists are lower income households, earning less than \$25,500 a year in 1990.

"Loft" units, or live/work spaces, were once attractive options for artists seeking such flexible accommodations. Live/work units frequently stemmed from converted industrial building space, with minimum retrofitting intended to maintain the unit's affordability. Newly constructed live/work units became very popular with the building community and prospective homebuyers in the latter part of the 1990s, and over 2,100 units were completed since 1990. However, these units have sold and rented at levels far out of reach of most artists, and it is estimated that little of the demand for flexible artist space has been met by these new units.

C. HOUSING PRESERVATION NEEDS

San Francisco has an older housing stock, with 75% of all units over 50 years old. This is the largest concentration of older housing stock in the state.

1. Private Housing Rehabilitation

Housing restoration, remodeling and maintenance is an on-going activity throughout the City. Renovation projects completed between 1990 and 1995 totaled 11,464, affecting 90,055 units. Between 1996 and 2000, these numbers dropped to 5,533 projects representing 34,577 units. However, issuance or approvals of alteration permits are again increasing. In 2000, the Department of Building Inspection approved or issued permits for 1,924 alteration projects affecting 20,220 units.

According to San Francisco Department of Building Inspection staff, serious rehabilitation needs are likely to be concentrated in the one and two unit structures, rather than in larger multi-family structures. This is shown by the fact that over 86% of projects in the last decade were for residential improvements in one and two unit buildings. Significant rehabilitation needs are also evident in many lower income multi-unit buildings and residential hotels.

2. Public Housing Rehabilitation

There are 5,941 public housing units in 47 developments located throughout the City. Recent and current programs will have revitalized 475 low-income and 173 moderate-income units by 2005. A recent Physical and Management Needs Assessment completed in Summer 2002, and performed by the San Francisco Housing Authority every 10 years, indicated that there is a backlog of immediate physical rehabilitation needs that will cost \$195 million. In addition, an average of \$26.6 million a year will be required to forestall physical deterioration in SFHA housing. Over the next 30 years, the SFHA will need a total of \$798 million to comprehensively address all of the physical problems that currently exist or will accrue during this period.

3. Seismic Retrofitting

There are approximately 11,850 units in 399 unreinforced masonry residential hotels and apartment buildings (UMB), most of which are occupied by low-income households. It is estimated that on average, it takes as much as \$45,000 per unit in public subsidies to rehabilitate and seismically upgrade these buildings and still maintain their low-income rent structure. Rehabilitation and seismic upgrade costs vary depending on the type of building, the level of retrofit, and the availability of construction expertise. In addition to the unreinforced masonry buildings, much of San Francisco's older housing stock is in need of some type of seismic upgrading, such as foundation bolting and structural reinforcement.

D. REPLACEMENT OF LOST UNITS

Demolitions, abatement enforcement, mergers and conversions, and fires all diminish the City's housing stock, and lost units need to be replaced. Table I-49 below anticipates losses based on previous trends.

TABLE I-49
Estimated Replacement Housing Needs, January 1999 - June 2006

| Demolition and Replacement | 1,500 |
|------------------------------|-------|
| Loss of Secondary Units | 400 |
| Unit Mergers | 200 |
| Conversion to Commercial Use | 30 |
| TOTAL | 2,130 |

1. Loss of Units Through Building Demolition

Since 1990, building demolition has accounted for the loss of about 1,540 units. The unusually high numbers of units demolished in 1990 can be attributed to earthquake damage, while the demolition of some large public housing projects account for the substantial numbers in 1996 and 1997. New construction has since replaced much of the torn-down public housing projects. The implosion of the 576-unit Geneva Towers in 1998 lacked a certificate of completion from the Department of Building Inspection records and does not appear as having been carried out in official records. It has since been replaced by 240 low-rise family dwelling units and a 91-unit senior housing development.

2. Loss of Units Through Mergers

A slight decline in dwelling unit mergers (the combining of two units into one larger unit) followed the imposition of controls on such action in 1995. Between 1990 and 1995, 237 units, or an average of 40 a year, were lost in this fashion. However, in the last five years (1996 through 2000), only 192 units were merged to make larger dwelling units, a loss of about 38 units a year.

3. Loss of Illegal Secondary Units Through Code Enforcement

The total number of illegal, predominantly secondary, units has been estimated to be about 25,000. While many illegal secondary units may not meet existing code requirements, they still constitute a major supply of affordable housing. Some types of illegality, such as excess number of units permitted under zoning regulations, basement units with substandard ceiling heights, or units with severe egress problems cannot be remedied except by removal.

Between 1990 and 2000, 540 illegal secondary units were removed. The volume of complaints has been increasing, and it is estimated that in the future, 50 to 100 units per year will be removed because of code enforcement action. Based on a projected average loss of 75 units per year, it is estimated that about 400 units will be needed by June 2006 to replace these units.

4. **Loss of Units from Conversions to Commercial Use**

Fifty housing units were legally converted to commercial uses between 1990 and 2000. While the conversion of residential use to commercial uses has declined significantly from the high rates experienced in the late 1970s, illegal conversions are still a concern in a number of areas. Unfortunately, no reliable data can detail the extent of illegal conversions, but based on trends in the previous decade, at least 30 new housing units will be needed to replace housing lost to legal conversion to commercial use.

Ε. HOUSING AFFORDABILITY NEEDS

1. **Affordability of New Housing Construction**

State law requires that the City address the housing needs for all income levels. ABAG estimates housing need by income group to provide a basis for determining what income levels need to be most served by new construction. ABAG figures are based on income distribution of all existing households in the City and in the Bay Area. ABAG's estimates split the difference between the City and the regional figure in an effort to move the City closer to the regional income distribution. Table I-50 below shows that the City must construct over 20,370 new housing units to meet its fair share of the Bay Area region's estimated housing need. At least 36% of these new units must be affordable to very low and low-income households. Another 28% should be affordable to households with moderate incomes.

TABLE I- 50
New Construction Housing Need by Income Category, (January 1999- June 2006)

| | RHND* Allocation | Percentage | | | | |
|---------------------------------------|---------------------|------------|--|--|--|--|
| Very Low | 5,244 | 25.7% | | | | |
| Low | 2,126 | 10.4% | | | | |
| Moderate | 5,639 | 27.7% | | | | |
| Above Moderate | 7,363 | 36.1% | | | | |
| TOTAL | 20,372 | 100.0% | | | | |
| *Regional Housing Needs Determination | | | | | | |

The high cost of housing leads to numerous troublesome effects including overwhelming rent burden (as more of a household's income is needed to go toward rent); overcrowding as more people squeeze into smaller affordable units to share costs; an increase in workers per household needed to pay mortgage or meet monthly rent; increased commuter traffic from San Francisco job holders who cannot afford to live in the City; and an increase in the homeless population.

2. Households Overpaying

Rising housing costs lead to overpayment as more of a household's income is spent onhousing. Overpayment comes about when 30% or more of a household's income goes to paying rent; or in the case of homeowning household, 35% or more goes to mortgage

payments. A higher percentage of poorer households thus tend to overpay. Table I-51 shows that a higher percentage of renting households tend to overpay, while Table I-52 details the numbers of households overpaying by household income and tenure.

TABLE I-51
Percentage of Households Overpaying Housing Costs

| Renter Occupied* | 76,600 | 35.8% |
|------------------|--------|-------|
| Owner Occupied** | 18,237 | 17.4% |
| All Households | 94,837 | 28.8% |

^{*} Gross Rents as 30% or more of household income in 1999

SOURCE: U.S. Census Bureau

TABLE I-52
Percentage of Households Overpaying by Household Income

| | Ren | ters* | Homeowners** | | |
|----------------------|----------------------|---|--------------|--------------------|--|
| HOUSEHOLD INCOME | No. of Households | 7, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, | | % of Households | |
| Less than \$10,000 | 18,282 | 65.5% | 2,308 | 68.5% | |
| \$10,000 to \$19,999 | 18,186 | 74.8% | 2,145 | 47.8% | |
| \$20,000 to \$34,999 | 19,771 | 60.5% | 3,009 | 37.6% | |
| \$35,000 to \$49,999 | 11,265 | 36.3% | 3,342 | 38.4% | |
| \$50,000 to \$74,999 | 6,662 | 17.8% | 3,899 | 27.6% | |
| \$75,000 to \$99,999 | 1,759 | 7.6% | 1,856 | 15.3% | |
| \$100,000 or more | 675 | 1.8% | 1,678 | 5.8% | |
| All Households | 76,600 | 35.8% | 18,237 | 17.4% | |

^{*} Gross Rents as 30% or more of household income in 1999

SOURCE: U.S. Census Bureau

^{**} Monthly Owner Costs as 35% or more of household income in 1999

^{**} Monthly Owner Costs as 35% or more of household income in 1999

3. Overcrowded Households

A household is considered overcrowded when there is more than one person per room in the dwelling unit. The 2000 Census reported that over 40,900 or 12% of all San Francisco households were overcrowded (Table I-53). Of these households, 9,400 (3% of all San Francisco households) are severely overcrowded, with more than 1.5 occupants per room. Renter households are also more likely to be overcrowded than home-owning households.

Table I-46 below, however, shows that Asian-American households make up a disproportionate number of overcrowded households. In addition, this table also shows that a substantial percentage of Native Hawaiian/Pacific Islander, Other Race, and Asian-American households are overcrowded. These households are likely to be larger (see Table I-4) and also poorer (see Tables I-21 and I-22). Typically, large households have difficulty in securing housing with three or more bedrooms, especially with the City's very limited stock of larger units. High housing costs also forces overcrowding. To afford the cost of housing, many low-income families crowd into smaller units. In some cases, two or three families might occupy a two or three bedroom apartment, or a flat.

TABLE I-53
Overcrowded Households, by Tenure

| | Overcr | owded | Severely O | vercrowded |
|-----------------|--------|-------|------------|------------|
| Owner Occupied | 11,291 | 9.8% | 1,808 | 1.6% |
| Renter Occupied | 29,630 | 13.8% | 7,636 | 3.6% |
| All Households | 40,921 | 12.4% | 9,444 | 2.9% |

Source: U.S. Census

TABLE I-54
Overcrowded Households, by Household Ethnicity

| | No. of Households | % of Households |
|------------------------------------|----------------------|--------------------|
| White | 9,452 | 4.7% |
| African American | 2,495 | 10.5% |
| American Indian / Alaska Native | 168 | 12.9% |
| Asian | 21,452 | 27.1% |
| Native Hawaiian / Pacific Islander | 358 | 39.6% |
| Other Race | 5,046 | 39.4% |
| Two or More Races | 1,950 | 16.5% |
| Hispanic / Latino | 9,472 | 30.1% |
| ALL HOUSEHOLDS | 40,921 | 12.4% |

Source: U.S. Census

4. Expiration of Subsidized Section 8 Rental Housing and Mortgage Subsidies

As shown on Table I-41, over 2,000 low-income units are at risk of losing their Federal Rental Section 8 subsidies by 2005. A total of 3,300 units are subject to Federal mortgage expiration.

IV. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT

This section describes the City's inventory of land suitable for residential development and assesses the housing development potential of that land. This general estimate of the City's total housing potential was determined without specifying which sites may or may not be developed within the next five years.

San Francisco is already highly developed. It is also bounded on three sides by water, limiting its ability to expand outwards to meet the need for more housing. Because San Francisco has relatively few large undeveloped sites, this analysis is based on a cumulative examination of vacant and underdeveloped sites' potential development at less than the theoretical maximum capacity allowed under current zoning. Nevertheless, as many as 29,000 new housing units could potentially be built on numerous in-fill development opportunity sites under current zoning allowances. Table I-55 and Map I-5 indicate the general areas where this new housing could be sited under current zoning.

The individual areas shown on the Map refer to arbitrary boundaries for the purposes of aggregating and summarizing total housing potential under current zoning. The area shown as "Transit Corridor" is identified solely for the purposes of this accounting and not for any programmatic use.

TABLE I-55
Estimates of New Housing Construction Potential

| | No. of Potential New Units |
|---|----------------------------------|
| Industrial Areas (not including Mission Bay and South Bayshore) | 2,754 |
| Downtown | 5,160 |
| Marina Fillmore | 2,984 |
| Mission Bay | 6,000 |
| Northeast | 1,774 |
| South Bayshore | 1,779 |
| Transbay (not including Terminal) | 716 |
| Transit Corridors | 5,744 |
| Rest of City | 2,279 |
| TOTAL ESTIMATED HOUSING POTENTIAL | 29,190 |

2,980

1,770

Similar Station

Primary Transit Street

Transit Preferential Street

Transit Corridor

MAP I-5
Estimated Allowable Potential Housing Units in San Francisco

For better map readability, please see document on-line at http://www.sfgov.org/planning/citywide/c1_housing_element.htm

A. DETERMINING POTENTIAL HOUSING SITES

The housing potential estimates shown in Tables I-55 through I-57 were derived using a computer model based on an inventory of existing uses citywide. Terms and methods used in this assessment will be discussed below. A database listing all parcels in the City, along with current land uses, zoning designation, and development or lot improvements forms the basis of this evaluation. Land use information collected included type of use,

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building square footage, number of stories, building height, lot area, floor area ratio, and other pertinent data. The parcels have also been identified by geographical divisions used by the City Planning Department to allow comparison of data over time.

Data were collected from various sources including the Assessor's Records, Dunn & Bradstreet, and databases kept by the Department of Building Inspection and the City Planning Department. These data are usually updated yearly and were considered current at the time this report was drafted in May 2001. While not perfect, the information gathered is generally accurate at least 90% of the time. Field surveys conducted by the Planning Department for the industrial protection zone and mixed use housing zone land use study, the Better Neighborhoods 2002 program areas, and select transit-oriented neighborhood district supplemented and improved this database. While the Planning Department recognizes that some individual records may be inaccurate in one attribute or another, it considers the aggregate statistical calculations to be within reason. Thus, individual listings of parcels by addresses were not included in this report.

Table I-56 below disaggregates this new housing potential according to the parcels' existing state of underutilization or lack of development. There are about 3,300 parcels classified as undeveloped where over 18,000 new housing units could potentially be erected. In addition, Mission Bay has been slated to accommodate 6,000 new units. Another 237 lots are also seen as developable for residential uses, possibly yielding almost 5,150 new units.

Table I-56 New Housing Construction Potential: Undeveloped Sites and Soft Sites

| | No. of Parcels | No. of Potential New Units | No. of Acres |
|-----------------------------------|-------------------|----------------------------------|--------------|
| Industrial Areas (not including | | | |
| Mission Bay and South Bayshore) | | | |
| Undeveloped Sites | 212 | 1,630 | 31.30 |
| Soft Sites | 47 | 1,124 | 17.97 |
| Downtown | | | |
| Undeveloped Sites | 116 | 3,992 | 24.82 |
| Soft Sites | 24 | 1,168 | 7.90 |
| Marina Fillmore | | | |
| Undeveloped Sites | 383 | 2,350 | 48.76 |
| Soft Sites | 37 | 634 | 11.07 |
| Mission Bay | | | |
| Undeveloped Sites | | 6,000 | 48.76 |
| Northeast | | | |
| Undeveloped Sites | 124 | 1,186 | 14.26 |
| Soft Sites | 15 | 588 | 4.95 |
| South Bayshore | | | |
| Undeveloped Sites | 335 | 1,483 | 59.32 |
| Soft Sites | 11 | 296 | 7.30 |
| Transbay (not including Terminal) | | | |
| Undeveloped Sites | 52 | 558 | 11.18 |
| Soft Sites | 10 | 158 | 1.98 |
| Transit Corridors | | | |
| Undeveloped Sites | 1,145 | 4,670 | 154.21 |
| Soft Sites | 74 | 1,074 | 22.88 |
| Rest of City | | | |
| Undeveloped Sites | 943 | 2,174 | 107.83 |
| Soft Sites | 19 | 105 | 2.39 |
| Undeveloped Sites Subtotal | 3,310 | 24,043 | 451.68 |
| Soft Sites Subtotal | 237 | 5,147 | 76.44 |
| TOTAL | 3,547 | 29,190 | 528.12 |

B. TERMS AND METHODOLOGY

Terms:

The terms used in the tables are explained below:

- Housing Potential Sites: These are sites suitable for residential development based on criteria and site analyses of each district in the City. They consist of "undeveloped" parcels and "soft sites," which are determined appropriate for residential development based on database analyses and preliminary surveys. Proximity to transportation, parks, potential hazardous waste problems, views, and, in the case of predominantly non-residential districts' adjacency to residential uses, also supported suitability of these sites for residential development.
- Undeveloped Land: If actual development on a parcel is 5% or less of the
 potential development, it is considered "undeveloped." This criterion thus
 includes unimproved or undeveloped lots used for open storage, parking, or other
 open air uses. Large lots with very small buildings also fit under this calculation.
 These sites theoretically could be readily developed for residential use.
- *Soft Sites*: A second category of housing potential sites includes parcels which exceed 5% of potential development but were considered reasonable candidates for redevelopment. These include sites with older, obsolete buildings, unsafe buildings, and building uses that significantly underutilize the site. These sites may have structures that could be reused or rebuilt for residential use.
- *Build-Out Capacity*: This is the theoretical build-out capacity if undeveloped and underdeveloped sites are built to the maximum limits set by currently permitted residential densities. Unit figures for "build-out capacity" are larger than

"estimated potential" because the former does not take into account the additional limitations on the number of units that can be built which result from height and bulk controls, as well as other rules modifying building size.

General Approach

Current development is estimated at the parcel level and measured against potential development or build-out capacity to identify possible development sites. Residential development is measured by number of units and translated into square footage. Commercial uses are measured in square footage. In zoning districts where more than one use is permitted, two possible assumptions were applied: a) a set percentage of development will be residential use and the remainder commercial; b) one use predominates, with the remaining building envelope assigned to other uses. Sites in the current development pipeline, parcels measuring less than 1,500 square feet, lots within the industrial protection zones, as well as most publicly owned sites, were excluded from this model.

Specific Approach by Zoning

Six different development assumptions were applied to parcels based on general zoning designations. Assumptions and development standards adjustments used to calculate build-out capacities for each parcel are detailed in Appendix D.

- *C-2:* All commercial development is assumed in this district, determined by the allowed floor-to-area ratio (FAR) and constrained by height limits. Residential development was not assumed on these parcels.
- *Downtown:* In all C-3 and C-M districts, it is assumed that the primary use will be commercial, controlled by the FAR. Remaining development rights within the height limit envelope is assigned to residential uses.

- *Industrial and South of Market districts*: It is assumed in these districts that a certain proportion of the lots will be developed as residential (primarily loft-type housing) and the remaining will be devoted to commercial use.
- *Multi-Use:* This covers all Residential-Mixed (RM) districts. It assumes one primary use residential with no secondary use. Residential density limits determine the number of units, constrained by the height limit.
- *Resident:* This assumes housing as the sole use in all residential (RH) districts. This scenario also assumes one unit for each RH-1 lot, two units for RH-2, and three units for RH-3, lot areas notwithstanding.
- Mixed: All neighborhood commercial districts and the Chinatown Mixed Use
 districts are assumed to have commercial as the primary use, built-out based on
 the FAR, with residential as a secondary use, built-out to residential density
 limits. Residential development, however, is trimmed down based on the height
 limits

It should be noted that the assumptions used in this model result in conservative estimates. The Planning Department limited its assessment of potentially developable lands to such sites with little or no lot improvements, although new housing construction can and has occurred in sites with higher percentages of existing development or viable uses. Market pressures can push housing development in parcels that may have current uses that exceed 30% or even 50% of its zoned potential.

Table I-57 categorizes the housing opportunity sites by zoning districts and lists the build-out capacities of potential housing sites according to permitted residential densities.

TABLE I-57

New Housing Construction Potential by Zoning Districts

| | Ur | ndeveloped Sit | es | | Soft Sites | | | Total | | Zoned | |
|--------------------------|-------------------|------------------------|-----------------|-------------------|------------------------|-----------------|-------------------|------------------------|-----------------------|---------------------|-----------------------|
| Zoning District | No. of Parcels | Estimated Potential | Area (Acres) | No. of Parcels | Estimated Potential | Area (Acres) | No. of Parcels | Estimated Potential | Area (Acres) | Density per Acre | Build-Out Capacity |
| Residential | Zoning Di | stricts | | | | | | | | | |
| RH-1 | 1,289 | 1,289 | 137.26 | - | - | - | 1,289 | 1,289 | 137.26 | 14 | 2,153 |
| RH-2 | 704 | 1,408 | 71.18 | 6 | 6 | 0.67 | 710 | 1,414 | 71.85 | 39 | 3,161 |
| RH-3 | 471 | 1,412 | 37.98 | 27 | 32 | 1.79 | 498 | 1,444 | 39.77 | 43 | 1,832 |
| RM-1 | 117 | 1,882 | 47.05 | 16 | 235 | 6.03 | 133 | 2,117 | 53.08 | 54 | 3,361 |
| RM-2 | 27 | 342 | 6.45 | 3 | 179 | 2.91 | 30 | 521 | 9.36 | 72 | 717 |
| RM-3 | 23 | 210 | 3.35 | 3 | 11 | 0.22 | 26 | 221 | 3.57 | 108 | 753 |
| RC-3 | 2 | 32 | 0.38 | 1 | 2 | 0.06 | 3 | 34 | 0.44 | 108 | 47 |
| RM-4 | 17 | 391 | 2.49 | 5 | 291 | 1.79 | 22 | 682 | 4.28 | 217 | 963 |
| RC-4 | 44 | 985 | 7.87 | 9 | 515 | 3.95 | 53 | 1,500 | 11.82 | 217 | 2,564 |
| Total | 2,694 | 7,951 | 314.01 | 70 | 1,271 | 17.41 | 2,764 | 9,222 | 331.42 | | 15,552 |
| Neighborho | od Comm | ercial Zonin | g Districts | 3 | | | | | | | |
| NC-1 | 35 | 207 | 4.01 | 12 | 140 | 3.31 | 47 | 347 | 7.32 | 54 | 402 |
| NC-2 | 69 | 1,179 | 21.70 | 25 | 342 | 7.93 | 94 | 1,521 | 29.63 | 54 | 3,309 |
| NC-3 | 36 | 1,108 | 22.93 | 107 | 271 | 6.48 | 143 | 1,379 | 29.41 | 72 | 2,272 |
| NCD | 67 | 727 | 10.34 | 14 | 162 | 2.30 | 81 | 889 | 12.64 | 54 | 740 |
| NC(S) | 10 | 333 | 4.88 | 3 | 259 | 3.62 | 13 | 592 | 8.50 | 108 | 933 |
| Total | 217 | 3,554 | 63.86 | 161 | 1,174 | 23.64 | 378 | 4,728 | 87.50 | | 7,656 |
| Missallina | Districts | | | | | | | | | | |
| Mixed Use I Chinatown | Districts 7 | 90 | 0.71 | 2 | 77 | 0.47 | 9 | 167 | 1.18 | 217 | 256 |
| | | | | | | | - | | | | |
| RSD | 41 | 406 | 4.14 | 2 | 9 | 0.09 | 43 | 415 | 4.23 | 217 | 928 |
| SLI | 20 | 83 | 2.23 | 2 | 6 | 0.18 | 22 | 89 | 2.41 | 217 | 566 |
| SLR | 28 | 83 | 2.26 | 10 | 68 | 1.62 | 38 | 151 | 3.88 | 217 | 884 |
| SSO Total | 4 100 | 148 810 | 2.58 11.92 | 2 18 | 58 218 | 1.43 3.79 | 6 118 | 206 1,028 | 4.01 15.71 | 217 | 869 3,503 |
| I Otal | 100 | 010 | 11.52 | 10 | 210 | 3.19 | 110 | 1,020 | 15.71 | | 3,303 |
| Downtown | Commerci | al Districts | | | | | | | | | |
| C-3-G | 48 | 1,947 | 10.29 | 11 | 1,125 | 6.45 | 59 | 3,072 | 16.74 | 348 | 6,874 |
| C-3-O | 39 | 191 | 6.45 | 16 | 66 | 2.36 | 55 | 257 | 8.81 | 348 | 3,745 |
| C-3-R | 3 | 19 | 0.95 | - | - | - | 3 | 19 | 0.95 | 348 | 331 |
| C-3-S | 25 | 1,906 | 4.27 | 8 | 506 | 2.09 | 33 | 2,412 | 6.36 | 348 | 2,309 |
| C-M | 44 | 167 | 8.70 | 2 | 21 | 0.84 | 46 | 188 | 9.54 | 217 | 2,205 |
| Total | 159 | 4,230 | 30.66 | 37 | 1,718 | 11.74 | 196 | 5,948 | 42.40 | | 15,463 |
| Industrial D | | 201 | 10.00 | _ | 205 | 0.00 | | 4.470 | 05.00 | | 1.001 |
| M-1 | 54 | 884 | 18.60 | 7 | 295 | 6.66 | 61 | 1,179 | 25.26 | 54 | 1,364 |
| M-2 Total | 19 73 | 614 1,498 | 14.56 33.16 | 11 18 | 471 766 | 11.26 18 | 30 91 | 1,085 2,264 | 25.82 51.08 | 54 | 1,911 3,275 |
| | | 1,430 | 55.10 | 10 | 700 | 10 | 31 | 2,204 | 31.00 | | 3,213 |
| Mission Ba | y - | 6,000 | _ | _ | _ | _ | _ | 6,000 | _ | | |
| Total | _ | 6,000 | | _ | | _ | _ | 6,000 | | | |
| | - | 0,000 | - | - | - | - | _ | 0,000 | | | |
| TOTALS | 3,243 | 18,043 | 454 | 304 | 5,147 | 75 | 3,547 | 29,190 | 528.12 | | 45,450 |

C. SUITABILITY OF IN-FILL HOUSING DEVELOPMENT UNDER EXISTING ZONING

Residential development is allowed as-of-right in most of the City's zoning districts. All residential and residential-commercial (RH, RC and RM) districts permit dwelling units. Housing is also permitted in most of the South of Market's mixed-use districts and all of the mixed-use districts in Chinatown. Downtown and commercial zoned districts also allow for residential development. In the neighborhood commercial districts, housing is allowed but generally encouraged above ground floor in new construction projects. Housing development is a conditional use in industrial districts and the South of Market's Service and Secondary Office (SSO) district. The only zoning district wherein housing projects are not permitted unless it is affordable to low-income households is in the South of Market's Service-Light Industrial (SLI) district.

Residential uses in San Francisco include emergency shelters, transitional housing, and other types of group housing. While group housing is not permitted in low density, single-family residential districts and the South of Market's residential enclave districts, they are accommodated in the moderate density residential, downtown, commercial, and neighborhood commercial districts. Such uses are also allowed on a conditional basis in low-medium density residential districts, the industrial districts and most South of Market districts.

All parcels considered in this estimate meet the minimum lot requirement for development. At least 120 of these parcels are vacant or undeveloped, and cover half an acre or more. Most non-profit developers of affordable housing consider 0.5 acre as the minimum lot size necessary to meet economies of scale. Altogether, these larger parcels, which average 1.4 acres each, can accommodate some 6,900 new housing units.

D. LOCATING NEW HOUSING DEVELOPMENT IN EXISTING NEIGHBORHOODS AND PLANNED AREAS

As Table I-49 above shows, residential districts contain a substantial number of undeveloped lots. Locating new housing development in these districts makes sense, as housing should go where other housing already exists. These in-fill sites are scattered throughout all residential neighborhoods and construction of additional units will have very minimal cumulative effect on infrastructure needs. The build-out assumption for these districts also takes into account typical housing types (single-family homes in RH-1, for example), there would be little impact on the neighborhoods' residential character.

Neighborhood commercial districts are also ideal for additional housing because of these neighborhoods' proximity to transit and services. Typically, the calculation assumes upper storey development, above commercial uses, although height limits in some neighborhood commercial districts may have a dampening effect on residential development.

Downtown districts are similarly ideal for residential development given proximity to jobs and transit. The higher densities allowed under current zoning in these districts could bring almost 6,000 new units. Some industrial lands may be more suitable than other industrial sites for residential development based on its proximity to existing residential districts and transit. At least 2,300 units can be accommodated in these industrial lands

The City's mixed-use districts in Chinatown and South of Market are generally built up and yielded smaller numbers of developable sites. However, with higher densities allowed in these areas, in-fill development could accommodate at least an additional 1,000 more units.

The Mission Bay Plan, adopted and being carried out by the San Francisco Redevelopment Agency, envisions a new neighborhood arising from one of the City's few vast and underused vacant industrial tracts. Projected land uses include a mix of housing and job opportunities. Mission Bay North will accommodate 3,000 units of housing while Mission Bay South will have 3,090 units. At least 1,000 of these units will be realized within the next five years.

Hunters Point Shipyard, another redevelopment project, will involve re-use of the 500-acre former military base. The Redevelopment Plan sees the decommissioned shipyard transformed into a mini-city with housing, job opportunities and recreational uses. The residential component of the 25-year, three-phase Redevelopment Plan will bring about some 1,600 new housing units in the proposed Hills Neighborhood. The first residents of the redeveloped sites are expected to move in by 2006 at the earliest.

E. REALIZATION OF HOUSING POTENTIAL

1. Projects in the Pipeline

Housing projects move through a multi-tiered approval process. A development proposal is first reviewed by the Planning Department for compliance with the Planning Code and consistency with the General Plan. The project then goes through review by the Department of Building Inspection (DBI) for approval and issuance of a building permit. Once construction is finished and the project passes inspection by DBI, it is issued a certificate of final completion. Only when a project receives a certificate of final completion can the housing units be officially counted as part of San Francisco's housing stock.

As of March 1, 2001, the City Planning Department was reviewing 88 projects, comprising of 4,801 residential units. At that time, 153 projects, consisting of 1,792

units, had been approved by the Planning Commission but had yet to apply for building permits. Additionally, the Department of Building Inspection was reviewing 192 applications for 1,300 units. A total of 2,747 units in 279 projects had received Planning Department approval and had building permits issued or approved. A number of these projects have already started construction, and several are nearly complete, but are yet to receive DBI's certificate of final completion. It is also possible that some of these projects have not gone forward due to shifts in economic and legislative conditions.

For the purposes of this report, the new housing construction pipeline consists of projects that have been approved by the Planning Department and have been approved or filed permit applications with DBI. As of March 1, 2001, the new housing construction pipeline totaled 4,047 units. It should be noted that project applications and permitting activities in the near future could increase the number of new housing production in the next five years.

TABLE I-58
New Housing Construction Pipeline

| NEW HOUSING CONSTRUCTION PIPELINE | | | | | | |
|-------------------------------------|--------------------|-------|--|--|--|--|
| | No. of Projects | | | | | |
| Building Permit Applications Filed | 192 | 1,300 | | | | |
| Building Permits Issued or Approved | 279 | 2,747 | | | | |
| Total Pipeline 471 4,04 | | | | | | |

2. Housing in Residential Areas

Housing development on remaining vacant, residentially zoned sites will continue as market pressure intensifies to build on available residential sites throughout the City. These sites generally have low or moderately low density residential-house zoning

designations (RH-1, RH-2 or RH-3), which permit only one, two or three units per lot in most cases. Most housing – especially family housing – is already located in these residential districts. It is estimated that there is an infill housing potential of approximately 2,700 units on vacant and underutilized RH-1 and RH-2 parcels, which allow for single-family and duplexes, respectively. Typical densities range from a maximum of 14 units per acre for RH-1 districts and 39 units per acre for RH-2. An additional 1,440 can also be accommodated in RH-3 parcels that allow for development of triplexes at about 43 units per acre density.

Residential mixed districts (RM) and residential commercial combined districts (RC) permit non-residential uses but remain predominantly residential in character. These areas are generally adjacent to commercial zones and can have intense, compact development. Medium density residential districts typically contain a mixture of dwelling types found in RH districts but have a significant number of apartment buildings. Over 2,100 new units can be developed in low-density residential mixed districts (RM-1). This zoning category allows for a maximum of 54 units per acre. About 520 and 220 additional new units can be in the RM-2 and RM-3 districts respectively. Over 1,500 new units can be in-fill development in RC districts ringing the City's downtown core, where higher densities – 108 units per acre in RC-3 and 217 units per acre in RC-4 – are permitted. All told, there is the potential for 6,500 new units on vacant or underutilized parcels in these medium- and high-density residential zones.

3. Housing in Neighborhood Commercial Districts

Both Planning Code regulations and General Plan policies encourage housing over commercial spaces in districts throughout the City. More recently, regional and national interest in transit-oriented development has grown considerably. The close proximity of neighborhood commercial districts to transit preferential streets make in-fill sites in these districts particularly suitable for development. There is also a proven strong market for

mixed-use development. Mixed-use projects, with commercial and residential components, accounted for a significant amount of the new building construction between 1990 and 2000. Opportunity sites in neighborhood commercial districts cover over 90 acres of land in the City. This represents the potential for roughly 4,800 new housing units over ground floor commercial spaces.

4. Better Neighborhoods Program

The Better Neighborhoods 2002 Program was initiated by the Planning Department to address the City's related housing and transportation challenges. It seeks to do so by strengthening the linkages between land use and transportation planning, so that each one effectively supports the other. Market and Octavia, Balboa Park, and the Central Waterfront were chosen as three pilot neighborhoods and selected to serve as a model for other areas in the City. These neighborhoods' proximity to transit and essential services, are ideal for additional housing, including units in upper storeys above commercial uses. Combined, these three areas could represent between an additional 6,200 to 14,400 units in potential housing opportunity sites.

a. Market and Octavia: The proposed Market and Octavia Neighborhood Plan envisions new housing as a driving force in the strengthening and overall improvement of the area. There is enormous potential for new housing here especially with the removal of the Central Freeway and construction of Octavia Boulevard. The freeway demolition will release about seven acres of land on 22 publicly owned parcels and an estimated potential housing development capacity of some 900 units. Approximately one-half of these public lands have been earmarked for affordable housing, including a substantial amount of senior housing.

The land inventory survey and potential housing estimates described on pages 70-81 included about 2,045 units in the Market and Octavia Neighborhood Plan area. This tally included a number of the Central Freeway parcels. The Market and

- Octavia Neighborhood is estimated to have the physical capacity for new housing development ranging from 7,500 to 13,000 under proposed new zoning standards.
- b. *Balboa Park:* New housing development under the Balboa Park Neighborhood Plan's proposed zoning could mean some 800 to 3,150 units. This includes as much as 1,000 new units with the development of the surplus reservoir land; and another 1,050 units on MUNI and BART parcels as well as in-fill development on Ocean Avenue. The land inventory of this area, using current zoning thresholds, resulted in an estimated housing potential of about 485 units.
- c. Central Waterfront: The Central Waterfront Neighborhood Plan allows for the potential development of about 1,100 to 1,500 new housing units. While the land inventory survey estimated the potential capacity of the area's vacant and underdeveloped parcels to be about 760 units, the Central Waterfront – including much of its "vacant" or underdeveloped parcels – hosts a variety of viable production, distribution and repair activities. Furthermore, environmental and urban design concerns also discourage development of new housing near freeways or power plants. For example, perceptions of environmental hazards cause apprehension about siting housing near the Potrero Power plant located in an eastern spur of this neighborhood. However, if the power plant is eventually phased out over time and toxic matters alleviated, its site could accommodate a new neighborhood of as much as 1,500 to 2,000 units of housing. Should Muni consolidate or relocate its Wood facility, about eight acres of public lands could be released for development. This site, adjacent to the 22nd Street CalTrain Station and at the end of the Dogpatch's main neighborhood commercial street, makes it ideal and appropriate for high-density, mixed-use residential development and can accommodate about 1,000 new units.

5. Housing in Industrial Areas and the Eastern Neighborhoods

A significant portion of new housing construction (25%) over the last 11 years occurred in the areas south of Market Street. These industrially zoned parts of the City provided a ready supply of flexible and inexpensive industrial space well suited for conversion to office space required by dot-com start-ups. At the same time, these same areas became highly desirable residential locations, especially for live/work or loft-style housing. Many traditional occupants of industrial space – notably production, distribution and repair businesses (PDR) – were displaced by rising rents brought on by new office and residential uses. Conflicts between new residents and remaining businesses, especially over noise and smells associated with many PDR activities made it difficult for businesses to operate. Some businesses found space elsewhere in San Francisco, many others left the City altogether, and a number went out of businesse.

Interim zoning controls and Planning Commission policies underscored the importance of retaining PDR activities and encouraging these uses on certain industrially zoned parcels while permitting housing and mixed-use activities on other industrially zoned parcels. Current community planning in the Eastern Neighborhoods, where most industrially zoned lands are located, will result in new zoning controls that define uses permitted on these parcels. Vacant and underutilized parcels in the interim mixed-use housing zones total 70 acres and have the potential for about 2,700 new housing units. Proposed rezoning scenarios estimate an additional potential of 12,100 to 24,400 new housing units in industrial lands.

The table below details the estimated additional potential capacity with re-zoning to be introduced in the Better Neighborhoods Program and Eastern Neighborhoods Community Planning Area processes. Completion of these two initiatives could increase these neighborhoods' capacity by some 18,300 to 38,800 more housing units.

Table I-59
Estimated Housing Potential With Proposed Re-Zoning of Select Neighborhoods

| | Under Current Zoning | | | | With Propos | sed Re-Zoning* |
|------------------------------|----------------------|------------|----------------|--------------------------|------------------|---|
| Area | Undeveloped | Soft Sites | Total Estimate | Total Estimate Total New | | Additional Potential Units with Re-zoning |
| Better Neighborhoods Program | 1 | | | | | |
| Balboa Park | 276 | 210 | 486 | | 800 to 3,150 | 314 to 2,664 |
| Central Waterfront | 317 | 367 | 684 | | 1,100 to 1,500 | 416 to 816 |
| Market & Octavia | 1,470 | 575 | 2,045 | | 7,500 to 13,000 | 5,455 to 10,955 |
| Sub-Total | 4,515 | 1,152 | 3,215 | | 9,400 to 17,650 | 6,185 to 14,435 |
| Eastern Neighborhoods Comm | unity Planning | Area | | | | <u> </u> |
| South of Market | 1,112 | 266 | 1,378 | | 6,000 to 11,400 | 4,622 to 10,022 |
| Mission | 961 | 128 | 1,089 | | 4,600 to 6,600 | 3,511 to 5,511 |
| Potrero / Showplace Square | 321 | 25 | 346 | | 3,800 to 6,900 | 3,454 to 6,554 |
| South Bayshore | 1,731 | 296 | 2,027 | | 1,800 to 3,600 | - 227 to 1,573 |
| Visitaction Valley | 390 | 183 | 573 | | 1,313 | 740** |
| Sub-Total | 4,515 | 898 | 5,413 | | 17,513 to 29,813 | 12,100 to 24,400 |
| TOTALS | 9,030 | 2,050 | 8,628 | | 26,913 to 47,463 | 18,285 to 38,835 |

^{*} Re-zoning proposals include a range of scenarios.

6. Housing on Public Land

Most San Francisco city agencies do not own large tracts of land that do not serve as part of their stated mission. There are occasional exceptions, for example when new technology results in operational changes or when departmental objectives change over time. A few city agencies, notably MUNI and the San Francisco Unified School District, have found over time that some of their parcels can be disposed of or can be utilized for a mixture of other uses.

a. San Francisco Municipal Railways: MUNI, in particular, has been exploring new uses for its surplus sites where future housing development might be possible.

^{**} Re-zoning of the Schlage Lock site.

1. Phelan Loop – Alternative use options are being explored for MUNI property near Balboa Park as part of the Better Neighborhoods 2002 program. The 1.4-acre Phelan Loop (Ocean and Phelan Avenues) is currently used to park buses from the 49-Van Ness and 15-Third Street lines. This site has the capacity to accommodate ground floor commercial uses and some 80 dwelling units.

In addition, MUNI and Bay Area Rapid Transit (BART) properties collectively called Upper Yard and BART Station area, with some in-fill development along San Jose Avenue can together have capacity for some 400 new units.

- 2. Presidio Trolley Division (at Geary and Masonic) covers 5.4 acres and services about 170 trolley coaches. It is an attractive location for retail, office and housing development. This site may be vacated if plans for a new city office building around the Civic Center turn out.
- 3. Woods Facility (adjacent to the 22nd Street CalTrain Station) at the end of the Dogpatch's main neighborhood commercial street, this x.x acre site is ideal for high-density, mixed use residential development. It lies within the Central Waterfront Better Neighborhoods program area and is estimated to have a housing potential capacity of about 1,000 new units.
- 4. Potrero Yard (Mariposa and Bryant) currently housing about 180 trolley buses on 4.4 acres. MUNI is looking at a multi-story parking garage above the yard, or market-rate and affordable housing.
- b. San Francisco Unified School District (SFUSD) / San Francisco Community College District (SFCCD): The SFUSD is currently preparing a Facilities Master Plan that will identify possible surplus land that could become available for housing development.

 Also, both the San Francisco Community College District and the Public Utilities' Water

Department have interests in the Balboa reservoir site. The reservoir is also within the Planning Department's Better Neighborhood study area. Estimates put 575 to 1,000 new housing units in this 25-acre site.

c. Central Freeway Parcels: As noted above, demolition of the Central Freeway will free up some seven acres of public lands for residential development. The freeway parcels have an estimated housing development potential capacity of 900 units. About half of these public lands will be dedicated to affordable housing.

VI. CONSTRAINTS TO HOUSING PRODUCTION AND CONSERVATION

Housing development in California is a complex and lengthy process. San Francisco in particular is one of the more challenging environments to build housing. Factors including high land and construction costs, protracted entitlement and permitting processes, and organized opposition pose real obstacles to developing housing in San Francisco.

One result of this difficult landscape has been the development of new housing in areas not fully appropriate for residential development, such as in predominantly industrial areas without the sufficient services and social infrastructure to support a pleasant and vital neighborhood. In meeting the City's housing goals, it is important to focus on areas that can absorb new development in the context of creating viable neighborhoods. Section IV, "Inventory of Land Suitable for Residential Development," discussed locations where the potential for new housing exists. Section VII, "Approaches and Resources to Meet Current and Future Housing Needs," describes policies and programs that the City is using, or can consider, to encourage appropriate housing development to meet its housing needs.

A. NON-GOVERNMENTAL CONSTRAINTS

1. Land Availability and Costs

Much of San Francisco exhibits an established, relatively dense development pattern and is considered by many to be substantially built-out. While there are parcels of land still potentially available for development (see Tables I-55 through I-57), San Francisco's land market on the whole, is quite tight. Both market-rate and affordable housing developers report that acquiring sites for housing in the City is a challenge. The City's finite supply of land, coupled with strong development pressure, means that landowners can expect high prices for parcels they own, if they choose to sell for housing development at all.

Some property owners are satisfied with the state of the their lands' development. Institutions, for example, may keep surface parking uses to support other adjacent properties' more intense uses. Similarly, building owners may keep smaller but profitable commercial buildings instead of fully developing their properties. Furthermore, except in purely residential zoning districts, housing developers must compete with other potential users. If it is more profitable for a landowner to hold or sell land for a commercial project, the land will not be available for housing. Private vacant or underdeveloped lands identified as housing opportunity sites will only see development if landowners decide to sell, and the prices they demand from housing developers will allow for profitable development.

Below is a table of average sales price per square foot of vacant lands sold between 1997 and 2001. It shows that vacant lands in the industrial zones and the South of Market Mixed Use Districts were the least expensive and sold, on average, at just over \$22 a square foot. These areas' lower priced lands made for the mid- to late 1990s' rapid and often detrimental incursions of housing into still viable industrial districts.

Single-family zoned districts, where typically one unit is permitted per lot, cost on average just under \$24 a square foot. Vacant parcels in moderately low density residential zones (where duplexes and triplexes are permitted) and the neighborhood commercial districts and residential mixed districts (where multi-family housing units are generally located), averaged \$37 and \$42 per square foot respectively. The costliest vacant lots sold recently were in the downtown commercial zones – which allow land uses more profitable than residential uses – averaging \$136 per square foot. Vacant lots in the densely built Chinatown districts bordering downtown had sold, on average, just over \$79 per square foot.

TABLE I-60

Average Price per Square Foot of Vacant Lands Sold, 1997-2001

| ZONING DISTRICTS | | No. of Trans- actions | Average Price per Sq. Ft. | | | | | |
|---|--------------------------------------|--------------------------|---------------------------------|--------|--|--|--|--|
| Res | Residential Districts | | | | | | | |
| | RH-1, RH-1 (D) | 44 | \$ | 23.83 | | | | |
| | RH-2, RH-3 | 26 | \$ | 37.03 | | | | |
| Neighborhood Commerical and Residential Mixed Districts | | | | | | | | |
| | RM-1, NC-1, NC-2, NC-3, NCDs, C-2 | 22 | \$ | 41.96 | | | | |
| Downtown Commercial and Chinatown Mixed Use Districts | | | | | | | | |
| | C-3-G, C-3-O(SD), RC-4 | 9 | \$ | 136.15 | | | | |
| | CCB, CRNC | 2 | \$ | 79.41 | | | | |
| Ind | | | | | | | | |
| | M-1, M-2, RSD, SLI, SLR, SSO | 25 | \$ | 22.33 | | | | |

Source: Assessor's Office

Though specific land costs varied greatly depending on an area's location and underlying zoning, the price of land is a major component of a developer's overall cost of producing housing. (See Table I-61 below.) A 2001 City Planning Department study* that explored options for an inclusionary housing policy compiled cost information from a variety of

^{*} A Review of the Inclusionary Affordable Housing Policy, October 11, 2001.

data sources. It showed that land for housing development in San Francisco often cost between \$40,000 and \$60,000 per unit, depending on the size and type of development. Some developers, however, have reported land costs in their projects at levels up to \$100,000 per residential unit.

2. Housing Development Costs

The fast-growing economy in the mid- to late-1990s generated a boom in building, pushing demand for construction materials and labor costs. In addition to high land costs, other direct costs of building new housing – the cost of labor, of construction materials and contractor fees – thus escalated. Steep construction costs are generally seen as a major constraint on housing development and especially impacts affordability. The same study cited above estimated that in 2000, total development cost for an average two-bedroom condominium totaling 850 sq. ft. was about \$297,500 a unit or \$350 per square foot. Table I-61 below breaks down these costs to direct (or hard) costs such as building construction, and indirect (or soft) costs such as entitlement fees and financing and insurance charges.

TABLE I-61
Estimated Multi-Family Housing Development Costs Per Unit, 2000

| Direct Costs | | | | % of Total Costs |
|--|-------------------------------|----|---------|---------------------|
| | Land Cost | \$ | 54,410 | 18.3% |
| | Building Construction | | 150,000 | 50.4% |
| | Parking Space Construction | | 16,800 | 5.6% |
| | Builder's Fee | | 29,482 | 9.9% |
| Total Direct Costs | | \$ | 250,692 | 84.3% |
| Indirect Costs | | | | |
| | Planning and Entitlement Fees | \$ | 5,004 | 1.7% |
| | School Impact Fees | | 1,700 | 0.6% |
| | Building Permit Fees | | 675 | 0.2% |
| | Architecture and Engineering | | 550 | 0.2% |
| | Developer Project Management | | 5,004 | 1.7% |
| | Developer Asset Management | | 2,975 | 1.0% |
| | General and Administrative | | 1,668 | 0.6% |
| | Financing and Charges | | 10,008 | 3.4% |
| | Bonds and Fees | | 3,336 | 1.1% |
| | Marketing | | 4,463 | 1.5% |
| | Commissions | | 8,925 | 3.0% |
| | Insurance | | 2,500 | 0.8% |
| То | Total Indirect Costs | | 46,808 | 15.7% |
| TC | TOTAL DEVELOPMENT COST | | 297,500 | 100.0% |
| Total Cost per Square Feet (Average Net Unit Size: 850 sq ft) | | \$ | 350 | |

Source: Economic Planning Systems

The estimate above assumed a typical San Francisco four-story-high wood stick frame residential construction over a concrete podium. Land cost, in this estimate was spread over 256 total units in the project, came to \$54,410 or just over 19% of total development costs. Construction costs, without parking, took up over half of the costs of developing housing. Providing parking, in this case one parking space per unit, cost \$16,800 or

about 6% of total development costs. Construction costs will necessarily vary with the quality of materials and type of construction.

In this estimate, planning, entitlement and other permitting fees – to be discussed in a separate section – totaled less than 3% of development costs. Specific site conditions may also add to the cost of new housing construction. For example, building demolition that may be required with the re-use of a site; toxic waste clean-up to mitigate chemical contamination in some former industrial sites; increased foundation costs in potentially seismically unstable soils.

3. Infrastructure

San Francisco's current housing stock is approximately 340,000 units. The housing goal that has been set for San Francisco County by the California Department of Housing and Community Development and the Association of Bay Area Governments is 20,372 units by 2006. This represents an increase of approximately 6%. The capacity of the City's infrastructure including water, sewage treatment, and utility services is generally not a constraint to meeting San Francisco's housing goals. Many potential development sites are in areas that are well-served by the existing infrastructure. New district plans or large projects may require additional local infrastructure improvements.

The San Francisco Public Utilities Commission's (SFPUC) *Final Urban Water Management Plan* (UWMP, February 2001) projects water demand from residential and commercial customers. While the SFPUC does project an increase in total demand, it also expects residential water use to decline, even as population increases, because of increased conservation measures and efficiency. The UWMP projects sufficient water supply in normal years, though during drought years demand will exceed supply. The SFPUC is beginning the implementation of a 13-year Capital Improvement Program approved by the voters of San Francisco in the November 2002 General Election as Proposition A. The \$3.6 billion Capital Improvement Program will ensure that safe and

reliable drinking water service will be provided to meet projected San Francisco retail customer demand anticipated in the UWMP and the Water Supply Master Plan (April 2000).

The Capital Improvement Program will maintain compliance with state and federal drinking water standards while ensuring that the system will be functional in the event of a natural disaster, and will attempt to provide adequate water supplies during drought conditions. The SFPUC also has an on-going program to repair and replace outmoded and aging components of the City's water delivery and distribution infrastructure.

The SFPUC has committed to a number of programs to reduce water demand, which are described in greater detail in the UWMP. The SFPUC is also initiating a program to update its Recycled Water Master Plan to substitute recycled water for certain non-potable water uses in order to make more water available for potable use.

In 1997, the City completed a 20-year program to upgrade its wastewater treatment system to bring it into full compliance with federal and state clean water regulations. Because San Francisco has a combined sanitary and stormwater system, the largest volume of wastewater occurs during wet weather. The Water Pollution Control Division of the SFPUC reports that treatment capacity is available to serve expected growth. However, there are areas where local sewers, which transport waste to the treatment system, may be inadequate. The SFPUC will soon begin a public process to update the completed Clean Water Master Plan to identify the future course of the City's wastewater and storm water collection and treatment system, including repair or replacement of structurally-inadequate sewers to address localized flooding problems. New area plans or large projects may need local infrastructure improvements to connect to the City's system.⁴

⁴ Gene Handa, Sanitary Engineer, San Francisco Department of Public Works, Bureau of Engineering. Telephone Conversation, May 11, 2001.

San Francisco's solid waste is transferred to the Altamont Landfill, in Alameda County. In 1988, the City signed a long-term disposal agreement that provides for the disposition of up to 15 million tons of solid waste at Altamont. As of January 1, 2000, approximately 7.1 million tons of this capacity had been used, leaving a balance of 7.9 million tons. At the current rate of disposal, the city's capacity is sufficient through 2008. The Solid Waste Program is actively working to increase recycling, resulting in less disposal at the landfill. The program hopes to achieve recycling rates that would extend the capacity of the landfill until 2011.⁵

Despite recent supply problems, future gas and electricity supply should meet projected needs. Pacific Gas and Electric Company (PG&E) has filed a "Load Forecast" for San Francisco through 2009 with the San Francisco Public Utilities Commission. This forecast is the basis for capital and operating plans, and covers both residential and commercial demand. PG&E is planning for a 35% increase in demand between 1999 and 2009.

4. Availability of Open Space

Most of the City's existing public open space is on the western side of the city. However, a considerable amount of the recent housing construction, and much of the housing potential, is downtown, close to downtown, or on the eastern side of the City. New households in these areas will need open space and recreational opportunities. Recent planned areas have included additional open space for their new residents. For example, the Mission Bay project will include new public open spaces to serve the residents of its 6,000 new units and those of surrounding areas. The Rincon Point-South Beach Redevelopment area includes two new shoreline parks. As new areas are planned for housing, additional open space will need to be provided and should be included as part of future redevelopment plans, area plans, rezoning provisions, and subdivision projects.

⁵ This information is on the Solid Waste Program's website: www.sfrecycles.org.

5. Access to Commercial and Other Services

Many of the areas where new housing is likely to occur offer a rich mixture of uses that can readily serve new residents. Additionally, much of the future housing development will be in mixed use projects that will include local serving commercial activities. If these new, larger scale developments are well planned and designed, the additional residents and businesses will enrich existing neighborhoods nearby. Major new housing developments that are isolated from requisite services do not create livable neighborhoods, and can contribute to citywide transportation problems. Plans for new neighborhoods, and specific plans for improving existing areas, must respond to the commercial and service needs of new residents.

B. GOVERNMENTAL CONSTRAINTS

1. Entitlements and Permit Processing

Project sponsors must obtain appropriate City Planning and building permits to assure that all relevant standards are met. The City's Planning Code's zoning controls regulate land uses, densities, lot sizes, heights, open space, setback and parking requirements, and exterior changes to historic buildings. All developments – residential, commercial and industrial – are required to comply with zoning standards and urban design guidelines.

Proposed developments that deviate from or exceed these standards, or that bring up other planning or environmental concerns, are subject to additional assessment and would require conditional use approvals, variances, discretionary reviews, and environmental impact reviews. All these special permits take longer to process as they require greater study and analysis, public notifications and hearings, and approvals from the City

Planning Commission or the Zoning Administrator. The Commission may impose conditions or mitigation measures.

A typical timeline for a medium-density, multi-family residential project (50 to 100 units) is about a year to 1-1/2 years from the initial conceptual project review with the Planning Department to commencement of construction. This schedule assumes concurrent procedures for an environmental impact review and a conditional use application requiring City Planning Commission review and approval. If an environmental impact report is required, it can take nine months to a year for all necessary studies and analyses to be conducted and the EIR heard before the Planning Commission. Applications can be filed at the same time or filed and heard upon completion of the environmental review. Both procedures are subject to public comment and appeals periods. The conditional use permit can be appealed before the Board of Supervisors within 30 days following the Planning Commission's approval. Once planning entitlements are secured, the project sponsor can prepare detailed building plans to be reviewed and approved by the Department of Building Inspection. Depending on the proposed project's complexity, the plan preparations, review and approval process can take from four to six months before building permits are issued. If no building permit appeals are filed against this project after the 15-day period following permit issuance, building construction can begin.

Minor alterations and new housing projects of up to three single-family dwelling units or up to six units in a single structure may not require an environmental review. Projects proposing principally permitted uses (or "as of right") meeting all applicable Planning Code requirements and not triggering staff-initiated discretionary review will involve less permit processing time. Construction of these kinds of projects can typically begin within nine months of initial project review.

These regulatory controls are not necessarily constraints to housing development as they have been carefully crafted over time to balance citywide needs and were tempered by public concerns. These regulations were established to be consistent with the City's

General Plan priorities to conserve and protect existing housing and neighborhood character. They also regulate new development to be compatible with and not detrimental to the area with respect to size, shape, traffic and noise generated, open space and urban design requirements. The time required to administer and approve projects can add to the cost of housing production. But without these standards, an even greater check on new housing construction could result from public opposition to development.

2. Permit Application Fees

The Planning Department and the Department of Building Inspection require fees for entitlements and building permits based on a project's estimated construction costs. Projects of much smaller scale – such as interior rehabilitation, minor alterations or upgrading – generally require over-the-counter Planning Department approval and a building permit. Projects that are broader in scope, however, may require additional permits, such as conditional use, demolition, and coastal zone, or may require other actions such as a variance, a zoning re-classification, a subdivision, or an environmental evaluation. Payment of an application fee may be required for these additional permits. The application fee for most of these additional permits is also based on the total estimated cost of construction of the project. Other new housing construction fees include water and sewer hook-up and school fees. Table I-62 below provides an example of various fees imposed on new construction.

TABLE I-62
Sample of Permit Fees Based on Construction Costs, 2000

| Construction Cost | | В | uilding Permit (DBI) Fee | City Planning Plan Check Fee | | | onditional Use, Variance, Coastal Fees | Environmental Evaluation Fee | | |
|----------------------|-----------|----|-----------------------------|---------------------------------|--------|----|--|---------------------------------|-------|--|
| \$ | 10,000 | \$ | 220 | \$ | 810 | \$ | 1,130 | \$ | 1,074 | |
| \$ | 50,000 | \$ | 786 | \$ | 2,790 | \$ | 1,338 | \$ | 1,259 | |
| \$ | 100,000 | \$ | 1,185 | \$ | 5,265 | \$ | 5,808 | \$ | 1,490 | |
| \$ | 500,000 | \$ | 3,799 | \$ | 24,665 | \$ | 3,677 | \$ | 3,006 | |
| \$ | 1,000,000 | \$ | 8,250 | \$ | 48,515 | \$ | 6,233 | \$ | 4,439 | |

Source: Planning Department, Department of Building Inspection

These fees are in line with those charged by other cities. Some project fees in San Francisco may be higher than in other less densely populated Bay Area cities because of the complexity and extensive public review that is required in San Francisco. But as Table I-61 above showed, entitlement fees are not a substantial proportion of development cost and are not seen as a significant constraint on housing development. Development projects by non-profit housing organizations are eligible for reduced or deferred City Planning permit fees pursuant to City Planning Code Section 351(a), (e), (g), (h), and (i).

3. Building Code Standards

San Francisco's Building Code is based on the California Building Code. San Francisco can make some amendments, which local governments are permitted by the State to do if these amendments are proven and justified by local topography, geology or climate. The Building Code is intended to assure health and safety. Some San Francisco amendments to the State code, while maintaining health and safety standards, ease the production of housing by recognizing the particular local conditions. For example, the San Francisco Building Code permits fire escapes for certain required exits in existing buildings,

whereas the State Code does not. Local amendments do not make housing more difficult or expensive than housing elsewhere in California.

Federal and state laws require that commercial and public use buildings, and new housing, be designed and constructed to be accessible to persons with disabilities. Local agencies do not enforce the federal American with Disabilities Act (ADA) prohibiting discrimination against persons with disabilities. The San Francisco Department of Building Inspection, implementing the San Francisco Building Code, requires all new construction and rehabilitation projects to comply with the Code's disability access requirements. (San Francisco does not make any amendments to the California Code's disabled access provisions.) Generally, one and two-family dwellings are not required to be accessible. Existing privately funded multi-family dwellings can generally undergo alterations with little or no accessibility upgrade. All new buildings of three or more units must meet the accessibility standards of the Code. Exceptions may be granted if compliance would result in an unreasonable hardship, in which case any reasonable accessible features will still be required.

4. Transportation

San Francisco's transportation system has been strained by the availability of free and relatively inexpensive parking in many parts of the City, which promotes driving. Coupled with job and population growth, this has increased congestion while decreasing the efficiency of public transit services. Recent planning efforts seek to address this issue and continue to closely examine the interaction of land use and transportation to assure that current and future residents are able to travel conveniently and efficiently to jobs, services, and recreational opportunities. Also, Planners at the San Francisco County Transportation Authority (SFCTA) are currently preparing the Countywide Transportation Plan that will prioritize numerous improvements to the City's transportation system.

5. Infrastructure Standards

The City imposes fees on sponsors of new development for various on- and off-site infrastructure improvements when necessary. Various standards for street widths, curb requirements, and circulation improvements have been developed over time and are not believed to be excessive or to impose undue burdens on development. They apply citywide and conform to the developed pattern of the City. More specific infrastructure improvements, such as particular streetscape design treatments, may be required of major new developments in the City's project areas. Given the densities at which residential land is developed in San Francisco, these infrastructure costs, even when borne partially by the developer, represent a relatively small cost per unit.

C. FINANCING

The Planning Department's regulatory capacity can encourage housing – especially affordable housing – development and conservation. But actual housing production or rehabilitation can only be realized with adequate financing. Some of the costs of providing housing occur at one time (capital expenditures such as land acquisition, construction or rehabilitation costs). Conservation of affordable housing, however, requires recurring annual funding for rental subsidies, operating subsidies and supportive services.

Assembling the necessary funding to produce and maintain adequate affordable housing for the City's low- and moderate-income residents remains an enormous challenge. As the boom of the final years of the 1990s bore out, this is even more difficult when the economy is thriving, as the very forces that spur on development can negatively affect the housing market. When the gap increases between housing costs and what low- and

moderate-income households can afford, the City's affordable housing crisis is exacerbated.

1. Private Financing Sources

Private lenders offer construction loans on a conservative loan to appraised value ratios and pay particular attention to a project's costs. This limits the lenders' risk but may also reduce availability of financing for new housing construction. Larger, multi-unit condominium projects can be especially difficult to finance as lenders assume that construction costs tend to be higher as developers provide more amenities and that units may take longer to sell, stretching the period to recover construction costs.

Private financial institutions provide financing to affordable housing projects – often as construction loans – to comply with the Community Reinvestment Act requirements. Private lenders also participate in first-time homeownership programs that enable moderate-income households.

2. Public Financing Sources

Affordable housing development and conservation depends largely on the availability of public funding sources. Table I-63 lists the various federal, state and local funding available for affordable housing production for fiscal year 2002-2003. Allocation of these monies shows that construction of about 400 new units – approximately on level with the previous 10 years' average of 390 new affordable units a year – will be funded (Table I-64). Another 490 units will be rehabilitated or provided with other housing assistance in this time period. Clearly, these funds will not cover the tremendous affordable housing need described in previous sections.

TABLE I-63
Federal, State and Local Funding for Housing Programs, 2002-2003

| Funding Program | Funding Sources | Total Allocation | Set-Aside for Existing Projects | Set-Aside for Pipeline Projects | Available for New Projects | | |
|---|--|---------------------|---------------------------------------|---------------------------------------|-------------------------------|--|--|
| Supportive Housing | CDBG, HOME, HOPWA | \$ 6,557,350 | \$ - | \$ 4,457,350 | \$ 2,100,000 | | |
| Family Rental Housing | Affordable Housing Fund, Affordable Housing Bond funds | \$ 16,150,000 | \$ - | \$ 6,150,000 | \$ 10,000,000 | | |
| Senior Housing | Hotel Tax, Mission Bay and Affordable Housing Bond funds | \$ 12,481,883 | \$ - | \$ 8,246,589 | \$ 4,235,294 | | |
| Low-Income Single Family & Senior Homeowner Rehabiltation | CDBG, CERF | \$ 2,600,000 | \$ - | \$ - | \$ 2,600,000 | | |
| Public Housing Preservation | | \$ 1,600,000 | \$ 1,600,000 | \$ - | \$ - | | |
| Non-Profit Owned Housing Preservation | CDBG, HOME | \$ 2,927,110 | \$ - | \$ 324,600 | \$ 2,602,510 | | |
| Homeownership | Tax Increment funds | \$ 6,264,706 | \$ - | \$ - | \$ 6,264,706 | | |
| Housing Opportunities | CDBG, HOME, Tax Increment funds | \$ 22,817,273 | \$ 2,000,000 | \$ 500,000 | \$ 20,317,273 | | |
| TOTALS | | \$ 71,398,322 | \$ 3,600,000 | \$ 19,678,539 | \$ 48,119,783 | | |

Source: 2002-2003 Action Plan, Mayor's Office of Community Development, Mayor's Office of Housing, San Francisco Redevelopment Agency

CDBG: Community Development Block Grant HOME: Home Investment Partnership Program HOPWA: Housing Opportunties for Persons with AIDS CERF:Code Enforcement Rehabilitation Fund

TABLE I-64
Estimated Number of Government-Subsidized Affordable Housing Units, 2002-2003

| New Construction | | |
|-----------------------------------|----|-----|
| Permanent Supportive Housing | | 10 |
| Family Housing | | 112 |
| Senior Housing | | 128 |
| Homeless Housing | | 6 |
| First-Time Homebuyers | | 144 |
| Sub-total | | 400 |
| Rehabilitation and Other Assistan | се | |
| Single-Family Rehabilitation | | 60 |
| Homeownership Assistance | | 110 |
| Housing Opportunities | | 320 |
| Sub-total | | 490 |
| TOTAL | | 890 |

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Public financing covers capital funding for the acquisition, rehabilitation, construction, and preservation of affordable housing. Other public financial programs also provide for supportive services, rental assistance, assistance to first-time homebuyers, and administrative costs to city agencies and non-profit corporations that provide affordable housing and other community development and human services.

Some of the funding programs above – such as CDBG, HOME – are expected to be stable sources of affordable housing funds. However, these are also subject to budgetary constraints. Similarly state funding sources are vulnerable to the budgeting process, although additional state funding became available with voters' approval of new bond issues in November 2002. Most local sources such as the Hotel Tax Fund and the Jobs-Housing Linkage Fund are even more dependent on economic trends. One significant local affordable housing bond (Proposition A) was fully committed in 2003; issuance of additional bonds fell short of receiving two-thirds of San Francisco voters' support.

Some public funds are restricted to particular housing types and/or population groups; for example the elderly housing program (Section 202, Hotel Tax Fund), the disabled housing program (Section 811, Hotel and Tax Fund), and HOPWA (Housing Opportunities for Persons with AIDS). Administrative costs are also not covered by most public funding sources. Federal grants often carry a number of restrictions and regulations that can make the funds difficult to use. For example, some federal programs require matching grants while others are impossible to combine with other funds. Most affordable housing programs require three or more sources of funding to become feasible. Different funding sources may have to be tapped for pre-development, construction, and permanent financing costs – leading to considerable transaction and legal costs and delays in the development process.

D. COMMUNITY ACCEPTANCE

The development process can be very public in nature. San Francisco has a strong tradition of public involvement in policy discussions and possesses a very engaged citizenry on development issues. This activism often takes the shape of organized opposition to housing projects across the City, especially affordable housing for lowincome residents and even towards well planned and designed developments. Such vocal opposition poses very real impediments to project sponsors, and can lead to significant time delays, additional cost, or a reduction in the number of residential units produced. The City is committed to the involvement of citizens in the planning process and to the education of its residents on the importance of working towards citywide housing objectives. Two current planning initiatives – the Better Neighborhoods program and the Eastern Neighborhoods Community Planning Process – have engaged residents, property owners, workers, and other stakeholders and sought broad public community backing through participatory programs of education, public dialogue and input, and consensus building. The department's efforts to foster active public participation from the eight neighborhoods targeted by the initiatives resulted in these neighborhoods' contribution in new key policies of the *Housing Element*.

VI. QUANTIFIED HOUSING GOALS

The state Department of Housing and Community Development, with the Association of Bay Area Governments, determined San Francisco's "fair share" of the regional housing need for the period covering January 1999 through June 2006 at 20,372 units. Even with very aggressive policies and programs, given that San Francisco is a mature, built-up city with limited large tracts of undeveloped land and the previous years' housing production record, this "fair share" is likely to be not achievable.

Table I-65 below shows that just 41% of the state mandated annual targets for the period covered by the 1990 *Residence Element* was achieved. The extension of the housing production reporting period from June 1995 to December 1998, however, allowed for new market rate housing construction to exceed total production targets set for 1995. This still resulted in meeting only 72% of the annual target. (Appendix A provides details of the City's housing production performance in the evaluation of the 1990 *Residence Element*).

TABLE I-65

Annual Production Targets and Average Annual Housing Production, 1989-1998*

| Affordability Categories | | g Goals 95 (6.5 years) | Actual Pr 1989-1998 | % of Annual Target | | |
|--|--------|---------------------------|------------------------|-----------------------|----------|--|
| Anordability Categories | Total | Annual Targets | Total | Annual Average | Achieved | |
| Very Low Income (below 50% AMI) | 5,392 | 830 | 2,202 | 220 | 26.5% | |
| Low Income (50% - 79% AMI) | 3,595 | 553 | 1,515 | 152 | 27.4% | |
| Moderate Income (80% - 120% AMI) | 4,493 | 691 | 557 | 56 | 8.1% | |
| Market Rate (over 120% AMI) | 8,987 | 1,383 | 9,893 | 989 | 71.6% | |
| Annual Production Target, 1989 - June 1995 | 22,467 | 3,456 | 14,167 | 1,417 | 41.0% | |

^{*}ABAG Reporting Period

More than the poor performance in the production of very low- and low-income housing, the deficit of almost 4,000 units affordable to moderate income households has been seen as critical in catapulting the City's housing problem into a crisis of affordability. As the table below shows, housing construction in the last two years is pointing to an exacerbation not just of affordability but also of a major housing construction deficit.

Stable government support in the last few years covered almost all of the affordable housing production, with less than 5% produced through inclusionary housing measures. Public subsidies tend to fund very low and low-income housing, with very limited grants allocated for moderate-income homebuyers. The recently revised and expanded

inclusionary affordable housing requirement is expected to improve the provision of new housing for households earning moderate incomes.

Tables I-55 to I-57 indicated that there are more than enough in-fill housing opportunity sites to meet the projected housing needs. Yet historic housing production trends, together with recent public financing flows, could mean only some of these sites would be developed. Table I-66 below shows that recent housing production has fallen short of the housing production targets set by ABAG. If the previous ten years' housing production is any indication of the future, the next five and a half years' new construction could result in an annual shortfall of about 1,888 units. Capital subsidies needed to bridge this shortfall can be enormous (Table I-67). As shown in Table I-63, funds available for new affordable housing construction, rehabilitation and supportive service provision for 2002-2003 only totaled about \$48.1 million. The estimated additional capital subsidies needed to meet the City's regional housing share would require over 300% more in funding.

TABLE I-66
Housing Production Targets, 1999-June 2006 and Actual Production, 1999-2000

| Income Category | ABAG Housing Needs Production Targets | Actual Housing Production 1999- 2000 | Annual Production Required to Meet ABAG Targets, 2001-June 2006 | Estimate of Expected Annual Production,* 2001-June 2006 | Estimated Annual Shortfall, 2001-June 2006 | | |
|----------------------------------|---|--|--|--|--|--|--|
| Very Low Income (below 50% AMI) | 5,244 | 203 | 917 | 201 | 716 | | |
| Low Income (50% - 79% AMI) | 2,126 | 75 | 373 | 138 | 235 | | |
| Moderate Income (80% - 120% AMI) | 5,639 | 94 | 1,008 | 51 | 957 | | |
| Market Rate (over 120% AMI) | 7,363 | 2,515 | 881 | 901 | (20) | | |
| TOTALS | 20,372 | 2,887 | 3,179 | 1,291 | 1,888 | | |

*Assuming previous 10 years' average annual production is sustained

TABLE I-67
Estimated Capital Subsidies Required to Meet Production Goals

| Income Category | Estimated Annual Shortfall in Production | Income for | | Affordable Rents** | | Maximum Affordable Purchase Price* | | Estimated Production Costs (2 bdrm unit) | | Estimated Affordability Gap | | Estimated Capital Subsidies Required to Meet Production Goals | |
|----------------------------------|---|------------|--------|-----------------------|-------|---|---------|---|------------|-----------------------------------|---------|---|-------------|
| Very Low Income (below 50% AMI) | 716 | \$ | 19,375 | \$ | 533 | \$ | 63,500 | Γ | \$ 297,500 | \$ | 234,000 | \$ | 167,437,636 |
| Low Income (50% - 79% AMI) | 235 | \$ | 50,375 | \$ | 1,385 | \$ | 180,800 | Γ | \$ 297,500 | \$ | 116,700 | \$ | 27,413,891 |
| Moderate Income (80% - 120% AMI) | 957 | \$ | 77,500 | \$ | 2,131 | \$ | 292,500 | I | \$ 297,500 | \$ | 5,000 | \$ | - |
| TOTALS | | | | | | | | | | | | \$ | 194,851,527 |

^{*}Assumes middle of the range, thus 25% of AMI (VLI), 65% of AMI (LI) and 100% of AMI (Moderate)

With the availability of future public subsidies impossible to predict at best, an optimistic assumption would anticipate funding that would sustain the last decade's affordable housing production. Achieving the housing production and affordability targets set by HCD-ABAG is clearly very difficult. But setting the goals to be more "realistic" and "achievable" could only weaken efforts at seeking and obtaining resources necessary to meet the City's urgent housing needs.

A practical solution would be to uphold these long-term targets and annually assessing priorities against the reality of available resources. The City, therefore, will take the production targets set by HCD-ABAG for its quantified housing production objectives. Each year, as resources are known to be, or reasonably expected to become available, shortfalls in achieving goals can be assessed, program targets shifted appropriately, and resources allocated efficiently and effectively.

^{**30%} of Annual Income plus utilities

VI. APPROACHES AND RESOURCES TO MEET CURRENT AND FUTURE HOUSING NEEDS

San Francisco housing policy in the 1980s and 1990s encouraged both residential development and housing preservation. These policies led to the: 1) adoption of zoning controls that retain existing residential densities in more established neighborhoods; 2) rezoning of certain commercial, industrial, and publicly owned sites to residential use; 3) encouragement of housing in excess of the basic floor area ratio in downtown development districts; 4) permitting higher densities in adopted affordable housing development special use districts; 5) creation of interim zoning controls to establish a mixed use area where housing and live/work uses would be encouraged, and buffer zones where residential and live/work uses would require conditional use authorization; and 6) drafting of policies to control the merger of residential units to help retain the existing supply of housing in the City.

The City continues to seek to enhance the overall livability of its neighborhoods. To this end, it has identified major areas of that can absorb significant new housing development without adverse impacts on surrounding neighborhoods. These areas primarily consist of Redevelopment Project Areas, three pilot Better Neighborhoods plan areas, and neighborhoods throughout the eastern portion of the City currently in the Community Planning Process. The Planning Department is dedicated to zoning changes citywide that encourage new housing in areas particularly close to transit. Opportunities for new affordable and market rate housing are being pursued on publicly owned sites, as well as in large commercial and institutional developments. Furthermore, all new market rate housing developments of ten or more units will be subject to the City's new inclusionary housing requirements that will generate new affordable units in San Francisco.

To further facilitate housing production in San Francisco, a number of policies are being developed. The following partial list of policies and programs under development are discussed more thoroughly in Part II of the Housing Element, *Policies and Objectives*.

The following tools should be used through neighborhood outreach and planning process such as the Better Neighborhoods program.

- Reduce uncertainty for housing developers and generate community support for new housing by adopting specific plans, citywide programs, and specialized zoning that will guide and foster housing production at appropriate locations, including:
 - Neighborhood based Specific Plans that establish development profiles with completed program EIRs, which obviate the need for case by case environmental determinations;
 - Transit Oriented Neighborhood Commercial District (NC-T) Zoning.
 Controls that provide increased housing densities above the ground floor and reduced residential parking requirements on linear shopping streets and along transit corridors. Designations would apply to areas that offer convenience goods and services in close proximity to transit.
- 2. Increase availability of land for housing by:
 - Rezoning certain former industrial areas near downtown to mixed use and encourage the development of high density housing;
 - Allowing increases in housing densities in appropriate areas citywide;
 - Requiring replacement housing for units demolished due to public or private action;
 - Facilitating the construction of new housing in C-3 (downtown commercial) zoning districts and;
 - Reducing parking requirements on residential projects.
- 3. Facilitate permit processing by:
 - Simplifying and expediting the processing of building permits;
 - Prioritizing review of housing projects, with highest priority to affordable housing;
 - Further enhancing interdepartmental project review coordination and;

- Preparing master environmental impact reports covering all potential new housing in a selected area to streamline the approval and construction processes.
- 4. Enhance capital funding by identifying the availability of private resources for housing development, and leveraging government funding programs including:
 - Federal housing resources such as CDBG, HOME, Lead Hazard Reduction Grant, Section 202 Elderly Housing Program, Section 811 Disabled Housing Program, Low-Income Housing Tax Credits, McKinney Supportive Housing Program, Housing Opportunities for People With AIDS (HOPWA), and Comprehensive Grants;
 - State housing funds including CHFA Multifamily Bonds, Multifamily Housing Program, programs funded by Proposition 46, and Low-income Housing Tax Credits and;
 - City housing resources that include Affordable Housing Bonds, Tax
 Increment Bonds, Hotel Tax funds, Jobs-Housing Linkage Program funds,
 Hotel Conversion Mitigation fees, Seismic Rehabilitation Bonds, Tax-Exempt
 Revenue Bonds, Code Enforcement Rehabilitation funds, surplus City-owned land, and SFRA owned land.
- 5. Support housing affordability by:
 - Creating a land banking program to acquire land for future affordable housing development;
 - Relaxing minimum lot sizes and parking requirements for affordable housing;
 - Reducing or eliminating permit fees for permanent low income affordable housing projects;
 - Identifying additional resources for the rehabilitation of existing housing, including low-income apartments and residential hotels and;
 - Providing density bonuses for projects with a share of low-income housing units.

PART II

OBJECTIVES, POLICIES, AND IMPLEMENTATION PROGRAMS

INTRODUCTION

This second part of the *Housing Element* sets forth objectives, policies, and implementing programs to address the critical housing needs identified in Part I. In the last decade, San Francisco's population grew while new housing construction failed to keep pace. San Francisco households grew an average 2,400 annually, yet addition to the housing stock averaged just about 1,000 a year. Vacancy rates plummeted and even middle-income householders found themselves paying 50% or more of their income to rents.

The State Department of Housing and Community Development (HCD), with the Association of Bay Area Governments (ABAG), has estimated that San Francisco needs to build over 2,700 new units a year to meet its share of the region's projected housing demand. As recent production fell short of this annual target, 3,200 new units a year must be built between 2001 and 2006 to meet regional housing goals. At least 40% of these new housing construction should be affordable to low and very low income households, and 32% affordable to households of moderate means.

Objectives and policies are general in nature and serve as the framework for decision making and priority-setting. They address specific needs and are followed by related implementation actions. For these implementation actions to succeed, three major prerequisites must be met:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed while incentives are identified and provided; and

 Adequate financing must be available for both private and non-profit housing development.

San Francisco is a mature built—up city with very few large open tracts of land to develop. Still, opportunities for new housing do exist. Scattered across the City are vacant or underused lands suitable for in-fill development. As many as 29,000 new housing units could be built on such parcels under current zoning standards. But high land prices add tremendous costs to housing development. A particularly vocal citizenry can delay or even stop new development. And as housing demand rises, so do housing costs.

Despite this, San Francisco continues to be a highly desirable place to live. It is a traditional employment hub and most workers who live in San Francisco can reduce commute distances and use the city's extensive transit network. Schools, services, institutions and cultural opportunities enrich San Francisco's neighborhoods. Residents value the City's unique combination of natural setting, built environment, and cultural diversity. New residents will continue to be attracted to San Francisco's new and established neighborhoods. City policy makers must determine how to comfortably accommodate the present and future population, keeping it diverse with varying incomes, household size, and composition. Policy makers must also preserve values that San Francisco residents cherish. There must be opportunities for families, children, seniors, and people of different cultural backgrounds to contribute to the unique blend that is San Francisco.

Addressing Housing Needs

Current and future residents of limited means are likely to need assistance to continue to live in San Francisco. Many future San Francisco workers will be earning below 80% of the area's median income. Sales clerks and secretaries, as well as technical professionals and bank executives, must be able to live here. The City must also house the additional firefighters, policemen, teachers, and health, recreation and primary care providers needed to support the City's growing population. Even construction workers who will be building the new houses will need housing they can afford.

The high cost of being a San Francisco resident has already become evident in who now lives here. While service workers make up 44% of the City's workforce, only 14% of residents are employed as service workers. Unless housing is available for local service workers and their families, these trends will continue. Upper income (market rate) housing makes up most of the housing produced in the last 10 years and in the last several years has even exceeded projected needs for this market segment. Federal and state subsidies have provided some funds to build housing affordable to very-low and low-income householders, but moderate-income householders have found themselves in a tight squeeze for housing they can afford.

The average San Francisco household size, which has grown steadily smaller following the War, increased in the 1990s as housing costs rose and forced shared rentals among non-relatives. Family households, which now make up less than half of all San Francisco households, are dramatically under-served by new market rate housing that seldom provides more than two-bedroom units. The proportion of children in the City sank from 25% to less than 15% from 1990 to 2000. Steps must be taken to encourage units suitable for families in neighborhoods with schools, libraries, parks and other services. San Francisco will need to aggressively produce affordable housing to avoid becoming a city where only the rich live or a city with few children.

Increasing the City's housing supply and preserving existing neighborhood character are not mutually exclusive goals. The Planning Department's aim is to plan for growth to enhance the best qualities of San Francisco, strengthen the character of existing neighborhoods, and create new ones. Planning efforts must respond to human needs, ensuring that new development contributes to creating a more livable city. In-fill development should be encouraged in established residential neighborhoods where supporting infrastructure and community services already exists. New neighborhoods planned in redevelopment areas such as Mission Bay and the Hunters Point Naval Shipyard will provide housing in a variety of unit sizes, at both market and affordable rates. Neighborhood services, as well as community facilities, will also be provided.

Neighborhood commercial corridors also provide opportunities for additional upper residential stories to be built above ground level retail. These areas are along transit lines and offer greater possibilities for linking housing, employment, and transportation. Reduced residential parking

requirements in these transit intensive areas could be an added incentive to build housing above commercial uses. Denser construction, where it is already allowed, can also significantly boost housing counts and add vitality to street life as well. Sites near downtown and along transit corridors show the most promise for such development.

However, much of the new housing built in the last decade was produced on less-expensive industrial land in the City's eastern portion, displacing some needed services and threatening the vitality of the City's diverse economy. Frequently this development was unconnected to the amenities typically expected and provided in established residential areas, amenities that contribute to the viability and livability of thriving residential neighborhoods. Continuing this trend without clear policies and rules that balance the optimizing of land uses while preserving and enhancing neighborhood character could result in the loss of crucial support services, threaten the City's economy, and diminish the overall quality of life

Citywide Action Plan

To meet the challenge of housing production and affordability, the Planning Department will address the housing targets developed by HCD-ABAG through initiatives of a Citywide Action Plan (CAP). The CAP comprehensively explores the challenge of meeting the need for both housing and jobs in ways that capitalize upon and enhance the best qualities of San Francisco as a place. The CAP will direct a mix of housing and neighborhood-serving uses to places with good public transit and urban amenities, new office uses to the City's compact downtown core, and needed industrial uses to core industrial lands in portions of the City's east side, thereby releasing the rest for housing and other uses. A new *Land Use Element* will identify specific sites in these areas for housing.

The CAP promotes housing by increasing densities in areas well served by transit. Specific strategies in these areas include: reducing parking requirements; floor-to-area ratio (FAR) exemptions; removing density caps in certain areas; increasing height limits; utilizing air-rights for housing; and increased density and height limits at key corner lots.

These strategies will be applied throughout the City. Generally, increased housing densities and reduced parking requirements will be proposed in areas well served by transit. In the Central Waterfront area, a mix of uses is being planned to accommodate housing in a largely industrial area. Lands occupied by the former Central Freeway around Market Street and Octavia Boulevard are being programmed for new housing while increasing existing residential densities. In Balboa Park, new housing is planned capitalizing on city owned land and an existing transit node. In the Downtown area, dense housing is planned on underutilized parcels. In the redevelopment areas of Mission Bay and Hunters Point Naval Shipyard, new neighborhoods are planned that promise approximately 7,600 units. However, these density increases must be combined with the capture of some of the added development value through the provision of public benefits.

The Eastern Neighborhoods, representing roughly one-quarter of the City, are being studied and re-zoned to identify core areas where vital production, distribution, and repair (PDR) businesses are needed to maintain economic diversity. These core areas will be zoned to promote business and job expansion while the rest of the Eastern Neighborhoods will allow or expressly encourage housing. In the Mission District and South of Market, residential densities will be increased along transit corridors and additional land will be re-zoned for housing. In Showplace Square, housing will be integrated into a vibrant and historic light industrial area. In Bayview, a town center will be created around the planned rail service allowing greater residential densities. In Visitacion Valley, an existing brownfield site will be developed into housing, open space, and neighborhood serving retail. These rezoning efforts can boost the City's housing capacity by as much as 12,000 additional housing units.

Other strategies to increase housing include the expanded Jobs Housing Linkage Program that requires new large commercial developments to provide housing or pay an in-lieu fee to meet the housing demand new jobs generate. The recently revised and expanded inclusionary affordable housing ordinance now applies to all new residential developments of 10 units or more. Publicly owned lands are also being reviewed to assess residential development potential while revenues from surplus public land sales will be dedicated to future affordable housing production. Institutional Master Plans will be required to encourage higher educational institutions to provide

housing. Education programs to foster the acceptance of new housing, particularly affordable housing, are also planned.

Although there are more than enough in-fill housing sites to meet projected housing needs and aggressive housing policies and programs are set to encourage housing development, realizing the City's housing targets would require tremendous financing. It has been estimated that enormous amounts of public funding would be necessary to bridge the gap between the statemandated housing production targets and what can be realistically be expected in the next five and a half years (Table I-58).

Financing for housing production will continue to be affected by economic cycles. With the availability of future public subsidies impossible to predict, an optimistic assumption would anticipate funding that would sustain the previous decade's affordable housing production. Achieving production and affordability targets are clearly very difficult, but accepting more "realistic" ones will only weaken efforts to obtain the additional resources necessary to meet the City's housing needs. Consequently, the City will uphold these housing production targets and annually assess priorities against the reality of available resources.

The objectives and policies detailed below address the state's, the region's and the City's goals of achieving decent, suitable, and affordable housing for current and future San Franciscans. Increasing the City's housing stock, protecting and conserving existing units, and encouraging housing choice are objectives predicated on affordability. The homeless and households with special needs are given particular attention as these vulnerable populations have limited housing options. Livability will not be sacrificed with the push to expand the City's housing supply. New housing will be directed to appropriate locations, with sufficient supporting infrastructure, institutions and urban amenities. The implementing programs accompanying these objectives and policies are in response to meeting San Francisco's fair share of the regional housing needs. These objectives and policies are instructed by and consistent with two of the *General Plan*'s Priority Policies. These are:

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

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

HOUSING SUPPLY

OBJECTIVE 1

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

New housing, particularly permanently affordable housing, is required to help meet the City's housing needs. New housing is needed to accommodate projected population growth, improve the jobs/housing balance so that fewer new San Francisco workers will have to live outside the city and commute to work, relieve rent pressures, meet the needs of specific population groups not adequately housed in the existing stock, and reduce homelessness.

New residential development must be of a character and stability that enhances the City's neighborhoods and maintains the quality of life for existing and future residents. How this new residential development can be accommodated without jeopardizing the very assets that make living in San Francisco desirable must be discussed. In order to enhance the city's livability, the supply of housing must be increased and new housing developments should respect the scale and character of the surrounding neighborhood. The lot pattern and building bulk should relate to surrounding properties. Transit and other public and private services should be available to serve the new residents. High quality design should ensure that new residential development is compatible with, and enhances, its surroundings. Neighborhood groups, project sponsors, and City agencies should work together to create designs that contribute to great neighborhoods for current and future residents.

To ensure a balanced approach to development and the rate of change in San Francisco, the City should use its planning powers including zoning and permit review to encourage residential development in areas where it can be accommodated well and discourage it where it is less appropriate. The City should use its zoning and land use controls, environmental review processes, *General Plan* policies, area plans, and capital improvements and financial programs to address the location and intensity of growth in San Francisco.

In order to advance *General Plan* policies, including the *Housing Element*, the Planning Department is engaged in several on-going projects and studies on overall growth in the City and housing need. These efforts include the Better Neighborhoods program, the drafting of a new *Land Use Element* of the *General Plan*, and community planning activities for the Eastern Neighborhoods of the City. These projects will result in specific zoning and design guidelines that will encourage housing development in appropriate locations throughout San Francisco.

Over the past decade, the City's employment growth has far exceeded the production of housing. The significant jobs/housing imbalance specifically meant that not enough new housing was built to meet the needs of the City's expanding workforce. This jobs/housing imbalance has particularly harmed lower-income households who are unable to compete in the housing market as demand for and the cost of housing escalates. In the face of increasing pressures in the housing market, households with the fewest resources such as households with children and those with special needs became the most vulnerable to extreme rent burden, evictions, or even homelessness.

POLICY 1.1

Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households. Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhoods support.

San Francisco enjoys an extensive network of transit lines and along transit-preferential streets are numerous in-fill-housing opportunities. While different zoning controls may result in different housing configurations and densities on these parcels, residential parking requirements in these cases should be, if appropriate, modified.

Proximity to transit does influence rates of auto ownership and the need for parking. Some 29% of the City's households do not own cars and 31% of San Franciscans take public transit to work. These rates are even higher for households living in areas well served by transit. Locating new housing along transit-served areas supports the City's transit first policy and can discourage car dependency.

Additional housing should be encouraged in neighborhood commercial districts, including floors above ground-level commercial uses, and in areas well served by transit. There is a reduced need for automobile use in these areas due to their proximity to transit, services, employment, and entertainment. Parking and traffic problems can be further addressed by community parking facilities and car-sharing programs, and other creative transportation programs.

Moderate to high densities presently exist in many established residential areas adjacent to downtown. These levels should be maintained. These neighborhoods provide housing close to urban employment centers, homes for newcomers, and serve as centers for culture and the arts. They are among the traditional neighborhoods that give San Francisco its flavor and character. New neighborhoods close to downtown should be built emulating these urban densities to foster urban values.

IMPLEMENTATION 1.1

A citywide action plan (CAP) should provide a comprehensive framework for the allocation of higher density, mixed-use residential development in transit-rich areas with stable urban amenities in place. In these areas, specific CAP strategies should include: higher densities and reduced parking requirements in downtown areas or through a Better Neighborhoods type planning process; pedestrian-oriented improvements to enhance the attractiveness and use of transit.

 All City agencies, including the Mayor's Office of Housing and the Redevelopment Agency, will continue to provide support for below market rate housing in other areas well served or planned to be served by transit.

POLICY 1.2

Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities.

The City's neighborhood commercial districts offer the potential for new additional housing over ground floor retail uses. In many cases, additional floors can be constructed to make full and efficient use of appropriately scaled height limits. If necessary, private open space requirements could also be modified, with alternative access to the outdoors considered. New housing represents not only an expanded market to support neighborhood retail, but its residents will serve as the eyes and ears of the streets. In the long term, neighborhood commercial district controls and standards should be revised to recognize and enhance the supporting role and centrality of these districts to the surrounding residential districts.

IMPLEMENTATION 1.2

- The Planning Department will develop proposals in neighborhood commercial districts (NCDs) well served by transit to strengthen their function as a traditional "town center" for the surrounding residential districts.
- The Planning Department will review planning and permit procedures to remove impediments to the production of housing and neighborhood serving uses in commercial and neighborhood commercial areas near transit corridors that are defined and determined to be served by sufficient and reliable transit.

POLICY 1.3

Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City.

Opportunities exist for new residential development in downtown areas. New housing can also be developed in some underused industrial and commercial districts in parts of the city without significant displacement of existing residential units or viable commercial and industrial activities. Housing should also be encouraged in former industrial areas where newer residential neighborhoods have already become established. Certain sites, because of their location or existing use, may not be appropriate for new residential development.

IMPLEMENTATION 1.3

 Downtown areas and areas subject to a Better Neighborhoods type planning process will be expected to absorb major office and residential developments over the next decade.
 Planning and zoning code changes should include floor-to-area ratio exemptions. These development bonuses would be conferred only in cases where in return the development will provide major public benefits to the community.

- The Planning Department will introduce zoning changes in the traditionally industrial eastern part of the City. The areas under study are: Mission, South of Market, Showplace Square/Potrero Hill, Bayview Hunters Point, and Visitacion Valley. Housing, especially affordable housing, will be encouraged in former industrial areas where residential neighborhoods are established and urban amenities are in place or feasible.
- The Planning Department will continue to encourage housing development on brownfield sites where clean-up costs are not prohibitive and attractive residential neighborhoods can be established

POLICY 1.4

Locate in-fill housing on appropriate sites in established residential neighborhoods.

In established residential neighborhoods, new in-fill housing construction should be located: on vacant sites that are not designated for open space; where buildings cannot feasibly be rehabilitated or brought to acceptable levels of seismic safety; and where non-conforming uses have been terminated.

IMPLEMENTATION 1.4

The Planning Department and the Planning Commission will continue to approve new infill housing construction in compliance with residential guidelines in established neighborhoods.

POLICY 1.5

Support development of affordable housing on surplus public lands.

Opportunities for housing development, particularly permanently affordable housing, on surplus vacant or underused public property should be aggressively pursued. The Planning Department should work with the Department of Real Estate, which manages the disposition of surplus public lands, to maintain a comprehensive and updated inventory of publicly held lands. City agencies should continue to identify and make available underutilized sites within their jurisdiction. In some cases the air rights of these sites may be made available for housing without interfering with their current public use. Housing over public parking, transit facilities or water storage facilities are examples of such joint use. City property no longer needed for the purpose for which it was acquired or for some other public purpose, such as open space and recreation land, should be considered for rezoning, sale, or lease for development of permanently affordable housing. The City also owns several significant land holdings outside the City and County borders. Revenues generated from sale of surplus lands should be channeled into the City's Affordable Housing Fund. Similarly, federal or state lands acquired by the City should be considered directly as affordable housing resources. Development of publicly owned or controlled sites in redevelopment areas designated for housing should be expedited.

IMPLEMENTATION 1.5

- The City will require quarterly reporting of all publicly owned land to the Assessor's Office. The Planning Department will also work with the Department of Real Estate, which manages the disposition of surplus public lands to examine the feasibility of directing revenues generated from surplus land sales into the City's Affordable Housing Fund.
- The City will continue to evaluate surplus federal or state lands as an affordable housing resource.
- The Redevelopment Agency will continue to prioritize affordable housing on lands it controls.

- The City will promote joint development projects on surplus public lands with non-profit and for-profit developers, as well as encourage construction over air rights of existing public facilities.
- A separate list of State and Federally owned land should continue to be maintained for affordable housing development purposes.
- Construction over air rights and existing public facilities will be considered for affordable housing production on a case-by-case basis.
- The Planning Department will continue to work with other agencies, especially the San Francisco Unified School District and the Public Utilities Commission, to encourage the use of surplus land for the development of mixed-use affordable housing with a higher percentage of units affordable to people earning less than the Area Median Income.

POLICY 1.6

Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects.

Mixed commercial/residential building development in downtown areas provides needed housing and adds 24-hour vitality. Existing incentives should be maintained and new ones created to encourage housing and mixed-use projects in and near the downtown area. Housing in excess of the base floor-to-area ratio should continue to be encouraged in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts. Removing maximum dwelling unit density within a building envelope also offers the possibility of a variety of residential unit types and densities.

IMPLEMENTATION 1.6

■ The Planning Department will review the following incentives for commercial project developments in the Downtown C-3 District: floor-to-area ratio (FAR) exemption for

housing; no residential parking requirement; and no density requirements for residential projects. Housing in excess of the base FAR in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts has also been proposed by the Board of Supervisors.

- The Planning Department and the Redevelopment Agency will propose increasing height limits, eliminating density requirements and modifying off-street parking requirements in the Transbay/Rincon Hill redevelopment survey areas. The Mid-Market redevelopment survey area will be re-zoned to include mixed-use residential areas and reduced residential parking requirements.
- The Planning Department will continue to implement the Van Ness Avenue Plan which requires residential units over commercial uses.
- The Planning Department will update the Land Use Element to define areas for mixeduse development focused along transit corridors that are determined to be served by sufficient and reliable transit.

POLICY 1.7

Encourage and support the construction of quality, new family housing.

Children and families are very much part of the City's vitality and diversity. They bring life and transform even the City's least child-friendly downtown neighborhoods. But San Francisco's families with children are leaving as family-sized housing become scarce or prohibitive, outbid by more affluent and flexible non-family households that form as a response to the City's high rents and housing costs. The changing demographics of the City also hint at larger, extended families. Families with children and elderly members have few options as only 25% of the City's housing stock has three or more bedrooms. Much of the housing constructed in the last decade were of studios, and one- or two-bedroom units – too small to accommodate larger families. Single-family residential builders and contractors should be encouraged to develop the almost one thousand vacant lots in residential neighborhoods that can accommodate new single-family housing or duplexes.

New family housing, particularly affordable housing, need not be confined to the suburban residential neighborhoods. Children thrive in and can benefit from urban living. The compact nature of urban living can offer children proximity and access to various activities, especially those that appeal to their recreational and cultural interests. New residential development opportunities, including affordable family housing, have been identified in neighborhoods near downtown. Developments that include various unit sizes that can accommodate families with children should be supported and encouraged.

IMPLEMENTATION 1.7

■ In response to the increasing number of families in San Francisco, the Planning Department will develop zoning amendments to require a minimum percentage of larger family units, ranging from two to four bedrooms, in new major residential projects. The Planning Department will also propose eliminating density requirements within permitted building envelopes in downtown areas and areas subject to a Better Neighborhoods type planning process to maximize family units constructed.

- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to administer programs for development of affordable family rental housing. Priority will continue to be given to projects that include affordable family units for the homeless and those at-risk of homelessness, and include supportive services for residents.
- The Planning Department will study the feasibility of "flexible" development projects to accommodate family growth, shrinkage, expansion, and extension. Loft sleeping areas, family rooms and master bedrooms could be designed to ease future conversion to efficiency apartments for family members, or as an income unit.

POLICY 1.8

Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower-income households.

Secondary units (in-law" or "granny units") are smaller dwelling units within a structure containing another much larger unit, frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors and others who, because of modest incomes or lifestyles, prefer or need small units at relatively low rents. Neighborhood acceptance of secondary units should be encouraged in areas where off-street parking can be provided (it could be tandem parking) and where the secondary unit can be installed without adversely affecting the exterior appearance of the building, or in the case of new construction, can be accommodated within the permitted building envelope. Secondary units should be limited in size to control their impact.

IMPLEMENTATION 1.8

- The Board of Supervisors has introduced Planning Code amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit.
- The Planning Department will support efforts and promote educational programs that will help residents in existing neighborhoods understand the advantages of incorporating some secondary units in their communities.
- The Planning Department will study the impacts of relaxing parking requirements for secondary units located in all neighborhoods.
- On-going planning will propose Planning Code amendments to encourage secondary units where appropriate.

POLICY 1.9

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

New and expanding commercial activities increase the City's employment base. These new jobs are important to the residents of the City and the Bay Area and contribute to the continued economic vitality of the region. The workers filling these jobs also increase the City's need for housing. The City's Jobs-Housing Linkage Program, which exacts fees for affordable housing production from commercial developments, should be enforced and monitored. The fee structure should also be reviewed regularly to ensure fair burden on developers.

Similarly, institutions of higher education provide needed services and contribute to the intellectual and cultural life of the City. At the same time, their non-resident student body

presents a housing need. Higher educational institutions should assist in meaningful ways in the provision of additional housing to meet this demand.

IMPLEMENTATION 1.9

- The Planning Department will continue to support the Jobs Housing Linkage Program, which requires that commercial development provide housing or pay an in-lieu fee.
- Institutions are required to have an Institutional Master Plan that conforms to the General Plan. The Planning Department will evaluate higher educational institutions' student housing programs through the required Institutional Master Plan.

HOUSING RETENTION

OBJECTIVE 2

RETAIN THE EXISTING SUPPLY OF HOUSING.

The existing housing stock is the City's major source of relatively affordable housing. It is very difficult to replace given the cost of new construction and the size of public budgets to support housing construction. Priority should be given to the retention of existing units as a primary means to provide affordable housing.

POLICY 2.1

Discourage the demolition of sound existing housing.

Demolition of existing housing often results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly. Demolition often results in displacement of residents, causing personal hardship and relocation problems.

In 1994, the Planning Commission adopted guidelines regarding housing demolition, for situations when such projects require conditional use approval. In addition to the criteria for demolition approval, the guidelines require replacement housing or in-lieu fees to the City's affordable housing fund as full or partial mitigation for each unit lost. The City should continue to discourage the demolition of existing housing that is sound or can be rehabilitated, particularly where those units provide an affordable housing resource.

IMPLEMENTATION 2.1

- The City will continue to implement the Proposition M policy that requires that existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of neighborhoods.
- The Planning Commission will continue to apply Section 311 of the Planning Code to deny residential demolition permits until approval of a new construction permit is obtained.
- The Department of Building Inspection in consultation with the Planning Department will develop and periodically update criteria and continue to evaluate the soundness of housing before granting demolition approval.
- The Planning Department will continue to require replacement housing or in-lieu fees paid to the City's affordable housing fund as mitigation for the demolition of sound housing units.
- The feasibility of expanding the demolition definition will continue to be evaluated in order to prevent the loss of housing classified as "alterations."

POLICY 2.2

Control the merger of residential units to retain existing housing.

The Planning Commission has adopted policies that require Discretionary Review for all dwelling unit merger applications. The Housing Element, General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives are used to consider merger proposals on a case-by-case basis. Specifically, these criteria state that when reviewing applications for the removal of a legal dwelling unit, the Planning Commission must consider the detrimental effects to the housing supply, landmark designations, and planned owner occupancy. The Planning Commission must also work to minimize displacement, and ensure code compliance and structural safety.

IMPLEMENTATION 2.2

The Planning Department will continue to require Discretionary Review for all dwelling unit merger applications. Merger proposals will be considered on a case-by-case basis and approved or rejected on their individual merits as they pertain to policies of this Housing Element, the General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives. Detrimental effects to the housing supply, the minimization of displacement hardships, code compliance, structural safety, landmark designations, and planned owner occupancy will continue to be considered during Discretionary Review.

POLICY 2.3

Restrict the conversion of rental housing to other forms of tenure or occupancy.

Conversion of existing rental apartment buildings to condominiums, stock cooperatives or tenants-in-common ownership, depletes the supply of the City's more affordable housing stock. It also brings into conflict two desirable goals — expansion of homeownership opportunities and

preservation of the existing rental housing stock. While conversions to condos, co-ops, and tenancy-in-common expand the number of units available for purchase, they do so by reducing the number of units available for rent. As a result, existing and future tenants who cannot buy at that time can be displaced. Similarly, the use of large, older apartment buildings for time-sharing or corporate suites can cause displacement of existing residents.

In general, conversions should not shift the balance between ownership and rental housing, and should protect potentially displaced tenants to the maximum extent possible. Closely evaluating proposed conversions and limiting the number of conversions annually, should achieve a reasonable balance between ownership and rental housing. Conversion of rental housing to time share or corporate suite use should be prohibited.

IMPLEMENTATION 2.3

- The City will continue to limit the conversion of rental housing with the Condominium Conversion Ordinance. This ordinance limits the annual number of units converted and allows only small projects with owner occupants to be considered for conversion. Conversion approval will continue to require a high degree of tenant intent to purchase their rental unit as a condition of approval. The conversion criteria include Tenant Rights Rules. Renters are given the right to purchase their unit at a price established by the owner or they can choose to rent the unit at their current rent for one year after the conversion is complete. Tenants who are 62 or older are entitled to a lifetime lease.
- The City will evaluate requiring sales price limitations on existing low and moderateincome housing units that are proposed for conversion.
- The City will study requiring a portion of any condominium conversion subdivision to remain permanently affordable and requiring developers to construct an equivalent number of similar units elsewhere or pay an equivalent in lieu fee to the City's Affordable Housing Development Fund.

 Conversions to uses other than housing should not be permitted unless a specific evaluation by the Planning Commission concludes that there is clear and convincing evidence that such conversion is the only recourse in the interest of the common weal.

POLICY 2.4

Retain sound existing housing in commercial and industrial areas.

Many parts of San Francisco were developed before there were zoning regulations that separated various types of land uses. As a result, thousands of housing units were built in areas that also contain industrial and commercial uses and have since been zoned industrial or commercial. Many of these housing units are sound or could be rehabilitated. They represent a significant portion of the City's affordable housing supply and would be very difficult to replace. Yet, in many of the areas that such housing is located, it could be profitable to convert to a non-residential use.

In many neighborhood shopping areas, conversions of upper floor housing units to non-residential use are subject to conditional use review. Under such review, the desirability of retaining the housing can be weighed against the public benefits to be gained by the alternative use. As a general rule, conversion should be considered only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial district. Similarly, in downtown commercial districts, conversion to non-residential use should be subject to conditional use review.

Housing enclaves in industrial areas should be protected by residential or special use district zoning, so that conversion to non-residential uses cannot take place. However, the continuation of residential uses on scattered and isolated lots within developed industrial areas can cause conflict with legitimate industrial needs. Here, conversion should be a conditional use so that the specific industrial need can be weighed against the need to conserve housing.

- The Planning Department will continue to support existing housing in commercial and industrial areas by regulating conversions as provided in the Planning Code.
- As part of the Planning Department's current citywide action plan, planning efforts in the eastern neighborhoods of the City, where housing exists in commercial and industrially zoned districts, should address housing retention as new policies and zoning are established. Mixed use should be encouraged where appropriate.

POLICY 2.5

Preserve the existing stock of residential hotels.

Residential or single-room occupancy hotels (SROs) represent a unique and often irreplaceable resource for thousands of lower income elderly, disabled, and single-person households. Most of these hotels are close to downtown and have been subject to strong economic pressures that led to conversion or demolition. As San Francisco grew as a tourist center, many of these hotels have been converted to permanent or seasonal tourist uses. Others have been demolished and replaced with other uses. Some of these SROs are being used as family housing. In the City's tight housing market, some downtown SROs have also become dormitories and efficiency apartments for nearby educational institutions. In the last five years, fires and other safety code violations have displaced hundreds of low-income residents.

The retention of remaining units housing permanent residents should be supported. Residential hotels located in predominantly residential areas should be protected by zoning that does not permit commercial or tourist use. In non-residential areas, conversion of units to other uses should not be permitted or be permitted only where a residential unit will be, or has been, replaced with a comparable unit elsewhere. For those hotels that are operated as mixed tourist/permanent resident hotels, strict enforcement is needed to ensure that the availability of the hotel for permanent residential occupancy is not diminished. The Residential Hotel

Ordinance currently regulates and protects the existing stock of residential hotels. This ordinance requires permits for conversion of residential hotel rooms, has a strong replacement provision, and requires 80% of cost of replacement to be provided to the City in the case of conversion or demolition. The City should facilitate the purchase and master lease of residential hotels by non-profit entities for the purpose of improving the quality of the housing and achieving long-term affordability.

IMPLEMENTATION 2.5

- The Department of Building Inspection and the San Francisco Fire Department will continue to regulate the safety of these buildings through annual inspections.
- The City will continue to facilitate the transfer of residential hotels to effective non-profit housing organizations to ensure permanent affordability, livability, and maintenance.
- The City will work to reauthorize the Single Room Occupancy Hotel Safety and Stabilization Task Force set to expire in 2003. This task force will continue to monitor, develop and present recommendations to San Francisco Mayor and Board of Supervisors regarding policies and procedures around fire prevention, investigations and prosecution of SRO violators, and stabilization of hotel tenants and residents.

POLICY 2.6

Consider legalization of existing illegal secondary units where there is is neighborhood support and the units can conform to minimum Code standards of safety and livability and the permanent affordability of the units is assured.

It is estimated that over 20,000 housing units in the City were built without a building permit. These units may exceed allowable densities, may not provide for current parking requirements, or may not meet minimum standards set forth in the San Francisco Building Code. However,

these units constitute a major source of affordable housing in the City and their loss would dramatically increase pressure on the housing market.

Proposals to allow legalization of secondary units under certain conditions have been made over the years but have not been adopted because of neighborhood opposition. Some units have been eliminated through abatement proceedings, largely originated by complaints, while additional units continue to be created without permits. The City should develop procedures to legalize existing illegal secondary units and bring them into code compliance.

IMPLEMENTATION 2.6

Consistent with Policy 2.6, study the legalization of existing secondary units. This study will examine: the reduction of permitting fees and elimination of additional penalties to make legalization an attractive option for owners; ways to address neighborhood concerns as to the legalization of secondary units; regulation which might be required to mitigate neighbors' concerns about off-street parking; and implementation mechanisms for keeping secondary units affordable.

HOUSING CONDITION

OBJECTIVE 3

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

Over one-half of San Francisco housing is more than 60 years old. As the City's housing stock ages, maintenance becomes increasingly important. Considerable private investment into the renovation of some of the City's older housing units has lessened the need for some types of direct public intervention used in the past. There is, however, a continuing housing rehabilitation need. The City should monitor those areas of the city particularly susceptible to a decline in housing quality, and take appropriate remedial steps where necessary.

POLICY 3.1

Ensure that existing housing is maintained in a decent, safe, and sanitary condition, without increasing rents or displacing low-income households.

The City should ensure that residential units meet building code standards by periodic inspection of apartments and hotels and prompt response to complaints. Code compliance activities should be designed to minimize any financial hardship for lower income households brought on by required rehabilitation. Low interest and deferred payment loan programs should be targeted to low and moderate-income tenants

IMPLEMENTATION 3.1

The San Francisco Department of Building Inspection will continue to ensure that residential units meet building code standards by responding to complaints and through periodic inspection of apartments and hotels.

- The Department of Building Inspection will continue to issue code violations for residential properties that are not decent, sanitary, or safe. If violations are repeatedly ignored and not corrected, the City Attorney's Office will continue to assist in abatement.
- The Mayor's Office of Housing will continue to offer low interest and deferred payment loan programs designed to target and benefit low-income homeowners including the Code Enforcement Rehabilitation Fund (CERF) and Community Housing Rehabilitation Program (CHRP).
- The Mayor's Office of Housing will continue to provide funds for rehabilitating existing housing with affordability restrictions in order to improve living conditions for tenants and extend the properties' useful life as affordable housing.

Preserve at risk, privately owned assisted housing.

Privately owned and operated assisted housing is under continuing pressure to convert to market rate housing. Existing funding levels for some developments have either failed to keep pace with actual costs or have less than favorable returns, causing owners to convert units to market rate or sell their properties outright, and thereby removing units from the stock of assisted housing. Policies are needed to encourage the retention of the existing assisted housing stock wherever possible.

IMPLEMENTATION 3.2

• The San Francisco Redevelopment Agency will continue to support the acquisition and rehabilitation of multi-family and senior housing that is at risk of being converted to market rate due to the expiration of existing rental subsidy contracts or the prepayment of HUD-insured mortgages.

Maintain and improve the condition of the existing supply of public housing.

The San Francisco Housing Authority is the largest landlord in San Francisco with over 6,200 units, and is one of the most important sources of permanently affordable housing for low-income households. Operating subsidies and modernization funds provided by the Federal government have not been adequate to keep this conventional public housing in sound condition. Increased Federal support, innovative local financing techniques, energy efficiency measures, and creative property management and customer service are all required to maintain and improve this valuable supply of affordable housing. Additionally, inter-agency collaboration and long-range plans for public housing are being developed, including identifying opportunities for potential mixed income in-fill development in underused lands and where consistent with overall social goals.

IMPLEMENTATION 3.3

- The San Francisco Housing Authority will continue to administer the HOPE VI grants. Recent grants will help revitalize five housing sites and provide 1,228 affordable housing units. Additional funds will add 137 accessible and 207 adaptable apartments to the SFHA stock.
- The San Francisco Housing Authority will continue to manage other publicly assisted projects. Capital Fund Program (CFP) and Community Development Block Grants (CDBG) will assist in sustaining comprehensive modernization and capital improvements at SFHA sites. The average annual operating funding is \$15 million, and its focus is to stabilize living conditions in the current housing stock.
- The San Francisco Housing Authority will continue to maintain communication between housing organizations in the city through the CHAS Public Housing Subcommittee. The San Francisco Housing Authority has created the San Francisco Housing Corporation, a 501(c)3 non-profit corporation which leverages and maximizes resources and assists in the sustainability of programs for low-income households.

Monitor the correction of serious continuing code violations to prevent the loss of housing.

Code enforcement on hardship cases can present particular housing challenges. In some cases, compliance with full requirements should be deferred to the extent legally permissible if all life safety hazards are abated. In particular, the City should extend the period allowed for code compliance to avoid displacement of low- or moderate-income households until replacement housing can be found.

Where there is a refusal to correct serious but remediable violations, the City should exercise its ability to make the repairs and recover the costs by putting a lien on the property. In aggravated cases, the buildings can be placed in City receivership. Public assistance should then be provided to maintain affordability levels.

IMPLEMENTATION 3.4

- The Mayor's Office of Housing will continue to administer and promote the Code Enforcement Rehabilitation Fund (CERF) program to correct building code violations in housing for low-income residents.
- The City will continue to abate serious, repeated, building code violators.
- The City Attorney's Code Enforcement Task Force will continue its activities.

POLICY 3.5

Improve the seismic stability of existing housing without reducing the supply of affordable housing.

Despite substantial retrofitting efforts in the last decade following the Loma Prieta earthquake, there are about 8,590 residential units in unreinforced masonry buildings in San Francisco that

require structural strengthening. Because these buildings are not sufficiently reinforced and the floors are not adequately tied to the walls, they are vulnerable to damage or collapse in an earthquake. Residential hotels, which are predominantly occupied by persons of relatively low incomes, make up much of these buildings at risk. These remaining buildings are located in the South of Market, the Tenderloin, Chinatown, and along the Bush Street and Van Ness Avenue corridors. Retrofitting programs should safeguard affordability and minimize displacement of low-income residents.

In addition to unreinforced masonry buildings, there are other residential buildings that are also vulnerable to damage in an earthquake. In many cases, property owners can undertake relatively inexpensive measures such as bolting frames to foundations and installing shear walls where needed. The Office of Emergency Services has updated and improved the City's Emergency Preparedness Plans. The City should continue its building seismic safety informational programs and also pursue technical assistance programs targeting earthquake safety precautions. These issues are also addressed in the Community Safety Element of the General Plan.

IMPLEMENTATION 3.5

The Seismic Safety Bond Program will continue to fund the seismic rehabilitation of unreinforced masonry buildings to the extent that demand for funds continues to exist.

- The City Department of Building Inspection (DBI) will continue to mandate the seismic retrofit of unreinforced masonry buildings.
- The DBI is also developing a Community Action Plan for Seismic Safety (CAPSS) which is investigating the impacts of potential earthquakes and developing policies and programs to reduce these impacts.

Preserve landmark and historic residential buildings.

The preservation of landmarks and historic buildings is a priority policy of the City's General Plan. Landmarks and historic buildings are important to the character and quality of the City's neighborhoods and are also important housing resources. A number of these structures contain housing units particularly suitable for larger households and families with children. More specific policies for these buildings will be contained in the Preservation Element, currently being prepared.

IMPLEMENTATION 3.6

- The Planning Commission will review and adopt the Preservation Element of the General Plan.
- The Planning Department and the Department of Building Inspection will continue to regulate the preservation and protection of landmark and historic buildings by monitoring use, alterations, and demolition.
- The City will continue to implement the Proposition M priority policy that landmarks and historic buildings be preserved.
- The Planning Department's Citywide Cultural Resource Survey program is a multi-year effort that will document resources in neighborhoods and commercial areas throughout San Francisco.
- The Mayor's Office of Housing and the Redevelopment Agency will continue to fund the acquisition and rehabilitation of landmark and historic buildings for use as affordable housing.

- The Planning Department will encourage property owners to use preservation incentives to repair, restore, or rehabilitate historic resources in lieu of demolition. These include federal tax credits for rehabilitation of qualified historical resources, Mills Act property tax abatement programs, the State Historic Building Code, and tax deductions for preservation easements.
- The Planning Department will continue to assist in federal environmental review and review under Section 106 of the National Historic Preservation Act for historically significant local buildings receiving federal assistance.

HOUSING AFFORDABILITY

OBJECTIVE 4

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

POLICY 4.1

Actively identify and pursue opportunity sites for permanently affordable housing.

Publicly owned land represents one potential source of sites for affordable housing. Government agencies should actively maintain an inventory of land within their jurisdiction and, with the Planning Department, identify sites with the potential to support housing development. This evaluation could include options for joint development or relocation of current facilities to other sites. Such appropriate and available public land, along with other financial subsidies, should

then be considered for the development of housing. Priority should be given to immediate development of those public sites where 100% permanently affordable housing is achievable.

Large and privately held land parcels should also be identified and actively promoted for affordable housing. New programs should be established to acquire land and appropriate buildings for land and building "banking" in advance of specific project proposals.

While housing development can be incompatible with certain industrial uses and threaten viable activities, housing opportunity areas may exist in the primarily non-residential areas on the eastern side of the City. Land use analyses should continue and identify housing opportunity areas in the five Eastern Neighborhoods of South of Market, the Mission, Potrero/Showplace Square, South Bayshore, and Visitacion Valley. Any rezoning of industrial land to residential use should include requirements, incentives and bonuses to encourage the development of attractive and affordable housing. Program Environmental Impact Reports (EIRs) should be developed for those areas with sufficient detail to eliminate need for subsequent project EIRs on residential projects.

IMPLEMENTATION 4.1

- The City's Affordable Housing Fund provides funds to the Mayor's Office of Housing (MOH) to respond to housing opportunities in areas of the City that are not in Redevelopment Agency Project or Survey Areas and outside Mission Bay. This fund, derived from payment of fees to the City by office, entertainment, hotel, retail, and research and development developers, will continue to be used to construct new affordable housing.
- The City's Housing Participation Policy provides for affordable housing to be developed as part of market-rate housing developments in all redevelopment project areas on-site or an in-lieu fee is imposed.
- The City will explore land banking in advance of specific project development proposals when possible.

- The City will work to identify underutilized, vacant, and brownfield sites that are publicly or privately owned and suitable for affordable housing development. The City will work with for profit and non-profit housing developers to acquire these sites for permanently affordable housing.
- Program EIRs will be developed for new planning areas included in the Citywide Action Plan with sufficient detail to eliminate the need for subsequent project EIRs on future permanently affordable housing. Wherever the capacity for development is increased through rezoning or other regulation changes, commensurate requirements for public benefits, including increased housing affordability and community amenities for livability should be required.
- Permanently affordable housing sites will be especially sought out in places where transportation and existing amenities are in place.
- The revised Land Use Element will identify appropriate sites for permanently affordable housing.

POLICY 4.2

Include affordable units in larger housing projects.

Inclusion of affordable housing is currently required of new housing projects containing 10 or more units. Although preference is given to on-site inclusionary housing to ensure economic integration in housing development, off-site construction should be considered if this results in significant numbers of new affordable housing. The City's inclusionary affordable housing program should be monitored and reviewed regularly to ensure fair burden and not constrain new housing production.

- The Planning Department will implement its recently updated Inclusionary Affordable Housing requirement, which requires 10% to 17% of units in all projects with 10 units or more be made affordable.
- The Mayor's Office of Housing will continue to administer the sales and leasing of units created through the Inclusionary Affordable Housing program. MOH will develop proposals to ensure availability of adequate funding to administer the inclusionary program.
- The San Francisco Redevelopment Agency will implement its Housing Participation
 Policy to require affordable housing through its owner participation and land disposition process.
- If housing projects are built on city-owned property, the percentage of affordable housing units should be increased and the units should be affordable to less than 60% of the Area Median Income for renters and less than 100% of the Area Median Income for home owners.

POLICY 4.3

Encourage the construction of affordable units for single households in residential hotels and "efficiency" units.

San Francisco has a relatively large stock of older residential hotels. The 1995 Single Room Occupancy Guidelines and accompanying Planning Code changes affecting densities, provision of kitchen facilities and parking now regulate the creation of these types of units. The Yerba Buena Commons, completed in 1995, demonstrated that it is possible to provide small but good quality units for single persons. Appropriate sites and sponsors for both market rate and affordable residential hotels should be developed.

- Restrictive regulations in the Building and Planning Code will be studied by the Planning Department for possible modification.
- Appropriate sites and sponsors for affordable residential hotels will be identified through
 a coordinated effort between the Planning Department, the Mayor's Office of Housing
 and the Redevelopment Agency.
- Affordable housing advocacy groups will be encouraged by the City to hold project specific neighborhood acceptance community meetings when SRO housing developments are proposed in particular neighborhoods.
- The City will require that qualified property management companies be responsible for operating newly constructed SROs so that the facilities and associated services will be properly maintained and suitable for occupancy in the future.

POLICY 4.4

Consider granting density bonuses and parking requirement exemptions for the construction of affordable housing or senior housing.

Current state law calls for adoption of an ordinance permitting a 25% density bonus for projects which provide 20% of the units for lower-income households, 10% of the units for very-low-income households, or 50% of the units for senior citizens. The City should allow higher density bonuses where such housing will not disrupt neighborhood character or scale. The current code allows a density bonus for units designed for seniors and/or disabled occupants in R and NC districts. The current Planning Code provision of establishing special use district overlays for projects that are 100% affordable should be reconsidered; density bonus standards and other requirements uniformly applied citywide. Density bonuses should be conferred only when public benefits are provided.

- The Panning Department will look at establishing uniform density bonus standards and equal requirements for affordable and senior housing development. Until then, affordable and senior housing projects will continue to be granted density bonuses and reduced parking requirements on a case-by-case basis.
- The Planning Department will investigate appropriate parking requirements for all affordable or senior housing projects.

POLICY 4.5

Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings.

However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density. Here the building envelope, as established by height, bulk, set back, parking and other Code requirements, would set the maximum residential square footage which could be subdivided into a greater number of smaller units or a smaller number of larger units.

The Planning Department will explore ways to promote flexibility within a given building envelope to build a variety of unit types, ranging from a greater number of smaller units to fewer larger family units.

POLICY 4.6

Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production.

Prefabricated or manufactured homes can be a valuable source of low cost housing. At its best, manufactured housing uses high technology and mass production techniques to reduce costs without sacrificing quality of design. Industrialized wood construction techniques used in lower density housing and light-weight prefabricated, pre-stressed concrete construction in moderate and high density housing also have the potential of producing great savings in construction time and cost. The use of these and similar techniques should be encouraged. Their use as temporary, emergency or transitional shelter on otherwise unutilized sites should be explored.

IMPLEMENTATION 4.6

- A low cost housing construction task force will be formed between the Mayor's Office of Housing, Department of Building Inspection, the Planning Department and the housing design and construction industry.
- In order to lower cost, the building industry will be encouraged to investigate the use of industrialized wood construction techniques in lower density housing, and the use of lightweight prefabricated, pre-stressed concrete construction, in moderate and high density housing.

- Allow secondary units in conformance with Policy 1.8.
- The City will work to encourage manufactured home production, per California law (Government Code 65852.3) that permits all manufactured homes built under HUD guidelines and on a foundation to be placed on lots zoned for conventional single-family residential dwellings.
- The Planning Department will encourage industry representatives to develop a model site to showcase the manufactured home product. This site will be used to educate the public with good models and dispel negative attitudes and inaccurate perceptions of manufactured home production.
- The Planning Department will write architectural compatibility guidelines to ensure that manufactured homes will blend into existing neighborhoods and alleviate public concern over design compatibility.
- The Planning Department will continue to support developers constructing co-housing, shared housing and group housing.
- The City will work with housing advocates to educate residents about the misconceptions of shared housing.
- Design zoning controls that meet the specific needs of artists.

OBJECTIVE 5

INCREASE THE EFFECTIVENESS AND EFFICIENCY OF THE CITY'S AFFORDABLE HOUSING PRODUCTION SYSTEM.

POLICY 5.1

Prioritize affordable housing projects in the planning review and approval processes, and work with the development community to devise methods of streamlining housing projects.

The Planning Department's review and approval of affordable housing projects should be improved to reduce costly and significant delays. Without diminishing public participation, the administrative processing and approval of affordable housing should be expedited through administrative action, local and State_legislation.

IMPLEMENTATION 5.1

- The City will advocate for the shortening of the time period for environmental review under the California Environmental Quality Act (CEQA) for affordable housing projects.
- City agencies will work to expedite affordable housing applications.
- The Planning Department will establish a program for preparing Area Plan Environmental Impact Reports (EIRs) for affordable housing project sites to eliminate the need for conditional use permits and subsequent EIRs.
- The Planning Department will develop a streamlining process to consolidate the public hearing process and avoid duplicative discretionary hearings and appeals.
- Affordable housing advocacy groups and project sponsors will be encouraged by the City to conduct project specific neighborhood workshops to foster neighborhood understanding and acceptance of affordable housing projects.
- The City Attorney's office will work to establish neighborhood dispute resolution methods to minimize administrative appeals and judicial challenges of projects.

POLICY 5.2

Support efforts of for-profit and non-profit organizations and other community-based groups and expand their capacity to produce and manage permanently affordable housing.

Non-profit housing development corporations have proven to be effective vehicles for the development of affordable housing. The City should continue to provide them with the technical and financial assistance to increase their production capacity and encourage and invite for-profit developers to build equivalent housing.

IMPLEMENTATION 5.2

The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to fund and provide technical support to non-profit housing corporations and invite and encourage for-profit builders to avail of the same opportunities.

POLICY 5.3

Create greater public awareness about the quality and character of affordable housing projects and generate community-wide support for new affordable housing.

Affordable housing projects are frequently delayed or withdrawn because of community opposition. Greater public awareness of affordable housing challenges and potential solutions is needed to gain broader, long-term support for housing strategies.

IMPLEMENTATION 5.3

- City agencies and housing advocacy groups will coordinate community outreach efforts that support neighborhood acceptance of permanently affordable housing developments.
- The City will continue to support affordable housing by publicizing permanently affordable developments with good design and effective management.

- Past affordable housing developments should be evaluated and their actual achievements documented and publicized.
- Continuing problems associated with these developments should be examined and rectified, and appropriate corrections made in future developments.

POLICY 5.4

Coordinate governmental activities related to affordable housing.

The City is required by federal Department of Housing and Urban Development (HUD) to prepare a five year Consolidated Plan to guide community development and housing assistance programs. The Consolidated Plan is the compilation of a coordinated effort between federal, state and local agencies that contribute to the production of housing and related services in San Francisco. This Plan was recently submitted to HUD in 2000.

IMPLEMENTATION 5.4

- The Mayor's Office of Community Development and the Mayor's Office of Housing will continue to draft and distribute the Consolidated Plan.
- The Planning Department will continue to work with the Redevelopment Agency and Mayor's Office of Housing to devise clear and consistent application procedures for homeownership programs.

OBJECTIVE 6

PROTECT THE AFFORDABILITY OF EXISTING HOUSING.

POLICY 6.1

Protect the affordability of units in existing buildings at risk of losing their subsidies or being converted to market rate housing.

A number of subsidized housing developments were created with federally supported mortgages and project-based rental assistance. Many of these projects have reached the 20-year mark and the owners of the developments have an option to prepay existing mortgages and terminate the project-based rental assistance contracts.

IMPLEMENTATION 6.1

- The City will continue to advocate at both the state and federal levels, for the preservation of housing subsidies. MOH and SFRA will continue to work with state and federal agencies to develop programs to assist HUD sponsored housing with expiring subsidies.
- The San Francisco Redevelopment Agency will continue to administer the Preservation of At-Risk Existing Affordable Housing program.
- In order to prevent the loss of affordable housing resulting from early termination of HUD mortgages, the City will explore the creation of a residents and/or non-profit ownership and management program to acquire existing "at risk" buildings.
- The City will work to prioritize relocation of tenants who lose Section 8 subsides.
- SFRA will continue to advocate for local, state, and federal legislation that supports local efforts to preserve at-risk developments.

- SFRA will continue to assist developers interested in preserving the affordability of atrisk housing.
- The City will continue to enforce the City's preservation ordinance that requires proper notification prior to transfer of an at-risk development.

POLICY 6.2

Ensure that housing developed to be affordable is kept affordable.

Affordable housing units that are created by various City actions should be required to remain affordable for as long a period as is legally permissible and financially practicable. The necessity of such requirement is underscored by the magnitude of the potential loss of existing HUD-financed affordable rental units that had a 20-year period for continuance of below market rents. In the past, locally assisted units have been required to remain at affordable rental rates or sales prices for periods as short as ten years. As the experience with expiring HUD contracts indicates, expiration dates arrive all too soon and a problem thought to be solved becomes a problem again. Most recently, the City has imposed 50- to 75-year terms. If legally permissible and financially practicable, an even longer term should be required. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties.

IMPLEMENTATION 6.2

- Affordable housing funded by MOH and SFRA will be required to maintain affordability
 as long as legally permissible and financially practicable. This requirement will continue
 to be enforced by Regulatory Agreements and other legally binding instruments.
- The City will ensure all publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes.

POLICY 6.3

Safeguard tenants from excessive rent increases.

In recent years the demand for the limited housing supply has resulted in substantial rent increases. Sometimes this has caused displacement or economic hardship. The regulatory process that stabilizes rent levels protects tenants from excessive rent increases and arbitrary eviction while at the same time allowing the landlord a fair rent and sufficient incentives to maintain housing quality should be maintained.

IMPLEMENTATION 6.3

 The Rent Control Board safeguards tenants from excessive rent increases under the Residential Rent Stabilization and Arbitration Ordinance.

POLICY 6.4

Achieve permanent affordability through community land trusts and limited equity housing ownership and management.

The American dream of homeownership is beyond the reach of many San Francisco households. First-time homebuyer programs sponsored by the City and private lending institutions should be encouraged and broadened to include second mortgage loan pools or other appropriate mechanisms to help buyers meet down-payment requirements. To stem speculation, such housing programs should include affordability restrictions. Conversion of buildings by their tenants to limited equity cooperatives and condominiums can stabilize prices and, as general home sales prices increase over time, can lower housing costs. The City should encourage these forms of ownership.

- The Mayor's Office of Housing will continue to administer first time homebuyer programs, which includes the City Second Loans, the Condominium Conversion Program, and the Inclusionary Affordable Housing Program.
- The City will investigate the feasibility of community land trusts and other alternative ownership models.
- The City will continue to work to ensure that publicly funded homeownership projects remain affordable through deed and lease restrictions, and where practical, limit equity return so that homeownership remains affordable.

POLICY 6.5

Monitor and enforce the affordability of units provided as a condition of approval of housing projects.

Over the years, the city has in certain instances required the provision of affordable housing units as a condition of approval of a project. Monitoring and enforcement are needed to ensure the continued availability of these units. Stiff penalties for non-compliance should be created to provide strong economic disincentives against loss of required affordable housing units. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties.

IMPLEMENTATION 6.5

 The Mayor's Office of Housing and the City Attorney's Office will continue to monitor compliance with affordability and occupancy restrictions. The Mayor's Office of Housing and the Planning Department will work to establish an adequate fee system to financially support the costs of a comprehensive affordable housing monitoring program.

OBJECTIVE 7

EXPAND THE FINANCIAL RESOURCES AVAILABLE FOR PERMANENTLY AFFORDABLE HOUSING.

POLICY 7.1

Enhance existing revenue sources for permanently affordable housing.

Existing financial programs, including Federal and State low-income tax credits and various HUD programs, should be maintained at maximum levels. Extensive lobbying efforts at State and Federal levels need to be carried out to protect the existing programs and create new ones. Joint metropolitan and statewide efforts to develop more creative revenue resources should be supported.

Incremental tax revenues in Redevelopment project areas can be used for affordable housing. The Redevelopment Agency has a policy of allocating at least 50% of its increment funds for low and moderate income housing construction or renovation.

IMPLEMENTATION 7.1

 The City supports efforts and advocate for the expansion of federal and state financing for affordable housing.

- The San Francisco Redevelopment Agency will continue to promote permanent affordable housing by approving the construction of housing in designated redevelopment areas and by providing financing for the development of affordable housing throughout the city.
- The Mayor's Office of Housing will continue to provide funding to increase and preserve the stock of affordable rental and ownership housing units for the City's very low to moderate income population. The Mayor's Office of Housing will continue to monitor projects on an annual basis that receive affordable housing funds to ensure on-going compliance.
- The Planning Department and the Mayor's Office of Housing will periodically reassess the fee levels of the Jobs-Housing Linkage Program, whereby new office developments are obligated to assist in the production of housing, to determine their adequacy and appropriate adjustments should be made.
- The Department of Human Services and the Department of Public Health will continue to offer operating subsidies for special needs housing through their supportive housing programs.
- The San Francisco Redevelopment Agency will continue to administer the Tax Increment Housing Program and the Housing Opportunities for People with AIDS Program (HOPWA).

POLICY 7.2

Create new sources of revenue for permanently affordable housing, including dedicated long-term financing for housing programs.

New revenue sources are needed if the City is to make a significant dent in the need for affordable housing. A major source of new revenue to the City that could be allocated to

affordable housing is the real estate transfer tax. Increasing the current tax rate and devoting much of the increased revenue to preservation of affordable housing (see Objective 5) and to new affordable housing development should be given high priority.

IMPLEMENTATION 7.2

- The City will investigate an increase in the real estate transfer tax.
- To the extent feasible, the City will continue to periodically issue affordable housing development bonds.
- The Mayor's Office of Community Development programs will continue to address emergency shelter needs and the Mayor's Office of Housing will continue to administer programs relating to transitional and permanent housing needs.

POLICY 7.3

Develop greater investments in and support for affordable housing programs by corporations, churches, unions, foundations, and financial institutions.

Greater corporate investment in and support for affordable housing should be encouraged. Churches are an untapped source of funding and land, as are dozens of local foundations and trade unions. The City should seek to better coordinate these efforts.

IMPLEMENTATION 7.3

- The City will continue to work with local financial institutions and non-profits to provide credit opportunities to low- and moderate-income individuals and households.
- The City will continue to work with local financial institutions to meet their community reinvestment obligation under the Community Reinvestment Act.

 The Mayor's Office of Housing will continue to work to better coordinate local affordable housing efforts through the Consolidated Plan process.

HOUSING CHOICE

OBJECTIVE 8

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

Population diversity is one of San Francisco's most important assets. To retain this diversity, a variety of housing opportunities should be available. Households should be able to choose the form of tenure most suitable to their needs, from either a rental or an ownership housing stock. A variety of unit sizes is also important, so that both larger and smaller households can be accommodated in adequate numbers. Units of varied costs are necessary to provide opportunities for households of different income levels. Finally, there should be units with special features and services suitable for households with special needs.

Social and economic factors can discriminate against certain population groups and limit their housing opportunities, leading to patterns of economic and racial segregation. Families with children are constrained by the types, sizes, and cost of units available to them. Access to units suitable for larger households tends to be limited by erosion of the older housing stock and discriminatory rental practices. Standard housing units with special features for elderly and handicapped persons are also in short supply. Housing that meets the needs and is affordable for artists is also lacking. If San Francisco is to retain its economic, racial, and cultural diversity, opportunities should be expanded for population groups for whom affordability and accessibility are crucial.

POLICY 8.1

Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.

Since approximately two-thirds of San Francisco's residents are renters, the availability of sound and affordable rental housing is of major importance, especially for the young and elderly populations and low and moderate income families who tend to rent their residence. Low vacancy rates and high rents are indicators of a continuing demand for rental housing. The City should make a concerted effort to do what is within its control to encourage the development of permanently affordable rental housing.

IMPLEMENTATION 8.1

The Mayor's Office of Housing will continue to implement affordable rental housing programs for families, seniors, and households with special needs.

- City Agencies and non-profits will continue to implement subsidy, development and land use programs that preserve existing rental housing and encourage the development of new rental housing, particularly permanently affordable rental housing. The City will ensure that all newly constructed, publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes
- Ensure that the First Source Hiring Program is fully implemented, thus aiding people's ability to afford housing.

POLICY 8.2

Employ uniform definitions of affordability that accurately reflect the demographics and housing needs of San Franciscans.

Median income figures are reported by the U.S. Department of Housing and Urban Development for the three county area comprised of San Francisco, Marin and San Mateo counties, referred to as the Primary Metropolitan Statistical Area (PMSA). Because average incomes are higher in Marin and San Mateo than they are in San Francisco, there is an upward bias to the numbers. For example, in 2000, the PMSA median family income was \$74,900. The 2000 Census, however showed that the median family income for the City and County of San Francisco was \$63,545 – about 85% of the area median income for the three county area covered by the PMSA.

| | Maximum HUD Income | Goal for Average SF Incomes |
|--------------------|-----------------------|-----------------------------------|
| Rental Programs | | |
| Low Income | 80% of AMI | 60% of AMI |
| Very Low Income | 50% of AMI | |
| Ownership Programs | | |
| Moderate Income | 120% of AMI | 100% of AMI |

In order to ensure that households at lower income levels are adequately served, the city's programming for affordable housing should target households at incomes lower than 85% of median. This has been done, for example, in rental projects in which the city is providing subsidy (land or financing or both) where the affordable rental units are required to be equal to or less than 60% of the PSMA median.

IMPLEMENTATION 8.2

- The Mayor's Office of Housing administers the annual affordability standards established by HUD to the various city agencies. The Planning Department will work with the Mayor's Office of Housing and the various City agencies to periodically review these standards for adequacy.
- The City will work to adopt income limits for affordable housing programs that target assistance to households who are low income by San Francisco standards, as well as meet the HUD area median requirements.

The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to establish goals for programs and individual projects to ensure that, to the maximum extent feasible, they serve households at a variety of income levels, rather than just households at the top of eligible income ranges.

POLICY 8.3

Ensure affirmative marketing of affordable housing.

Periodic reporting on the composition of resident populations in various publicly supported housing projects and affordable units required as a condition of permit approval should be required to facilitate compliance monitoring. Counseling and education to maintain housing rights should be promoted.

The State and Federal Housing requirements regarding displacement prohibitions, and other restrictions where affordable housing rehabilitation or construction might impact the community, should be adopted as City policy. Available affordable housing should be advertised in multilingual media to ensure fair marketing practice. The City should monitor and strictly enforce these requirements. The City's Human Rights Commission protects persons from housing discrimination on the basis of race, religion, color, ancestry, age, sex, sexual orientation, gender identity, disability, place of birth, HIV/AIDS status, weight or height, families with minor children, source of income, and economic discrimination. Community forums including the Human Rights Commission should be provided in order to diffuse unwarranted opposition to affordable housing.

IMPLEMENTATION 8.3

The City's Human Rights Commission (HRC) will continue to support and monitor the Fair Housing Access laws and advise the Mayor's Office of Housing and the Mayor's Office on Disability on issues of accessibility and impediments to Fair Housing. The

HRC will investigate and mediate discrimination complaints. When appropriate, the HRC will provide referrals to other government agencies.

- The HRC will continue to assist in resolving landlord-tenant problems in rental housing, including single room occupancy hotels.
- The San Francisco Redevelopment Agency and the Mayor's Office of Housing will continue to monitor leasing and sales of assisted housing developments to ensure compliance with affirmative marketing goals and income and rent restrictions.
- The City will continue to require periodic reporting on the composition of resident populations in publicly supported housing projects and affordable units.
- The City will continue to support counseling and educational programs on housing rights for renters.
- The City's affirmative marketing programs for affordable housing shall continue to require outreach to minority communities, including advertising in multi-lingual media.

POLICY 8.4

Encourage greater economic integration within housing projects and throughout San Francisco.

Patterns of economic segregation are evident in San Francisco. Although housing opportunities for low- and moderate-income households are available in many areas of the city, these tend to be concentrated in a few areas. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas of the city.

The affordability of housing is a citywide problem. All neighborhoods of the city should be expected to accept their fair share of affordable housing. This can be effected through

inclusionary affordable housing policies and consideration of secondary units in conformance with Policy 1.8.

Private reinvestment in many areas of the city, in a process of economic gentrification, can result in the displacement of low- and moderate-income households by higher income groups. Special efforts should be made to maintain the economic diversity of these areas.

IMPLEMENTATION 8.4

- The Planning Code's Inclusionary Affordable Housing Ordinance will require all residential and live/work developments of 10 units or more to provide inclusionary housing units, or to pay the required in-lieu fee.
- The City will encourage economic integration by locating new assisted housing opportunities outside existing areas of concentration of low-income households.

POLICY 8.5

Prevent housing discrimination.

To ensure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. The Human Rights Commission enforces the City's Fair Housing Law and handles complaints of housing discrimination. Residential apartment owners should also be prohibited from using arbitrary income and restrictive occupancy requirements that unnecessarily exclude lower income families.

IMPLEMENTATION 8.5

The Human Rights Commission (HRC) will continue to support and monitor the U.S. Department of Housing and Urban Development's Fair Housing Access Laws. HRC will also continue to report to the Mayor's Office of Housing and the Mayor's Office on Disability and the Board of Supervisors with findings and policy recommendations on issues of accessibility and discriminatory barriers.

- The HRC will continue to monitor fair housing practices at housing projects including homeless shelters and transitional housing that receive public assistance.
- SFRA and MOH will continue to monitor all projects for ongoing continued compliance with income and rent restrictions.
- The City will continue to provide funding to encourage equal access to housing for people with HIV/AIDS
- The Planning Department will advocate a mix of unit sizes and types to accommodate special users including senior citizens and physically disabled persons pursuant to Planning Code Section 209.1 during the design review phase of proposed housing projects.
- City and County of San Francisco Ordinances will continue to provide fair housing protection.
- The San Francisco City and County Department of Human Services' housing unit and the Human Rights Commission will continue to investigate and mediate complaints of housing discrimination.

POLICY 8.6

Increase the availability of units suitable for users with supportive housing needs.

The City should support efforts by potential sponsors to identify and develop sites for special users and work cooperatively with social service agencies and housing providers. The City should also seek to reduce institutional barriers to development of innovative forms of housing.

In addition to the disabled, other households with special needs have difficulty finding suitable housing in San Francisco. Many large families, especially those newly immigrated to the United States, are crowded into units designed for much smaller households. New housing construction, especially those including units to accommodate large families, should be encouraged. Many of the City's elderly citizens occupy housing that is not designed to meet their special needs. Shelters and transitional housing facilities are not available in sufficient numbers to meet the needs of the city's homeless population. The mentally disabled also need housing with additional support services.

The City should take an active role to encourage the expansion of the availability of housing units suited to needs of these groups including physical design features and ancillary social and medical service facilities. When units are constructed or rehabilitated to meet the needs of special user groups and have received City support or waivers, there should be monitoring to ensure that such units continue to be occupied by the intended group.

IMPLEMENTATION 8.6

- The City will continue to encourage and support the development of specialized housing types that meet the particular needs of various user groups. This housing will be especially encouraged in transit rich areas of the City, maximizing mobility and accessibility to services.
- To reduce institutional barriers to the development of innovative forms of housing, the
 City will continue to support efforts of potential sponsors to identify and develop sites for special users.
- The City will continue to promote cooperative efforts between social service agencies and housing providers to develop special user housing.
- Units that are constructed or rehabilitated to meet the needs of special user groups and receive City support or waivers will be monitored to ensure that such units continue to be occupied by the intended group.

POLICY 8.7

Eliminate discrimination against households with children.

Households with children often have difficulty finding suitable housing because many landlords do not want children as tenants. The City should prohibit discrimination against children and encourage the construction of units suitable for families with children. In assisted housing, households with dependent children should have preference in rental or resale of multiple bedroom units. The City should continue enforcement of the 1987 ordinance prohibiting residential apartment owners from discriminating against families based on household size unless the Building Code does not permit occupancy of the dwelling by a family of that size.

IMPLEMENTATION 8.7

- San Francisco's Municipal Police Code under Article 1.2 prohibits housing discrimination against families with minor children. This law prohibits the most common forms of discrimination, such as restrictive occupancy standards, rent surcharges and restrictive rules.
- The City will continue to promote access to housing by families by enforcing Section 503(d) of the City's Housing Code.

POLICY 8.8

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

Disabled and elderly San Franciscans are less able to compete for scarce housing units, in part because they often have lower than average incomes. Most housing units are also not physically accessible. The City should take an active role in expanding the availability of units suited to

households with special needs. Congregate housing with central eating facilities is an appropriate form of housing for some elderly households. In accordance with local policy and applicable law, new housing should be made accessible or adaptable to the disabled or elderly. "Accessible" means that the housing presents no physical barriers to handicapped or elderly people. "Adaptable" means housing whose entry and circulation are designed and constructed so that making relatively minor adjustments and additions rather than structural changes can make the unit fully accessible. Federally assisted housing currently requires that at least 5% of all new units are made fully accessible.

IMPLEMENTATION 8.8

- The City will continue to provide protective services to help keep seniors and disabled adults of all circumstances and income levels safe in their own homes rather than in nursing homes through the new Department of Aging and Adult Services.
- The Planning Department will continue to implement Planning Code Section 209, which allows a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when the housing is specifically designed for and occupied by senior citizens, physically or mentally disabled persons.
- The Department of Building Inspection will continue to enforce the standards of accessibility and adaptability for commercial facilities and new residential construction including motels, apartment buildings containing three or more dwelling units, homeless shelter and other specified building types. (Chapter 11A and 11B of the California Building Code).
- The Mayor's Office on Disability (MOD) will continue to ensure access for people with disabilities to City programs and facilities.
- The Mayor's Office of Housing will continue to review affordable housing development programs and projects to ensure that these projects provide not only the

accessibility required by federal, state and local law, but also the greatest accessibility feasible.

POLICY 8.9

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

Since the demand for rental housing continues to significantly exceed supply and less than 8% of San Francisco residents can afford the median home cost, the development of new home ownership opportunities should rely primarily on new construction and not the conversion of rental housing to home ownership.

IMPLEMENTATION 8.9

The City, through the Section 1302(c)2 of the San Francisco Subdivision Code, will continue to promote homeownership opportunities for existing tenants and prevent displacements by requiring a high degree of tenant intent to purchase their rental units as a condition of approval of applications for residential conversion.

POLICY 8.10

Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City.

Older, larger buildings, and vacant commercial spaces, may be suitable for conversion to group housing. Because of the availability of certain types of residential buildings and services in certain parts of the City, board and care and adult day care facilities have tended to become concentrated in those areas. Applications for new facilities may continue to reinforce these concentrations unless they are carefully reviewed. It is desirable that group housing and board

and care homes be distributed throughout the City so that people are offered a choice of locations and over-concentration of facilities in particular neighborhoods is avoided. However, the Federal fair housing laws prohibit limitations on board and care facilities and group homes to the extent that these limitations diminish housing opportunities for disabled persons and families with children. Adult day care facilities that allow disabled or elderly persons to live at home but receive daily support should be located close to their clients. In reviewing applications for board and care homes and adult day care facilities, the following factors should be among those evaluated:

- In the case of day care facilities, proximity to clients' residences
- Accessibility to recreational facilities and open space.
- Proximity to commercial areas and shopping.
- Proximity to community services.

IMPLEMENTATION 8.10

- The Planning Department will continue monitoring group housing to ensure a distribution of quality board and care and adult day care facilities
- The Planning Department will explore the potential for expanding as-of-right group housing and group housing definitions in Sections 209.2 and 216 "Other Housing" in the neighborhood commercial district controls. The Mayor's Office of Housing will continue to investigate creation of a loan program to expand housing provided by board and care operators.

OBJECTIVE 9

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT

POLICY 9.1

Minimize the hardships of displacement by providing essential relocation services.

Because of the economic and social hardships involved when a household is forced to move, and the difficulty of funding replacement housing at comparable rents, every effort should be made to minimize displacement.

Private demolition of housing can cause particular hardships because of the absence of relocation assistance programs for displaced households. Property owners should provide assistance in finding suitable relocation housing if any lower-income households are to be displaced. Property owners should inform tenants at the earliest possible date of any proposed demolition plans and should arrange for counseling assistance for the displaced households. Owners should not be permitted to demolish existing housing units until efforts have been made to assist tenants in obtaining relocation housing.

When displacement does occur as a result of public actions, uniform relocation services including counseling, locating replacement housing, and moving expenses, should be provided regardless of whether the displacement is caused by federal, state, or locally funded activities. In the case of privately funded developments where displacement occurs, the developer should be requested to provide such services.

IMPLEMENTATION 9.1

 When providing financial assistance for affordable housing development or rehabilitation, MOH and SFRA will continue to provide assistance required by the provisions of the federal Uniform Relocation Act (URA) or the California state relocation law.

 The City will continue to work for a minimum of one to one replacement of all housing lost, regardless of cause.

POLICY 9.2

Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

Persons in private or publicly owned housing displaced by fire and other acts should be restored to their previous residential position to the maximum extent feasible. Where existing units are converted to condominium or cooperative ownership, existing tenants should be given opportunities to purchase converted units.

IMPLEMENTATION 9.2

- The Mayor's Office of Housing (MOH) and the San Francisco Redevelopment Agency will continue to provide tenants displaced during rehabilitation financed by each agency with the right to return to the unit or a comparable unit after the work is completed if they meet applicable eligibility criteria.
- MOH will administer affordability restrictions on the stock of units made affordable under the Condominium Conversion Program.

HOMELESSNESS

OBJECTIVE 10

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS IN COORDINATION WITH RELEVANT AGENCIES AND SERVICE PROVIDERS.

Homelessness has grown to a scale unprecedented in the United States since the 1930s. The legacy of the 1980s that has regarded temporary shelter as an adequate response to homelessness should be overcome. Shelters are not an acceptable alternative to decent, affordable housing. While the City should not relax its commitment to offering shelter to anyone who would otherwise be forced to live in streets, parks and doorways, the vision and the overall direction should remain fixed on the goal of creating and preserving low-cost housing, jobs and job training programs, and the necessary health and social support services that enable people to live with the greatest degree of independence possible. Such services for the homeless should be provided in a multi-lingual and multicultural context where needed. It is critical that San Francisco and other cities begin to develop a regional approach to homelessness in the Bay Area. Increased state and federal support is needed for regional efforts to succeed.

POLICY 10.1

Focus efforts on the provision of permanent affordable and service-enriched housing to reduce the need for temporary homeless shelters.

For a permanent solution to homelessness, permanent affordable housing must be developed. Although shelters can provide an alternative to sleeping on the streets, these do little to address the underlying problem. The development of new housing connected to services will best address this need.

IMPLEMENTATION 10.1

- City agencies including the Mayor's Office of Housing, the Department of Human Services, the Department of Public Health, the San Francisco Housing Authority, and the San Francisco Redevelopment Agency will prioritize the development of permanent supportive housing.
- The Department of Human Services and the Department of Public Health will continue to partner with capital funding agencies to develop supportive housing.
- Existing low cost housing will be preserved wherever possible.
- The Residential Hotel Unit Conversion and Demolition Ordinance will continue to benefit the public by minimizing the loss of residential hotel units through conversion and demolition.
- The Department of Human Services (DHS) will continue to administer the Shelter Plus Care program, which provides rental subsidies to homeless individuals and families with disabilities so that they may access and maintain permanent supportive housing. The City should collaborate in efforts at the federal level to expand resources for this program.
- DHS will continue to fund non-profit agencies to provide on-site supportive services for formerly homeless individuals and families living in supportive housing. DHS will coordinate development of these programs with the Mayor's Office of Housing and the San Francisco Redevelopment Agency, which provide funding for construction and rehabilitation of affordable housing, including supportive housing. Additional programs will be developed as funding availability allows.
- DHS will continue to operate its Master Lease Program in order to provide low-cost, safe, permanent housing to homeless individuals leaving emergency shelters. The capacity of this program should be expanded.

 DHS will continue the collaboration started with the San Francisco Housing Authority in the formation of the Joint SFHA/DHS Workgroup to resolve priorities issues for clients of both agencies.

POLICY 10.2

Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors.

Measures that go beyond shelter are needed to address the root causes of homelessness. These include stable sources of income and health and social support services for short or long periods of time to assist people with special needs to live with the greatest degree of independence possible.

IMPLEMENTATION 10.2

- The Mayor's Office of Housing, the San Francisco Housing Authority and the San Francisco Redevelopment Agency will continue to integrate job training and other programs that support low- and moderate-income families into its affordable housing development.
- The Department of Human Services' Eviction Prevention and Rental Assistance program will continue to work cooperatively with non-profits to help low- and very low-income individuals and families at risk of homelessness to maintain their housing by paying past due rent to avoid eviction, and offering legal services, counseling, and other supportive services. The Rental Assistance Fund helps very low-income San Franciscans in a housing crisis. Eligible individuals and families can apply for grants to pay overdue rent to prevent eviction, or apply for a security deposit to move into permanent housing.

 DHS will continue to fund non-profit contractors to provide after-care services for homeless families once they are housed to help them maintain housing, become stable and prevent recurring episodes of homelessness.

POLICY 10.3

Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services.

While the emphasis should be on provision of permanent housing, the City should provide an emergency shelter program that provides temporary shelter and links homeless people to more comprehensive services. The City should also continue to support the Department of Public Health's Direct Access to Housing Program, which has helped households transition from shelters into permanent homes.

Homeless people often have difficulty gaining access to the health care system, whether it is because the multiplicity of problems they experience overwhelms health care providers, their behavior or appearance makes them unwelcome, or they themselves regard health care as low on the survival priority list. There is need for outreach services and multi-service centers that provide health care and other services to the homeless, in a manner that gains their trust and with a goal of integrating them into the larger health care and services systems.

IMPLEMENTATION 10.3

- The City will continue to develop resource centers to provide information and survival needs for the homeless
- The City will continue to operate its Homeless Services Team, which conducts outreach to homeless persons living on the street with the goal of assisting the most difficult-to-reach homeless persons to access available appropriate services, benefits, health care and housing. The Department of Human Services (DHS) will work to coordinate its street

outreach efforts with other such outreach programs operated by the Department of Public Health.

- The City will develop and implement a Homeless Management Information System (HMIS) leading to improved coordination of services.
- The DHS's Division of Housing and Homeless Programs will continue to fund a wide range of services that are part of a comprehensive, inter-agency, citywide approach to help homeless individuals and families achieve the highest level of self-sufficiency of which they are capable.
- DHS will continue to operate their program Connecting Point as a centralized intake and service referral system for families.

POLICY 10.4

Facilitate childcare and educational opportunities for homeless families and children.

Homeless families, just like other families, require a broad variety of childcare programs to meet their particular needs. For some, the need is for developmentally appropriate, well-equipped spaces that offer privacy, enabling families an opportunity to interact and play with their children. For other parents, who may need time to participate in job training, or to look for work or run errands, the need is for convenient drop-in childcare program. In other instances, the need may be for licensed childcare programs that serve the special needs of these children.

IMPLEMENTATION 10.4

The Department of Human Services will continue to implement the California Work Opportunity and Responsibility to Kids (CalWORKs) program to serve adults with dependent children where participants receive financial support and a full array of services for 18–24 months as they work with an Employment Specialist to follow an individualized Employment Plan.

HOUSING DENSITY, DESIGN, AND QUALITY OF LIFE

OBJECTIVE 11

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

Housing quality involves not only the physical condition of the housing structure itself but also the condition of the surrounding neighborhood and the adequacy of its amenities, facilities, and services. Quality urban housing can exist only in full service neighborhoods. New housing development must address these issues.

POLICY 11.1

Use new housing development as a means to enhance neighborhood vitality and diversity.

New in-fill housing development should be compact, mixed-use, mixed income, and have a mix of unit sizes. Major multi-family housing projects that accommodate non-residential uses such as neighborhood serving retail, childcare or after school facilities, or even institutional uses such as a public library, should be encouraged and supported. Minimum density requirements and

maximum parking standards should be used to encourage a mix of unit sizes in areas well served by transit and neighborhood retail.

IMPLEMENTATION 11.1

- The new Land Use Element will identify in-fill sites appropriate for mixed-use residential projects. Appropriate neighborhood serving retail, public facilities and supportive amenities should be encouraged.
- The City will continue to implement its policy that the design of all housing sites and related amenities make a positive contribution to surrounding public space and to overall neighborhood vitality.
- The Planning Department will encourage historic preservation and adaptive reuse of older buildings to enhance neighborhood vibrancy.

POLICY 11.2

Ensure housing is provided with adequate public improvements, services, and amenities.

Many factors add to neighborhood livability, including the quality of schools, the availability of quality childcare at affordable prices, the effectiveness of police and fire services, access to open space and recreational opportunities, and access to transit. The large number of single parent and two working parent households makes the provision of childcare facilities an important component of family housing developments. Regular maintenance of streets and sidewalks, provision of street trees, and protection of residential areas from excessive traffic, are also important to neighborhood life. To provide its residents with a quality living environment, the City should address all of these factors.

IMPLEMENTATION 11.2

- All City of San Francisco departments and agencies will continue to contribute to the strengthening of neighborhood livability by providing and improving public amenities and services.
- Each City department will continue to seek funding from Federal, State, local and private sources in order to improve services.

POLICY 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

Certain non-residential uses are desirable and appropriate in residential areas. For example, small pedestrian-oriented grocery stores and other convenience shops can meet frequent and recurring needs of residents without disrupting the residential character of the area. On the other hand, other non-residential uses are noisy, unattractive, or generate excessive traffic and therefore would be undesirable in residential areas.

Commercial uses should be allowed in residential areas only if they meet the following criteria:

- The use is primarily pedestrian-oriented.
- The use serves the needs of the immediate residential neighborhood and does not draw significant trade from outside the neighborhood.
- The use does not displace a unit suitable for residential occupancy.
- The use does not disrupt or detract from the livability of the surrounding neighborhood.

- Suitable locations in immediately adjacent neighborhood commercial areas do not exist.
- The design of the building is in keeping with the established residential character of the area, and all signs are carefully regulated.
- Truck traffic servicing the use is minimized, and truck delivery hours are restricted.

Community services such as childcare centers are also particularly appropriate in residential areas, even though they may draw from a larger area and may not be primarily pedestrian-oriented. Non-residential uses, if essential to the preservation of a landmark building, could also be permitted if the specific use is compatible with the surrounding environment.

IMPLEMENTATION 11.3

- The Planning Department is studying the construction methods and design components of
 well-designed neighborhood serving commercial areas. This will result in revised Design
 Guidelines to further enhance these areas. Areas of particular interest will be:
 appropriateness of business type; building materials and design; public amenities; open
 space and public art; street, sidewalk and public transportation connections and
 circulation patterns; neighborhood safety; environmental considerations; and site design.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the neighborhood and the City.

POLICY 11.4

Avoid or minimize disruption caused by expansion of institutions, large-scale uses and auto-oriented development into residential areas.

The expansion needs of institutions often conflict with efforts to preserve and protect the scale and character of residential neighborhoods. Large educational, religious, and medical

institutions attract people from outside a neighborhood, aggravating traffic and parking problems. Institutional buildings also tend to be larger in scale and more intensely used than surrounding residential buildings. In addition, institutional expansion often requires removal of housing and displacement of residents.

To minimize the disruption caused by expansion of large institutions, the City should carefully review expansion plans. The needs of adjacent residential areas for housing, on-street parking and safe, quiet streets should be considered, in addition to the needs of the institution. Educational and medical institutions should be required to develop and submit master plans to the City, before the City reviews any specific expansion requests. Such a master plan should define long-term and short-range development plans of the institution. Early review of institutional development plans will permit exploration of alternate ways to address the needs of the institution in order to minimize potential conflicts with the residential area.

IMPLEMENTATION 11.4

- The City will continue to require large educational and medical institutions to develop and submit Institutional Master Plans as required by Section 304.5 of the Planning Code.
- The City will work to require institutions to provide housing for workers and students.
- Neighborhood impact will be reduced by building at the appropriate scale, addressing traffic and transportation impacts, and by carefully considering neighborhood design patterns.

POLICY 11.5

Promote the construction of well-designed housing that enhances existing neighborhood character.

Residents of San Francisco should be able to live in well-designed housing suited to their specific needs. To ensure that housing provides quality living environments and complements the character of the surrounding neighborhood, the following general design and amenity guidelines should be applied in evaluating new residential developments and alteration of existing buildings:

Exterior Appearance

 Design new and substantially altered buildings in a manner that conserves and protects neighborhood character (See *Residential Design Guidelines*, Department of City Planning, 2003 for more specific guidelines and illustrations.)

Recreation/Open Space

 Provide adequate on-site usable open space and relate the type, amount and location of open space to the types of households expected to occupy the building. (See Figure 9, "Residential Open Space Guidelines" in the Recreation and Open Space Element, for more specific guidelines.)

Facilities

- In larger projects include needed amenities such as storage, laundry, community rooms, and recycling, and adopt green building practices to the maximum extent possible.
- Provide sites for childcare facilities to serve residents of the immediate vicinity if such facilities do not exist nearby, or if nearby facilities are at or near capacity.
- Provide sites for convenience shopping facilities to serve the immediate vicinity if such facilities do not exist nearby.

Security

• Incorporate concepts of security in the design of the building, especially in the number of units per entrance, sense of personal space and ability of the residents to effect self-policing of the grounds and immediate surroundings. Also, provide adequately lit unit address numbers that are easily read from the street or walkways.

Art Work

Incorporate artwork in larger buildings.

Subdivisions and Planned Unit Developments

- For larger subdivisions and planned unit developments, provide a lot layout and pattern
 that integrates well with the surrounding urban fabric and create a street pattern that ties
 into the surrounding streets.
- Create a street pattern which ties into surrounding streets.
- Avoid creating dead-end streets and cul-de-sacs where it is possible to create through streets.
- On wide blocks, create mid-block lanes that function as public streets.
- Create pedestrian passageways to provide convenient circulation within the project and convenient connections to areas outside the project.
- Create lot or building patterns that orient the fronts of buildings to, and create multiple building entries from the street.
- Avoid creating overly wide streets. Provide sidewalks wide enough to accommodate street trees.
- Underground utilities.

IMPLEMENTATION 11.5

- The Planning Department will continue to study the construction methods and design components of well-designed housing that enhances the existing urban fabric of San Francisco.
- The Planning Department will continue to use the Residential Design Guidelines when reviewing projects.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the immediate neighborhood and the City.

POLICY 11.6

Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit.

Increased allowable densities should not detract from established neighborhood characteristics. In many cases, design and efficient site uses can make use of maximum housing densities while keeping resulting units affordable and compatible with neighboring structures.

IMPLEMENTATION 11.6

 The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods.

POLICY 11.7

Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units.

San Francisco first imposed residential parking requirements in the 1950s, when prevailing notions assumed that cars were becoming the primary way of getting around and automobile parking should be provided accordingly. This 1:1 parking requirement generated traffic and took up valuable space, but created a distinct neighborhood character in the western part of the City. One parking space reduces the amount of housing a parcel can accommodate by as much as 25%. Building parking space also adds \$20,000 to \$50,000 per parking space to the cost of housing construction.

Enforcing one off-street parking space for each new dwelling unit is essentially a suburban practice and diverges from the City's tradition of compact, urban, walkable places in the older neighborhoods. Much of San Francisco was built before the advent of the automobile and most places are easily accessible by foot or public transit.

IMPLEMENTATION 11.7

The Planning Department will work to reduce parking in older neighborhoods and in other areas through a Better Neighborhoods type planning process with the support and input from local neighborhoods.

POLICY 11.8

Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character.

The Planning Department, with housing project sponsors, should explore and encourage project configurations that take full advantage of allowable building densities. Department support

should go beyond technical assistance and include coordinated and timely neighborhood outreach and accelerated processing. The Department should strongly support projects that creatively address residential parking and open space requirements, resulting in higher densities with a full range of unit sizes.

IMPLEMENTATION 11.8

- The Planning Department, with the support and input from local neighborhoods, study the impacts of reduced parking and private open space provisions and will consider revising the Planning Code accordingly.
- The Planning Department will work with housing advocates to educate residents on the benefits of traditional urban neighborhood supporting housing densities.

POLICY 11.9

Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character.

In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. Established architectural characteristics should be respected. Design and efficient site uses can make use of maximum allowable densities while keeping resulting units affordable and compatible with neighboring structures. In areas where an urban scale and character is yet not established, densities should be set at levels that support transit and neighborhood amenities that are enjoyed by the City's more established neighborhoods.

IMPLEMENTATION 11.9

- The City, through a Better Neighborhoods type planning process, will continue to work to improve and enhance housing with the goal of more housing and vital, attractive transit served neighborhoods.
- The Planning Department will continue to employ Residential Design Guidelines and implement the General Plan to ensure new projects are compatible with established neighborhoods.
- The new Land Use Element will, within the framework of a comprehensive citywide action plan (CAP), identify areas where higher densities are appropriate.
- The updated Urban Design Element will reconcile the City's established and well formulated urban design principles with the City's housing objectives.

POLICY 11.10

Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

Simple energy saving features such as site orientation and window placement can optimize passive solar heating and natural daylight at little or no additional cost. Often, features that add to the initial cost of a structure are highly cost-effective in terms of the life cycle or operating costs. For example, weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and housing costs. These approaches should be pursued.

IMPLEMENTATION 11.10

- The Department of Building Inspection, Pacific Gas and Electric Company (PG&E), and the Building Science industry will continue environmental education programs for the general public, project sponsors, and builders.
- The Mayor's Office of Housing will continue to provide funding for the physical and financial preservation of non-profit owned affordable rental housing that requires energy efficiency improvements in order to protect its affordability.
- The Department of Building Inspection will continue to enforce Title 24 energy code requirements. In addition to Title 24, residential buildings will be also required to comply with the Residential Energy Conservation Ordinance (RECO). RECO affects all residences at time of sale or at time of meter conversion, major improvement or condominium conversion.

REGIONAL AND STATE HOUSING NEEDS

OBJECTIVE 12

STRENGTHEN CITYWIDE AFFORDABLE HOUSING PROGRAMS THROUGH COORDINATED REGIONAL AND STATE EFFORTS.

Housing is a regional and state concern. Problems such as the inability of large numbers of people to afford decent housing, inequities and discrimination in the housing market, and the inadequacy of public resources cross the boundaries of local jurisdictions and cannot be addressed solely on a local level. Region-wide strategies are needed. Investment decisions made by the private sector are rarely confined to the limits of single governmental jurisdictions — broader housing market areas are considered. A strategy dealing with housing problems in the

Bay Area must therefore involve a regional approach. Effective solutions to housing problems in the Bay Area can be developed only if all local jurisdictions' agencies and organizations dealing with housing in the Bay Area coordinate their activities.

Although San Francisco will always maintain an overall jobs/housing imbalance because it has historically developed as an employment center, the City must undertake efforts to balance future employment growth and the supply of housing. In particular, City agencies should coordinate strategies to meet the housing goals set forth by the Association of Bay Area Governments (ABAG) and adopted as part of this Element, as well as to address housing needs already present even without job growth. To meet these goals, San Francisco will have to absorb a greater percentage of new workers and increase the housing opportunities for workers currently commuting to the City.

POLICY 12.1

Work with localities across the region to establish a better relationship between economic growth and increased housing needs.

San Francisco is part of the larger regional economy of the Bay Area and economic decisions made by one community often affect other communities in the region. Thus decisions made by some cities to limit commercial or residential growth impact other cities in the region. Efforts should be made to balance employment and housing growth within the region. Aggregated together, current local government development policies will not house the labor supply needed for jobs currently projected for the region. If these policies remain unchanged, housing must be provided outside the region. This would extend commutes, or regional job growth will be curtailed, or both.

The Association of Bay Area Governments has established a regional goal to house within the region up to 50% of the difference between the projected growth in Bay Area jobs and the growth in the region's labor supply. To reduce the jobs-housing imbalance in the region by that amount by 2006, almost 231,000 additional housing units are needed within the region.

IMPLEMENTATION 12.1

- The City will continue to work with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to shape an implementation plan that meets regional housing, transportation, and job needs.
- The City will continue to support new state and federal funding for projects that coordinate the region's need for jobs and housing well served by the transportation system.
- The State should offer incentives in the form of a larger allocation of a regional property tax sharing pool in exchange for building mixed use affordable residential near transit hubs.

POLICY 12.2

Support the production of well-planned housing regionwide that address regional housing needs and improve the overall quality of life in the Bay Area.

New residential development and rehabilitation of existing housing should be planned to conserve open space and to take advantage of the availability of employment opportunities, efficient transportation systems, and community services. San Francisco should take an active role in promoting quality new housing development in the Bay Area in areas where adverse impacts on the environment will not be generated and the use of public transit will be enhanced. The City should also play a greater role in ensuring local and regional growth management strategies are coordinated and complementary.

IMPLEMENTATION 12.2

 The San Francisco Redevelopment Agency (SFRA) will continue to serve as the lead agency and administrator of the HOPWA Program on behalf of the San Francisco Eligible Metropolitan Statistical Area (EMSA), which includes San Francisco, San Mateo and Marin Counties.

- The City will continue to support the production of well planned affordable and market rate housing, improve the jobs/housing balance, and improve public transportation options.
- The City will continue to support efforts to make the California Environmental Quality
 Act (CEQA) more supportive of transit oriented and mixed use residential development.
- The City will continue to work with the Metropolitan Transportation Commission (MTC) to coordinate transportation information regionwide.
- The City will continue to support efforts for rail line extension funding based on zoning that requires regional mixed-use development and jobs/housing balance criterion.
- The City will continue to support Jobs-Housing Balance Incentive Grants awarded to cities that produce housing in areas with fast growing employment and support additional bonuses awarded for multi-family housing, affordable housing, and in-fill development.
- The City will continue to support congestion pricing bridge tolls during peak commute periods with additional fund generation allocated for public transportation improvements.
- The City will continue to support efforts to develop and improve transit to large surplus public land and redevelopment areas such as Treasure Island, Alameda Naval Air Station or Mare Island in Vallejo, where high-density housing and new jobs and services could be built.
- The City will continue to support efforts to use state or regional funds to give housing subsidies or income tax credits to employees who live close to their workplaces similar to subsidies for police and firefighters in some cities.

- The City will continue to support the use of State or regional funds for transit passes or to increase transit-related income tax credits to encourage employees to commute to work via transit.
- The City will continue to support efforts to charge consumers the full cost of parking to promote transit use. Additional funds, generated by employee parking fees, could be used to improve public transportation and fund incentive programs for non-driving employees.
- The City will continue to support the Metropolitan Transportation Commission's (MTC) Transportation for Livable Communities (TLC) program, which provides funding for planning and construction of projects that help create walkable, transit-oriented and livable communities.

POLICY 12.3

Encourage jurisdictions throughout the Bay Area to recognize their share in the responsibility to confront the regional affordable housing crisis.

Local communities throughout the Bay Area should accept responsibility for housing families of all income levels. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco. Housing opportunities for low- and moderate-income households should be available throughout the region, and all localities in the Bay Area should provide their fair share of such housing. The public and the private sector should share responsibility.

State law allows joint exercise of powers between jurisdictions that enable entrepreneurial action at a larger-than-local scale. Cooperative efforts among localities, as well as joint efforts with state agencies, extend resources available for affordable housing.

IMPLEMENTATION 12.3

- The City will continue to support the following efforts: State and Federal funding allocations tied to individual communities' commitment to provide their fair share of affordable housing production, particularly in transit rich areas; linking State funds to a community's fulfillment of their fair share of regional affordable housing needs; and reducing fiscal incentives to produce uses other than housing by regional sales and property tax sharing.
- To take advantage of a city's ability to use Joint Power and other collective and cooperative arrangements to make more effective use of financial resources for housing production, the City will encourage joint powers approaches to housing finance where joint powers agreements will enhance the production of affordable housing.

POLICY 12.4

Foster educational programs across the region that increase public understanding of the need for affordable housing and generate support for quality housing projects.

The City should help develop and conduct region wide public awareness programs to generate greater public support for affordable housing production. Workshop modules could also be crafted to explain regional land use patterns and its impacts on livability and help demystify urban densities.

IMPLEMENTATION 12.4

The City will continue to support the efforts of non-profits like Non-Profit Housing Association, Urban Ecology, Greenbelt Alliance, and Architects, Designers, and Planners for Social Responsibility, as well as regional government organization such as the Association of Bay Area Governments and the Metropolitan Transportation Commission

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to conduct community workshops, and research and publish information that promotes understanding of relationships between economic growth and increased housing needs.

The City will continue to support public awareness programs of professional associations such as the Urban Land Institute, American Planning Association, the American Institute of Architects, and the American Society of Landscape Architects, in their efforts to underscore the importance of linking jobs, housing and other uses by efficient transportation throughout the region.

POLICY 12.5

Support the State of California in developing and implementing state affordable housing plans and programs.

With the decreasing level of Federal support for housing programs, the administrative and financial powers of the State become especially critical. The state legislature has placed an affordable housing bond proposal on the statewide ballot in 2002, but there also needs to be a long-range plan for affordable housing and a clearer articulation of the State's role in funding and facilitation of affordable housing programs.

IMPLEMENTATION 12.5

- The City will continue to support State and regional efforts to establish additional grant programs to aid in the preparation of plans and environmental documents for mixed-use residential and transit oriented projects responding to regional needs.
- The City will advocate for increased and equitable State and Federal fund allocations for affordable housing production.

Appendix B-3

2009 Housing Element

DRAFFIGUSING ELEVIENT



PART I: DATA AND NEEDS ANALYSIS

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Introduction: Data and Needs Analysis

San Francisco remains a highly desirable place to live and its housing market has a seemingly infinite demand. Housing costs in San Francisco, for both renters and owners, are second only to that of New York City. The relative stability of local housing costs in the wake of the recent economic downturn is a testament to the robustness of the market. The continuing high cost of housing in San Francisco amplifies the need for providing affordable housing to all household income levels, especially low and very low income levels. The provision of adequate affordable housing remains a significant challenge for San Francisco.

This first part of the *Housing Element* contains a description and analysis of San Francisco's population and employment trends; existing housing characteristics; overall housing need, including special needs groups; and capacity for new housing based on land supply and site opportunities in compliance with Section 65583(a) of the state Housing

Element law. Information is presented on trends since the 2004 Housing Element was published and on expected development for the next five to 10 years, at which time the Housing Element will be updated again. An evaluation of the 2004 Housing Element is included in this document as an appendix.

Primary data sources include the Census Bureau and State Department of Finance for existing conditions, projections published by the Association of Bay Area Governments (ABAG), and independent analysis by the Planning Department.¹ The data used are the most reliable available for assessing existing conditions. These standard sources provide a basis for consistent comparison with older data and form the basis for the best possible forecasts. The data provide a general picture of economic trends and therefore do not necessarily reflect particular trends or cycles in the housing market and the wider economy.

San Francisco relies on information provided by the Association of Bay Area Governments (ABAG). ABAG projections are the official projections of growth for the Bay Area and are used by numerous local governing agencies to identify potential needs and problems, both locally and regionally. The California State Housing and Community Development Department also uses these figures for determining housing needs for the state. ABAG projects the number of jobs for each county in the Bay Area 20 to 25 years into the future. The assumptions that ABAG used in Projections 2007 are based on demographic and economic data. The demographic assumptions take into account fertility, births, deaths, migration, household sizes, and labor force participation rates. Economic assumptions include exports, the rate of GDP growth, energy prices, productivity, and interest rates.



Population, Employment and Income Trends

San Francisco continues to grow and has now surpassed its population peak of the 1950s; some 809,000 people call San Francisco home. A slight shift in the City's racial composition was noted in the U.S. Census Bureau's 2008 American Community Survey (ACS) estimate but San Francisco continues to be a culturally and racially diverse place. San Francisco households are generally better off and median incomes are rising; the 2008 ACS estimated San Francisco's median income at about \$73,798. San Francisco is also growing older. The median age of San Francisco residents has been rising since 1990, especially as the baby-boom generation ages. In 2008, the estimated median age was 40.4 years. Families with children constitute a small portion of San Francisco households. Under 13% of the City's total population is 14 years old and younger, giving San Francisco the distinction of having the fewest children of all major U.S. cities.

A. POPULATION AND DEMOGRAPHICS

1. Population Change

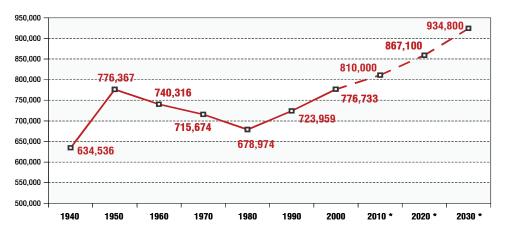
San Francisco has seen an increase in population and jobs in recent years. The 2000 Census counted over 776,730 San Franciscans while the Association of Bay Area Governments (ABAG) estimated some 634,430 jobs in the City. While the population and employment dropped in the early part of the decade, these numbers have returned to a healthy level of growth.

Exact numbers differ depending on the source; however, by all estimates San Francisco's population has increased since 2000. The state Department of Finance (DoF) estimated 824,525 San Franciscans in 2008 while ABAG's projections is about 803,235. The 2008 American Community Survey estimated San Francisco's population to be about 808,976. ABAG projects continued population growth to 867,100 by 2020 or an overall increase of about 57,100 people who will need to be housed over the next 12 years (Table I-1 and Figure I-1). Household growth, an approximation of the demand for housing, indicates a need for some 31,000 new units in the 12 years to 2020 just to accommodate projected population and household growth (Table I-1).

| | 1990 | 2000 | 2010 * | 2020 * | 2030 * |
|------------------------|---------|---------|---------|---------|---------|
| Total Population | 723,959 | 776,733 | 810,000 | 867,100 | 934,800 |
| Population Change | | 52,774 | 33,267 | 57,100 | 67,700 |
| % Population Change | | 7.3% | 4.3% | 7.0% | 7.8% |
| Household Population | 699,330 | 756,976 | 789,100 | 845,800 | 913,000 |
| % HH Population Change | | 8.2% | 4.2% | 7.2% | 8.0% |
| Households | 305,584 | 329,700 | 346,680 | 372,750 | 400,700 |
| Households Change | | 24,116 | 16,980 | 26,070 | 27,950 |
| % Households Change | | 7.9% | 5.2% | 7.5% | 7.5% |

Table I-1
Population Trends and ABAG
Projections, San Francisco,
1990–2030

SOURCES: Census Bureau, ABAG, Projections 2009



Propulation Trends and ABAG Projections, San Francisco, 1940–2030

SOURCES: Census Bureau, ABAG Projections 2009

2. Age

San Francisco's population, in line with national trends, is getting older as the baby boom generation ages. San Francisco also has the distinction of having the fewest number of children of all major American cities. Table I-2 and Figure 1-2 show recent population trends and projections by age group. The median age for San Francisco was estimated to be 40.4 years old in 2008, an increase from 36.5 in 2000. ABAG's *Projections 2007* calculated the median age to increase at a slower rate, not reaching 39.2 years until 2020.

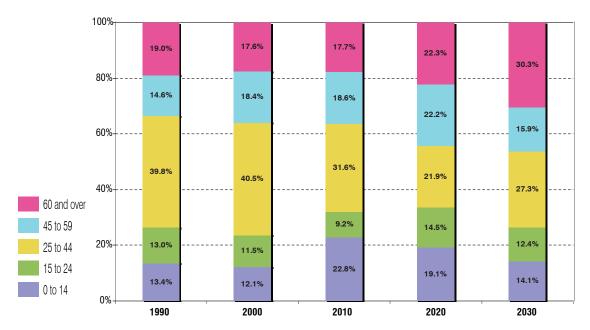
In 2000, San Franciscans 14 years and younger constituted only 12% of the city's population. The number of young San Franciscans, however, is expected to grow, almost doubling (96%) to 184,700 by 2010 and making up 23% of the total population. Their numbers will taper off the following decades and eventually return to a smaller proportion of the population by 2030.

From 1990 to 2000, the 45-59 age group grew approximately 34%, the highest growth rate of any group in the population for that period. San Franciscans 45 years and older are also forecast to increase, making up 36% of the population by 2010 and 44% by 2030. The City's older residents – those 60 years and older – will grow the most over the coming years, accounting for 30% of the total population by 2030.

Table I-2
Population Trends and
Projections by Age Groups,
San Francisco, 1990-2030

| A O | 4000 | 0000 | 0010 | 0000 | 0000 |
|------------|---------|---------|---------|---------|---------|
| Age Group | 1990 | 2000 | 2010 | 2020 | 2030 |
| 0 to 14 | 97,301 | 94,010 | 184,700 | 164,000 | 130,500 |
| 15 to 24 | 94,465 | 89,388 | 74,700 | 124,400 | 114,100 |
| 25 to 44 | 288,387 | 314,222 | 255,200 | 187,700 | 251,600 |
| 45 to 59 | 106,058 | 142,744 | 150,600 | 190,200 | 146,600 |
| 60 + | 137,748 | 136,369 | 143,500 | 190,900 | 279,800 |
| Total | 723,959 | 776,733 | 808,700 | 857,200 | 922,600 |
| Median Age | 35.3 | 36.7 | 37.6 | 39.2 | 40.9 |

SOURCES: Census Bureau; ABAG, Projections 2007



SOURCES: Census Bureau; ABAG, Projections 2007

Figure 1-2
Population Trends and
Projections by Age Groups,
San Francisco, 1990–2030

3. Ethnic Composition

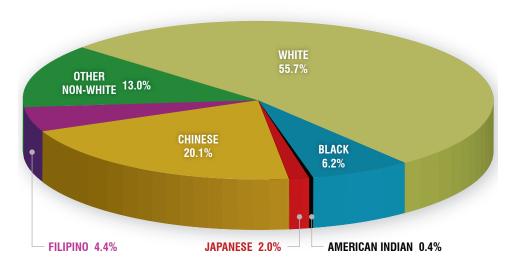
San Francisco's population is ethnically diverse (Table 1-3 and Figure I-3) despite a slight shift since the 2000 Census. Since 2000, the percentage of San Franciscans claiming white racial affiliation increased, totaling nearly 55% of the City's population according to the 2008 American Community Survey (ACS). San Francisco's African-American population continues to decline, dropping from 11% in 2000 to just 6.2% in 2008. San Franciscans of Chinese origin grew from 19.6% of the total population in 2000 to 20.1% by 2008. The proportion of San Franciscans identifying with Hispanic origins (of any race) has remained stable at about 14%. Household size and household incomes by ethnicity point to varied housing needs and abilities to pay for housing and will be discussed in later sections of this report.

| Race | 1980 | 1990 | 2000 | 2008 |
|-----------------|--------|--------|--------|--------|
| White | 59.2% | 53.6% | 49.7% | 54.7% |
| Black | 12.7% | 10.9% | 7.8% | 6.2% |
| American Indian | 0.5% | 0.5% | 0.4% | 0.4% |
| Japanese | 1.8% | 1.6% | 1.5% | 1.2% |
| Chinese | 12.1% | 18.1% | 19.6% | 20.1% |
| Filipino | 5.7% | 5.7% | 5.2% | 4.4% |
| Other Non-White | 7.9% | 9.7% | 15.8% | 13.0% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% |
| Hispanic Origin | 12.4% | 13.3% | 14.1% | 14.0% |

SOURCE: Census Bureau

*Table 1-3*Population Trends by Ethnicity, San Francisco, 1980–2008

Figure I-3
Ethnic Composition,
San Francisco, 2008



SOURCE: Census Bureau

As in most urban centers, there are concentrations of major ethnic groups in San Francisco neighborhoods. Many Latino households live in the Inner and Outer Mission districts, extending along Mission Street south to Daly City. A distinct Filipino community follows a similar residential pattern, with additional concentrations in the Excelsior area and, to a smaller degree, South of Market. Concentrations of several East Asian populations reside in the Richmond and Sunset Districts while still maintaining its traditional presence in Chinatown. Residential concentrations of African Americans occur in the Western Addition, South Bayshore, and Ingleside Districts. Southeast Asian communities have a strong presence in the Tenderloin District north of Market Street and in neighborhoods throughout the Bayview and Visitacion Valley areas.

4. Household Characteristics

According to the 2000 Census, the number of San Francisco households grew from 305,584 in 1990 to 329,700, an increase of over 24,100 new households or about 7.9% growth (Table I-4). ABAG's *Projections 2007* estimates that the number of total households will continue to increase, growing to 348,330 by 2010 and to 386,680 by 2030 or an annual average of 1,900 new San Francisco households over 20 years.

Table I-4
Household Growth Trends
and Projections,
San Francisco, 1990–2030

| | 1990 | 2000 | 2010 * | 2020 * | 2030 * |
|-----------------------------------|---------|---------|---------|---------|---------|
| Number of Households | 305,584 | 329,700 | 346,680 | 372,750 | 400,700 |
| Growth | 6,628 | 24,116 | 16,980 | 26,070 | 27,950 |
| Average Annual Growth | 663 | 2,412 | 1,698 | 2,607 | 2,795 |
| Percent Change | 2.2% | 7.9% | 5.2% | 7.5% | 7.5% |
| Average Household Size | 2.29 | 2.30 | 2.28 | 2.27 | 2.28 |
| Average Household Size (Bay Area) | 2.61 | 2.69 | 2.70 | 2.70 | 2.70 |

SOURCES: Census Bureau; * ABAG, Projections 2009

As shown in Table I-4, the average household size in San Francisco has been relatively constant, hovering at 2.3 persons and tending to be smaller than the Bay Area average. ABAG also projects that the number of persons per Bay Area household will be leveling off in the next 20 years.

San Francisco continues to have a comparatively small number of family households and this proportion is shrinking. According to the 2000 Census, family households comprised just 44% of all households in San Francisco (Table I-5), compared to over 46% in 1990. This decline does not necessarily indicate that families are leaving, as there were over 3,000 more family households in 2000; rather it indicates that non-family households are increasing at a much more rapid rate. The Census Bureau's definition of a family household - counting only those households with people related to the householder by birth, marriage, or adoption - also obscures the actual diversity of San Francisco's families and households. At the time of the American Community Survey in 2008, the estimated proportion of Census-defined family households in San Francisco remained steady about 43.1%. This is considerably less than the percentage for the entire Bay Area, where around 65% of all households are family households. Average family households are also likely to be larger than non-family households. The 2008 American Community Survey estimates these numbers to be 3.5 persons and 2.4 persons, respectively.

| Household Characteristic | 1990 | 2000 |
|---|---------|---------|
| All Households | 305,584 | 329,700 |
| Family Households | 141,790 | 145,186 |
| As Percent of All Households | 46.4% | 44.0% |
| Bay Area Family Households as Percentage of All Households | 65.5% | 64.7% |

Family and Non-Family
Households, San Francisco,
1990 and 2000

SOURCES: Census Bureau; ABAG

In 2000, almost 70% of all households in the City were comprised of one or two people and household sizes are expected to remain proportionally about the same as the previous decades (Table I-6). The recent ACS estimate, however, shows that the proportion of single person households is growing. In 2008, they made up over 43% of all households, compared to 39% eight years earlier. The expected growth in households and the composition of these new households present specific housing needs.

Table I-6 Changes in Household Size, San Francisco, 1970–2000

| Household | 19 | 80 | 19 | 90 | 20 | 00 |
|-----------|---------|------------|---------|------------|---------|------------|
| Size | No. | % of Total | No. | % of Total | No. | % of Total |
| 1 | 123,915 | 41.4% | 120,047 | 39.2% | 127,380 | 38.6% |
| 2 | 90,681 | 30.3% | 91,894 | 30.0% | 101,781 | 30.9% |
| 3 | 36,554 | 12.2% | 38,158 | 12.5% | 41,831 | 12.7% |
| 4 | 23,321 | 7.8% | 26,532 | 8.7% | 28,563 | 8.7% |
| 5 | 12,335 | 4.1% | 14,504 | 4.7% | 14,293 | 4.3% |
| 6+ | 12,150 | 4.1% | 14,849 | 4.9% | 16,002 | 4.9% |
| TOTAL | 298,956 | 100.0% | 305,984 | 100.0% | 329,850 | 100.0% |

SOURCE: Census Bureau

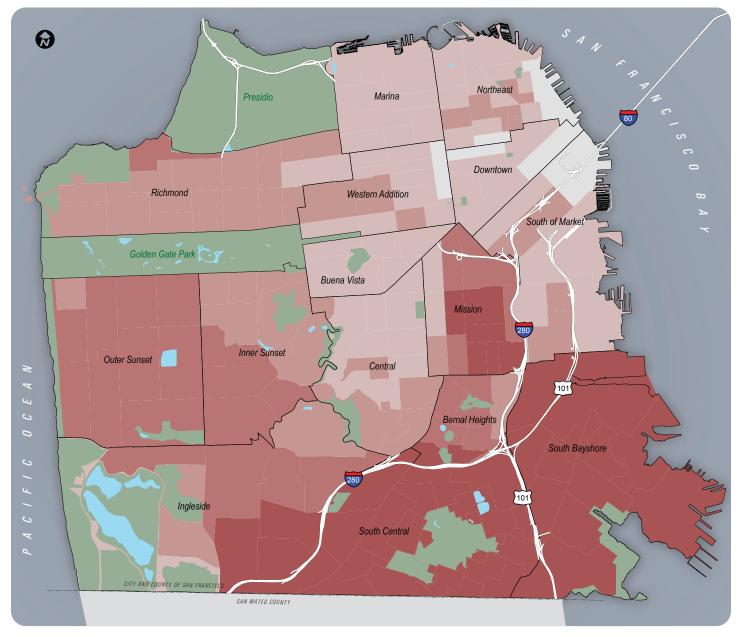
Average household size varies by ethnicity. Table I-7 below shows that households falling under the "Other Race" and the "Native Hawaiian/ Pacific Islander" categories tend to be larger, averaging 3.7 and 3.5 people per household, respectively. Hispanic or Latino households are similarly larger than the citywide average, with 3.2 people per households. There are, on average, three people in an Asian household, while Black households are generally on par with the citywide average. White households are smallest in size, averaging less than two persons per household.

Table 1-7
Household Size by Ethnicity,
San Francisco, 2000

| Household | Average Household Size | No. of Households |
|----------------------------------|------------------------|-------------------|
| White | 1.92 | 199,980 |
| Black | 2.31 | 23,860 |
| American Indian/Alaska Native | 2.39 | 1,303 |
| Asian | 2.99 | 79,058 |
| Native Hawaiian/Pacific Islander | 3.53 | 905 |
| Other Race | 3.69 | 12,803 |
| Two or More Race | 2.45 | 11,791 |
| Hispanic / Latino | 3.23 | 31,509 |
| All Households | 2.30 | 329,700 |

SOURCE: Census Bureau

Household size in San Francisco also reflects existing neighborhood housing stock (see Maps I-1 and I-2). Larger households of four or more persons are generally found in the southeastern neighborhoods of the Mission, Bayview, Visitacion Valley, and the Excelsior where typical housing units have two or more bedrooms. Somewhat smaller households are found in the western neighborhoods. The central and northeastern portions of the city generally have the smallest households—two or less than two persons—with the residential population tapering off near the commercial and industrial areas of the Financial District and South of Market.

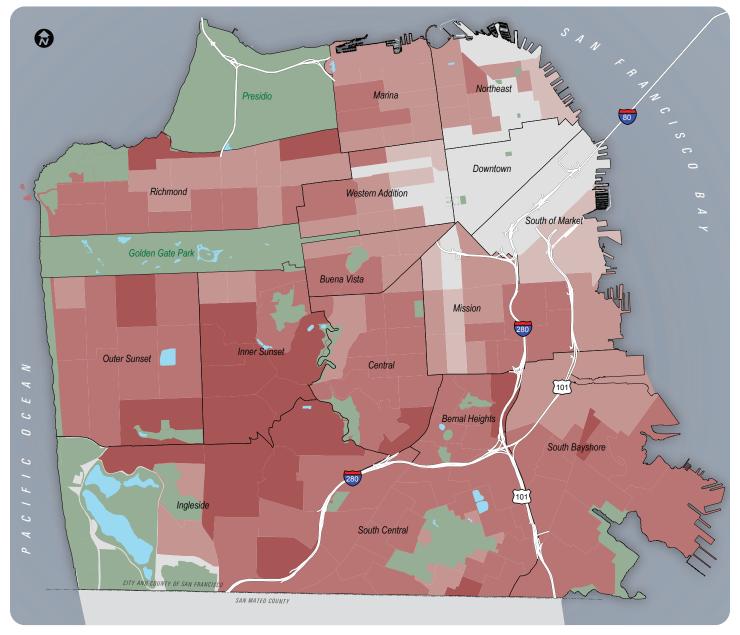


Average Household Size by Census Tract San Francisco, 2000





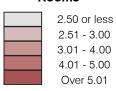
SOURCE: Census Bureau



Median Room Count by Census Tract San Francisco, 2000



Rooms



SOURCE: Census Bureau

B. EMPLOYMENT

1. Jobs

Employment growth in San Francisco and the region directly affects the demand for housing as new jobs attract new residents. As shown in Table I-8, total employment in San Francisco was growing steadily from 1970 to 2000. There was equivalent growth in population and households in San Francisco. However, the crash of dot-com ventures and the subsequent recovery show a net job loss in the years between 2000 and 2010 of approximately 65,700 (see Table I-8). ABAG forecasts more robust increases in San Francisco employment between 2010 and 2030. During the 2010 to 2020 period, the ABAG model shows 78,460 new jobs (13.8% increase) in San Francisco. From 2020-2030,100,910 additional jobs are projected—a 15.6% gain.

| Year | Total No. of Jobs | Growth (Loss) | % Change |
|-------|-------------------|---------------|----------|
| 1990 | 579,180 | 26,980 | 4.9% |
| 2000 | 634,430 | 55,250 | 9.5% |
| 2010* | 568,730 | (65,700) | -10.4% |
| 2020* | 647,190 | 78,460 | 13.8% |
| 2030* | 748,100 | 100,910 | 15.6% |

San Francisco Employment Trends and Projections, 1990-2030

SOURCES: Census Bureau; * ABAG, Projections 2009

From 2010 through 2030, the entire nine-county Bay Area is expected to add almost 1,262,890 jobs. Of that total, about 179,370 will be created in San Francisco and the City's share of regional employment will shrink slightly to less than 16% (Table I-9). Maintaining this job share ensures San Francisco's continuing role as an employment hub, making full use of existing infrastructure. Future targeted infrastructure enhancements to core job centers such as San Francisco will support overall reduction in greenhouse gas emissions in the region.

| Year | San Francisco | Bay Area Total | San Francisco as % of Bay Area |
|--------|---------------|----------------|-----------------------------------|
| 1990 | 579,180 | | |
| 2000 | 634,430 | 3,753,460 | 16.9% |
| 2010 * | 568,730 | 3,475,840 | 16.4% |
| 2020 * | 647,190 | 4,040,690 | 16.0% |
| 2030 * | 748,100 | 4,738,730 | 15.8% |

Table I-9
San Francisco and Bay
Area Regional Employment
Projections, 1990-2030

SOURCE: ABAG, Projections 2009

Job growth in the next 20 years is expected to be strongest in the "Professional and Managerial Services" industry (37,830 new jobs), followed by the "Health and Educational Services" category (27,590), and the "Arts, Recreation, and Other Services" segment (26,470) (see Table I-10). In terms of percentage growth for the 2010-2030 period, "Manufacturing and Wholesale" (47.2%) and "Construction" (44.2%) industries lead the way. Almost all sectors of the local economy will have experienced net employment losses between the decennial censuses. For the current 2000-2010 decade, only the Health & Educational Services (3,940 new jobs) and Arts, Recreation and Other Services (1,980 jobs) sectors will have seen positive job growth. By 2010, Professional and Managerial Services will have experienced the largest losses – some 22,320 or 18% of this sector's jobs. Manufacturing and Wholesale employment will have lost some 18,930 jobs during that time—a substantial loss of 42.4%.

Table I-10
Employment Trends and
Projections by Industry,
San Francisco, 2000-2030

| | | | | | 2000 - | - 2030 |
|------------------------------------|---------|---------|---------|---------|---------|----------|
| Industry | 2000 | 2010 | 2020 | 2030 | Change | % Change |
| Agriculture & Natural Resources | 1,040 | 1,020 | 1,020 | 1,020 | (20) | -1.9% |
| Construction | 32,750 | 27,060 | 31,810 | 39,020 | 6,270 | 19.1% |
| Manufacturing & Wholesale | 44,690 | 25,760 | 31,920 | 37,920 | (6,770) | -15.1% |
| Retail | 57,400 | 45,000 | 51,080 | 63,070 | 5,670 | 9.9% |
| Transportation & Utilities | 32,610 | 28,150 | 29.970 | 30,970 | (1,640) | -5.0% |
| Information | 44,070 | 36,860 | 41,590 | 49,420 | 5,350 | 12.1% |
| Financial & Leasing (F I R E) | 83,740 | 79,720 | 89,230 | 103,400 | 19,660 | 23.5% |
| Professional & Managerial Services | 124,280 | 101,960 | 118,060 | 139,790 | 15,510 | 12.5% |
| Health & Educational Services | 97,870 | 101,810 | 115,390 | 129,400 | 31,530 | 32.2% |
| Arts, Recreation & Other Services | 95,010 | 96,990 | 110,260 | 123,460 | 31,530 | 29.9% |
| Government | 29,040 | 24,400 | 26,860 | 30,630 | 1,590 | 5.5% |
| TOTAL | 642,500 | 568,730 | 647,190 | 748,100 | 105,600 | 16.4% |

SOURCE: ABAG, Projections 2009

2. Employed Residents and Commuters

During the early part of the decade, the number of employed residents in San Francisco declined (Table I-11) However, that trend has been reversed and by the end of the decade, a total of almost 413,870 employed residents is projected. ABAG's *Projections 2009* also indicate that this trend will continue over the 20 years with the addition of over 108,860 employed residents between 2010 and 2030.

No. of Change % Change 2000 437,533 2005 390,102 -47,431 -10.8% 2010 413,866 23,764 6.1% 2015 426,770 12,904 3.1% 2020 460,322 33,552 7.9% 2025 495,531 35,209 7.6% 2030 522,727 27,196 5.5%

SOURCE: ABAG, Projections 2009

The number of workers per household also declined between 2000 and 2005, from 1.33 to 1.15 (Table I-12). This number is expected to remain fairly constant until 2030 when it will increase to 1.25 workers per household. The Bay Area region will follow a similar trend.

San Francisco 1.33 1.19 1.23 1.28 1.15 1.18 1.30 Bay Area Region 1.40 1.25 1.28 1.30 1.36 1.40 1.43

SOURCE: Planning Department based on ABAG Projections 2009

As of 2000, commuters into San Francisco held 44.4% of the jobs in the City (Table I-13). According to the Metropolitan Transportation Commission's *Commuter Forecasts for the San Francisco Bay Area:* 1990-2030, over half of these workers commute into the City via the Bay Bridge corridor. Between 2000 and 2010, it is estimated that commuters will have obtained 86.5% of new jobs in San Francisco.

As a regional job center, San Francisco will continue to have a larger share of commuters than other cities in the Bay Area. The regional transportation goal in the next ten years is to reduce commuting with a smaller share of new jobs created in San Francisco being taken by non-San Francisco residents. Table 1-13, however, is not a job forecast nor does it show distribution of jobs throughout the area. Rather, it assumes that more of the future jobs in San Francisco are expected to be taken by San Francisco residents than has occurred in the past.

| Category | 2000 | 2010 | 2020 | 2030 |
|---|---------|---------|---------|---------|
| Commuters | 257,341 | 300,069 | 338,196 | 357,074 |
| San Francisco Residents | 321,913 | 328,563 | 362,044 | 402,829 |
| TOTAL JOBS | 579,254 | 628,632 | 700,240 | 759,903 |
| % of Commuters | 44.4% | 47.7% | 48.3% | 47.0% |
| Increase | | 49,378 | 71,608 | 59,663 |
| Change in Commuters | | 42,728 | 80,855 | 18,878 |
| Regional Goal of Percent Change of Commuters | | 86.5% | 53.2% | 31.6% |

SOURCE: Metropolitan Transportation Commission

Table I-11
Employed Resident

Employed Residents Trends and Projections, San Francisco, 2000–2030

Table I-12
Workers per Household Trends
and Projections, San Francisco
and Bay Area, 2000-2030

Table I-13
Workers Commuting into
San Francisco, 2000-2030

C. INCOMES

1. Median Incomes

The 2000 Census noted San Francisco's median household income at \$55,221. This represents an increase of about 65% in the 10 years between Census counts (Table I-14). Table I-14 also shows that median and mean family incomes tend to be higher than that of non-family households. The 2008 American Community Survey (ACS) estimates the median household income at just under \$73,798 or about a 33.6% increase in the last eight years. Table I-15, moreover, shows these same incomes adjusted for inflation, where median household and median non-family household incomes have increased slightly, median family household incomes have increased almost 12%.

Table I-14
Household and Family
Income, San Francisco,
1990-2008

| | 1990 | 2000 | 2008 ACS |
|------------------------------------|----------|----------|-----------|
| Median Household Income | \$33,414 | \$55,221 | \$73,798 |
| Mean Household Income | | | \$108,753 |
| Median Family Household Income | \$38,443 | \$63,545 | \$91,812 |
| Mean Family Household Income | | | \$131,564 |
| Median Non-Family Household Income | | \$46,465 | \$61,480 |
| Mean Non-Family Household Income | | | \$88,772 |

SOURCE: Census Bureau

Table I-15
Household and Family
Income in Constant Dollars,
San Francisco, 1990-2008

| Income Category | 1990 (1999 Dollars) | 2000 (1999 Income) | 2008 (1999 Dollars) |
|------------------------------------|---------------------|--------------------|---------------------|
| Median Household Income | \$44,024 | \$55,221 | \$57,104 |
| Median Family Income | \$53,440 | \$63,545 | \$71,044 |
| Median Non-Family Household Income | \$35,696 | \$46,465 | \$47,573 |
| Per Capita Income | \$25,949 | \$34,556 | \$36,693 |

SOURCE: Census Bureau

Table I-16 below shows household incomes by household type, tenure and ethnicity. In addition to the difference between median family income and median non-family income, disparities exist between home-owning households and renters, and amongst ethnic groups. This array of income, as well as household type, affects housing demand and affordability. For example, the family median income is not enough to afford the average 2008 rent for a two-bedroom apartment at \$2,650. And while the median family income is somewhat higher than that of a non-family household, it is spread among more people in the household and would have to pay for larger housing to accommodate the larger average family household size. There is thus a need for larger units affordable to families and large households in San Francisco and an on-going need for affordable housing for the population in general.

| Characteristic | Median Income | % of San Francisco Median Household Income (\$55,221) |
|--|---------------|--|
| HOUSEHOLD TYPE | | |
| Family Household | \$63,545 | 115.1% |
| Non-Family Household | \$46,457 | 84.1% |
| TENURE | | |
| Owner Occupied Households Median Income | \$77,917 | 141.1% |
| Renter Occupied Households Median Income | \$45,275 | 82.0% |
| ETHNICITY | | |
| White | \$63,227 | 114.5% |
| African American | \$29,640 | 53.7% |
| American Indian/Alaska Native | \$30,994 | 56.1% |
| Asian | \$49,596 | 89.8% |
| Native Hawaiian/Pacific Islander | \$33,750 | 61.1% |
| Other Race | \$47,651 | 86.3% |
| Two or More Race | \$49,040 | 88.8% |
| Hispanic or Latino | \$46,883 | 84.9% |

Table I-16
Household Income by
Household Type, Tenure and
Ethnicity, San Francisco,
2000

2. Employed Residents, Household Workers and Income

Generally, the overall number of employed persons in a city is probably not correlated with income. Rather, income levels relate more directly to general economic characteristics of an area, fluctuations in wages earned, inflation, and most directly, job mix. However, data suggest that some family incomes may rise as a result of increased employment. It is reasonable to expect that as employment increases, families would benefit from increased employment, thus increasing family income. This is evidenced in the higher median family income presented in Table I-15 above. Between 1990 and 2000, the number of families with no workers decreased from 14.7% to 12.8 %, possibly benefiting families (Table I-17). Additionally, this table shows that the number of families with two workers increased by about 6.6%, implying that those families earned more. However, one cannot be sure because, for instance, a family may have lost one job and replaced it with two lower-paying positions.

| Workers | 1990 | 2000 |
|---------|--------|--------|
| 0 | 21,147 | 18,798 |
| 1 | 38,150 | 38,729 |
| 2 | 62,099 | 66,231 |
| 3+ | 22,422 | 23,428 |

Table I-17 Number of Workers in Family, San Francisco, 1990-2000

SOURCE: Census Bureau

^{*} People who identify themselves as Hispanic or Latino may also identify themselves as a particular ethnicity.

3. Income Disparities

Income disparity is even more significant when households' median incomes are compared by ethnicity. Table I-18 shows that across all types of households and per capita measures, white households have significantly higher earnings than other ethnicities. Only White households earn more than the 2000 Census citywide averages. African American households' median income of \$29,640 is 54% of the City's median income, while White households' median income is \$63,227 or 115% of the City's median income. Asian households have a median income that is 90% of the City's overall median income, followed by "Two or More Race" and "Other Race" households whose median incomes are about 89% and 86% of San Francisco's median income respectively. Median income of Hispanic or Latino households was pegged at \$46,883 or about 85% of the citywide median.

Table I-18
Incomes by Ethnicity
and Household Type,
San Francisco, 2000

| Ethnicity | Median Household Income | Median Family Income | Median Non-Family Income | Average Family Size | Per Capita Income |
|------------------------------------|----------------------------|-------------------------|-----------------------------|------------------------|----------------------|
| White | \$63,227 | \$81,891 | \$52,715 | 2.72 | \$48,393 |
| African American | \$29,640 | \$35,943 | \$21,103 | 3.16 | \$19,275 |
| American Indian / Alaska Native | \$30,994 | \$35,000 | \$24,922 | 3.39 | \$22,588 |
| Asian | \$49,596 | \$56,679 | \$30,365 | 3.67 | \$22,357 |
| Native Hawaiian / Pacific Islander | \$33,750 | \$31,985 | \$38,333 | 4.47 | \$12,476 |
| Other Race | \$47,651 | \$46,683 | \$31,801 | 4.19 | \$15,730 |
| Two or More Races | \$49,040 | \$51,571 | \$41,677 | 3.33 | \$22,091 |
| Hispanic or Latino | \$46,883 | \$46,809 | \$35,911 | 3.88 | \$18,584 |
| Citywide | \$55,221 | \$63,545 | \$46,457 | 3.22 | \$34,556 |

SOURCE: Census Bureau

As noted earlier, ethnic households tend to be larger than the City's overall average household size (Table I-7). Thus a look at per capita income provides a starker reality of income disparity. The 2000 Census shows that per capita income of San Franciscan of Native Hawaiian or Pacific Islander heritage is equivalent to only 36.1% of the City's overall, but for white San Franciscans, it is 140%. And while Asian households earn on average about 90.4% of the City's median income, per capita income of San Franciscans of Asian decent is \$22,357 or 64.7%.

4. Employment Trends and Income

The housing needs of San Francisco are based on providing housing to support the City's workforce, which includes both San Francisco residents and commuters. While San Francisco serves as a regional center for employment, a substantial portion of its workforce lives within the city boundaries. San Francisco's share of the regional housing needs assessment reflect the continuing need to provide housing for its workforce. The average income for the San Francisco workforce demonstrates the lack of housing affordable to many San Francisco workers, both residents and commuters. Table I-19 below shows the average wage by sector and total jobs in each sector. The office sector was by far the largest employer with 195,521 jobs. The retail and industrial sectors had 96,033 and 84,693 jobs respectively. The cultural/institutional sector also had a large number of jobs with 128,725 employees as of 2005. With an average rent of \$2,650 for a two-bedroom apartment in 2008, a household must have an annual income of at least \$106,000 to afford such a unit.

| Industry | Average Annual Wages 2006 | Average Employment 2006 |
|-------------------------------------|---------------------------|-------------------------|
| TOTAL PRIVATE INDUSTRY | \$71,174 | 446,359 |
| Goods Producing | \$58,145 | 28,430 |
| Natural Resources and Mining | 40,895 | 259 |
| Construction | 64,939 | 16,962 |
| Manufacturing | 48,263 | 11,209 |
| Service Producing | \$72,061 | 417,929 |
| Trade, Transportation and Utilities | 52,215 | 68,538 |
| Information | 87,003 | 17,098 |
| Financial Activities | 160,040 | 57,827 |
| Professional and Business Services | 89,032 | 114,320 |
| Education and Health Services | 48,363 | 53,740 |
| Leisure and Hospitality | 28,083 | 74,074 |
| Other Services | 29,004 | 32,305 |
| TOTAL GOVERNMENT | \$83,800 | n/a |

Table I-19
Average Annual Wage and Employment by Sector, San Francisco,

SOURCE: S.F. Planning Department; California Employment Development Division

Because each sector in Table I-19 contains a variety of occupations, it is useful to call out the fastest growing categories of jobs in San Francisco, as shown in Table I-20. Of these, only three job classifications – Lawyers, General and Operations Managers, and Computer Software Engineers, Applications – have estimated annual wages around or above the \$106,000 required to afford asking rents of an average two-bedroom apartment in San Francisco.

| Occupational Title | Job Openings 2004-2014 | Mean Hourly Wage, 2008 | Estimated Annual Wage* 2008 |
|--|---------------------------|------------------------------|-----------------------------------|
| Retail Salespersons | 14,030 | \$13.97 | \$29,049 |
| Waiters and Waitresses | 11,090 | \$10.69 | \$22,236 |
| Cashiers | 10,970 | \$12.37 | \$25,730 |
| Counter Attendants, Cafeteria, Food Concession, and Coffee Shop | 7,660 | \$9.81 | \$20,391 |
| Janitors and Cleaners, Except Maids and Housekeeping Cleaners | 6,520 | \$12.94 | \$26,919 |
| Combined Food Preparation and Serving Workers, Including Fast Food | 6,290 | \$10.71 | \$22,267 |
| Registered Nurses | 5,950 | \$44.46 | \$92,477 |
| Office Clerks, General | 4,780 | \$15.79 | \$32,831 |
| Computer Software Engineers, Applications | 4,740 | \$49.92 | \$103,829 |
| General and Operations Managers | 4,190 | \$62.52 | \$130,045 |
| Food Preparation Workers | 4,040 | \$11.14 | \$23,168 |
| Executive Secretaries and Administrative Assistants | 3,680 | \$25.03 | \$52,072 |
| Accountants and Auditors | 3,650 | \$36.57 | \$76,058 |
| Security Guards | 3,620 | \$14.39 | \$29,921 |
| Carpenters | 3,620 | \$29.11 | \$60,555 |
| Cooks, Restaurant | 3,430 | \$13.09 | \$27,226 |
| Laborers and Freight, Stock, and Material Movers, Hand | 3,290 | \$14.31 | \$29,771 |
| Stock Clerks and Order Fillers | 3,140 | \$13.29 | \$27,661 |
| Customer Service Representatives | 3,000 | \$19.52 | \$40,597 |
| Bookkeeping, Accounting, and Auditing Clerks | 2,850 | \$20.79 | \$43,243 |
| Maids and Housekeeping Cleaners | 2,720 | \$13.18 | \$27,400 |
| Medical Scientists, Except Epidemiologists | 2,670 | \$45.76 | \$95,174 |
| Tellers | 2,640 | \$14.41 | \$29,980 |
| First-Line Supervisors/Managers of Office and Administrative Support Workers | 2,630 | \$28.10 | \$58,438 |
| Lawyers | 2,570 | \$70.00 | \$145,600 |

Table I-20

Job Classifications with Most Job Openings 2004-2014 and Mean Hourly Wages, 2008 San Francisco-Marin-San Mateo Counties, 2004-2014 * Assumes 40-hour work week, 52-week year. SOURCE: California Employment Development Department, Occupational Employment Statistics Survey check http://www.calmis.ca.gov/file/occproj/sanf\$occmost.xls

Much of the growth forecast to occur in the coming years will be in low- to medium-skilled jobs such as retail salespersons, waitpersons, cafeteria and coffee shop attendants, janitors and cleaners, and food preparation workers, with approximate annual pay scales ranging from \$20,900 to \$29,000 (Table I-20). Some of this growth may be absorbed by San Francisco residents through the First Source Hiring Program. However, this is a limited program since it only applies to city contracts and commercial development that is over 25,000 square feet.¹

¹ San Francisco's First Source Hiring Program (Chapter 83 of the Administrative Code) was created to foster construction and permanent employment opportunities for qualified economically disadvantaged individuals. Participation in this program is required in City contracts and City property contracts. To date, the First Source Hiring Program has employed at least 229 people permanently and 332 people through construction jobs. These numbers represent minimums, because not all hires are recorded.



Housing Characteristics

This section provides background information on the physical and qualitative characteristics of San Francisco's housing stock. Totaling about 363,660 units, the City's housing stock is roughly divided into low-, medium-, and higher-density structures. The City's housing stock is older than other West Coast cities, with over 50% of the City's housing units constructed before World War II. San Francisco's housing tends to be smaller in size, with about 72% of all units containing two bedrooms or less. San Francisco, like most large cities, is a city of renters who occupy 62% of housing units in the City.

About 18,960 new housing units were added to the City's housing stock in the nine years following the 2000 Census; of these, 88% were in structures with ten or more units. Since 2000, almost 43% of all new housing was constructed in the largely industrial areas of the South of Market planning district; an additional combined total of 13% were built in the residential-zoned Inner and Outer Sunset, the Richmond, Ingleside, and Central and South Central planning districts.

Housing affordability continues to be a major concern as San Francisco has one of the least affordable housing markets in the nation. Roughly 26% of new housing built since 2000 qualified as affordable to households making 100% or less of the area median income. The cooling housing market, notwithstanding, homeownership in San Francisco remains elusive for most residents. Only 10% of all San Francisco households could afford the \$572,000 median housing price Average asking rents stood at \$2,650 in 2008.

A. EXISTING HOUSING STOCK

1. General Characteristics

Structure Type and Tenure: According to the 2000 Census, San Francisco's over 346,500 housing units consisted of roughly equal proportions of low-density single family units, two to nine unit medium density structures, and ten unit plus high-density buildings (Table I-21). This has not changed dramatically in the last seven years. San Francisco is also city of renters: an estimated 62% of all households rent according to the latest American Community Survey estimates (2007). This latest Census survey, however, estimated that there has an increase in the rate of homeownership, with 39% of all households owning their homes, up from 35% seven years earlier. Table I-21 also shows that a vast majority of single-family units are owner-occupied (72%).

Table 1-21
Housing Characteristics,
San Francisco,
2000 and 2007

| Characteristic | All U | Jnits | Оссі | Occupied | | Rent | | Own | |
|--------------------|----------------|--------|--------|----------|--------|--------|--------|--------|--|
| Characteristic | 2000 | 2007 | 2000 | 2007 | 2000 | 2007 | 2000 | 2007 | |
| TENURE STATUS | | | | | | | | | |
| | | | | | 65.0% | 62.2% | 35.0% | 37.8% | |
| STRUCTURE TYPE | STRUCTURE TYPE | | | | | | | | |
| Single Family | 32.1% | 34.4% | 32.7% | 34.9% | 11.7% | 14.5% | 71.6% | 68.5% | |
| 2 - 4 Units | 23.3% | 20.4% | 23.4% | 20.7% | 26.7% | 22.8% | 17.2% | 17.2% | |
| 5 - 9 Units | 11.3% | 10.4% | 11.3% | 10.2% | 15.9% | 14.1% | 2.8% | 3.8% | |
| 10 - 19 Units | 10.1% | 10.2% | 10.1% | 9.7% | 14.3% | 14.2% | 2.3% | 2.2% | |
| 20+ Units | 22.9% | 24.5% | 22.3% | 24.5% | 31.2% | 34.3% | 5.9% | 8.2% | |
| Other | 0.2% | 0.1% | 0.2% | 0.1% | 0.1% | 0.0% | 0.2% | 0.1% | |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| UNIT SIZE | | | | | | | | | |
| No Bedroom | 18.0% | 14.1% | 17.7% | 14.0% | 26.0% | 21.7% | 2.4% | 1.3% | |
| 1 Bedroom | 28.0% | 28.2% | 28.0% | 27.9% | 36.9% | 39.1% | 11.3% | 9.6% | |
| 2 Bedrooms | 29.8% | 30.4% | 29.7% | 30.5% | 25.0% | 25.5% | 38.5% | 38.5% | |
| 3 Bedrooms | 17.3% | 18.5% | 17.5% | 19.1% | 9.2% | 9.8% | 32.8% | 34.4% | |
| 4 Bedroom | 5.3% | 6.3% | 5.3% | 6.2% | 2.2% | 2.5% | 11.2% | 12.3% | |
| 5 or more Bedrooms | 1.7% | 2.5% | 1.8% | 2.3% | 0.7% | 1.4% | 3.8% | 3.8% | |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| AGE OF HOUSING BY | EAR BUILT | | | | | | | | |
| 2000 and later | | 3.7% | | 4.6% | | 4.9% | | 4.1% | |
| 1980 – 1999 | 8.8% | 8.5% | 8.9% | 8.6% | 8.5% | 9.0% | 9.5% | 7.9% | |
| 1960 – 1979 | 18.8% | 14.6% | 16.3% | 14.6% | 19.5% | 17.1% | 10.4% | 10.6% | |
| 1940 – 1959 | 24.0% | 20.0% | 24.8% | 20.4% | 23.7% | 18.6% | 26.9% | 23.2% | |
| 1939 or earlier | 48.5% | 53.3% | 50.0% | 51.9% | 48.3% | 50.5% | 53.2% | 54.2% | |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |

SOURCE: Census Bureau

Structure Size:/Bedroom Counts Dwelling units in San Francisco are generally small in size. The 2000 Census showed that 76% of all units had two bedrooms or less. Only 7% of housing units had four or more bedrooms. These units were primarily in single-family homes and two unit residential flats. Renters, who make up 65% of all households in the City, tend to have smaller units. Over a quarter (26%) of renting households live in units without a bedroom, compared to just 2.4% of home owning households.

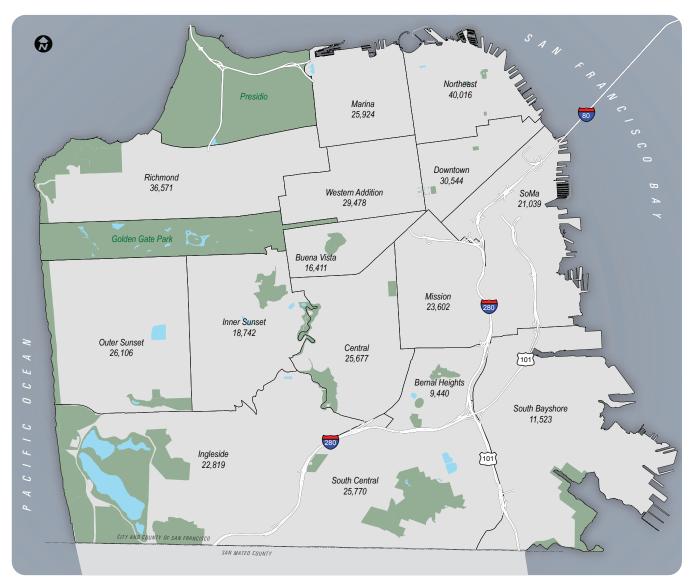
Age of Housing Stock: Over 53% of San Francisco's housing stock was built prior to 1940. New construction since 2000 accounts for just under 4% of the City's total housing stock. Housing added in the last 27 years represents approximately 12% of all units. Unlike some jurisdictions where older housing stock is targetted for demolition or replacement, most of San Francisco's older housing stock is in sound condition. Indeed, the City's iconic Victorians are over 100 years old. (See page 58 for discussion on replacement of units.) Table I-21 details other differences in housing characteristics by household tenure status.

Location and Structure Type: Table I-22 in the following page shows the distribution of the City's housing inventory by planning district (see Map I-3) and by structure size. The Northeast planning district has the most housing units, followed by the Richmond, Western Addition and Downtown. The largely residential districts of Inner Sunset, Buena Vista and Bernal Heights, along with the industry-strewn Bayview, account for the fewest units. Single-family homes are concentrated in the residential-zoned districts of South Central, Inner Sunset, Outer Sunset and Ingleside. The Northeast planning district has the most high-density structures, followed by Western Addition, South of Market and Marina.

Planning District Single Family 1 Richmond 10,441 15,371 5,031 5,728 36,571 Percent 29% 42% 14% 16% 10.1% 2 Marina 2,964 5,982 4,139 12,839 25,924 Percent 11% 23% 16% 50% 7.1% 3 Northeast 1,802 7,290 6,849 24,075 40,016 Percent 5% 18% 17% 60% 11.0% 4 Downtown 210 509 880 28,945 30,544 Percent 1% 2% 3% 95% 8.4% 5 Western Addition 2,264 5,979 4,063 17,172 29,478 Percent 8% 20% 14% 58% 8.1% 6 Buena Vista 2,123 6,777 3,493 4,018 16,411 21% 4.5% Percent 13% 41% 24% 7 Central 8,657 9,442 2,927 4,651 25,677 34% 37% 11% 18% 7.1% Percent 8 Mission 2,430 9,364 4,560 7,248 23,602 Percent 10% 40% 19% 31% 6.5% 9 South of Market 2,010 2,858 1,033 15,138 21,039 Percent 10% 14% 5% 5.8% 72% 10 South Bayshore 6,900 1,769 1,661 11,523 1,193 60% 15% 15% 10% 3.2% Percent 9.440 11 Bernal Heights 5,355 3,135 481 469 Percent 57% 33% 5% 5% 2.6% 12 South Central 20,675 2,422 1,344 1,329 25,770 Percent 80% 9% 5% 6% 7.1% 13 Ingleside 16,514 1,495 462 4,348 22,819 6.3% Percent 72% 7% 2% 20% 14 Inner Sunset 18,742 9,898 4,534 1,602 2,708 24% 9% 14% 5.2% Percent 53% 15 Outer Sunset 19,020 4,546 1,321 1,219 26,106 7.2% Percent 73% 17% 5% 4% 111,263 CITYWIDE TOTAL 39,846 131,080 363,662 81,473 31% 22% 11% 36% 100.0% Percent

SOURCE: SF Planning Department

Table 1-22
Housing Stock by Planning
District and Structure Size,
San Francisco, 2008



Housing Stock by Planning District San Francisco, 2008



KEY:

Outer Sunset 26,081

Planning District Total Units

2. Changes to the Housing Stock, 2000 - 2008

Despite the economic downturn at the beginning of the new millennium, housing production in San Francisco seemed unaffected. Accounting for new production, demolitions, and alterations, the City has seen a net increase of over 18,960 housing units – an annual average of almost 2,010 units – in the last nine years. In comparison, a net total of 9,640 housing units were added between 1990 and 1999 or an annual rate of about 964 units per year. The three-year spike in demolitions between 2003 and 2005 is a result of extensive public housing renewal projects, all of which have since been replaced with new affordable housing. Table I-23 also shows a growing trend - roughly 15% in the last nine years - of new units from the conversion of commercial buildings.

Units Completed from New Construction Units Gained or Lost from Alterations Net Change In Number of Units Units Demolished 2000 1,859 61 1,797 (1) 2001 1,619 99 259 1,779 2002 2,260 73 221 2,408 2003 2,730 286 52 2.496 2004 1,780 355 62 1,487 2005 1,872 174 157 1,855 2006 1,675 41 280 1,914 2007 2,197 81 451 2,567 2008 3,019 273 3,263 29 **TOTAL** 19,566 19,011 1,199 1,754

Table 1-23
New Housing Construction,
Demolitions and Alterations,
San Francisco, 2000-2008

SOURCE: SF Planning Department

a. Type and Location of New Construction, 2000 - 2008

Most of the new construction in the last nine years has occurred in larger structures, with 85% of the housing developed in buildings with more than ten units (Table I-24). South of Market absorbed most of the new housing development since 2000, accounting for over 8,070 new units or almost 43% of all new housing during that period; Downtown and the Western Addition follow with roughly 3,465 and 1,504 respectively, together accounting for over 26% of new housing (Table I-25 and Map I-4). The largely residential districts of the Richmond, Inner and Outer Sunset, Ingleside, Central and South Central, combined, netted only 13% of the additional units to the City's housing stock.

Table 1-24
Comparison of Existing
Stock with New Construction
by Building Type,
San Francisco, 1980-2008

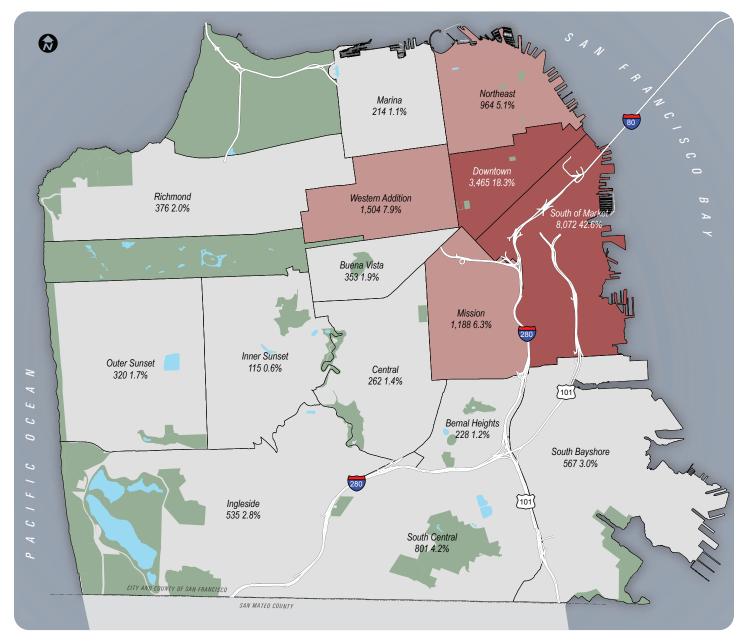
| | Existing Stock | | | New Construction |
|---------------|----------------|--------|--------|------------------|
| Building Type | 1980 | 1990 | 2000 | 2000-2008 |
| Single Family | 32.3% | 32.0% | 31.3% | 3.0% |
| Two Units | 12.6% | 24.0% | 23.7% | 3.9% |
| 3 to 9 Units | 20.8% | 11.3% | 11.1% | 8.2% |
| 10 + Units | 34.3% | 32.7% | 34.0% | 85.0% |
| TOTAL | 100.0% | 100.0% | 100.0% | 100.0% |

SOURCES: Census Bureau; SF Planning Department

Table 1-25
Net Change in the Housing
Stock by Planning District,
2000-2008

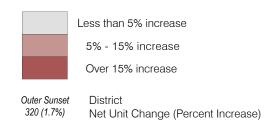
| Planning District | 2000 Census | Net Additions April 2000 - 2008 | Total Housing Stock, 2008 | % of Net Addition |
|----------------------|-------------|------------------------------------|------------------------------|-------------------|
| 1 - Richmond | 36,195 | 376 | 36,571 | 2.0% |
| 2 - Marina | 25,710 | 214 | 25,924 | 1.1% |
| 3 - Northeast | 39,052 | 964 | 40,016 | 5.1% |
| 4 - Downtown | 27,079 | 3,465 | 30,544 | 18.3% |
| 5 - Western Addition | 27,974 | 1,504 | 29,478 | 7.9% |
| 6 - Buena Vista | 16,058 | 353 | 16,411 | 1.9% |
| 7 - Central | 25,415 | 262 | 25,677 | 1.4% |
| 8 - Mission | 22,414 | 1,188 | 23,602 | 6.3% |
| 9 - South of Market | 12,967 | 8,072 | 21,039 | 42.6% |
| 10 - South Bayshore | 10,956 | 567 | 11,523 | 3.0% |
| 11 - Bernal Heights | 9,212 | 228 | 9,440 | 1.2% |
| 12 - South Central | 24,969 | 801 | 25,770 | 4.2% |
| 13 - Ingleside | 22,284 | 535 | 22,819 | 2.8% |
| 14 - Inner Sunset | 18,627 | 115 | 18,742 | 0.6% |
| 15 - Outer Sunset | 25,786 | 320 | 26,106 | 1.7% |
| San Francisco Totals | 344,698 | 18,964 | 363,662 | 100.0% |

SOURCE: SF Planning Department



Net Change to the Housing Stock by Planning District San Francisco, April 2000-2008





b. Construction of Low and Moderate Income Housing, 2000 - 2008

Between 2000 and 2008, over 4,920 new affordable housing units, including inclusionary affordable units, were added to San Francisco's housing stock. San Francisco, however, did not meet its fair share of the regional housing needs production targets, especially for low and moderate income housing. (See *Appendix A* for details of the City's housing production performance in the evaluation of the 2004 Residence Element.)

Since 2000, 26% of all new housing units built in the City have been affordable units. Nearly 60% of these qualified as affordable at very low-income levels and another 16% that was considered affordable for low income households (Table I-26). An affordable rental unit is defined as housing for which rent equals 30% of the income of a household earning 60% or less of the area median income (AMI).¹

These totals represent construction of new units, including new units from alterations and conversion of commercial structures, but do not include permanently affordable units that result from the acquisition and rehabilitation of existing residential buildings by non-profit housing organizations. Of these affordable units, almost 2,410 units were specifically targeted for families and featured three- and four-bedroom units. Another 970 units were reserved for senior citizens and almost 765 units were efficiency units or one-bedroom units to house the formerly homeless. The Mayor's Office of Housing (MOH) noted that 2,320 affordable units were acquired or rehabilitated since 2000; almost 335 more units are underway or being planned. These numbers include both MOH and Redevelopment Agency projects.

Table 1-26
Construction of New
Affordable Housing Units,
San Francisco, 2000-2008

| Income Level | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Totals |
|---|------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Very Low | 67 | 82 | 711 | 150 | 383 | 453 | 316 | 412 | 381 | 2,955 |
| Low | 54 | 80 | 81 | 94 | 2 | 236 | 17 | 120 | 81 | 765 |
| Moderate | 31 | 10 | 50 | 115 | 163 | 110 | 158 | 203 | 361 | 1,201 |
| Total Newly Constructed Affordable Units | 152 | 172 | 842 | 359 | 548 | 799 | 491 | 735 | 823 | 4,921 |
| As % of Total New Construction | 8.2% | 10.6% | 37.3% | 13.2% | 30.8% | 42.7% | 29.3% | 33.5% | 27.3% | 25.9% |

SOURCE: Planning Department, Housing Inventory

¹ Income and affordability guidelines are discussed on p. 43.

c. Units Demolished

A total of 1,199 housing units were demolished between 2000 and 2008, or an annual average of over 130. This is lower than the number of units demolished in the two decades between 1980 and 1999 with an annual average of about 148 units. The City has a one-to-one unit replacement policy that requires units lost through demolition be replaced with the same number of units or more. As shown in Table I-27, almost 60% of all units demolished were in larger multi-unit structures. The two-year spike in housing demolitions were of that of North Beach Place and Valencia Gardens, two large, older public housing structures that have since been replaced by new affordable housing developments. Single-family homes represented over a quarter of residential units demolished from between 2000 and 2008 (316 units).

Table 1-27
Demolitions by Structure
Type, 2000-2008

| Structure Type | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | TOTAL |
|-------------------|------|------|------|------|------|------|------|------|------|-------|
| Units Demolished | 61 | 99 | 73 | 286 | 355 | 174 | 41 | 81 | 29 | 1,199 |
| Single Family | 31 | 48 | 55 | 34 | 30 | 70 | 18 | 19 | 11 | 316 |
| 2 Unit Building | 18 | 22 | 8 | 14 | 10 | 16 | 12 | 8 | 4 | 112 |
| 3-4 Unit Building | 12 | 15 | 10 | 3 | 9 | 3 | 11 | 3 | 3 | 69 |
| 5+ Unit Building | - | 14 | - | 235 | 306 | 85 | - | 51 | 11 | 702 |

d. Other Changes to the Housing Stock

In addition to changes resulting from new construction and demolition, the quantity of housing in the City can be altered by other factors including the subdivision of units, dwelling unit mergers, and building conversion (e.g. converting housing to commercial space).

a. Alterations: Since 2000, some 1,754 net units have been added to the City's housing stock by some type of alteration. The majority of alterations that produce additional housing usually result in a single new unit. Most losses through alterations result from dwelling unit mergers, although recent legislative efforts have curbed historically high merger trends. A number of illegal units are also removed from the housing stock each year by code enforcement. A total of 204 housing units were removed in this fashion from 2000 to 2008.

Table 1-28
Housing Units
Converted to NonResidential Use,
San Francisco,

1970-2008

b. Conversions: A growing trend in alterations is the conversion of commercial buildings to

residential uses. Between 2000 and 2008, 1,318 units were added through commercial to residential conversion. Moreover, the number of housing units lost by conversion to non-residential uses has decreased dramatically over the last three decades after controls that discourage conversion to commercial uses were set in place in the mid-1980s and 1990s. Approximately 49 units were lost to such conversion between 2001 to 2008, at a similar rate in the previous 10 years and far reduced from the over 1,000 units that were converted to non-residential uses in the decade from 1970-1980 (Table I-28). No information is available on the number of units illegally converted from residential use.

| Time Period | No. Units | | | |
|---------------|-----------|--|--|--|
| 1970 to 1980 | 1,094 | | | |
| 1981 to 1990* | 165 | | | |
| 1991 to 2000 | 42 | | | |
| 2001 to 2008 | 49 | | | |

NOTES

* SF Planning Department, A Study of Conversion of Apartments to Non Residential Uses in Commercial and Industrial Areas, 1981

SOURCE: SF Planning Department

3. Secondary Units

No information is available on the number of illegal secondary units that have been added to the City's housing stock. However, a total of 80 units have been legalized between 2000 and 2008 and another 204 illegal units were removed in the same period (Table I-29).

Table I-29
Legalization of Secondary
Units, 2000-2008

| Year | Units Legalized | Illegal Units Removed |
|--------|-----------------|-----------------------|
| 2000 | - | 12 |
| 2001 | 8 | 22 |
| 2002 | 9 | 36 |
| 2003 | 11 | 33 |
| 2004 | 8 | 22 |
| 2005 | 16 | 38 |
| 2006 | 9 | 12 |
| 2007 | 11 | 10 |
| 2008 | 8 | 19 |
| TOTALS | 80 | 204 |

SOURCE: SF Housing Authority

4. Federally-Assisted Units

Table I-30 describes units in San Francisco that receive support under the Federal Section 8 rent subsidy program or are managed by the San Francisco Housing Authority. In the Section 8 program, residents pay 30% of their monthly income in rent, and the government subsidizes the difference so that the property owner receives a HUD-determined fair market rent each month. Section 8 subsidies are associated either with a particular housing unit (project-based) or with a qualifying household (voucher/certificate program).

Table 1-30
Citywide Inventory of
Public Assisted Housing,
San Francisco, 2007

| | 2007 | | | | |
|-------------------------|--------------------|---------------|--------------|--|--|
| Type of Assistance | Total No. of Units | Elderly Units | Family Units | | |
| Project Based Section 8 | 8,042 | | | | |
| For Profit | 4,085 | N/A | N/A | | |
| Non-Profit | 3,957 | N/A | N/A | | |
| Tenant Based Section 8 | 7,409 | N/A | N/A | | |
| SF Housing Authority | 6,262 | 2,025 | 4,237 | | |
| TOTALS | 21,713 | 2,025 | 4,237 | | |

SOURCE: SF Housing Authority

Section 8 housing units and those managed by the Housing Authority total over 21,710 units, representing about 6% of the city's total housing stock. Senior and disabled renters that meet the income eligibility requirements are given priority on roughly a third of all Housing Authority units, while the remaining units are predominantly occupied by family households. Almost half of all residents in Housing Authority units are African-American, and approximately one-fifth is Asian-American.

5. Residential Hotel Stock

Residential hotel units (also called Single Room Occupancy or SROs) typically provide affordable rental housing for solo occupancy and generally rented to lower income persons. There are over 500 residential hotels in San Francisco containing about 19,120 rooms (Table I-31),; most of these SRO units have shared bathroom and kitchen facilities. Since 1990, non-profit organizations have purchased residential hotels and now maintain nearly a quarter of the units with a guaranteed level of affordability and, in some cases, related supportive services to residents. Of the residential hotels operated by private entities, about 3,000 of the 14,230 rooms operate as tourist rooms and therefore do not contribute to the affordable housing stock..

| | For Profit Residential Hotels | | Non-Profit Residential Hotels | | Total | | |
|------|-------------------------------|----------------------|-------------------------------|---------------------|----------------------|---------------------|----------------------|
| Year | No. of Buildings | Residential Rooms | Tourist Rooms | No. of Buildings | Residential Rooms | No. of Buildings | Residential Rooms |
| 1990 | 495 | 18,521 | 4,449 | 36 | 1,831 | 531 | 20,352 |
| 1995 | 496 | 18,415 | 4,457 | 36 | 1,481 | 532 | 19,896 |
| 2000 | 457 | 16,331 | 3,781 | 61 | 3,314 | 518 | 19,645 |
| 2005 | 435 | 15,106 | 3,345 | 71 | 4,217 | 506 | 19,323 |
| 2007 | 419 | 14,233 | 3,004 | 84 | 4,886 | 503 | 19,119 |

Table 1-31
Residential Hotel Status,
San Francisco, 1990-2007

SOURCE: SF Department of Building Inspection

With the adoption of the Residential Hotel Ordinance in 1980, and subsequent amendments to that ordinance strengthening its enforcement in 1990, conversion of residential hotel rooms has significantly decreased. Over 481 units were lost due to demolitions or fire from 2000 to 2007 (Table I-32). These units are slated to be replaced or have already been replaced by permanently affordable units.

| Reason for Loss | 1975 - 1980 | 1980 - 1981 | 1981 - 1989 | 1990-1999 | 2000-2007 |
|-------------------|-------------|-------------|-------------|-----------|-----------|
| Demolitions/Fire | 985 | | 99 | 909 | 481 |
| Conversions | 2,710 | 1,188 | 109 | | |
| Earthquake Damage | | | 202 | | |
| TOTAL | 3,695 | 1,188 | 410 | 909 | 481 |

Table 1-32
Loss of Residential Hotel
Rooms, San Francisco,
1975-2007

SOURCE: SF Department of Building Inspection

6. Live/Work

Although the City's Planning Code considers live/work units as commercial space, they serve as housing units and the Planning Department tracks information on live/work units and counts these as part of the city's housing stock. Over 4,570 live/work units have been completed since 1987. Construction of live/work units surged especially between 1997 and 2003 when some 29% of net housing added during that period were live/work units (Table I-33).

Table I-33 Live/Work Construction, 1987-2007

| Year | No of Live/Work Units | Net Units | Live/Work as % of Net New Units |
|--------|-----------------------|-----------|------------------------------------|
| 1987 | 46 | 1,426 | 3.2% |
| 1988 | 3 | 1,907 | 0.2% |
| 1989 | 104 | 2,345 | 4.4% |
| 1990 | 44 | 1,737 | 2.5% |
| 1991 | 225 | 1,732 | 13.0% |
| 1992 | 75 | 725 | 10.3% |
| 1993 | 93 | 288 | 32.3% |
| 1994 | 55 | 1,186 | 4.6% |
| 1995 | 126 | 401 | 31.4% |
| 1996 | 196 | 683 | 28.7% |
| 1997 | 276 | 725 | 38.1% |
| 1998 | 219 | 874 | 25.1% |
| 1999 | 658 | 1,285 | 51.2% |
| 2000 | 694 | 1,797 | 38.6% |
| 2001 | 349 | 1,779 | 19.6% |
| 2002 | 417 | 2,408 | 17.3% |
| 2003 | 646 | 2,496 | 25.9% |
| 2004 | 148 | 1,487 | 10.0% |
| 2005 | 62 | 1,855 | 3.3% |
| 2006 | 95 | 1,778 | 5.3% |
| 2007 | 42 | 2,567 | 1.6% |
| TOTALS | 4,573 | 31,481 | 14.5% |

Most live/work development occurred in such areas where land was relatively cheaper and many industrial buildings were converted to residential lofts. Over 70% of completed live/ work units are located in the South of Market planning area. As commercial development, live/work units were exempt from obligations and conditions typically required of residential development such as school fees, inclusionary affordable housing requirements and open space provisions. Displacement of viable businesses and land use conflicts also prompted the Planning Commission to adopt interim zoning controls for southeastern portions of the city aimed at preserving industrially zoned lands from competing uses. These controls created Industrial Protection Zones where new housing and live/work units are not allowed, and accompanying Mixed Use Districts where housing would be encouraged. Concerned with distortions in the housing supply and with displacement of industrial space, the San Francisco Board of Supervisors also passed a six-month moratorium on the construction of new live/work units in February 2001. The temporary moratorium was intended to halt the approval of new projects while a study on the impact of live/work units on the city's housing market and industrial lands was being conducted. This moratorium was extended several times and eventually live/work loopholes were mended. Live/work units built after the moratorium were from development projects that were grandfathered in at the time of the legislation.

B. HOUSING TENURE AND AFFORDABILITY

1. Owner-Occupied Housing

The rate of homeownership estimated in 2007 (38%) has increased since the 2000 Census (35%) but is still much lower than the national average (69%). Table I-34 below shows rates of home ownership by planning district. At least 50% of homes owned are in the Ingleside, Inner Sunset, Outer Sunset, South Central, and South Bayshore planning districts. Home ownership rates are lowest in the downtown, with only two percent of people owning their home.

San Francisco's housing prices are among the highest in the nation. And despite recent price declines, at year-end 2008, the median price for an average single family home in San Francisco exceeded \$603,600 and was over 1.5 times the cost of similar housing in the Bay Area and three times the national average (Table I-35). It is estimated that only 11% of San Francisco's households can afford a median priced home in the City.

| Planning District | Rate of Home Ownership |
|------------------------|---------------------------|
| 1 Richmond | 38% |
| 2 Marina | 25% |
| 3 Northeast | 15% |
| 4 Downtown | 2% |
| 5 Western Addition | 19% |
| 6 Buena Vista | 26% |
| 7 Central | 41% |
| 8 Mission | 20% |
| 9 South of Market | 32% |
| 10 South Bayshore | 50% |
| 11 Bernal Heights | 53% |
| 12 South Central | 67% |
| 13 Ingleside | 59% |
| 14 Inner Sunset | 56% |
| 15 Outer Sunset | 59% |
| San Francisco Citywide | 35% |

Table I-34
Rate of Homeownership,
San Francisco, 2000

SOURCE: 2000 US Census

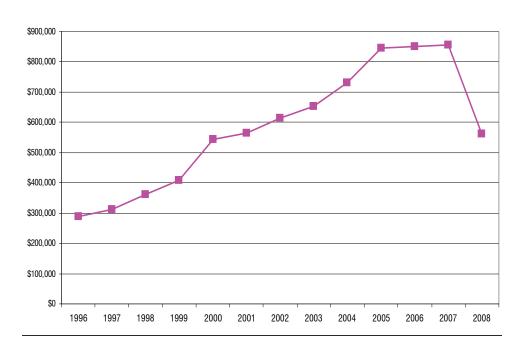
Table 1-35
Housing Affordability of
Average Single Family
Homes, San Francisco, 2008

| Geographic Region | Median Price | % of Households Qualifying |
|--|--------------|-------------------------------|
| San Francisco | \$603,570 | 11% |
| SF Bay Area Region | \$387,500 | 18% |
| Northern California (not including the SF Bay Area) | \$181,110 | n/a |
| California | \$202,220 | |
| Nationwide | \$197,101 | |

SOURCE: California Association of Realtors

Home sales prices in San Francisco rose rapidly from 2000 before stabilizing between 2005 and 2007. With the current global recession, prices dropped in 2008 (Figure I-4) but as stated earlier, only 11% of San Francisco households can qualify to purchase homes at these prices. Compared to other regions, the recent national mortgage crisis had a somewhat muted effect on the City's home prices. While it is too early to determine the full effects on San Francisco's housing costs, the delayed and weakened impact is a testament to the relative robustness of its housing market. Nevertheless, the high cost of home ownership is still prohibitive for San Francisco's low and moderate-income households and homeownership for these households would require substantial subsidies.

Figure I-4
Housing Price Trends,
San Francisco, 1996-2008



SOURCE: California Association of Realtors, *(Figures in current dollars)

2. Rental Housing

The 2008 American Community Survey (ACS) estimated that about 60.5% of San Francisco households are renters; this is double the national average of 31%. San Francisco is nevertheless typical of other larger cities where renters outnumber homeowners. Average asking rents in San Francisco dropped slightly with the dot-com bust but remain high (Figure I-5). Asking rents for a two-bedroom apartment in 2008 averaged \$2,650 a month. To afford this level of rent, a household would need to earn about \$106,000 a year.

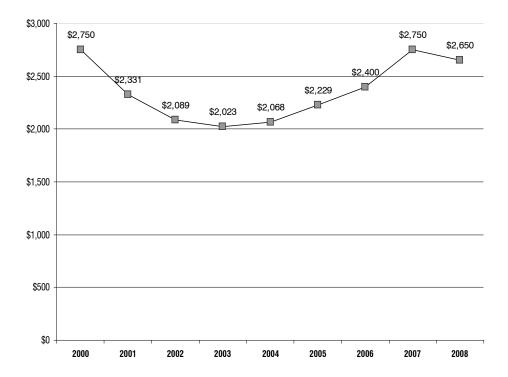


Figure I-5
Average Monthly Rental
Rates, San Francisco,
2000-2008

SOURCE: RealFacts, San Francisco Market Overview, 4Q 2007, RentSE.com, Zilpy.com

Rental affordability continues to be a citywide problem. Traditionally neighborhoods in the southeast portions of the city have been relatively affordable; however there is still a significant gap for low and very-low income households (Table I-36). The lowest median asking rent for a two bedroom by district (\$1,725 in South Central) is barely affordable to low income households (i.e., those households with income from 51%-80% of the area median income).

| | Average Rent for a 2 | Affordat | ility Gap | % Over Rents Affordable by | |
|--------------------|----------------------|-----------------|------------|----------------------------|------------|
| Planning District | Bedroom Apartment | Very Low Income | Low Income | Very Low Income | Low Income |
| 1 Richmond | \$2,305 | \$1,372 | \$812 | 247.05% | 154.39% |
| 2 Marina | \$3,174 | \$2,241 | \$1,681 | 340.19% | 242.59% |
| 3 Northeast | \$3,120 | \$2,187 | \$1,627 | 334.41% | 208.98% |
| 4 Downtown | \$2,717 | \$1,784 | \$1,224 | 291.21% | 181.98% |
| 5 Western Addition | \$2,700 | \$1,767 | \$1,207 | 289.39% | 180.84% |
| 6 Buena Vista | \$2,750 | \$1,817 | \$1,257 | 294.75% | 184.19% |
| 7 Central | \$2,834 | \$1,901 | \$1,341 | 303.75% | 189.82% |
| 8 Mission | \$2,495 | \$1,562 | \$1,002 | 267.42% | 167.11% |
| 9 South of Market | \$3,284 | \$2,351 | \$1,791 | 351.98% | 219.96% |
| 10 South Bayshore | \$2,000 | \$1,067 | \$507 | 214.36% | 133.96% |
| 11 Bernal Heights | \$2,700 | \$1,767 | \$1,207 | 289.39% | 180.84% |
| 12 South Central | \$1,966 | \$1,033 | \$473 | 210.72% | 131.68% |
| 13 Ingleside | \$2,292 | \$1,359 | \$799 | 245.66% | 153.52% |
| 14 Inner Sunset | \$2,250 | \$1,317 | \$757 | 241.16% | 150.70% |
| 15 Outer Sunset | \$2,017 | \$1,084 | \$524 | 216.18% | 134.10% |
| Citywide Average | \$2,650 | \$1,717 | \$1,157 | 284.03% | 177.49% |

Table I-36

Rental Affordability for Lower Income Households by Planning District, San Francisco, 2008 SOURCE: Zilpy.com

C. VACANCY

The overall housing vacancy rate in San Francisco is indicative of an enduring tight market. In 2000, vacancy rates at 2.5% for rentals and less than 1% for homeownership inevitably led to intense bidding and rising housing costs. Even as effects of the economic downturn in the dot-com industry were being manifest with job cuts and population out-migration, just 5% of the City's housing stock was vacant at the time of the Census in April 2000 (Table I-37). This is considered a healthy frictional rate in most housing markets. Of these vacant units in 2000, almost 3,800 or 1.1% of the total, were second homes for families with another primary residence, time shares, or corporately owned and utilized for employee housing. The 2008American Community Survey shows units that are vacant and for sale stood at 2.0% and vacant units for rent at 5.4%. The unusually high total vacancy rate of 10% in 2008 suggests an increase in secondary homes, time-shares, and corporate homes used for employee housing. However, sampling error could also be a factor.

Table I-37
Vacancy Rates by Vacancy
Status, 1970-2008

| Vacancy Status | 1970 | 1980 | 1990 | 2000 | 2008 |
|-----------------|-------|-------|-------|-------|-------|
| Vacant | 4.89% | 5.58% | 6.97% | 4.86% | 10.2% |
| For Rent Vacant | 3.17% | 2.68% | 3.71% | 2.50% | 5.4% |
| For Sale Vacant | | | 0.56% | 0.80% | 2.0% |

SOURCE: Census Bureau

The vacancy data included in Table I-37 is calculated as part of the decennial census, supplemented by the 2007 American Community Survey. The Census Bureau also undertakes an annual Housing Vacancy Survey which calculates vacancy rates for rental and homeowner properties in large metropolitan areas throughout the country. The methodology used to create this survey is different from that used for the decennial Census. Therefore, the results are not comparable. For example, the decennial census calculated a vacancy rate of 2.5% for 2000 while the Housing Vacancy Survey calculated a vacancy rate of 3.1%. The Housing Vacancy Survey data may not be as reliable as the decennial census because of sampling, it nevertheless allows for yearly comparisons. The Census Bureau is in the process of improving the Housing Vacancy Survey to make it consistent with other related Census data. Both data are provided here. Figure I-6 and I-7 below show vacancy rates for San Francisco from 2000-2007 based on this annual survey. This information can supplement Table I-37 to compare trends in vacancies.

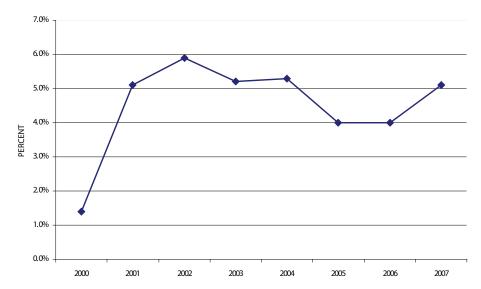


Figure I-6 Rental Vacancy Rates, San Francisco, 2000-2007

SOURCE: RealFacts, San Francisco Market Overview, 4Q 2007

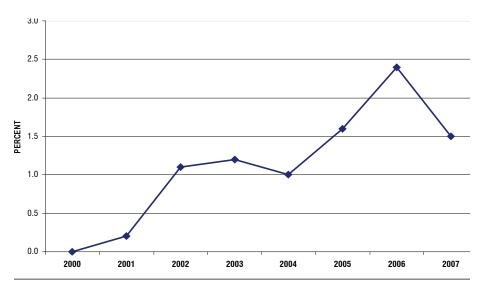


Figure I-7 Homeowner Vacancy Rates, San Francisco, 2000-2007

SOURCE: Census Bureau, Housing Vacancy Survey

D. COASTAL ZONE HOUSING

California state regulations (Government Code require that the *Housing Element* detail new construction and demolition activity occurring within California Coastal Zone areas. The City's entire western shoreline is within California's coastal zone area. The coastal area zone boundary includes about 30 residential blocks that front the Pacific Ocean (Map I-5). Approximately 320 units (or about 19% of the total) of the housing in these blocks were built between 1982 and 1999.

Twenty-eight new units in 14 structures were added to the housing stock between 2000 and 2008, or an average of about three new units a year (Table I-38). In this same period, three buildings with four units were demolished. The current development pipeline includes a 56-unit residential project within the coastal zone.

Within the larger census tract areas fronting the coastal shoreline (about 150 blocks), new construction in in-fill sites has generated 140 new units. This has been offset by 13 units lost to demolition or alteration projects. Some 112 new units are slated to be built in 49 structures in this larger area. In this larger area, about 830 units were built between 1982 and 1999. These units represent 7% of the total units counted in the 2000 Census.

Table 1-38

New Construction,
Alteration and Demolition
Activity in Coastal Area,
San Francisco, 2000-2008

| Construction Type | Coastal | Area | Larger Census Tracts | | |
|--------------------------------|-------------------|--------------|----------------------|--------------|--|
| Construction Type | No. of Structures | No. of Units | No. of Structures | No. of Units | |
| New Construction Completed | 9 | 23 | 25 | 119 | |
| Addition through Alterations | 5 | 5 | 21 | 21 | |
| Loss through Alterations | 1 | (1) | 3 | (4) | |
| Demolition Completed | 3 | (4) | 6 | (9) | |
| Net Change in Housing Stock | 18 | 23 | 55 | 127 | |
| Development Pipeline (Q4 2008) | 1 | 56 | 49 | 112 | |

SOURCE: SF Planning Department

Residential development in the Coastal Zone must conform to City Planning Code density requirements. Development projects in the coastal zone also are required to apply for a coastal permit and are reviewed for consistency with Western Shoreline General Plan policies contained in the *Western Shoreline Plan* and Proposition M policies, one of which aims to preserve the City's supply of affordable housing.

In addition, new construction and demolition permits are reviewed for consistency with Article 10 of the California Government Code which requires that affordable lower income units converted or demolished in the Coastal Zone Area be replaced on a one-for-one basis, and that, new housing developments, where feasible, provide housing units for persons and families of low or moderate income.



Coastal Zone Area San Francisco

MAP 05



Coastal Zone Census Tracts



Housing Needs

This section examines the type, amount and affordability of new housing construction needed in San Francisco, as determined by the Association of Bay Area Governments, through June 2014. It is based, in part, on the data presented in the preceding Sections.

A. REGIONAL HOUSING NEED ASSESSMENT

The Association of Bay Area Governments (ABAG), in coordination with the California State Department of Housing and Community Development (HCD), determine the Bay Area's regional housing need based on regional trends, projected job growth and existing needs. San Francisco's fair share of the regional housing need for January 2007 through June 2014 was calculated as 31,190 units, or about 4,160 units per year (Table I-39). This goal seeks to alleviate a tight housing market stemming from forecast household and employment growth as well as allocating regional household and employment growth to jurisdictions with established or planned transit infrastructures. More important, the regional housing needs assessment (RHNA) determination includes production targets addressing housing needs of a range of household income categories. A total of about 18,880 units or 61% of the RHNA target must be affordable to households making 120% of the area media income (AMI) or less.

Table 1-39
Regional Housing
Needs Assessment for
San Francisco,
2007-June 2014

| Household Income Category | No. of Units | % of Total | Annual Production Goal |
|----------------------------------|--------------|------------|------------------------|
| Extremely Low (< 30% AMI) | 3,294 | 10.5% | 439 |
| Very Low (31 - 50% AMI) | 3,295 | 10.6% | 439 |
| Low (51 - 80% AMI) | 5,535 | 17.7% | 738 |
| Moderate (81 - 120% AMI) | 6,754 | 21.7% | 901 |
| Above Moderate (over 120% AMI) | 12,315 | 39.5% | 1,642 |
| TOTAL UNITS | 31,193 | 100.0% | 4,159 |

SOURCE: ABAG

The Department of Housing and Urban Development determines the annual area median income (AMI) for the San Francisco Primary Metropolitan Statistical Area, which includes the counties of San Francisco, Marin and San Mateo. For 2008, the area median income for a single person household was over \$66,000 and \$94,300 for a household of four people (Table I-40).

Table 1-40
Household Income
Standards by Household
Size, 2008

| Income Categories | Household Income by number of persons | | | | | | |
|---|---------------------------------------|----------|-----------|-----------|-----------|--|--|
| as percentage of Area Median Income (AMI) | | | | | | | |
| Extremely Low (< 30% of AMI) | \$19,800 | \$22,650 | \$25,450 | \$28,300 | \$30,500 | | |
| Very low (50% of AMI) | \$33,000 | \$37,750 | \$42,450 | \$47,150 | \$50,950 | | |
| Low (80% of AMI) | \$52,800 | \$60,350 | \$67,900 | \$75,450 | \$81,500 | | |
| Median (100% of AMI) | \$66,000 | \$75,450 | \$84,850 | \$94,300 | \$101,850 | | |
| Moderate (120% of AMI) | \$79,200 | \$90,550 | \$101,800 | \$113,150 | \$122,200 | | |

SOURCE: Department of Housing and Urban Development (HUD)

The median income in San Francisco, however, is lower than the area median income. This is due in part to higher median incomes in San Mateo and Marin counties and the concentrations of lower-income families in the City. For example, in 2007, Marin County's median household income of \$83,732 and San Mateo's \$94,517 were quite higher than the City's median household income of \$68,023. Roughly 40% of all San Francisco households make less than 80% of the San Francisco PMSA area median income, and fall under the Department of Housing and Urban Development (HUD)'s low and very low income categories (Table I-41).

Table I-41
Income Distribution,
San Francisco, 2007

| Characteristic | Very Low | Low | Moderate | Above Moderate |
|----------------------------|------------------|--------------------|---------------------|-------------------|
| Ollaraciclistic | (<50% of median) | (50-80% of median) | (80-120% of median) | (>120% of median) |
| All SF Households | 27.8% | 14.1% | 14.8% | 43.2% |
| Median Income for SF, 2007 | \$68,023 | | | |

SOURCE: Census Bureau, 2007 American Community Survey

In order to account for this income variance, the Mayor's Office of Housing publishes a local AMI standard (Table I-42). San Francisco's Inclusionary Affordable Housing Program regulates housing assistance based on the San Francisco Area Median Income (SFAMI).

¹ Figures cited are in 2007 inflation-adjusted dollars.

| Household Income Categories | Household Size | Average Unit Size | Maximum Annual Income | Monthly Housing Expense | Maximum Purchase Price |
|-----------------------------|-------------------|----------------------|--------------------------|----------------------------|---------------------------|
| Extremely Low | 1 | Studio | \$19,800 | \$545 | \$50,000 |
| Income (30% of | 2 | 1 Bedroom | \$22,650 | \$623 | \$57,000 |
| HUD Area Median Income) | 3 | 2 Bedroom | \$25,450 | \$700 | \$64,000 |
| | 4 | 3 Bedroom | \$28,300 | \$778 | \$72,000 |
| | 5 | 4 Bedroom | \$30,550 | \$840 | \$78,000 |
| Very Low Income | 1 | Studio | \$33,000 | \$908 | \$84,000 |
| (50% of HUD Area Median | 2 | 1 Bedroom | \$37,750 | \$1,038 | \$97,000 |
| Income) | 3 | 2 Bedroom | \$42,450 | \$1,167 | \$109,000 |
| | 4 | 3 Bedroom | \$47,150 | \$1,297 | \$121,000 |
| | 5 | 4 Bedroom | \$50,950 | \$1,401 | \$131,000 |
| Low Income | 1 | Studio | \$52,800 | \$1,452 | \$133,674 |
| (80% of HUD Area Median | 2 | 1 Bedroom | \$60,350 | \$1,660 | \$154,752 |
| Income) | 3 | 2 Bedroom | \$67,900 | \$1,867 | \$176,035 |
| | 4 | 3 Bedroom | \$75,450 | \$2,075 | \$197,113 |
| | 5 | 4 Bedroom | \$81,500 | \$2,241 | \$213,070 |
| Median Income | 1 | Studio | \$66,000 | \$1,815 | \$181,193 |
| (100% of HUD Area Median | 2 | 1 Bedroom | \$75,450 | \$2,075 | \$209,030 |
| Income) | 3 | 2 Bedroom | \$84,850 | \$2,333 | \$237,072 |
| | 4 | 3 Bedroom | \$94,300 | \$2,593 | \$265,114 |
| | 5 | 4 Bedroom | \$101,850 | \$2,801 | \$286,397 |
| Moderate Income | 1 | Studio | \$79,200 | \$2,178 | \$228,711 |
| (120% of HUD Area Median | 2 | 1 Bedroom | \$90,550 | \$2,490 | \$263,308 |
| Income) | 3 | 2 Bedroom | \$101,800 | \$2,800 | \$298,109 |
| | 4 | 3 Bedroom | \$113,150 | \$3,112 | \$335,115 |
| | 5 | 4 Bedroom | \$122,200 | \$3,361 | \$359,723 |

Table I-42

Affordable Housing Guidelines, San Francisco, 2008 **Source:** U.S. Department of Housing and Urban Development (HUD)

Note: Incomes are based on the 2008 Area Median Income (AMI) limits for the San Francisco HUD Metro FMR Area (HMFA). Monthly housing expenses are calculated based on 33% of gross monthly income. (FMR = Fair Market Rents). Maximum purchase price is the affordable price from San Francisco's Inclusionary Housing Program and incorporates monthly fees and taxes into sales price.

B. HOUSING AFFORDABILITY NEEDS

1. Affordability of New Housing Construction

State law requires that the City address the housing needs for all income levels. ABAG estimates housing need by income group to provide a basis for determining what income levels need to be most served by new construction. ABAG figures are based on income distribution of all existing households in the City and in the Bay Area. ABAG's estimates split the difference between the City and the regional figure in an effort to move the City closer to the regional income distribution. Table I-39 shows that the City must construct almost 31,200 new housing units to meet its fair share of the Bay Area region's estimated housing need. At least 39% of these new units must be affordable to very low and low-income households. Another 22% should be affordable to households with moderate incomes.

The high cost of housing leads to numerous troublesome effects including overwhelming rent burden (as more of a household's income is needed to go toward rent); overcrowding as more people squeeze into smaller affordable units to share costs; an increase in workers per household needed to pay mortgage or meet monthly rent; increased commuter traffic from San Francisco job holders who cannot afford to live in the City; and an increase in the homeless population.

2. Households Overpaying

Rising housing costs lead to overpayment as more of a household's income is spent on housing. The 2008 ACS estimated median monthly rent at \$1,262 and median monthly housing costs for owner occupied units at \$3,182. Overpayment comes about when 30% or more of a household's income goes to paying rent or or mortgage payments. A higher percentage of poorer households thus tend to overpay. Table I-43 below shows that about 37% of all San Francisco households spent more than 30% of its income on housing costs in 2008. The number and percentage of households overpaying has also grown since the 2000 Census. In 2000, housing costs for over two-thirds are low or very low income households represented 30% or more of their household income. Table I-43 also shows that a higher percentage of renting households tend to overpay. The marked increase in homeowning households overpaying by 2008 may be due in large part on the relaxation of criteria for mortgage financing.

| Topuro Tupo | 20 | 00 | 2008 | | | |
|-------------------|-----------------------------------|-------|-------------------|-----------------|--|--|
| Tenure Type | No. of Households % of Households | | No. of Households | % of Households | | |
| Renter Occupied * | 76,600 | 35.8% | 80,014 | 42.7% | | |
| Very Low Income | 36,790 | 67.6% | n/a | | | |
| Low Income | 16,012 | 60.4% | n/a | | | |
| Owner Occupied * | 18,237 | 17.4% | 48,915 | 38.6% | | |
| Very Low Income | 6,833 | 66.8% | n/a | | | |
| Low Income | 4,727 | 49.9% | n/a | | | |
| All Households | 94,837 | 28.8% | 128,929 | 39.9% | | |

Table I-43
Percentage of Households
Overpaying Housing Costs,
San Francisco, 2000 and
2008

SOURCE: Census Bureau, SCDS: CHAS Data 2000

^{*} Gross Rents or Monthly Housing Costs as 30% or more of household income

3. Overcrowded Households

A household is considered overcrowded when there is more than one person per room in the dwelling unit. The 2000 Census reported that over 40,900 or 12% of all San Francisco households were overcrowded (Table I-44). Of these households, 9,400 (3% of all San Francisco households) are severely overcrowded, with more than 1.5 occupants per room. Renter households are also more likely to be overcrowded than home-owning households.

Table 1-44
Overcrowded Households by
Tenure, San Francisco, 2000

| Tenure Type | Overcrow | ded | Severely Overcrowded | | |
|-----------------|----------|-------------|----------------------|------|--|
| Owner Occupied | 11,291 | 11,291 9.8% | | 1.6% | |
| Renter Occupied | 29,630 | 13.8% | 7,636 | 3.6% | |
| All Households | 40,921 | 12.4% | 9,444 | 2.9% | |

SOURCE: Census Bureau

Asian-American households make up a disproportionate number of overcrowded households. (Table I-45). This table also shows that a substantial percentage of Native Hawaiian/Pacific Islander, Other Race, and Asian-American households are overcrowded. These households are likely to be larger (see Table I-7) and have lower incomes (see Tables I-16 and I-18). Larger households have difficulty securing housing with three or more bedrooms, especially with the City's very limited stock of larger units. High housing costs also forces overcrowding. To afford the cost of housing, many low-income families crowd into smaller units.

Table 1-45
Overcrowded Households
by Household Ethnicity,
San Francisco, 2000

| Household Ethnicity | No of Households | % of Households |
|------------------------------------|------------------|-----------------|
| White | 9,452 | 4.7% |
| African American | 2,495 | 10.5% |
| American Indian / Alaska Native | 168 | 12.9% |
| Asian | 21,452 | 27.1% |
| Native Hawaiian / Pacific Islander | 358 | 39.6% |
| Other Race | 5,046 | 39.4% |
| Two or More Races | 1,950 | 16.5% |
| Hispanic / Latino | 9,472 | 30.1% |
| All Households | 40,921 | 12.4% |

SOURCE: Census Bureau

4. Expiration of Units at Risk of Conversion or Expiration

Government Code Section 65583(a)(8)(A-D) requires that the Housing Element update inventory assisted housing developments at risk of expiration or conversion to market rate within the housing element planning period (2007-2014). Assisted housing developments include multifamily rental housing complexes that receive government assistance under any of the following federal, State, and/or local programs (or any combination of rental assistance, mortgage insurance, interest reductions, and/or direct loan programs) which are eligible to change to market-rate housing due to termination (opt-out) of a rent subsidy contract (e.g., Housing Choice Vouchers, Section 8) mortgage prepayment (e.g., FHA), or other state or local programs with expiring use restrictions.

Some 6,770 units funded through tax-credit, HCD, bond, and FHA identified as at-risk with expirations between 2000 and 2006 have been secured through renewed contracts. According to the San Francisco Redevelopment Agency, as of 2008, Section 8 housing is the only housing type at risk of conversion to market rate in San Francisco. As shown on Table I-46, almost 580 low-income units are at risk of losing their Federal Rental Section 8 subsidies by 2014. The SF Housing Authority manages contracts for over 8,000 Section 8 units. Almost half of these units are in projects owned or managed by non-profit organizations. Section 8 units receive Federal subsidies that provide the owners of these units with the difference between 30% of the tenant's income, and a HUD established rent for the units.

Expiration of Section 8 subsidies in privately owned projects could force tenants to pay market rate rents for their unit, or face eviction. Expiration of Section 8 contracts in nonprofit owned projects will burden organizations that lack sufficient income to meet operating costs and mortgage payments. Preservation costs for these units is estimated to be \$43,275,000.

According to the state Department of Housing and Community Development, the following entities are qualified to manage assisted units in San Francisco:

| Organization | Address | City | Zip Code | Phone No. |
|--|----------------------------------|---------------|------------|----------------|
| Affordable Housing Foundation | P.O. Box 26516 | San Francisco | 94126 | (415) 387-7834 |
| Asian Neighborhood Design | 461 Bush St 4th Flr | San Francisco | 94108 | (415) 982-2959 |
| Bernal Heights Neighborhood Center | 515 Cortland Ave | San Francisco | 94110 | (415) 206-2140 |
| BRIDGE Housing Corporation | One Hawthorne, Ste. 400 | San Francisco | 94105 | (415) 989-1111 |
| BUILD Leadership Development Inc. | 1280 Bison, Ste. B9-200 | Newport Beach | 92660 | (949) 720-7044 |
| Chinatown Community Development Center | 1525 Grant Ave | San Francisco | 94133 | (415) 984-1450 |
| Christian Church Homes of No. California, Inc. | 303 Hegenberger Rd, Ste. 201 | Oakland | 94621-1419 | (510) 632-6714 |
| Foundation for Affordable Housing, Inc. | 2847 Story Rd | San Francisco | 95127 | (408) 923-8260 |
| Housing Corporation of America | 31423 Coast Hwy, Ste. 7100 | Laguna Beach | 92677 | (323) 726-9672 |
| Mission Housing Development Corp | 474 Valencia St, Ste. 280 | San Francisco | 94103 | (415) 864-6432 |
| Northern California Land Trust, Inc. | 3126 Shattack | Berkeley | 94501 | (510) 548-7878 |
| San Francisco Redevelopment Agency | One S. Van Ness, Fifth Floor | San Francisco | 94103 | (415) 749-2400 |
| Satellite Housing Inc. | 2526 Martin Luther King., Jr Way | Berkeley | 94704 | (510) 647-0700 |
| Tenderloin Neighborhood Development Corp. | 201 Eddy St | San Francisco | 94102 | (415) 776-2151 |
| West Bay Housing Corporation | 120 Howard St. #120 | San Francisco | 94105 | (415) 618-0012 |

Table I-46 Expiration and Opt-Outs of Project Based Section 8 Contracts, San Francisco, 2008

| Project | Owner ¹ | First Expire ² | Units ³ | Flex ⁴ | LIHPRHA 5 | Rent Control | |
|----------------------------|--------------------|---------------------------|--------------------|-------------------|-----------|--------------|--|
| DIAMOND HEIGHTS | | | | | | | |
| Casa De Vida | PM | 12/14/2001 | 21 | No | No | No | |
| Hayes Valley | | | | | | | |
| Fair Oaks Apartments | LD | 07/20/2021 | 20 | No | Yes | Yes | |
| INGLESIDE | | | | | | | |
| Page / Holloway Apartments | PM or LD | 12/15/2020 | 15 | No | No | No | |
| MISSION | | | | | | | |
| Mission Bart Apartments | PM | 10/20/2013 | 13 | No | No | No | |
| Mission Plaza Apartments | PM | 07/14/2000 | 132 | No | No | No | |
| NORTH BEACH | | | | | | | |
| Wharf Plaza I | PM | 04/05/2002 | 116 | No | No | No | |
| Wharf Plaza II | PM | 06/15/2002 | 114 | No | No | No | |
| TENDERLOIN | | | | | | | |
| Crescent Manor | LD | 10/31/1996 | 92 | Yes | No | Yes | |
| WESTERN ADDITION | | | | | | | |
| Emeric-Goodman Building | LD | 12/19/2004 | 30 | No | No | No | |
| Univista Apartments | LD | 08/31/1997 | 24 | Yes | No | Yes | |
| Total | - | = | 577 | - | - | = | |

- NOTES

 1 LD = Limited Dividend, PM = Profit Motivated

- 2 First expiration of Section 8 Contract, typically 20 years after origination. Contract is renewed annually each year thereafter.

 3 Units receiving project based Section 8 subsidy.

 4 Flexible Subsidy Use Agreement: HUD rehabilitation loan program that provided funds to owners in exchange for a no-prepayment provision, and increased Section 8 contract rent levels to cover new debt
- contract rent tevels to cover new debt

 5 Low Income Housing Preservation and Resident Homeownership Act: Provided federal funds to purchase at-risk properties and extend affordability requirements for an additional 30 years

SOURCE: SF Redevelopment Agency

B. HOUSING NEEDS OF SPECIAL POPULATION GROUPS

All San Francisco households require a specific unit sizes and levels of affordability; various population groups have more specific housing requirements. Special housing needs are those associated with specific demographic or occupational groups which call for specific program responses, such as preservation of single-room occupancy hotels or the development of units with more bedrooms. Housing element law specifically requires analysis of the special housing needs of the elderly, the disabled, female-headed households, large families, and homeless persons and families, as well as the needs of any other group deemed appropriate by the City. These other groups include: the mentally ill; persons with HIV/AIDS; immigrants, refugees and undocumented workers; artists; and students. Most of special needs groups require some degree of affordable housing.

The permanent housing needs of specific population groups are summarized below with state required categories discussed first and locally determined groups following (Table I-47). It is important to note that these population groups are not mutually exclusive and needs may overlap. For example, a person can be both elderly and homeless. Roughly 39% of the homeless suffer from mental illness and as many as 23% of the elderly have mobility or self-care limitations. Between 60 to 80% of all homeless individuals may suffer from one or more physical disability, mental illness, or substance addiction.

•

| Population Group | Type of Housing Units Needed |
|---|--|
| Homeless | Shelters, Transitional Housing, SROs, Small and Large Family Units |
| Physically Disabled | Accessible Units of all Types |
| Mentally III | Board and Care, Institutional Facilities |
| Developmentally Disabled | Accessible Units of all Types, Large Family Units, Board and Care, Institutional Facilities, Modified Units for Medically Fragile, Affordable Rentals or Homeownership Units |
| Elderly | Senior Housing Projects, Studios, 1 Bedroom |
| Families with Children | 2 or more Bedroom Family Housing |
| Female-Headed Households | 2 or more Bedroom Family Housing |
| New Immigrants, Refugees and Undocumented Workers | Small and Large Families, various |
| Students | Dorms or Studios |
| Artists | Affordable Live/Work Space |

SOURCE: SF Mayor's Office of Community Development, Developmental Disabilities Board Area 5

1. Homeless

The San Francisco Human Services Agency counted almost 6,380 persons on the streets and in homeless shelters in 2007 (Table I-48). Of these persons, about 44% were counted on the streets and some 43% were in shelters or transitional housing. Ninety-one percent of the homeless were single adults, while the remaining nine percent counted in this survey were in families.

Table I-47

Permanent Housing Needs of Special Population Groups, San Francisco, 2008

Table I-48
Estimated Homeless
Population, San Francisco,
2007

| Location | Single Adults | Persons in Families | Family Status Unknown | Total |
|--|---------------|------------------------|--------------------------|-------|
| Street | 1,935 | 66 | 770 | 2,771 |
| Shelter | 1,175 | 322 | 0 | 1,497 |
| Transitional Housing & Treatment Centers | 1,076 | 190 | 0 | 1,266 |
| Resource Centers & Stabilization | 321 | 0 | 0 | 321 |
| Jail | 400 | 0 | 0 | 400 |
| Hospitals | 122 | 0 | 0 | 122 |
| TOTAL | 5,029 | 578 | 770 | 6,377 |

SOURCE: SF Human Services Agency, San Francisco Homeless Count 2007

Homeless households require affordable housing that is appropriately sized, with appropriate services. As reported in the ten year plan to end homelessness, appropriate housing for this population is permanent and includes 24 hour access to appropriate services.

2. Persons with Disabilities

San Francisco's housing stock and housing market present challenges to persons living with disabilities. This segment of the population, which includes individuals with mental, physical, and developmental disabilities, require a variety of living arrangements depending on the severity of their disability. Some can live at home in an independent environment with the help of other family members; others live independently with some assistance that includes special housing design features. Those who cannot work may require income support; and those with medical conditions would need in-home supportive services. Accessible housing can also be provided via senior housing developments.

The majority of persons with disabilities live on an income that is significantly lower than the non-disabled population. Many disabled individuals live on a small fixed income which severely limits their ability to pay for housing. The Task Force on Family Diversity estimates that at least one-third of all persons with disabilities in the United States live in poverty. Persons with disabilities have the highest rate of unemployment relative to other groups. For most, their only source of income is a small fixed pension afforded by Social Security Disability Insurance (SDI), Social Security Insurance (SSI), or Social Security Old Age and Survivor's Insurance (SSA), which will not adequately cover the cost of rent and living expenses even when shared with a roommate. In addition, persons with disabilities oftentimes experience discrimination in hiring and training. When they find work, it tends to be unstable and at low wages.

a. Physical Disabilities.

The Northern California Council for the Community estimates that 63,032 San Franciscans are physically disabled. The 2000 Census counted 56,216 non-institutionalized adults having a physical disability, which is defined as a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting or carrying. Over half of disabled adults are over 65 and may require appropriate housing. There are over 26,300

people between 16 and 64 with a physical disability. If one in five of disabled non-seniors require affordable housing, this specific population group would have a need for roughly 5,550 subsidized units.

Some physically disabled people require accessible housing with features such as: wheelchair accessible entrances, wide interior spaces for wheelchair circulation, accessible bathing facilities, adjustable heights for counters and cabinets, and other amenities. Since over three-quarters of San Francisco's housing stock built before 1950, much of the existing stock was not built with these accommodations in mind; some, but not most, can easily be converted to accessible standards. Most subsidized units developed by the Housing Authority, Redevelopment Agency, or otherwise supported by other public funds are accessible.

b. Mental Disabilities

According to the 2000 Census, almost 39,120 San Franciscans identify as having a mental illness; about 94% are over the age of 16. Not everyone with a mental illness has special housing needs. However, a substantial number of persons with severe psychiatric disabilities often have extremely low incomes and are consequently forced to live in substandard housing without the supportive services and assistance that would allow them to live independently. De-institutionalization of the state's mental institutions in the late 1970s left the charge and housing of psychiatrically disabled residents to private board and care facilities. In 1977 there were 1,278 board and care beds. By 1995 this number shrank to 465.

In 1999, licensed board and care facilities in San Francisco managed 525 beds for San Francisco's mentally ill. However, the growing costs of patient care may again reduce the modest gain in out-patient service. At current supplemental security subsidy levels, operators are finding the provision of board and care for the mentally ill financially unattractive.

A survey conducted by the San Francisco Mental Health Association indicated an overwhelming desire on the part of mentally disabled persons to live alone or with one to two friends in apartments with support services as needed. The absence of affordable housing linked to supportive services, however, sends many of the City's mentally ill to a cycle of short-term acute care and homelessness. While large scale supportive housing is a cost-effective way of meeting this group's housing needs, advocates working with special needs groups emphasize the need to balance large-scale development with small site development and rehabilitation of units within existing neighborhoods, to enable people to live within their neighborhood of origin wherever possible, and to avoid geographic concentration that often hinders the transition to independent living. The Department of Public Health's Division of Mental Health estimates a need for 2,000 supportive housing units for San Francisco's mentally ill.

c. Developmental Disabilities

Developmental disability is defined by the State of California as a lifelong disability caused by a mental and/or physical impairment manifested prior to the age of 18 and are expected to be lifelong. Conditions included under this definition include: mental retardation, epilepsy, autism, and/or cerebral palsy, and "other conditions needing services similar to a person with mental retardation."

Persons with developmental disability may also suffer multiple disabilities as the Developmental Disabilities Board Area 5 estimates below show:

- Mental Illness: a conservative estimate of 10% as the portion of people with a developmental disability who are also living with a mental disability.
- Mobility Impairment: Staff and service providers report that approximately 10 % of all people with a developmental disability also have a physical disability; their mobility impairment will call for housing that is ADA accessible, or certainly readily adaptable to their needs.
- Visual/Hearing Impairment: It is estimated from prior experience that 2-3% of the developmental disabled population are living with a visual and/or hearing impairment, and require reasonable accommodation to their disability.
- Medically Fragile: 2 % of the developmental^ disabled population require 24/7 medical care, in housing specifically rehabilitated or constructed to include features like those in hospital settings, with space for care-givers and specialized equipment

Many individuals with developmental disabilities are independent and can live in their own apartments or homes with very little support. Other individuals will have more severe disabilities, and may require 24-hour care and assistance in residences that are modified specifically to accommodate their individual needs.

The Developmental Disabilities Board Area 5 estimated that there are some 11,472 San Franciscans have a developmental disability. Its report also noted that seven out of 10 people with developmental disabilities are unable to earn substantial gainful income and must rely on Supplemental Security Income (SSI) to support themselves. With SSI capped at under \$900, people with developmental disabilities are finding it increasingly difficult to find affordable, accessible, and appropriate housing that is inclusive in the local community. In the past, many people with developmental disabilities were institutionalized in large hospital-like settings, often for life. • Current practice, made possible by the Lanterman Act and the Olmstead Decision, now calls for the maximum possible integration into the general community. This is realized through the creation of housing, with affordable rents and appropriate supportive services, dedicated to the long-term needs and empowerment of this population.

Based on a survey of 2,642 developmentally disabled clients, the Developmental Disabilities Board Area 5 estimated a housing need of 853 units for the 2009-2014 period. According to the Board Area 5, types of housing opportunities appropriate for people living with a developmental disability include:

- Rent-subsidized affordable housing, with services, accessible, close to transit and community
- Licensed and unlicensed Single Family homes, modified, of 3-4 bedrooms
- Inclusionary within larger housing developments serving the general population
- SECTION 8 Apartment Housing Choice Voucher

- Home purchase through special programs (first time home buyers, Fannie Mae)
- HUD Section 811/ MHP-SHP developments for disabled populations
- Housing specially modified for the Medically Fragile (SB 962 Homes)

3. Elderly

The 2000 Census counted 136,369 or 18% of San Francisco's population as 60 years or older. San Francisco's elderly population is expected to grow to 173,200 by 2010 and to 279,800 by 2030; this growth is consistent with national trends. The recent Census also estimated that 24% of all San Francisco households have one or more persons over 65 years old. About 32,300 elderly householders, representing about 10% of all households in 2000, lived alone.

Senior citizens have different housing needs especially as they develop health problems or experience decreased mobility. The 2000 Census estimated that 23% of persons 65 and over have mobility or self-care limitations. The City's Long-Term Care Pilot Project Task Force estimates that the City must develop a minimum of 1,500 units of affordable supportive housing. Older and disabled adults who require long-term care have a need for a broad range of on-site and off-site services including central dining, transportation services, limited or complete medical care, recreational and other services. For seniors living independently, there is a need for safe and easily maintained dwelling units. Table I-49 below shows that 33% of all elderly and 1-2 person households overpay; generally a larger proportion of lower income households have heavier housing burdens.

| | Renting Ho | ouseholds | Homeownin | | |
|-------------------------------|--|--------------------------------|--|-----------------------------------|-------------------|
| Household Type by Income | Elderly, 1 & 2 member Household | Total Renting Households | Elderly, 1 & 2 member Household | Total Homeowning Households | All Households |
| Extremely Low (< 30% of AMI) | 18,149 | 49,334 | 6,167 | 10,229 | 59,563 |
| % Overpaying | 60.8% | 67.6% | 63.8% | 66.8% | 67.5% |
| Very Low (<50% of AMI) | 5,610 | 26,510 | 4,620 | 9,472 | 35,982 |
| % Overpaying | 53.1% | 60.4% | 32.7% | 49.9% | 57.7% |
| Low (up to 80% of AMI) | 4,774 | 40,139 | 6,430 | 17,920 | 58,059 |
| % Overpaying | 32.8% | 37.1% | 23.0% | 45.2% | 39.6% |
| Total Households | 34,022 | 214,272 | 31,825 | 115,299 | 329,571 |
| % Overpaying | 48.0% | 33.9% | 27.9% | 30.9% | 32.9% |

Table I-49
Elderly Households
and Housing Burden,
San Francisco, 2000

SOURCE: State of the Cities Data Systems CHAS Data 2000

4. Families with Children and Large Family Households

Approximately 54,700 or 38% of family households include children. Some 63,900 households, or almost one in five San Francisco households, include a person under 18 years of age. Many of these children are in low-income households in ethnic communities that tend to be larger and poorer (Tables 7 and 18). The high cost of housing and limited supply of

larger units can result in overcrowding. These communities require that the existing affordable housing stock be adequately maintained and rehabilitated where necessary, and that new larger affordable units are constructed.

Virtually all large households, or those containing five or more persons, are family households. Family households as defined by the U.S. Census Bureau include only those households with persons related to the householder by birth, marriage or adoption, residing together. About 20% of all family households, roughly 29,000, have five persons or more. Table I-50 below shows the number of suitable accommodations available for larger families and/or households. This mismatch is exacerbated as only a small portion of new construction consist of two bedrooms or more.

Based on the current waiting list managed by the San Francisco Housing Authority, there is an estimated unfilled need for over 17,000 affordable housing units for low-income families. Two-thirds of these families require a two or three-bedroom unit due to their larger family sizes.

Families with children generally earn less per capita than the average San Francisco household, yet require larger housing units. Table I-51shows that larger family households tend to overpay more than typical households. Like most groups, families also require public transit and neighborhood serving retail in close proximity. But they have specialized needs as well: accessible routes or transit connections to schools, nearby childcare (if it cannot be provided on-site), laundry and storage facilities on-site, recreational opportunities that are directly accessible from each unit on-site.

Even more important for families is their ability to access housing. Because many families are two-worker households, they have very little time to pursue affordable housing opportunities which can be listed in multiple locations under various agencies. They require a simple, easily accessible "one-stop" system to help them find housing opportunities, as well as significant support such as counseling agencies to move towards homeownership opportunities.

Table 1-50
Household Size and Housing
Unit Sizes, San Francisco,
2000

| Household Size | No. of Households | % of Total | Unit Size | No. of Units | % of Total |
|----------------------------|----------------------|------------|--------------------|--------------|------------|
| 1-person household | 127,380 | 38.6% | Studio | 62,278 | 18.0% |
| 2-person household | 101,781 | 30.9% | 1-bedroom | 96,929 | 28.0% |
| 3-person household | 41,831 | 12.7% | 2-bedrooms | 103,199 | 29.8% |
| 4-person household | 28,563 | 8.7% | 3-bedrooms | 59,793 | 17.3% |
| 5-person household | 14,293 | 4.3% | 4-bedrooms | 18,331 | 5.3% |
| 6-person or more household | 16,002 | 4.9% | 5-bedrooms or more | 5,997 | 1.7% |
| TOTALS | 329,851 | 100.0% | TOTALS | 346,527 | 100.0% |

SOURCE: Census Bureau

| | Renting Households | | | Home | | | |
|-------------------------------|----------------------------------|---------------------------------|--------------------------------|----------------------------------|---------------------------------|-------------------------------------|-------------------|
| Household Type by Income | Small Related (2-4 people) | Large Related (5 or more) | Total Renting Households | Small Related (2-4 people) | Large Related (5 or more) | Total Home- owning Households | All Households |
| Extremely Low (< 30% of AMI) | 8,665 | 2,675 | 49,334 | 1,774 | 569 | 10,229 | 59,563 |
| % Overpaying | 69.9% | 72.7% | 67.6% | 73.5% | 68.4% | 66.8% | 67.5% |
| Very Low (up to 50% of AMI) | 7,035 | 2,400 | 26,510 | 2,310 | 1,274 | 9,472 | 35,982 |
| % Overpaying | 51.7% | 35.0% | 60.4% | 61.5% | 70.2% | 49.9% | 57.7% |
| Low (up to 80% of AMI) | 9,755 | 3,580 | 40,139 | 5,610 | 3,070 | 17,920 | 58,059 |
| % Overpaying | 28.5% | 17.3% | 37.1% | 56.0% | 46.1% | 45.2% | 54.3% |
| Total Households | 50,225 | 12,655 | 214,272 | 43,074 | 15,448 | 115,299 | 329,571 |
| % Overpaying | 28.0% | 27.8% | 33.9% | 29.2% | 27.5% | 30.9% | 32.9% |

SOURCE: State of the Cities Data Systems CHAS Data 2000

5. Female-Headed Households

Many families with a single parent are in households headed by women. Female-headed households in 2000 comprised 8% of all households. Women still suffer from income disparities in the job market, forcing them to survive with less income than their male counterparts. At the time of the last Census, about 17% of female headed households were under poverty level, compared to 8% of all families under poverty level (Table I-52). Seven years later, the American Community Survey estimated that 18% of families were under the poverty level while 22% of female-headed households were under the poverty level. This increase in poverty exacerbates the need for affordable housing in order to avoid an increase in homeless families, especially female-headed households.

2000 Census Household Type 2007 ACS % 329.700 100.0% Total Households 18.0% Total Female Headed Householders 28,380 8.6% 8.0% Female Heads with Children under 18 10,820 38.1% 40.6% Total Family Households 17,560 44.6% 44.1% Total Families Under the Poverty Level 11,515 7.8% 18.0% Female Headed Households Under 4,718 16.6% 22.1% the Poverty Level

SOURCE: Census Bureau

6. Persons with HIV/AIDS and Terminally III Patients

San Francisco has the third highest number of total AIDS cases in the United States, comprising almost one in five of California AIDS cases and about 3% of AIDS cases nationwide. As of December 2006, San Francisco ranked third in the cumulative number of AIDS cases among

Table I-51

Large Households and Housing Burden, San Francisco, 2000

Table I-52
Characteristics of Female-Headed Households, San Francisco, 2000

metropolitan areas nationwide. The number of deaths from AIDS has decreased significantly from a high of over 1,820 in 1992 to fewer than 250 in 2007, in part because most deaths are listed under other causes given AIDS patients' compromised immune system. The number of people living with HIV/AIDS continues to increase steadily, from about 13,650 in 2002 up to, according to the AIDS Housing Alliance, over 7,000 in 2007.

Approximately 10% of people living with AIDS are homeless. The San Francisco Department of Public Health's Annual HIV/AIDS Epidemiology Report for 2007 noted that "Homeless persons suffer from high rates of substance abuse, mental illness, tuberculosis, infectious hepatitis, and insufficient health care. Among HIV-infected persons, unstable housing has been associated with poor utilization of health care services including greater reliance on emergency departments, more frequent hospitalizations, and fewer ambulatory care visits. Use of antiretroviral therapy and prophylaxis against opportunistic illnesses is less frequent among the homeless. Among homeless persons, prescribed antiretroviral therapy and adherence to these medications is suboptimal." The report continues on to note that "After taking into account those factors that are known to affect AIDS survival (such as age and use of antiretroviral therapy), homelessness increased the risk of death by more than 20%."

The Housing Waiting List (HWL), created in 1995, is a centralized wait list that makes referrals to most housing programs designated for people living with HIV/AIDS except for hospices and emergency shelters. Most HOPWA funded (Housing Opportunities for Persons with AIDS) projects use this wait list. Approximately 7,000 people are currently active on the list. This list has been closed to new applicants since November 2001. According to the AIDS Housing Alliance, some 13,000 or 72% of people with HIV/AIDS have an unmet housing need. The Alliance also says that only 60% of people with HIV/AIDS in the City's REGGIE database have stable housing.

Compounding the barriers facing people living with HIV/AIDS in San Francisco is the highly competitive local housing market. People living with HIV/AIDS with very low incomes compete with high-income prospective tenants in a private, consumer driven rental market. For this reason, a tenant-based rental subsidy program is one of the largest HOPWA-funded programs in San Francisco. Unfortunately, due to increasing housing costs, and despite extensive cost-containment measures, this program is able to subsidize fewer people over time. The current referrals from the HWL to the tenant-based subsidy program enrolled on the list in 1997 – or over 12 years ago.

The San Francisco HIV Health Services Planning Council is a community planning group that oversees the prioritization and allocation of Ryan White CARE Act Title I and II funds for the Eligible Metropolitan Area of San Francisco, San Mateo and Marin Counties. The federal Health Resources and Services Administration (HRSA) administers these funds. The Planning Council conducted the 2005 Comprehensive Needs Assessment, which focused on underserved and populations in the most severe need of HIV/AIDS-related health and social services. Housing was consistently rated as one of the top three most needed and most requested among these populations. Changes to CARE Act funds further limit the amount of CARE Act funds that can be spent on housing, which creates additional barriers to providing appropriate affordable housing for people living with HIV/AIDS in San Francisco.

In 2006, the Board of Supervisors requested that a new citywide HIV/AIDS Housing Plan be done. The Department of Public Health's Housing and Urban Health section led this process, which included assembling an HIV/AIDS Housing Work Group. The result of this process is the Comprehensive HIV/AIDS Housing Plan. This Plan estimates that between 7,520 and 14,470 people living with HIV/AIDS in San Francisco have an unmet need for housing. Among these, between 1,410 and 2,560 are estimated to be currently homeless.

7. Immigrants, Refugees and Undocumented Workers

San Francisco has long been a "port of entry" to the United States for immigrants and refugees. San Francisco also shelters a number of undocumented persons who are in the United States without legal status. Although data on the number of total number of immigrants, refugees, and undocumented workers is not available, the 2000 Census found that more than 13% of all households, or 43,710, are linguistically isolated. Many of these new arrivals need low cost housing and support services; a limited number of housing and immigrant agencies in San Francisco provide multicultural and multilingual assistance.

Shelter providers for the homeless also assist homeless persons who are undocumented. These persons have an urgent need for shelter because they are ineligible for public assistance programs such as General Assistance. Most immigrants and refugees, regardless of immigration status, also need housing services that are provided in a multicultural and multilingual context.

8. Artists/Artisans

Artists have special housing needs for affordable accommodations that provide large wall space, high ceilings, lofts, lighting, and the ability to work at all hours of the day or night. There is high demand for such flexible space in the city. Past efforts to secure housing for artist in San Francisco through the live/work program failed to meet the target housing market. While there are not official counts of artists, the cultural and economic value of artist to San Francisco is undisputable.

9. Students

Institutions of higher learning have not provided sufficient housing for their student populations. For example, the University of California Medical Center has a student enrollment of 3,780 but only accommodates 178 single students and 130 students in family housing. San Francisco State University had a student enrollment of 26,800 in 2000 but only provided 1,500 student housing units. San Francisco City College's Phelan Campus totaled 25,000 students in 2000 with an estimated need for approximately 1,000 units. Students generally require smaller housing units near their school and job centers. Without dedicated housing, students often end up in overcrowded and/or costly accommodations.

C. HOUSING PRESERVATION NEEDS

San Francisco has an older housing stock, with 75% of all units over 50 years old. This is the largest concentration of older housing stock in the state. Seismic retrofitting requirements also create the greatest housing preservation need for San Francisco.

1. Private Housing Rehabilitation

Housing restoration, remodeling and maintenance is an on-going activity throughout the City. Renovation projects completed between 2000 and 2007 totaled \$486.7 million, affecting some 18,900 units. Over 92% of these permits were for residential improvements in one and two unit buildings. Almost 73% of the total rehabilitation costs were for projects in single-family units where the average cost of improvements was just over \$53,000 per unit.

2. Public Housing Rehabilitation

There are 6,156 public housing units in 50 developments located throughout the City. Recent programs have rehabilitated 1,149 units of new and affordable housing with 2,607 bedrooms. The 2007 Comprehensive Physical Needs Assessment performed by the San Francisco Housing Authority (SFHA) indicated that there is a backlog of immediate physical rehabilitation needs that will cost \$269 million. An additional \$26 million a year is needed to forestall physical deterioration in SFHA housing. The SFHA has identified projects totaling \$2.54 billion to comprehensively address all of the physical problems that currently exist.²

3. Seismic Retrofitting

In the early 1990s, there were approximately 11,850 units in 399 unreinforced masonry residential hotels and apartment buildings (UMB), most of which are occupied by low-income households. As of August 2008, five apartment buildings with 84 units and one residential hotel with 18 units have yet to comply with the City's retrofit requirements.³ The San Francisco Department of Building Inspection and the City Attorney are working together to bring these remaining buildings into compliance. It is estimated that on average, it takes as much as \$45,000 per unit in public subsidies to rehabilitate and seismically upgrade these buildings and still maintain their low-income rent structure. Rehabilitation and seismic upgrade costs vary depending on the type of building, the level of retrofit, and the availability of construction expertise.

In addition to unreinforced masonry buildings, much of San Francisco's older housing stock is in need of some type of seismic upgrading such as foundation bolting and structural reinforcement. Soft-story, wood frame, multifamily housing -- typically wood-frame buildings with open fronts, usually large openings on the ground floor such as multiple garage doors

² PHA Plans – Annual Plan for Fiscal Year 2008-09, San Francisco Housing Authority, August 2008

³ Information provided by Jerry Sullivan of the San Francisco Department of Building Inspection, August 13, 2008.

or large storefront windows -- is particularly at risk. The City's *Community Action Plan for Seismic Safety* (CAPSS) is looking at potential methods of instigating their retrofit, as well as other action steps to improve the City's earthquake resilience by addressing the performance of existing buildings during an earthquake and facilitating the repair of damaged buildings after an earthquake.

D. REPLACEMENT OF LOST UNITS

Demolitions, abatement enforcement, mergers and conversions, and fires all diminish the City's housing stock, and lost units need to be replaced. Table I-53 below anticipates losses based on historic trends.

| Reason for Replacement | Units |
|------------------------------|-------|
| Demolition and Replacement | 1,125 |
| Unit Mergers | 225 |
| Loss of Secondary Units | 400 |
| Conversion to Commercial Use | 60 |
| Owner Move-In | 5,530 |
| Ellis Act Evictions | 2,100 |
| TOTAL | 9,440 |

Table I-53
Estimated Replacement Housing Needs, San Francisco, 2007-June 2014

SOURCE: Planning Department

1. Loss of Units through Building Demolition

Since 2000, building demolition has accounted for the loss of almost 1,200 units (Table I-27 on page 30), a rate 10% lower than the annual demolition average of 148 units between 1990 and 1999. The City has a one-to-one unit replacement policy and units lost through demolition are subsequently replaced with the same number of units or even more. Housing demolitions in this period included the demolition of North Beach Place and Valencia Gardens, two large, older public housing structures that have since been replaced by new affordable housing developments. Similar public housing renewal projects are foreseen in the near future.

2. Loss of Units through Mergers

Dwelling unit mergers result in fewer but larger units. Smaller units are generally considered more affordable. However larger units enable families to grow without leaving their communities. The City established legislation that aims to limit dwelling unit mergers that result in larger and more expensive units. A slight decline in dwelling unit mergers followed this legislation. Between 1995 and 1999, dwelling unit mergers resulted in the loss of some 233 units, an average of 47 a year. Trends slowed down even further, between 2000 through 2008, only 287 units were merged to make larger dwelling units, a loss of about 32 units a year.

3. Loss of Illegal Secondary Units through Code Enforcement

A secondary unit is generally a smaller unit that does not have the same amenities as the primary unit or units on a lot. Often these units are built in basements, garages, attics, or in rear yard structures. While many illegal secondary units may not meet existing code requirements, they still constitute a major supply of affordable housing. Some illegal units create life safety hazards; other units require alternative standards for open space, parking, rear yard requirements, or density requirements to be legalized.

Between 2000 and 2008, 204 illegal secondary units were removed; 80 units were legalized (Table I-54). The volume of complaints has been increasing; with a strengthened code enforcement team, it is estimated that in the future, 50 to 100 illegal units per year will be removed. Based on a projected average loss of 75 units per year, it is estimated that about 400 units will be needed between January 2007 and June 2014 to replace these typically affordable units.

Table I-54
Legalization of Secondary
Units, San Francisco,
2000-2008

| Year | Units Legalized | Illegal Units Removed |
|--------|-----------------|-----------------------|
| 2000 | - | 12 |
| 2001 | 8 | 22 |
| 2002 | 9 | 36 |
| 2003 | 11 | 33 |
| 2004 | 8 | 22 |
| 2005 | 16 | 38 |
| 2006 | 9 | 12 |
| 2007 | 11 | 10 |
| 2008 | 8 | 19 |
| TOTALS | 80 | 204 |

Source: Planning Department

4. Loss of Units from Conversions to Commercial Use

Forty-nine housing units were legally converted to commercial uses between 2000 and 2008 (Table I-28). This is comparable with the annual average of about five units removed between 1990 and 1999. While the conversion of residential use to commercial uses has declined significantly from the high rates experienced in the late 1970s, illegal conversions are still a concern in a number of areas. Unfortunately, no reliable data can detail the extent of illegal conversions, but based on trends in the previous decade, at least 30 new housing units will be needed to replace housing lost to legal conversion to commercial use expected during the period covering January 2007 and June 2014.

5. Loss of Units from Owner Move-In and Ellis Act Evictions

Changes in tenure status through Ellis Act evictions or owners move-in is seen to result in a loss of affordable units. These units are affordable through rent control, rental status or smaller unit size. Units held off the market through the Ellis Act increased significantly in recent years (Table I-55). From the passage of the Act in 1986 until 1998 there were a total of 44 eviction notices given through the Ellis Act. In 1998 that number increased to 206 notices and in 1999 it peaked at 440 eviction notices. During the second half of the 1990s, however, owner move-in evictions increased dramatically; more than 1,000 eviction notices were given out annually through this process.

| Year | Owner Move-In | Ellis Act or Other Removal from Market |
|--------------|---------------|---|
| FY 1997-1998 | 1,400 | 12 |
| CY 1998 | 1,545 | 157 |
| CY 1999 | 872 | 473 |
| CY 2000 | 1013 | 345 |
| CY 2001 | 802 | 292 |
| CY 2002 | 548 | 251 |
| CY 2003 | 357 | 238 |
| CY 2004 | 345 | 368 |
| CY 2005 | 267 | 359 |
| CY 2006 | 227 | 304 |

Table 1-55
Evictions from Ellis Act and Owner Move-Ins,
San Francisco, 1997-2006

SOURCE: SF Rent Board

Meeting Housing Needs

This section provides an analysis of the overall capacity for meeting the City's projected housing needs. The first part presents and inventory of the land use capacity for new housing based on the existing zoning, including an analysis of their suitability to a variety of affordable housing types. The second part discusses constraints to housing development in the City that could forestall the City's ability to meet San Francisco's RHNA allocation. The third part presents information on potential future projects and recent community plans. An estimate of housing development over the next five to ten years is also provided. This section shows that while San Francisco may have the land capacity to meet overall housing needs for the next planning period, the City must make programmatic and policy changes in order to meet targeted levels of affordability and achieve local and regional sustainability objectives.

San Francisco is already highly developed. It is also bounded on three sides by water, limiting its ability to expand outwards to meet the need for more housing. As San Francisco has relatively few large undeveloped sites and the following analysis is based on a cumulative examination of vacant and underdeveloped sites' potential development at less than the theoretical maximum capacity allowed under current zoning in acknowledgement of existing neighborhood characteristics. Nevertheless, almost 68,480 new housing units could potentially be built on numerous in-fill development opportunity sites under current zoning allowances. In addition, some 11,800 can be accommodated in vacant or nearly vacant lands currently or previously zoned "Public" such as Mission Bay, Treasure Island and Hunter's Point Naval Shipyard.

A. NEW HOUSING DEVELOPMENT POTENTIAL UNDER EXISTING ZONING

Residential development is allowed as-of-right in most of the City's zoning districts. All residential and residential-commercial (RH, RC and RM) districts permit dwelling units as of right. Housing is also permitted in most of the South of Market's mixed-use districts and all of the mixed-use districts in Chinatown; similarly, residential developments are allowed in downtown and commercial zoned districts. In the neighborhood commercial districts, housing is permitted but generally encouraged above the commercial ground floor in new construction projects. Housing development is a conditional use in industrial districts and the South of Market's Service and Secondary Office (SSO) district. The only zoning district wherein housing projects are not permitted unless it is affordable to low-income households is in the South of Market's Service-Light Industrial (SLI) district. New residential development is not allowed in the new Production, Distribution and Repair (PDR) districts.

Residential uses in San Francisco include single and multi-unit housing, residential care facilities, and group housing. Group housing in San Francisco include emergency shelters, transitional supportive housing. Group housing is not permitted in low density, single-family residential districts (RH-1, RH-2 and RH-3) and in the South of Market's residential enclave districts (RED). They are accommodated in the moderate density residential, downtown, commercial, and neighborhood commercial districts where other supportive amenities are more accessible. Group housing are also allowed on a conditional basis in low- to medium-density residential districts, the industrial districts and most South of Market districts. (*Attachment D-2* in *Appendix D* lists residential development types and standards for all zoning districts.)

Land Inventory

Housing Element law requires local governments to prepare an inventory of land suitable for residential development to help identify sites that can be developed for housing within the housing element planning period. It is a general estimate of the City's total housing capacity and is determined without specifying which sites may or may not be developed within the next five to seven years. This land inventory does not include sites that are under construction or are already slated for development in the next five to seven years, i.e. parcels with building permits already obtained and ready to start construction, or parcels that have received Planning Department entitlements and have applications for building permits filed.

The housing potential estimates shown in Tables I-56 and I-57 were derived using a computer model based on current zoning standards and an inventory of existing uses citywide. (*See Appendix D for additional details on methodology, terms used.*) The largely undeveloped Treasure Island and Hunter's Point Naval Shipyard are currently zoned "Public" and thus considered separately in this exercise. The number of units listed are currently proposed for these redevelopment areas. Similarly, parcels in Mission Bay are treated as distinct from the rest of the City's housing opportunity sites. Some 2,500 units out of the 6,000 proposed units have already been built in the Mission Bay redevelopment area. Construction has also began for Phase I of the Hunter's Point Naval Shipyard. Approximately 30% of units in these redevelopment areas are programmed to be affordable.

A database listing all parcels in the City, along with current land uses, zoning designation, and development or lot improvements forms the basis of this evaluation. Land use information collected included type of use, building square footage, number of stories, building height, lot area, floor area ratio, and other pertinent data.

Table I-56 categorizes the housing opportunity sites by zoning districts and lists the build-out capacities of potential housing sites according to permitted residential densities. Over half (58%) of the new housing can be accommodated in neighborhood commercial and mixed use districts; only 18% can be expected to be built in traditional residential districts.

| | Vacant | or Near Vaca | nt Sites | Und | erdeveloped S | Sites | No of | Net Units | Total Acres |
|-----------------------------------|-------------------|--------------|----------|-------------------|---------------|-------|-------------------|-----------|-------------|
| General Zoning Districts | No. of Parcels | Net Units | Acres | No. of Parcels | Net Units | Acres | No. of Parcels | | |
| Residential | 919 | 2,771 | 101.9 | 1,156 | 7,971 | 151.7 | 2,075 | 10,742 | 253.6 |
| Neighborhood Commercial | 293 | 6,974 | 88.2 | 1,922 | 15,375 | 242.9 | 2,215 | 22,349 | 331.1 |
| Mixed Use Districts | 192 | 3,169 | 32.8 | 455 | 7,559 | 79.8 | 647 | 10,728 | 112.6 |
| Downtown Commercial | 63 | 631 | 33.9 | 184 | 1,077 | 43.6 | 247 | 1,708 | 77.5 |
| Downtown Residential | 21 | 2,401 | 4.5 | 25 | 2,196 | 5.9 | 46 | 4,597 | 10.3 |
| Industrial | 188 | 6,868 | 116.3 | 465 | 11,485 | 189.2 | 653 | 18,353 | 305.5 |
| Sub-Total | 1,676 | 22,814 | 377.6 | 4,207 | 45,663 | 713.1 | 5,883 | 68,477 | 1,090.6 |
| Programmed /Redevelopmen | nt Areas | | | | | | | | |
| Mission Bay | | | | | | | | 3,500* | |
| Treasure Island | | | | | | | | 6,000 | |
| Hunter's Point Shipyard (Phase I) | | | | | | | | 1,600 | |
| Sub-Total | | | | | | | | 11,100 | |
| | | | | | | | | | |
| TOTALS | | | | | | | | 73,650 | |

Table I-56

Estimated New Housing Construction Potential in Undeveloped and Underdeveloped Sites by Generalized Zoning Districts, San Francisco, * Remaining units to be built

SOURCE: SF Planning Department

Tables I-56 and I-57 disaggregate this new housing potential according to the parcels' existing state of underutilization or lack of development. There are almost 1,680 parcels totaling 378 acres that are classified as undeveloped where over 22,810 new housing units could potentially be constructed. Another 4,200 lots are also seen as developable for residential uses, possibly yielding over 45,650 new units. As detailed in *Appendix D*, only parcels developed up to 30% of parcel potential are considered in this inventory. As such, the capacity estimates may be conservative. Due to high demand for land, new construction have occurred in developed parcels, not just vacant or underdeveloped parcels. In addition, redevelopment of Mission Bay, Treasure Island and Hunter's Point Naval Shipyard will bring an additional 11,100 units. Undeveloped or underdeveloped parcels with proposed residential developments in the pipeline are not included in this assessment. About 230 of 800 acres of soft sites fall in areas with recently adopted area plans (Eastern Neighborhoods, Market & Octavia, Balboa Park, Rincon

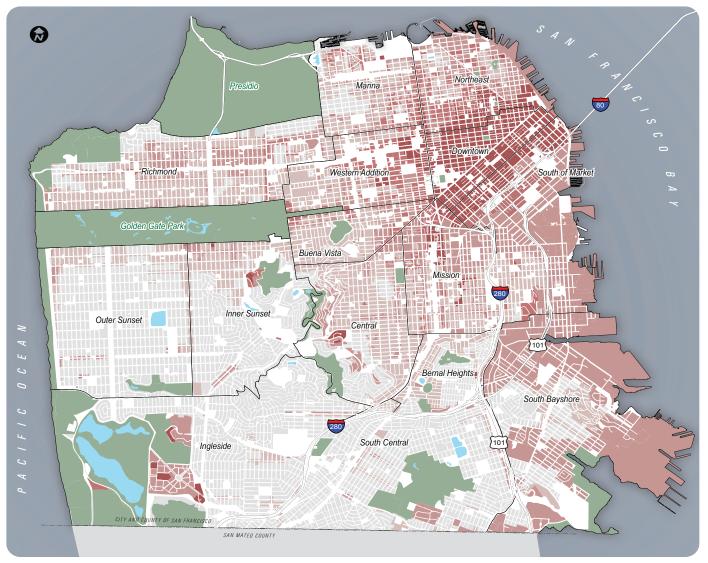
Table I-57
Estimated New Housing Construction Potential in Undeveloped and Underdeveloped Sites by Zoning District, San Francisco, 2008

| | | Current Utilization | | | | | | | | | |
|------------------------------|--------------------|---|-----------|-------|--|-----------|-------|------------------|------------------------------|--------------------------|-------------------------|
| Zoning Group | Zoning District | Vacant or Near Vacant Sites (Less than 5% of zoned capacity) | | | Underdeveloped or "Soft Sites" (From 5% - 30% of zoned capacity) | | | Total Parcels | Total Sum of Net Units | Total Sum of Acres | Zoned Units/ Acre |
| | | Parcels | Net Units | Acres | Parcels | Net Units | Acres | | | | |
| | | | | | | | | | | | |
| Residential | | 919 | 2,771 | 101.9 | 1,156 | 7,971 | 151.7 | 2,075 | 10,742 | 253.6 | |
| | RH-1 | 457 | 676 | 44.1 | 54 | 241 | 18.0 | 511 | 917 | 62.1 | 15 |
| | RH-1(D) | 135 | 135 | 21.9 | 2 | 2 | 0.1 | 137 | 137 | 22.0 | 11 |
| | RH-1(S) | 6 | 6 | 0.4 | 0 | 0 | 0.0 | 6 | 6 | 0.4 | 15 |
| | RH-2 | 169 | 564 | 18.1 | 338 | 737 | 31.9 | 507 | 1,301 | 50.0 | 29 |
| | RH-3 | 55 | 207 | 4.8 | 244 | 589 | 16.8 | 299 | 796 | 21.5 | 44 |
| | RM-1 | 43 | 238 | 4.8 | 161 | 1,793 | 36.7 | 204 | 2,031 | 41.5 | 54 |
| | RM-2 | 9 | 107 | 1.5 | 34 | 609 | 9.2 | 43 | 716 | 10.8 | 73 |
| | RM-3 | 14 | 230 | 2.2 | 69 | 1,115 | 12.1 | 83 | 1,345 | 14.2 | 109 |
| | RM-4 | 13 | 423 | 2.1 | 25 | 1,494 | 8.1 | 38 | 1,917 | 10.2 | 218 |
| | RTO | 18 | 185 | 2.1 | 229 | 1,391 | 18.7 | 247 | 1,576 | 20.8 | See note 1 |
| | | | | | | | | | | | |
| Neighborhood | | 293 | 6,974 | 88.2 | 1,922 | 15,375 | 242.9 | 2,215 | 22,349 | 331.1 | |
| Commercial / Neighborhood | NCD | 31 | 410 | 5.4 | 358 | 2,559 | 37.0 | 389 | 2,969 | 42.5 | See note 1 |
| Commercial | NC-1 | 24 | 139 | 2.8 | 222 | 855 | 19.4 | 246 | 994 | 22.2 | 54 |
| Transit | NC-2 | 73 | 1,030 | 19.5 | 599 | 2,555 | 57.5 | 672 | 3,585 | 77.0 | 54 |
| | NC-3 | 96 | 1,134 | 16.3 | 558 | 4,954 | 75.0 | 654 | 6,088 | 91.2 | 73 |
| | NC-S | 11 | 58 | 1.2 | 33 | 1,536 | 28.7 | 44 | 1,594 | 29.8 | 54 |
| | NCTD | 22 | 3,116 | 34.9 | 65 | 707 | 7.9 | 87 | 3,823 | 42.7 | See note 1 |
| | NCT-2 | 3 | 166 | 1.9 | 8 | 117 | 1.4 | 11 | 283 | 3.3 | See note 1 |
| | NCT-3 | 32 | 916 | 632 | 67 | 1,981 | 14.9 | 998 | 2,897 | 21.1 | 73 |
| | SoMa NCT | 1 | 5 | 0.0 | 12 | 111 | 1.1 | 13 | 116 | 1.2 | See note 1 |
| | | | | | | | | | | | |
| Commercial | | 63 | 631 | 33.9 | 184 | 1,077 | 43.6 | 247 | 1,708 | 77.5 | |
| / Downtown Commercial | C-2 | 16 | 369 | 26.3 | 26 | 267 | 19.6 | 42 | 636 | 45.9 | 54 |
| - Janinoi Viul | C-3-G | 20 | 138 | 4.2 | 58 | 304 | 9.7 | 78 | 442 | 14.0 | 348 |
| | C-3-O | 7 | 68 | 1.3 | 30 | 264 | 4.8 | 37 | 332 | 6.1 | 348 |
| | C-3-O(SD) | 5 | 16 | 0.5 | 20 | 59 | 1.6 | 25 | 75 | 2.1 | 348 |
| | C-3-R | 1 | 6 | 0.2 | 13 | 39 | 1.4 | 14 | 45 | 1.6 | 348 |
| | C-3-S | 12 | 28 | 1.1 | 23 | 92 | 3.7 | 35 | 120 | 4.8 | 348 |
| | C-M | 2 | 6 | 0.3 | 14 | 52 | 2.8 | 16 | 58 | 3.1 | 218 |

| | | Current Utilization | | | | | | | | | |
|----------------------------------|--------------------|---|-----------|-------|--|-----------|-------|------------------|------------------------------|--------------------------|-------------------------|
| Zoning Group | Zoning District | Vacant or Near Vacant Sites (Less than 5% of zoned capacity) | | | Underdeveloped or "Soft Sites" (From 5% - 30% of zoned capacity) | | | Total Parcels | Total Sum of Net Units | Total Sum of Acres | Zoned Units/ Acre |
| | | Parcels | Net Units | Acres | Parcels | Net Units | Acres | | | | |
| SUD / | | 21 | 2,401 | 4.5 | 25 | 2,196 | 5.9 | 46 | 4,597 | 10.3 | |
| Downtown | SB-DTR | 1 | 95 | 0.6 | 0 | 2,190 | 0.0 | 1 | 95 | 0.6 | See note 1 |
| Residential | VNMDRSUD | 13 | 657 | 2.0 | 18 | 1,649 | 4.9 | 31 | 2,306 | 6.9 | See note 1 |
| | RH DTR | 7 | 1,649 | 1.8 | 7 | 547 | 1.0 | 14 | 2,196 | 2.8 | See note 1 |
| | | | | | | | | | | | |
| Mixed Use | | 192 | 3,169 | 32.8 | 455 | 7,559 | 79.8 | 647 | 10,728 | 112.6 | |
| | CCB | 1 | 10 | 0.0 | 5 | 86 | 0.4 | 6 | 96 | 0.4 | 218 |
| | CRNC | 3 | 60 | 0.3 | 10 | 167 | 0.8 | 13 | 227 | 1.1 | 218 |
| | CVR | 0 | 0 | 0.0 | 1 | 9 | 0.1 | 1 | 9 | 0.1 | 218 |
| | MUG | 1 | 4 | 0.1 | 19 | 241 | 3.0 | 20 | 245 | 3.0 | See note 1 |
| | MUO | 16 | 399 | 2.8 | 16 | 408 | 4.2 | 32 | 807 | 7.0 | See note 1 |
| | MUR | 20 | 428 | 2.8 | 37 | 658 | 4.1 | 57 | 1,086 | 6.9 | See note 1 |
| | RC-3 | 2 | 52 | 0.5 | 22 | 239 | 2.5 | 24 | 291 | 2.9 | 109 |
| | RC-4 | 30 | 942 | 4.4 | 113 | 3,514 | 16.5 | 143 | 4,456 | 20.9 | 218 |
| | RED | 3 | 31 | 0.3 | 13 | 65 | 0.9 | 16 | 96 | 1.2 | 109 |
| | RSD | 5 | 76 | 0.7 | 6 | 105 | 1.1 | 11 | 181 | 1.8 | 218 |
| | SLI | 40 | 77 | 4.4 | 53 | 301 | 17.6 | 93 | 378 | 22.0 | 218 |
| | SPD | 0 | 0 | 0.0 | 2 | 3 | 0.1 | 2 | 3 | 0.1 | 73 |
| | UMU | 40 | 953 | 13.5 | 125 | 1,619 | 25.2 | 165 | 2,572 | 38.7 | See note 1 |
| | SLR | 31 | 137 | 3.1 | 33 | 144 | 3.3 | 34 | 281 | 6.4 | 218 |
| Industrial / | | 188 | 6,868 | 116.3 | 465 | 11,485 | 189.2 | 653 | 18,353 | 305.5 | |
| PDR | M-1 | 156 | 4,801 | 80.6 | 433 | 5,928 | 105.3 | 589 | 10,729 | 185.9 | 54 |
| | M-2 | 32 | 2,067 | 35.6 | 32 | 5,557 | 84.0 | 64 | 7,624 | 119.6 | 54 |
| Sub-Totals | | 1,676 | 22,814 | 377.6 | 4,207 | 45,663 | 713.1 | 5,883 | 68,477 | 1,090.6 | |
| Programmed / Redevelopment Areas | | | | | | | | | 11,100 | | |
| Mission Bay | | | | | | | | 3,500 | | | |
| Treasure Island | | | | | | | | | 6,000 | | |
| Hunter's Point S | hipyard (Phase I) | | | | | | | | 1,600 | | |
| TOTALS | | | | | | | | | 73,650 | | |

SOURCE: SF Planning Department

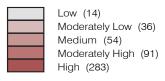
Notes: 1 These districts do not nominally restrict residential density, but regulates it based on factors such as lot cover, exposure, and unit mix requirements.



Generalized Housing Densities by Zoning District San Francisco, 2008



Density (Average Units per Acre)



Hill, Visitacion Valley). The residential development pipeline, which accounts for some 50,200 units at the time of this report's writing, will be discussed at a later section of this report.

Suitability of In-Fill Housing Development Under Existing Zoning

Approximately one-half of San Francisco's developable land is devoted to residential use. Of the residentially zoned acreage, a majority of the area (76%) is zoned for single family and two unit housing, at a housing density of approximately 10 to 29 units per acre. Other residential areas with higher housing densities, such as the Van Ness corridor and neighborhoods north of Market Street, bring average housing density citywide to 15 net dwelling units per acre. Table I-57 lists the City's zoning categories that permit residential development, grouping these by generalized housing density levels. Map I-6 provides a generalized illustration of housing densities citywide.

The location of San Francisco's housing stock is detailed in Table I-22 (page 24) and the geographic boundary used for this data is the Planning District (shown on Map I-3, page 25). The Northeast and Richmond districts have the most units. One-third (34%) of the city's units are located in buildings with ten or more units, while single family homes account for almost another third (31%).

All parcels considered in this estimate meet the minimum lot requirement for development. Seventy-four of these parcels are vacant or undeveloped, and cover half an acre or more. Most non-profit developers of affordable housing consider 0.5 acre as the minimum lot size necessary to meet economies of scale. Altogether, these parcels – about half of which are one acre or larger – can accommodate over 5,550 new housing units.

¹ Not including right of way and streets.

| Density Standards | Zoning District | Average Units per Acre | Estimated Popu- lation Density per Acre | General Characteristics and Locations | | | |
|---------------------------|------------------------|------------------------------|---|---|--|--|--|
| Low Density | RH-1 | 14 | 32 | Mostly single-family housing located primarily in the southern and | | | |
| Low Delisity | RH-1(D) | 14 | 32 | western parts of the City | | | |
| | RH-2 | | | Smaller multi-family housing such as duplexes, triplexes, and flats | | | |
| Moderately Low Density | RH-3 | 36 | 83 | located around the City's central hills areas of Diamond Heights, Twin Peaks, and Potrero Hill; also around Golden Gate Park in the Richmond, and the northern part of the Sunset districts, the Marina and edges of Mission Bay bordering open space areas | | | |
| | RM-1 | | | | | | |
| | C-2 | | | | | | |
| Medium Density | M-1, M-2 | | | Non-residential commercial and industrial districts; certain areas adja- | | | |
| | SoMa Mixed- Use | 54 | 124 | cent to commercial zones; also in the central areas of Mission Bay | | | |
| | NCs | | | | | | |
| | RM-2, RM-3 | | | More intensively developed northeastern part of the City; along major | | | |
| Moderately | RC-3 | 91 | 209 | transit corridors such as Van Ness Avenue, Upper Market Street and Columbus Avenue; in major redevelopment areas such as the West- | | | |
| High Density | China- town, RED | | | ern Addition, Golden Gateway; in Nob Hill, Chinatown, North Beach, edges of Mission Bay bordering commercial and industrial areas | | | |
| | RM-4 | 1-4 | | | | | |
| | RC-4 | | | Downtown districts, Rincon Hill, Cathedral Hill, parts of the Western | | | |
| High Density | DTR | 283 | 651 | Addition; parts of Diamond Heights, parts of Parkmerced, Nob Hill, parts of the northeastern section of the City; heavy commercial | | | |
| | C-3 | | | districts. | | | |
| | C-M | | | | | | |

3. Locating New Housing Development in Existing Neighborhoods and Planned Areas

As Table I-57 on page 64 shows, residential districts contain a substantial number of undeveloped lots. Locating new housing development in these districts makes sense, as housing should go where other housing already exists. These in-fill sites are scattered throughout all residential neighborhoods and construction of additional units will have very minimal cumulative effect on infrastructure needs. The build-out assumption for these districts also takes into account typical housing types (single-family homes in RH-1, for example); and there would be little impact on the neighborhoods' residential character.

Neighborhood commercial districts are also ideal for additional housing because of these neighborhoods' proximity to transit and services. Typically, the calculation assumes upper storey residential development over ground floor commercial uses, although height limits in some neighborhood commercial districts may have a dampening effect on residential development.

Downtown districts are similarly ideal for residential development given proximity to jobs and transit. The higher densities allowed under current zoning in these districts could bring almost 2,200 new units. Some industrial lands may be more suitable than other industrial sites for

Table I-58

Generalized Housing Densities Allowed by Zoning Districts, San Francisco, 2008 residential development based on its proximity to existing residential districts and transit. At least 18,350 units can be accommodated in these industrial lands.

The City's mixed-use districts in Chinatown and South of Market are generally built up and yielded smaller numbers of developable sites. However, with higher densities allowed in these areas, in-fill development could accommodate at least an additional 5,980 units.

The Mission Bay Plan, adopted and being carried out by the San Francisco Redevelopment Agency, envisions a new neighborhood arising from one of the City's few vast and underused vacant industrial tracts. Projected land uses include a mix of housing and job opportunities. Mission Bay North will accommodate 3,000 units of housing while Mission Bay South will have 3,090 units. Over 2,120 units have already been built and the remaining 3,900 are expected to be completed by 2020.

Hunters Point Naval Shipyard, another redevelopment project, will involve re-use of the 500-acre former military base. The HPNS Redevelopment Plan sees the decommissioned shipyard transformed into a mini-city with housing, job opportunities and recreational uses. The residential component of Phase I in the 25-year, three-phase Redevelopment Plan will bring about some 1,600 new housing units in the proposed Hills Neighborhood. Construction has begun and the first residents of the redeveloped sites are expected to move in by 2010 at the earliest.

Redevelopment of Treasure Island, while not expected to commence during the 2007-2014 RHNA reporting period, has been included in the land inventory because of its long-term potential for housing. The current proposal includes some 6,000 to 7,000 units.

a. Housing in Residential Areas

Housing development on remaining vacant, residentially zoned sites will occur as market pressure intensifies to build on available residential sites throughout the City. These sites generally have low or moderately low density residential-house zoning designations (RH-1, RH-2 or RH-3), which permit only one, two or three units per lot in most cases. Most housing – especially family housing – is already located in these residential districts. It is estimated that there is an in-fill housing potential of approximately 1,825 units on vacant and underutilized RH-1 and RH-2 parcels, which allow for single-family and duplexes, respectively. Typical densities range from a maximum of 14 units per acre for RH-1 districts and 39 units per acre for RH-2. An additional 460 units can also be accommodated in RH-3 parcels that allow for development of triplexes at about 43 units per acre density.

Residential mixed districts (RM) and residential commercial combined districts (RC) permit non-residential uses but remain predominantly residential in character. These areas are generally adjacent to commercial zones and can have intense, compact development. Medium density residential districts typically contain a mixture of dwelling types found in RH districts but have a significant number of apartment buildings. Over 2,115 new units can be developed in low-density residential mixed districts (RM-1). This zoning category allows for a maximum of 54 units per acre. About 530 and 1,030 additional new units can be in the RM-2 and RM-3 districts respectively. Almost 2,730 new units can be in-fill development in the downtown

residential districts ringing the City's downtown core, where higher densities are permitted. All told, there is the potential for almost 8,300 new units on vacant or underutilized parcels in these medium- and high-density residential zones.

b. Housing in Neighborhood Commercial Districts

Both Planning Code regulations and General Plan policies encourage housing over commercial spaces in districts throughout the City. More recently, regional and national interest in transit-oriented development has grown considerably. The close proximity of neighborhood commercial districts to transit preferential streets makes in-fill sites in these districts particularly suitable for development. There is also a proven strong market for mixed-use development. Mixed-use projects, with commercial and residential components, accounted for a significant amount of the new building construction in the last decade. Opportunity sites in neighborhood commercial districts cover over 330 acres of land in the City. This represents the potential for roughly 22,350 new housing units over ground floor commercial spaces.

c. Better Neighborhoods Program

The Better Neighborhoods Program was initiated by the Planning Department to address the City's related housing and transportation challenges. It seeks to do so by strengthening the linkages between land use and transportation planning, so that each one effectively supports the other. Market and Octavia, Balboa Park, and the Central Waterfront were chosen as three pilot neighborhoods and selected to serve as a model for other areas in the City. Glen Park and Japantown were later added as compact versions of the Better Neighborhood planning process. These neighborhoods' proximity to transit and essential services are ideal for additional housing, including units in upper stories above commercial uses. The Market Octavia Plan, promising an additional 5,900 units, was adopted in mid-2008. The Central Waterfront Plan was adopted, along with three other Eastern Neighborhoods, at the end of 2008. Balboa Park was also adopted in December 2008. The Central Waterfront Neighborhood Plan allows for the potential development of about 1,100 to 1,500 new units while Balboa Park could mean some 800 to 3,150 additional units.

d. Housing in Industrial Areas and the Eastern Neighborhoods

A significant portion of new housing construction (over 40%) in the last decade occurred in the areas south of Market Street. These industrially zoned parts of the City provided a ready supply of flexible and inexpensive industrial space well suited for conversion to office space required by dot-com start-ups. At the same time, these same areas became highly desirable residential locations, especially for live/work or loft-style housing. Many traditional occupants of industrial space — notably production, distribution and repair businesses (PDR) — were displaced by rising rents brought on by new office and residential uses. Conflicts between new residents and remaining businesses, especially over noise and smells associated with many PDR activities made it difficult for businesses to operate. Some businesses found space elsewhere in San Francisco; many others left the City altogether, and a number went out of business.

Interim zoning controls and Planning Commission policies underscored the importance of

retaining PDR activities and encouraging these uses on certain industrially zoned parcels while permitting housing and mixed-use activities on other industrially zoned parcels. Recently approved community planning in the Eastern Neighborhoods, where most industrially zoned lands are located, proposed new zoning controls that define uses permitted on these parcels. An additional potential of 7,400 new housing units in industrial lands came about with the passage of new zoning standards.

4. Suitability of Potential Affordable Housing Sites

Affordable housing in San Francisco includes subsidized multi-family units, single room occupancy units (SRO), emergency shelters, transitional housing, and other types of group housing. As noted earlier, such housing types are generally permitted in as of right or as conditional use in all zoning districts in San Francisco except in the low-density, single-family residential districts, the South of Market's residential enclave districts, and the industrial/PDR districts. In other municipalities, affordable housing includes housing for agricultural workers and low cost manufactured housing. San Francisco is highly urbanized and generally a distance from agricultural employment. Some manufactured single-family housing have been erected in San Francisco but prefabricated units may not be appropriate for high density, affordable housing in San Francisco, especially given seismic safety concerns.

Affordable housing projects with on-site services require a minimum of 90 units per site to gain economies of scale for construction and operations. Of all potential in-fill sites, some 108 parcels – with a total capacity of 22,993 units – would permit this type of development.

Construction of affordable multi-family units generally require a minimum lot size of 0.3 acre or roughly 40 units per project to meet economies of scale. There are around 220 such potential sites that are vacant or undeveloped. Altogether, these larger parcels, which average 1.6 acres each, could accommodate some 29,066 new housing units.

Accommodating Housing Suitable for Persons With Disabilities

San Francisco building code ensures that new housing developments comply with California building standards (Title 24 of the California Code of Regulations) and federal requirements for accessibility. While single-family and duplex or 2-family dwellings are generally not required to be accessible except when they are part of a condominium or planned-use development, multi-family building accessibility requirements are contained in the California Building Code Chapter 11A, Chapter 10, Chapter 30, and section 101.17.9.1. Commercial building access requirements are contained in the California Building Code Chapter 11B, Chapter 10, Chapter 30, and section 101.17.11.

The City provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes for housing for persons with disabilities. There are no zoning or other land-use regulatory practices in San Francisco that could discriminate against persons with disabilities and impede the availability of such housing for these individuals. In addition, San Francisco does not restrict occupancy of unrelated individuals in group homes and does not define family or enforce a definition in its zoning ordinance.

B. CONSTRAINTS TO HOUSING ACCESS, PRODUCTION AND CONSERVATION

Housing development in California is a complex and lengthy process. San Francisco in particular is one of the more challenging environments to build housing. Factors including high land and construction costs, protracted entitlement and permitting processes, and organized opposition pose real obstacles to developing housing in San Francisco.

One result of this difficult landscape has been the development of new housing in areas not fully appropriate for residential development, such as in predominantly industrial areas without the sufficient services and social infrastructure to support a pleasant and vital neighborhood. In meeting the City's housing goals, it is important to focus on areas that can absorb new development in the context of creating viable neighborhoods. Section IV, "Inventory of Land Suitable for Residential Development," discussed locations where the potential for new housing exists. Section VII, "Approaches and Resources to Meet Current and Future Housing Needs," describes policies and programs that the City is using, or can consider, to encourage appropriate housing development to meet its housing needs.

1. Equal Housing Opportunity

All residents have the right to housing that is available without discrimination – that is, without limitations based on race, color, religion, sex, handicap, familial status, or national origin. The federal Fair Housing Act of 1968, and California's Fair Employment and Housing Act, as well as other non-discrimination acts, were enacted to prohibit discrimination; and San Francisco has adopted a number of local anti-discrimination ordinances addressing housing and public accommodations (Administrative Code Sections 12 A & 12 B, Police Code Sections 33, 38, and 1.2). These federal, state and local provisions are enforced by the City's Human Rights Commission (HRC), which offers mediation services for filed complaints, technical assistance with referrals to nonprofit organizations and City agencies, and fair housing training for housing providers.

However, with all of these protections, discrimination still occurs. Some of the major impediments to fair housing include discrimination in access to housing, condition, evictions and even lending practices.

Discrimination: The most common forms of housing discrimination in San Francisco
occur in rental housing, when tenants – who may be facing racial discrimination, poverty, mental and physical handicaps, or have alternative sexual orientation or gender
identity - are denied housing, discriminated against in the terms or conditions otherwise available to other tenants, or harassed by a landlord or fellow tenant. Section 8
tenants in particular have difficulty accessing market rentals, as many landlords choose
to not rent to Section 8 tenants.

- Poor conditions: Many available housing units are maintained in poor condition, at
 the expense of the quality of life for their tenants. The need to make physical improvements is critical to improve living conditions in low-income housing. Also, given the
 City's high percentage of renters with disability, it is particularly critical for persons
 with special needs, to provide improved accessibility to existing housing units.
- Formal and informal evictions: Even with state and local regulations against formal
 evictions, abuses occur as many residents are unaware of their protections. "Buyouts"
 (where the landlord pays the tenant an agreed upon dollar amount to vacate the property
 and therefore avoid any eviction processes) are also prevalent throughout the City.
- Lending practices: Predatory lending, often directed towards low-income and minority
 communities, has arisen as a facet of housing discrimination. The current foreclosure
 crisis is affecting those communities disproportionately, and is also affecting renters of
 those foreclosed units, who are without traditional eviction rights

Connecting all of these issues is a lack of education about fair housing issues and a lack of information connecting people to resources. Often, fair housing issues pit landlords with access to capital, legal advice and time, against renters who may not be aware of their rights and who may face other impediments in the system such as a language barrier. While San Francisco is fortunate to have a number of nonprofit organizations in addition to the City's Human Rights Commission (HRC) that provide public education, access to legal services and counseling, and even funding, they often lack resources to reach the majority of the population in need.

2. Non-Governmental Constraints

Government Code Section 65583(a)(5) requires that the Housing Element update include an assessment of non-governmental constraints to housing development. Such constraints include the price of land, the cost of construction, and availability of financing.

a. Land Availability and Costs

Much of San Francisco exhibits an established, relatively dense development pattern and is considered by many to be substantially built-out. While there are parcels of land still potentially available for development (see Tables I-54 and I-55), San Francisco's tight land market increases pressures on land values. Both market-rate and affordable housing developers report that acquiring land for housing in the City is a challenge. The heightened values of land make some of the land identified as a potential housing site infeasible for actual housing development, especially housing affordable to lower income households.

The City's finite supply of land, coupled with strong development pressure, means that land-owners can expect high prices for parcels they own, if they choose to sell for housing development at all. Sites identified as potential housing sites may not be sold to residential developers as some property owners are satisfied with the state of their properties' development. Institutions, for example, may keep surface parking uses to support other adjacent properties' more intense uses. Similarly, building owners may keep smaller but profitable commercial buildings

instead of fully developing their properties. Furthermore, except in purely residential zoning districts, housing developers must compete with other potential users. If it is more profitable for a landowner to hold or sell land for a commercial project, the land will not be available for housing. Private vacant or underdeveloped lands identified as housing opportunity sites will only see development if landowners decide to sell, and the prices they demand from housing developers will allow for profitable development.

Average land values vary greatly by zoning district as development potential varies greatly. Table I-59 below details the average sales price per square foot of vacant lands sold between 2000 and 2007. It shows that vacant lands in the industrial zoning districts were the least expensive and sold, on average, at just over \$48 per square foot. These areas' lower priced lands made for the mid- to late 1990s' rapid and often detrimental incursions of housing into still viable industrial districts.

| Zoning Districts | No. of Transactions | Average Price per Sq. Ft. |
|-------------------------------------|---------------------|---------------------------|
| Residential Districts | 169 | \$83 |
| Residential Mixed Districts | 11 | \$176 |
| Neighborhood Commercial Districts | 32 | \$92 |
| Downtown Commercial Districts | 5 | \$951 |
| Industrial Districts | 39 | \$48 |
| South of Market Mixed Use Districts | 12 | \$326 |

Table I-59
Average Price per Square
Foot of Vacant Lands Sold,
San Francisco, 2000-2007

SOURCE: SF Assessor-Recorder's Office; SF Planning Department

Single-family zoned districts, where typically one unit is permitted per lot, cost on average just \$57 a square foot. Vacant parcels in moderately low density residential zones (where duplexes and triplexes are permitted) and the neighborhood commercial districts, averaged \$97 and \$92 per square foot respectively. Vacant land in the downtown and high density residential zoning districts was considerably higher, averaging above \$183 per square foot. The costliest vacant lots sold recently were in the downtown commercial zones — which allow land uses more profitable than residential uses — averaging \$951 per square foot. Vacant lots in the densely built South of Market Mixed Use districts bordering downtown had sold, on average, just over \$326 per square foot.

Though specific land costs varied greatly depending on an area's location and underlying zoning, the price of land is a major component of a developer's overall cost of producing housing. (See Table I-60 below.) A recent Planning Department study that explored options for expanding the City's inclusionary housing requirements compiled cost information from a variety of data sources. It showed that land for housing development in San Francisco often cost around \$110,000 per unit.

b. Housing Development Costs

In addition to high land costs, other direct costs of building new housing – the cost of labor, of construction materials and contractor fees – continued to escalate. Steep construction costs are generally seen as a major constraint on housing development and especially impacts affordability. In 2007, total development cost for an average two-bedroom condominium totaling 925 sq. ft. was about \$508,265 a unit or \$549 per square foot. Table I-60 below breaks down these costs to direct (or hard) costs such as building construction and indirect (or soft) costs such as entitlement fees, financing, and insurance charges.

In this estimate, planning, entitlement and other permitting fees – discussed in the section above – totaled less than 2% of development costs. Specific site conditions may also add to the cost of new housing construction. For example, building demolition may be required with the re-use of a site; toxic waste clean-up needed to mitigate chemical contamination in some former industrial sites; or increased foundation costs in potentially seismically unstable soils.

Table I-60
Estimated Multi-Family
Housing Development Costs
Per Unit, San Francisco,
2007

| Cost Categories | Costs | % of Total Costs |
|--|-----------|------------------|
| DIRECT CONSTRUCTION COSTS | | |
| Land Cost | \$110,000 | 21.6% |
| Building Construction | \$247,900 | 48.8% |
| Parking Space Construction | \$20,000 | 3.9% |
| Total Direct Costs | \$377,900 | 74.4% |
| INDIRECT CONSTRUCTION COSTS | | |
| Planning and Building Entitlement Fees | \$9,893 | 1.9% |
| School Impact Fees | \$2,072 | 0.4% |
| Developer Project Management, Architecture, Engineering and Other "Soft" Costs | \$92,500 | 18.2% |
| Construction Financing | \$25,900 | 5.1% |
| Total Indirect Costs | \$130,365 | 25.6% |
| TOTAL DEVELOPMENT COST | \$508,265 | 100.0% |
| Total Cost per Square Foot (Average Net Unit Size: 925 sq ft) | \$549 | |

SOURCE: SF Planning Department

c. Availability of Open Space

Most of the potential housing sites identified -- some 5,260 parcels -- are within walking distance (1/4 mile) of open space amenities. Many of the remaining sites are located in new plan areas that include plans for more open space. For example, the Mission Bay project includes new public open spaces to serve the residents of its 6,000 new units and those of surrounding areas. The Rincon Point-South Beach Redevelopment area includes two new shoreline parks while Guy Place Park is currently being implemented per the Rincon Hill plan,

due to open early 2010. The draft *Recreation and Open Space Element* prioritizes new open space in underserved areas. As new areas are planned for housing, additional open space will need to be provided and should be included as part of future redevelopment plans, area plans, rezoning provisions, and subdivision projects.

d. Access to Commercial and Other Services

Many of the areas where new housing is likely to occur offer a rich mixture of uses that can readily serve new residents. About 85% of potential housing development sites are within walking distance (1/4 mile) from a neighborhood commercial district. Additionally, much of the future housing development will be in mixed use projects that will likely include local serving commercial activities. If these new, larger scale developments are well planned and designed, the additional residents and businesses will enrich existing neighborhoods nearby. Major new housing developments that are isolated from requisite services do not create livable neighborhoods, and can contribute to citywide transportation problems. Plans for new neighborhoods, and specific plans for improving existing areas, must respond to the commercial and service needs of new residents.

e. Transportation

San Francisco's transportation system has been strained by the availability of free and relatively inexpensive parking in many parts of the City, which promotes driving. Coupled with job and population growth, this has increased congestion while decreasing the efficiency of public transit services. Recent planning efforts seek to address this issue and continue to closely examine the interaction of land use and transportation to assure that current and future residents are able to travel conveniently and efficiently to jobs, services, and recreational opportunities. Also, planners at the San Francisco County Transportation Authority (SFCTA) are currently preparing the Countywide Transportation Plan that will prioritize numerous improvements to the City's transportation system.

f. Infrastructure Standards

The City imposes fees on sponsors of new development for various on- and off-site infrastructure improvements when necessary. Various standards for street widths, curb requirements, and circulation improvements have been developed over time and are not believed to be excessive or to impose undue burdens on development. They apply citywide and conform to the developed pattern of the City. More specific infrastructure improvements, such as particular streetscape design treatments, may be required of major new developments in the City's project areas. Given the densities at which residential land is developed in San Francisco, these infrastructure costs, even when borne partially by the developer, represent a relatively small cost per unit.

San Francisco's current housing stock is approximately 364,000 units. The housing production goal set by HCD/ABAG for San Francisco is 31,200 units by 2014. This represents an increase of almost 8.7%. The capacity of the City's infrastructure including water, sewage

treatment, and utility services is generally not a constraint to meeting San Francisco's housing goals. Many potential development sites are in areas that are well-served by the existing infrastructure. Some proposed area or neighborhood plans and very large development projects may require additional local infrastructure improvements.

The San Francisco Public Utilities Commission's (SFPUC) *Urban Water Management Plan (UWMP) for the City and County of San Francisco* (SFPUC, December 2005) projects water demand from residential and commercial customers. While the SFPUC does project an increase in total demand, it also expects residential water use to decline, even as population increases, because of increased conservation measures and efficiency. The 2005 Plan also relies on greater use of groundwater supplies and recycled water. The UWMP projects sufficient water supply in normal years, though during drought years demand will exceed supply. During drought years, plans are in place to institute varying degrees of water rationing depending on the severity of the drought. The SFPUC has begun the implementation of a 13-year Water Supply Improvement Program (WSIP) approved by the voters of San Francisco in the November 2002 General Election as Proposition A. The \$4.3 billion WSIP will ensure that safe and reliable drinking water service will be provided to meet projected San Francisco retail customer demand anticipated in the UWMP through 2018.

The WSIP will maintain compliance with state and federal drinking water standards while ensuring that the system will be functional in the event of a natural disaster, and will attempt to provide adequate water supplies during drought conditions. The SFPUC also has an on-going program to repair and replace outmoded and aging components of the City's water delivery and distribution infrastructure.

The SFPUC has committed to a number of programs to reduce water demand, which are described in greater detail in the UWMP. The SFPUC is also implementing a Recycled Water Program to produce recycled water for non-potable irrigation purposes.

In 1997, the City completed a 20-year program to upgrade its wastewater treatment system to bring it into full compliance with federal and state clean water regulations. Because San Francisco has a combined sanitary and stormwater system, the largest volume of wastewater occurs during wet weather.

In 2005, the SFPUC launched a citywide \$150 million, Five-Year Wastewater Capital Improvement Program (WWCIP) to improve the reliability and efficiency of San Francisco's combined wastewater and storm water system. Over the next few years, this program will help address the most critical needs of the aging wastewater system, improve the capacity of sewer mains, and upgrade treatment facilities.

The Water Pollution Control Division of the SFPUC reports that treatment capacity is available to serve expected growth. However, there are areas where local sewers, which transport waste to the treatment system, might be undersized and will need to be examined on a case by case basis. In 2012, the SFPUC will begin a public process to update the completed Clean Water

Master Plan to identify the future course of the City's wastewater and storm water collection and treatment system, including repair or replacement of structurally-inadequate sewers to address localized flooding problems. Some proposed area plans or very large development projects may need local infrastructure improvements to connect to the City's system. ¹

In 2006, pursuant to SB 1087 and Government Code Section 65589.7, the SFPUC approved Resolution 06-0185 adopting a written policy to provide water and swer service to new developments on an income-neutral basis. The SFPUC will also give priority to applicants for developments that include the sale or rental of housing that is affordable to lower-income households during any period when supply, treatment, or distribution capacity is limited.

San Francisco's solid waste is transferred to the Altamont Landfill, in Alameda County. In 1988, the City signed a long-term disposal agreement that provides for the disposition of up to 15 million tons of solid waste at Altamont. As of January 1, 2008, approximately 11.875 million tons of this capacity had been used, leaving a balance of 3.125 million tons. The Solid Waste Program is actively working to increase recycling, resulting in less disposal at the landfill. Current City incentives to Norcal Waste Systems to decrease waste disposal even further would allow landfill capacity at Altamont to extend to 2015. The City is exploring long-term options for solid waste disposal for when Altamont capacity has been reached. ²

Despite recent supply problems, future gas and electricity supply should meet projected needs. Pacific Gas and Electric Company (PG&E) has filed a "Load Forecast" for San Francisco through 2014 with the California Energy Commission. This forecast is the basis for capital and operating plans, and covers both residential and commercial demand. PG&E is planning for a 20% increase in demand between 2006 and 2014. In addition, the City and County of San Francisco in 2004 commenced the San Francisco Electric Reliability Project that calls for a new City-owned power plant to operate during periods of peak demand.

g. Community Acceptance

San Francisco has a strong tradition of public involvement in policy discussions and possesses a very engaged citizenry on development issues. This activism often takes the shape of organized opposition to housing projects across the City, especially affordable housing for low-income residents and even towards well planned and designed developments. Such vocal opposition poses very real impediments to project sponsors and can lead to significant time delays, additional cost, or a reduction in the number of residential units produced. The City is committed to the involvement of citizens in the planning process and to the need to expound on the importance of working towards citywide housing objectives. Two recently approved planning initiatives – the Market/Octavia plan and the Eastern Neighborhoods Community Planning plan and re-zoning – have engaged residents, property owners, workers, and other stakeholders and sought broad public community backing through participatory programs of education, public dialogue and input, and consensus building.

The number of Discretionary Review requests initiated by members of the public ranged from

¹ Greg Braswell, San Francisco Department of Public Works, Bureau of Engineering. E-mail communiciation, August 22, 2008.

² This information is on the Solid Waste Program's website: www.sfenvironment.org

281 in 2001 to 126 in 2008. The relationship between Discretionary Review requests and building permit applications (as a percentage of total permits filed) has been relatively constant with a recent high of 9% in 2005 and low of 6% in 2007. The current Discretionary Review process does not produce consistent or fair results, makes the development process more lengthy and costly for all involved, and takes time away from the Commission to address larger planning issues.

3. Governmental Constraints

Housing production in San Francisco is affected by a number of governmental regulations, from local policies and codes to state and federal land use regulations and state environmental laws. This section will examine the impacts of local governmental regulations on residential development as these can be addressed by local housing policy. These regulatory controls have been carefully crafted over time to balance citywide needs and address public concerns. These regulations were established to be consistent with the City's General Plan priorities to conserve and protect existing housing and neighborhood character. They also regulate new development to be compatible with and not detrimental to the area with respect to size, shape, traffic and its generated noise, open space and urban design requirements. The time required to administer and approve projects can add to the cost of housing production. But without these standards, an even greater check on new housing construction could result from public opposition to new development.

Addressing these constraints must be balanced against other citywide needs and will also be tempered by public concerns. Most of San Francisco's existing regulations were established to be consistent with the City's General Plan priorities to conserve and protect existing housing and neighborhood character, regulating development to be compatible with neighborhood character, and not detrimental to the area with respect to size, shape, traffic and its generated noise, open space and urban design requirements. The time required to administer and approve projects can also add to the cost of housing production. But without these standards, an even greater check on new housing construction could result from public opposition to development.

To address these issues, the City has made a number of improvements to remove hurdles in the City's General Plan and Planning Code, including:

- Using community planning processes to adopt streamlined regulations around discretionary process and reducing Conditional Uses;
- Using community planning processes to increase development capacity, including height, density and required lot sizes;
- Reduction of parking and open space requirements.

a. Entitlements

Proposed developments that deviate from or exceed permitted development standards, or that bring up other planning or environmental concerns, are subject to additional assessment and would require conditional use approvals, variances, and discretionary reviews. All these special permits take longer to process as they require greater study and analysis, public notifications and hearings, and approvals from the Planning Commission or the Zoning Administrator. The Commission may impose conditions or mitigation measures.

1) Land Use Regulations and Community Plans. The Planning Code, in particular, can present constraints to housing development. Height and density limits, parking and open space requirements, for example, can constrain housing form and increase production costs; discretionary processes such as Conditional Use authorizations can extend both the timeline for and the cost of housing construction.

The San Francisco Planning Department has prepared a number of community plans intended to shape growth in our urban neighborhoods, by encouraging housing where it makes sense and by using that housing growth to strengthen neighborhoods. The community planning process provides a neighborhood-based forum to grapple with issues such as appropriate height and density. It also provides the opportunity to shape new regulations for development which streamline the housing approval process yet make sure development still is designed according to the appropriate neighborhood character.

In the past five years, the Planning Department has completed several plans for the Downtown area (Rincon Hill and Transbay), a series of "Better Neighborhoods Plans" (Market & Octavia, Balboa Park and the Central Waterfront), and the Eastern Neighborhoods Plans (East SoMa, Showplace Square/Potrero Hill, and Mission). Adoption of these plans into the City's General Plan enabled clearly stated housing development policies. Each new neighborhood plan is also accompanied by a set of new regulations, including amendments to the General Plan, Planning Code, and other required documents. The goal of these amendments is to establish parameters for new development that give residents and developers a clear sense of what is and is not allowed in these neighborhoods. Amendments reduce discretionary processes such as Conditional Use authorizations as much as possible while still ensuring adequate community review (in the Better Neighborhoods and Eastern Neighborhoods Area Plans, most housing is permitted as-of-right, and conditional use requirements for design aspects such as height have been eliminated). In many cases, the amendments also include a clarified public review and approval process that reduces permitting time and hearings.

Planning Code amendments adopted with each new neighborhood plan also served to expand potential development capacity in each of these areas, using tools such as height increases, removal of maximum densities, and removal of minimum required lot sizes. This increases flexibility for development on all sites in the project areas, and has resulted in an expanded development capacity which is detailed in Appendix D.

2) Parking Requirements: Providing parking represents a significant cost to developers and can affect housing prices, adding as much as \$50,000 to the price of a new unit. Surface level parking also takes up valuable real estate that could be devoted to housing or other uses. As such, parking requirements can act as a constraint to housing development.

Parking requirements vary throughout the City's zoning districts, based on factors like density and transit access. For example, in the City's low density districts (one-, two- or three-family housing districts), one parking space is required for each dwelling unit. The City's high-density residential districts, including RC-4, RSD, and other mixed use areas, require one parking space for every four units. In Downtown districts such as the DTR, NCT, RTO or C-3 Districts, no parking is required. Provision of guest parking is not required by the City for any housing development; it is only required for temporary stay uses such as hotel, motel or medical institution. Parking is not required for housing designed for and occupied by senior citizens, for group housing or for single-room occupancy dwellings; parking requirements for 100% affordable housing projects can be modified as a "variance" to reduce the 1:1 parking ratio requirement.

Recent amendments to the Planning Code removed parking requirements altogether in a number of zoning districts; instead, a maximum number of parking spaces serves as a cap. Newly adopted zoning districts such as Downtown Residential (DTR), C-3, Neighborhood Commercial Transit (NCT), and Residential Transit Oriented (RTO) Districts, have been established in several parts of the City do not require parking; provision of parking space is capped at one car for every four dwelling units (or less with a conditional use).

To address the cost parking adds to the development price tag, the "unbundling" of parking spaces has also been institutionalized through the Planning Code. The newly adopted Section 167 of the Panning Code requires that parking costs be separated from housing costs in housing developments of 10 or more units. Off-street parking spaces that are accessory to residential uses can be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units, so potential renters or buyers have the option of renting or buying a residential unit at a price lower than would be the case if there were a single price for both the residential unit and the parking space.

3) Open Space Requirements: The City's Planning Code currently requires that all new multi-family residential development provide outdoor open space, ranging from 36 to 125 square feet per unit, based on density, available public open space, and other factors. This open space may be provided on the ground, or in spaces such as balconies, terraces or rooftops.

To reduce the burden of open space requirements, as well as to gain the benefits that common space provides (collective place for residents to gather; residents get to know their neighbors well; space can foster a sense of community; etc.), the Planning Department has reduced open space requirements for developments which provide usable open space as publicly accessible. The Department is also proposing amendments to its General Plan which would provide this and other reductions to promote the provision of common open space.

4) Redevelopment Project Areas: The San Francisco Redevelopment Agency uses the state tool of redevelopment to revitalize local neighborhoods where appropriate. Redevelopment provides several tools that aid with the preservation of, rehabilitation of and production of affordable housing for low-and moderate-income families. San Francisco's local redevelopment ordinance specifically requires that 50% of redevelopment tax increment funds be committed to housing programs.

The unique power of being able to use tax increment revenue allows SFRA to commit significant dollars towards housing development, as well as to other project area improvements which encourage private development to do the same. In addition to the existing redevelopment plans which have removed institutional barriers to housing and spurred the development of significant amounts of new housing (Bayview Hunters Point, Mission Bay, Transbay and Yerba Buena Center), a redevelopment plan was recently adopted in Visitacion Valley; another redevelopment plan is underway for the India Basin/Hunters Point Shoreline (Area C) Survey Area.

5) California Environmental Quality Act review procedures: Like all projects in California, proposed residential projects in San Francisco are subject to environmental review under the California Environmental Quality Act (CEQA). CEQA can act as a constraint to housing development because it can increase both the costs and the time associated with development review. Environmental analysis can take upwards of 18-24 months to complete. In San Francisco, environmental review fees are calculated based on a project's calculated construction costs and can easily exceed \$100,000; independent consultants are often involved, also at a substantial cost. Moreover, under state law CEQA determinations may be appealed directly to the Board of Supervisors, an appeal body that is available to very few other types of land use decisions in San Francisco. It is not uncommon for the Planning Department's CEQA documents of any type to undergo lengthy appeals processes, further increasing the time and costs associated with environmental analysis.

The Department is implementing a variety of initiatives to increase the efficiency of the environmental review process and thereby reduce the time and costs associated with this effort. CEQA itself affords a variety of opportunities to streamline environmental review for urban infill and/or affordable housing projects, particularly in locations under an adopted area plan. The Planning Department takes advantage of these opportunities as available; however, when a project could result in significant environmental impacts (such as impacts to historical resources) the ability to streamline environmental review is substantially reduced.

Some common environmental impacts and their mitigations are relatively standard and could be addressed on a legislative level by ordinance and thereby incorporated into the building permit process. The benefit of this approach is that it would make more projects eligible for exemption from environmental review, because the necessary measures to avoid significant environmental impacts would be required for compliance with relevant code provisions. The Board of Supervisors has enacted such legislation such as adoption of the Environment Code, the Green Building Ordinance, and the establishment of the Department of the Environment,

and others with regard to several air quality-related concerns; other such ordinances could be pursued in the future to address other areas of environmental impact.

With regard to the time and fees required for environmental review, sponsors of 100% affordable housing projects are granted priority permit processing status and are also eligible for deferred payment of environmental evaluation fees. These measures reduce the amount of time that a project is in the environmental review process and facilitate the initiation of applications for environmental review.

6) Discretionary Review: The Discretionary Review process can result in a significant cost to developers. The costs are typically the result of architectural fees, holding costs associated with extended time delays, and compensation that is sometimes requested by the Discretionary Review requestor in order to mitigate concerns or withdraw the Discretionary Review Application. Due to the ambiguous outcome and undefined timeline associated with the filing of a Discretionary Review Application, many project sponsors forgo projects altogether because of the additional time and financial burdens caused by this process. In 2008, almost 8% of all building permits reviewed by the Planning Department had Discretionary Reviews filed by a member of the public. The additional time and costs caused by Discretionary Review Applications are absorbed into the price of new or renovated dwelling-units, and therefore, the Discretionary Review process acts as a constraint to housing development and increases the overall cost of housing.

The City's Discretionary Review process is the Planning Commission's authority to review Code-complying projects and take action if the Commission finds that the case demonstrates "exceptional and extraordinary" circumstances. Conceptually, Discretionary Review is a second look at building permit applications that have already been determined to comply with the minimum Planning Code standards and applicable design guidelines. The idea is that additional scrutiny might be necessary in some cases to judge whether the design guidelines were applied appropriately or if there are circumstances unique to a case that warrant further modifications to the project. The problem with the Discretionary Review process is that because there are no guidelines for this process and no definition of "exceptional and extraordinary circumstances", it eliminates a developer's sense of predictability and certainty in the entitlement process. There are no barriers to file a Discretionary Review Application – other than a nominal fee of \$300 – and there are no limitations as to the amount of time the process can take. In 2007, 37% of the Discretionary Review cases were withdrawn, 35% were approved as proposed, 23% were approved with modifications, 5% were approved with revised plans, and no permits were denied.

The Discretionary Review process is most frequently used as a response to development in the City's low density districts, (RH – one-, two-, or three-family housing districts). From 2001 through 2008, the Southwest quadrant of the City received the most Discretionary Reviews, with the Northwest quadrant receiving the second most number of Discretionary Review filings. The costs associated with Discretionary Review in lower density districts have a greater impact to the affordability of housing, as there are fewer dwelling units associated with each project to absorb the additional costs of the process. Furthermore, the minimal filing

cost of \$300 for a Discretionary Review Application does not nearly reflect the actual cost of processing the Application, which is about \$3,225. The Department recovers the difference by adding a surcharge fee of \$81 to the cost of every building permit application with a value over \$50,000. This too adds to the overall cost of construction in the City, which increases the cost and acts as a constraint of housing development.

As part of the Department's Action Plan, the Department is seeking to reform the Discretionary Review process. One of the goals of this reform effort is to provide more certainty and predictability in the development process. This will eliminate some of the costs associated with developing housing in the City, and will improve a process that currently constrains housing development.

b. Permit Processing

A typical timeline for a medium-density, multi-family residential project (50 to 100 units) is about one year to 11/2 years from the initial conceptual project review with the Planning Department to commencement of construction. This schedule assumes concurrent procedures for review under the California Environmental Quality Act (CEQA) and a conditional use application requiring Planning Commission review and approval. If an environmental impact report is required, it can take nine months to a year for all necessary studies and analyses to be conducted and the EIR heard before the Planning Commission. Applications can be filed at the same time or filed and heard upon completion of the environmental review. Both procedures are subject to public comment and appeals periods. The conditional use permit can be appealed before the Board of Supervisors within 30 days following the Planning Commission's approval. Once planning entitlements are secured, the project sponsor can prepare detailed building plans to be reviewed and approved by the Department of Building Inspection. Depending on the proposed project's complexity, the plan preparations, review and approval process can take from four to six months before building permits are issued. If no building permit appeals are filed against this project after the 15-day period following permit issuance, building construction can begin. But if this typical project has received a conditional use, then the Bureau of Permit Appeals has no jurisdiction.

Minor alterations and new housing projects of up to three single-family dwelling units or up to six units in a single structure may not require substantial environmental review. Projects proposing principally permitted uses (or "as of right") meeting all applicable Planning Code requirements and not triggering staff-initiated discretionary review will involve less permit processing time. Construction of these kinds of projects can typically begin within nine months of initial project review.

As the City's permitting and review agencies, the Planning Department, the Department of Building Inspection, and other related agencies have a significant effect on the efficiency of the housing construction process. To address this, the Planning Department initiated in 2008 an Action Plan containing procedural and operational reforms to improve the professionalism and efficiency of the City's planning process. Improvements to the Planning Code and its effect on permit processing are already underway. Other key features of the two-year program include improved application processing, including priority processing for favorable applica-

tion types; creation of an integrated, on-line permit tracking system, streamlined California Environmental Quality Act review procedures, and improvements to the discretionary review processes.

1) Planning Code Improvements: The Planning Code itself could be considered a defacto constraint on housing production, because of its complexities. Many projects, particularly larger projects, might require a Conditional Use authorization for aspects such as dwelling unit density. Variances are required to deviate (even slightly) from dwelling unit exposure requirements and parking minimums, and a Discretionary Review in order to demolish and existing dilapidated building.

Acknowledging this, and as an effort to establish a single and more straightforward entitlement path, the Department has adopted a new 'one-stop' review path in the recently rezoned eastern portions of San Francisco. Housed in Planning Code Section 329, this authorization process is an effort to provide greater certainty and expediency for those development applications which meet the fundamental requirements of the Planning Code, regardless of minor deviations so long as they are in keeping with the intent of the Code and neighborhood character. Section 329 approval is available to projects of moderate scale (small projects have largely been made as-of-right) and requires a single public hearing and entitlement by the Planning Commission based mainly on the physicality of the proposal rather than the land use and density characteristics.

2) Application Processing: Processing time for projects can be a constraint to housing development, especially during economic boom times when multiple applications are submitted simultaneously. Staffing levels, staff workloads and level of review required can all affect the Planning Department's processing time, staffing levels, applications that were filed consecutively may have different processing times. Planning, entitlement and other permitting fees – to be discussed in a separate section below—totaled less than 2% of development costs.

The San Francisco Planning Department adheres to a set of Application Processing Guidelines, to ensure that all project applicants receive equitable treatment as the Planning Department reviews applications in the order received. However, under those guidelines, the Planning Department has established priority criteria to ensure that housing projects that help meet the City's identified Housing Element or other General Plan goals are prioritized. Affordable Housing Projects, "green" housing construction projects (i.e. those that meet or exceed a Gold Rating using the LEED Building Rating System® or that achieve high sustainability standards under another "green building" rating systems approved by the Director); and other applications which are needed to secure the health or safety of users, promote disabled access, etc, receive prioritized review by staff.

The overwhelming majority of projects which seek to create additional housing are subject to some level of neighborhood notification. Such notice can stem either from a required discretionary entitlement, such as a Conditional Use authorization, or from Planning Code provisions which apply to as-of-right projects and are seek to inform and solicit input from the broader community. Required notification periods generally span 10 to 30-days and include notices mailed to property owners and/or occupants, notices posted at a project site, notices appearing in local newspapers, and all combinations thereof. An effort is currently underway

to establish a single "Universal Planning Notice" applicable to all projects which will be more efficient for both the Department and Sponsors and more a effective public communications tool.

3) Permit Tracking: The Planning Department is also pursuing the development of an integrated permit tracking system to coordinate and streamline planning and building permitting processes. This system will establish a single intake application system for all Planning and Building cases to provide early and comprehensive information to applicants, and should have a significant effect on processing time.

c. Permit Application Fees

The Planning Department and the Department of Building Inspection require fees for entitlements and building permits based on a project's estimated construction costs. Projects of much smaller scale – such as interior rehabilitation, minor alterations or upgrading – generally require over-the-counter Planning Department approval and a building permit. Projects that are broader in scope, however, may require additional permits, such as conditional use, demolition, and coastal zone permit, or may require other actions such as a variance, a zoning re-classification, a subdivision, or a more in-depth environmental evaluation. Payment of an application fee may be required for these additional permits. The application fee for most of these additional permits is also based on the total estimated cost of construction of the project. Other new housing construction fees include water and sewer hook-up and school fees. Table I-62 below provides an example of various fees imposed on new construction.

Table I-62
Fees for Various
Development Permits
by Construction Costs,
San Francisco, 2008

| | | | If Required | | | | |
|------------------------------------|------------------------------|--|-------------------------|------------------|----------------------|---------------------------------|--|
| Estimated New Construction Cost | Building Permit (DBI) Fee | City Planning Plan Check Fee for Building Permits | Conditional Use Fees | Variance Fees | Coastal Zone Fees | Environmental Evaluation Fee | |
| \$100,000 | \$1,953 | \$2,010 | \$1,818 | \$3,495 | \$363 | \$5,755 | |
| \$500,000 | \$6,085 | \$11,450 | \$4,046 | \$3,495 | \$811 | \$12,076 | |
| \$1,000,000 | \$10,250 | \$15,163 | \$6,833 | \$3,495 | \$1,370 | \$19,386 | |
| \$10,000,000 | \$74,570 | \$26,894 | \$61,176 | \$3,495 | \$12,252 | \$129,816 | |
| \$25,000,000 | \$179,570 | \$27,644 | \$90,324 | \$3,495 | \$18,082 | \$186,516 | |
| \$50,000,000 | \$354,570 | \$28,894 | \$90,324 | \$3,495 | \$18,082 | \$233,816 | |
| \$100,000,000 | \$654,570 | \$31,395 | \$90,324 | \$3,495 | \$18,082 | \$250,616 | |

SOURCE: SF Planning Department; SF Department of Building Inspection

According to the state Department of Housing and Community Development's 1999 *Pay to Play* survey, residential development fees in San Francisco are lower than Bay Area and California average development fees (including entitlement and permitting fees). According to this report, for example, development fees for an in-fill house in San Francisco totals \$15,476 while the Bay Area average is \$25,859 and California, \$20,327; per unit development fees for a 45-unit apartment building averaged \$5,233 per unit in San Francisco, \$17,016 is the Bay Area average and \$15,531 for California. Furthermore, as Table I-59 above showed, entitlement fees are not a substantial proportion of development costs and are not seen as a

significant constraint on housing development. Development projects by non-profit housing organizations are eligible for reduced or deferred City Planning permit fees pursuant to City Planning Code Section 351(a), (e), (g), (h), and (i).

d. Building Code Standards

San Francisco's Building Code is based on the 2007 California Building Code. San Francisco made certain amendments to the California Building Code, which local governments are permitted by the State to do if these amendments are proven and justified by local topography, geology or climate. The Building Code is intended to assure health and safety. Some San Francisco amendments to the State code, while maintaining health and safety standards, ease the production of housing by recognizing the particular local conditions. For example, the San Francisco Building Code permits fire escapes for certain required exits in existing buildings, whereas the State Code does not. Local amendments to the Building Code do not make housing more difficult or expensive than housing elsewhere in California.

Federal and state laws require that commercial and public use buildings, and new housing, be designed and constructed to be accessible to persons with disabilities. Local agencies do not enforce the federal American with Disabilities Act (ADA) prohibiting discrimination against persons with disabilities. The San Francisco Department of Building Inspection, implementing the San Francisco Building Code, requires all new construction and rehabilitation projects to comply with the Code's disability access requirements. (San Francisco does not make any amendments to the California Code's disabled access provisions.) Generally, one and two-family dwellings are not required to be accessible. Existing privately funded multi-family dwellings can generally undergo alterations with little or no accessibility upgrade. All new buildings of three or more units must meet the accessibility standards of the Code. Exceptions may be granted if compliance would result in an unreasonable hardship, in which case any reasonable accessible features will still be required.

In addition, San Francisco's 2007 Electrical Code consists of the 2007 California Electrical Code with local amendments. Similarly, the 2007 San Francisco Mechanical Code and the 2007 San Francisco Plumbing Code consist of the 2007 California Mechanical Code and the 2007 Plumbing Code, respectively, with local amendments. The 2007 San Francisco Energy Code is essentially the same as the 2007 California Energy Code, as it does not include local amendments.

4. Financing

This section is a discussion of the availability of financing as a non-governmental constraint to housing development as required by Government Code Section 65583(a)(5).

The Planning Department's regulatory capacity can encourage housing – especially affordable housing – development and conservation. But actual housing production or rehabilitation can only be realized with adequate financing. Some of the costs of providing housing occur at

one time (capital expenditures such as land acquisition, construction or rehabilitation costs). Conservation of affordable housing, however, requires recurring annual funding for rental subsidies, operating subsidies and supportive services. Assembling the necessary funding to produce and maintain adequate affordable housing for the City's low- and moderate-income residents remains an enormous challenge.

In light of the recent national financial crises, it is difficult to determine the availability of appropriate financing.

a. Private Financing Sources

Private lenders offer construction loans on a conservative loan to appraised value ratios and pay particular attention to a project's costs. This limits the lenders' risk but may also reduce availability of financing for new housing construction. Larger, multi-unit condominium projects can be especially difficult to finance as lenders assume that construction costs tend to be higher as developers provide more amenities and that units may take longer to sell, stretching the period to recover construction costs.

Private financial institutions provide financing to affordable housing projects – often as construction loans – to comply with the Community Reinvestment Act requirements. Private lenders also participate in first-time homeownership programs that enable moderate-income households.

b. Public Financing Sources

Affordable housing development and conservation depends largely on the availability of public funding sources. Table I-62 lists the various federal, state and local funding available for affordable housing production for fiscal year 2008-2009. Clearly, these funds will not cover the tremendous affordable housing need described in previous sections.

Public financing covers capital funding for the acquisition, rehabilitation, construction, and preservation of affordable housing. Other public financial programs also provide for supportive services, rental assistance, and assistance to first-time home buyers, and administrative costs to city agencies and non-profit corporations that provide affordable housing and other community development and human services.

Some of the funding programs above – such as CDBG, HOME – are expected to be stable sources of affordable housing funds. However, these are also subject to budgetary constraints. Similarly state funding sources are vulnerable to the budgeting process, although additional state funding became available with voters' approval of new bond issues in November 2002. Most local sources such as the Hotel Tax Fund and the Jobs-Housing Linkage Fund are even more dependent on economic trends. One significant local affordable housing bond (Proposition A) was fully committed in 2003; issuance of additional bonds fell short of receiving two-thirds of San Francisco voters' support.

| Funding Program | Funding Sources | Total Allocation | Set-Aside for Pipeline Projects | Available for New Projects |
|---|---|------------------|------------------------------------|-------------------------------|
| Supportive Housing | CDBG, HOME, HOPWA | \$36,882,336 | \$31,782,336 | \$5,100,000 |
| Family Rental Housing | Affordable Housing Fund, Affordable Housing Bond funds | \$23,652,027 | \$23,652,027 | |
| Senior Rental Housing | Hotel Tax, Mission Bay and Affordable Housing Bond funds | \$30,876,817 | \$30,876,817 | |
| Single Family Homeowner Rehabilitation | CDBG, CERF | \$2,182,000 | | \$2,182,000 |
| Public Housing | | \$5,250,000 | \$5,250,000 | |
| Existing Affordable Preservation | | \$9,678,063 | \$9,678,063 | |
| Existing Non-Profit Housing Preservation | CDBG, HOME | \$2,906,293 | \$2,906,293 | |
| Homeownership | Tax Increment funds | \$28,615,355 | \$21,465,355 | \$7,150,000 |
| Housing Opportunities | CDBG, HOME, Tax Increment funds | \$1,651,557 | | \$1,651,557 |
| TOTALS | | \$141,694,448 | \$125,610,891 | \$16,083,557 |

Table I-62

Federal, State and Local Funding for Housing Programs, San Francisco, 2008-2009 SOURCE: Draft 2008-2009 Action Plan, Mayor's Office of Community Development, Mayor's Office of Housing, San Francisco Redevelopment Agency
CDBG: Community Development Block Grant HOME: Home Investment Partnership Program
HOPWA: HOusing Opportunities for Persons with AIDS CERF: Code Enforcement Rehabilitation Fund

Some public funds are restricted to particular housing types and/or population groups; for example the elderly housing program (Section 202, Hotel Tax Fund), the disabled housing program (Section 811, Hotel and Tax Fund), and HOPWA (Housing Opportunities for Persons with AIDS). Administrative costs are also not covered by most public funding sources. Federal grants often carry a number of restrictions and regulations that can make the funds difficult to use. For example, some federal programs require matching grants while others are impossible to combine with other funds. Most affordable housing programs require three or more sources of funding to become feasible. Different funding sources may have to be tapped for pre-development, construction, and permanent financing costs – leading to considerable transaction and legal costs and delays in the development process.

C. QUANTIFIED HOUSING GOAL

The state Department of Housing and Community Development, with the Association of Bay Area Governments, determined San Francisco's fair share of the regional housing need for the period covering January 1999 through June 2006 at 20,372 units. Even with very aggressive policies and programs, given that San Francisco is a mature, built-up city with limited large tracts of undeveloped land and the previous decades' housing production record, the "fair share" of affordable housing units was not achieved. Table I-63 below shows that 86% of the state mandated production targets and 47% of the affordable housing production for the period covered by the 2004 *Residence Element* were achieved; this statistic is a result of the overproduction of market rate units. Appendix A provides details of the City's housing production performance in the evaluation of the 2004 *Residence Element*.

| Household Affordability | Housing Goals 1999- 2006 | Actual Production 1999-2006 | % of Production Target Achieved | Production Deficit | |
|----------------------------------|--------------------------------|-----------------------------------|------------------------------------|--------------------|--|
| | Total | Total | | (Surplus) | |
| Very Low Income (below 50% AMI) | 5,244 | 4,342 | 82.8% | 902 | |
| Low Income (50% - 79% AMI) | 2,126 | 1,113 | 52.4% | 1,013 | |
| Moderate Income (80% - 120% AMI) | 5,639 | 725 | 12.9% | 4,914 | |
| Market Rate (over 120% AMI) | 7,363 | 11,293 | 153.4% | (3,930) | |
| TOTALS | 20,372 | 17,473 | 85.8% | | |

Table I-63
Annual Production Targets and Average Annual Production, San Francisco, 1999-2006

More than the performance in the production of very low- and low-income housing, the deficit of 5,750 units affordable to moderate income households has been seen as critical in turning the City's housing problem into a crisis of affordability. As Table I-64 below shows, housing construction in the last two years, along with projected pipeline completion by 2014, point to an exacerbation of construction deficit in housing affordable to low- and moderate-income households.

Table I-64
Housing Production Targets
and Estimated Annual
Production, San Francisco,
2007-2014

| Income Category | RHNA 2007-2014 | Production 2007-2008 | Estimated Immediate Development Pipeline (to 2014) ** | | | Constructed plus Limited | Estimated Shortfall |
|---------------------------|-------------------|-------------------------|---|----------------------|-------------------|--------------------------|------------------------|
| <i>3 7</i> | No. of Units | No. of Units | Under Construction | Entitled Projects | Other Pipeline | Pipeline Total | (Surplus) |
| Extremely Low (< 30% AMI) | 3,294 | 628* | 555 † | 1,405 † | 1,548 † | 4,136 | (842) |
| Very Low (31-49% AMI) | 3,295 | 628* | 556 † | 1,406 † | 1,548 † | 4,138 | (843) |
| Low (50-79% AMI) | 5,535 | 309 | 149 † | 0 | 27 † | 485 | 5,050 |
| Moderate (80-120% AMI) | 6,754 | 569 | 833 ‡ | 573 ‡ | 1,193 ‡ | 3,168 | 3,586 |
| Market (over 120% AMI) | 12,315 | 4,349 | 4,723 | 3,250 | 6,759 | 19,081 | (6,766) |
| TOTALS | 31,193 | 6,483 | 6,816 | 6,634 | 11,075 | 31,008 | |

^{*} The 1,256 units affordable to Extremely Low and Very Low Income Households include 576 units acquired and/or rehabbed as permitted by Housing Element Law.

^{**} This does not include major projects under Planning review including ParkMerced, Treasure Island, or Candlestick Point / Hunters Point Shipyard Phase II which are expected to be completed after the 2014 reporting period. The limited pipeline assumption include projects that are currently under construction, entitled projects (approved by Planning Department and Department of Building Inspection), and projects of 250 units or less currently under Planning Department review that are expected to be completed by 2014; also assumes SF Hope is completed by 2014.

Based on affordable housing projects sponsored by the Mayor's Office of Housing, the SF Redevelopment Agency and the SF Housing Authority.

Based on estimated inclusionary affordable housing units in projects under construction, entitled and under Planning or DBI review.

D. REALIZATION OF HOUSING POTENTIAL

1. Projects in the Pipeline

In addition to new housing completed recently, housing in the production pipeline is an important indicator of future development. For the purposes of this report, the Planning Department defines the pipeline as those projects under construction, projects that have been approved by the Building Department within the past three years or filed within the past five years. It should be noted that project applications and permitting activities in the near future could increase the number of new housing production in the next five years.

Housing projects move through a multi-tiered approval process. A development proposal is first reviewed by the Planning Department for compliance with the Planning Code and consistency with the General Plan. The project then goes through review by the Department of Building Inspection (DBI) for approval and issuance of a building permit. Once construction is finished and the project passes inspection by DBI, it is issued a certificate of final completion. Only when a project receives a certificate of final completion can the housing units be officially counted as part of San Francisco's housing stock.

As of December 31, 2008, the Planning Department was reviewing 148 projects, comprising 32,160 residential units (Table I-65). At that time, 101 projects, consisting of 4,040 units, had been approved by the Planning Commission but had yet to apply for building permits. Additionally, the Department of Building Inspection was reviewing 360 applications for 4,350 units. A total of 2,840 units in 182 projects had received Planning Department approval and have been approved or issued building permits. A number of these projects have already started construction, and several are nearly complete, but are yet to receive DBI's certificate of final completion. A total of 199 projects, totaling 6,820 units, were under construction at the end of 2008. It is possible that some of these projects, especially those in the early stages of development such as Planning review, may not go forward due to shifts in economic and legislative conditions. Production trends over the last decade, however, show that as much as 85% to 90% of pipeline projects units are completed within five to seven years.

Table 1-65
New Housing Construction
Pipeline, San Francisco,
Q4 2008

| Type of Pipeline Activity | No. of Projects | No. of Units |
|-----------------------------------|-----------------|--------------|
| Under Construction | 199 | 6,820 |
| Building Permit Approved / Issued | 182 | 2,840 |
| Building Permit Application Filed | 360 | 4,350 |
| Planning Department Approved | 101 | 4,040 |
| Planning Department Filed | 148 | 32,160 |
| Total Pipeline | 990 | 50,200 |

2. Housing Potential Under New Zoning Proposals

Through multi-year community planning efforts, the City of San Francisco has recently updated zoning controls for over 1/3 of the city. These planning efforts developed appropriate zoning, heights, bulks, and densities in balance with infrastructure and funding strategies to support new growth. A number of other planning efforts are underway including Balboa Park, the Transbay Terminal District, and Japan Town which will result in increased residential development potential.

Table I-66 below details the estimated additional potential capacity with rezoning in planning initiatives currently underway.

| | Under Current Zoning | | | With Proposed Rezoning * | | |
|------------------------|----------------------|------------|----------------|--------------------------|---|--|
| Area | Undeveloped | Soft Sites | Total Estimate | Total New Estimate | Additional Potential Units with Rezoning | |
| Executive Park | 114 | 97 | 211 | 1,600 | 1,389 | |
| Glen Park | 5 | 6 | 11 | 100 | 89 | |
| Japantown | 99 | 514 | 613 | To be determined | | |
| ParkMerced | 3 | 0 | 3 | 5,600 | 5,597 | |
| Transbay Terminal | 44 | 78 | 122 | 1,200 | 1,078 | |
| Visitacion Valley * | 885 | 460 | 1,345 | 1,200 | 0 | |
| Western SoMa | 466 | 743 | 1,209 | 2,700 | 1,491 | |
| India Basin | | | | 1,200 | 1,200 | |
| Hunters Point Shipyard | | | 1,500 | 4,000 | 2,500 | |
| Candlestick Point | | | | 7,500 | 7,500 | |
| Treasure Island | | | | 8,000 | 8,000 | |
| TOTALS | 1,616 | 1,898 | 5,014 | 33,100 | 28,844 | |

Table I-66 Estimated New H

Estimated New Housing Construction Potential with Proposed Rezoning of Select Neighborhoods, San Francisco, 2008

SOURCE: SF Planning Department

3. Plans for Future Affordable Housing Construction

Stable government support in the last few years covered almost all of the affordable housing production. Public subsidies tend to fund very low and low-income housing, with very limited grants allocated for moderate-income home buyers. The revised and expanded inclusionary affordable housing requirement is expected to improve the provision of new housing for households earning moderate incomes. For example, an annual average of 209 inclusionary affordable units were built in the five years from 2004 to 2008 as a result of this change. In comparison, only 128 inclusionary units were built from 1992 to 2000, or an annual average of 16 units.

Tables I-56 and I-57 indicated that there are more than enough in-fill housing opportunity

^{*} Rezoning of the Schlage Lock site.

sites to meet the projected housing needs. Yet historic housing production trends, together with recent public financing flows, could mean only some of these sites would be developed. Capital subsidies needed to bridge this estimated shortfall can be enormous (Table I-67). Funds available for new affordable housing construction, rehabilitation and supportive service provision in 2008 totals just about \$48.1 million. The estimated additional capital subsidies needed to meet the City's regional housing share would require over \$1,656 million in funding.

Table I-67
Estimated Capital
Subsidies Required to Meet
Production Goals, San
Francisco, 2007-June 2014

| Income Category | Estimated Annual Shortfall in Production | Estimated Affordability Gap | Estimated Capital Subsidies Required to Meet Production Goals |
|--------------------------------------|---|--------------------------------|--|
| Extremely Low Income (below 30% AMI) | 0 | \$170,000 | \$0 |
| Very Low Income (30-49% AMI) | 0 | \$170,000 | \$0 |
| Low Income (50% - 79% AMI) | 5,050 | \$200,000 | \$1,010,000,000 |
| Moderate Income (80% - 120% AMI) | 3,586 | \$180,000 | \$645,480,000 |
| Total | 8,636 | | \$1,655,480,000 |

^{*} Assumes middle of the range, thus 15% of AMI (ELI), 40% of AMI (VLI), 65% of AMI (LI) and 100% of AMI (Moderate), 2008 Income Guidelines

** 30% of annual household income SOURCE: SF Planning Department; SF Mayor's Office of Housing

With the availability of future public subsidies impossible to predict at best, an optimistic assumption would anticipate funding that would sustain the last decade's affordable housing production. Achieving the housing production and affordability targets set by HCD-ABAG is clearly very difficult. But setting the goals to be more "realistic" and "achievable" could only weaken efforts at seeking and obtaining resources necessary to meet the City's urgent housing needs.

A practical solution would be to uphold these long-term targets and annually assessing priorities against the reality of available resources. The City, therefore, will take the production targets set by HCD-ABAG for its quantified housing production objectives. Each year, as resources are known to be, or reasonably expected to become available, shortfalls in achieving goals can be assessed, program targets shifted appropriately, and resources allocated efficiently and effectively.

4. Opportunity Sites on Public Land

Most San Francisco city agencies do not own large tracts of land that do not serve as part of their stated mission. There are occasional exceptions; for example, when new technology results in operational changes or when departmental objectives change over time. A few city agencies, notably the SF Municipal Transportation Agency (SFMTA, formerly Muni) and the

San Francisco Unified School District, have found over time that some of their parcels can be disposed of or can be utilized for a mixture of other uses (Table I-68).

- San Francisco Municipal Transportation Agency: The SFMTA, in particular, has been exploring new uses for its surplus sites where future housing development might be possible.
 - Phelan Loop and Balboa Park Station area Alternative use options are being explored for Muni property near Balboa Park as part of the Better Neighborhoods program. The 1.4-acre Phelan Loop (Ocean and Phelan Avenues) is currently the terminus for the 49-Van Ness-Mission, 9AX-San Bruno Express, 9BX-San Bruno Express, and 9X-San Bruno Express lines. This site has the capacity to accommodate ground floor commercial uses and some 80 dwelling units. In addition, SFMTA and Bay Area Rapid Transit (BART) properties collectively called Upper Yard and BART Station area, with some in-fill development along San Jose Avenue can together have capacity for more than 400 new units.
 - Presidio Trolley Coach Division (at Geary and Masonic) Covers 5.4 acres and services about 170 trolley coaches. It is an attractive location for retail, office and housing development. If rezoned from P (Public) to NC-3 (Neighborhood Commercial-Moderate Scale) like the adjacent properties along Geary Boulevard, the site has a capacity of 392 units
 - Woods Motor Coach Division (adjacent to the 22nd Street Caltrain Station)

 At the end of the Dogpatch's main neighborhood commercial street, this 3.9 acre site is ideal for high-density, mixed use residential development. It lies within the Central Waterfront plan area and is estimated to have a housing potential capacity of about 1,000 new units.
 - Potrero Trolley Coach Division Yard (Mariposa and Bryant) Currently housing about 180 trolley coaches on 4.4 acres. SFMTA is looking at a multistory parking garage above the yard, or market-rate and affordable housing. If developed as a Planned Unit Development (PUD), this site could accommodate 318 units.
 - **18th & Castro Streets** The SFMTA is also in conversation with the AIDS Housing Alliance to develop the two parking lots in the Castro for some 100 housing units specifically for people with HIV/AIDS.
- San Francisco Unified School District (SFUSD): The SFUSD is currently preparing a Facilities Master Plan that will identify possible surplus land that could become available for housing development. The SFUSD's Seven/Eleven Committee for Long-Term Leasing and Property Sales has determined that approximately 20% of the District's current square footage is considered surplus. They have engaged Bay Area Economics to study the potential and viability of housing for some of these areas. SFUSD expects the study and its recommendations to be completed by January 2009. ¹
- San Francisco Community College District (SFCCD)/ San Francisco Public Utilities Commission (SFPUC): Both the SFCCD and the SFPUC's Water Department

Conversation with Phillip Smith, Director of the San Francisco Unified School District's Real Estate and Asset Management section, August 21, 2008

share ownership of the 25-acre Balboa reservoir site. The reservoir is also within the Planning Department's Better Neighborhoods Balboa Park Station study area. Planning estimates between 575 to 1,000 new housing units could be built on this site.

• Central Freeway Parcels: Demolition of the Central Freeway freed up some seven acres of public lands for residential development. The freeway parcels have an estimated housing development potential capacity of 900 units. About half of these public lands will be dedicated to affordable housing.

Table I-68
Summary of
Housing Potential in
City-Owned Lands

| Site | Acreage | No. of Potential Units |
|---|---------|------------------------|
| MTA Phelan Loop Turnaround | 1.4 | 80 |
| MTA Green LRV Division Upper Yard | 1.8 | 200 |
| MTA Balboa Park Station Infill Housing on San Jose Avenue | 7.7 | 222 |
| MTA Presidio Trolley Division Yard | 5.4 | 392 |
| MTA Woods Motor Coach Division Yard | 3.9 | 1,000 |
| MTA Potrero Trolley Coach Division Yard | 4.4 | 318 |
| SFCCD Balboa Reservoir | 10.0 | 575 |
| PUC Balboa Reservoir | 15.0 | 425 |
| Central Freeway Parcels | 7.0 | 900 |
| TOTAL | 56.6 | 4,112 |





Evaluation of the 2004 Housing Element

As part of the Housing Element update process, California Government Code Sections 65588(a) and (b) require an evaluation of San Francisco's existing *Housing Element*. This review consists of three parts: 1) a summary of San Francisco's housing production during the 1999-2006 reporting period; 2) a review of the programs and analysis of the appropriateness of the 2004 *Housing Element* goals, objectives and policies and the effectiveness of the housing element in achieving those goals and objectives; and, 3) an evaluation of the progress in implementation of the housing element.

A review and evaluation of the 2004 *Housing Element* objectives and policies is essential to an effective housing element update. Reviewing housing targets and production measures, examining the appropriateness and effectiveness of objectives and policies as stated in the existing element, and evaluating implementation programs initiated during the reporting period will all serve to strengthen the revised *Housing Element* and help address the City's ongoing housing challenges. An evaluation of the implementation programs is presented in a matrix at the end of this appendix.

Housing Targets and Production

The State Department of Housing and Community Development (HCD) and the Association of Bay Area Governments (ABAG) set San Francisco's fair share of the regional housing need for the 1999-2006 reporting period at 20,372 units. This Regional Housing Needs Allocation (RHNA) process also established that 64% of these units (13,009 units) be affordable to lower income households and the remaining 36% (7,363 units) could be met by market rate housing production. The 2004 *Housing Element* suggested that the total number of housing units allocated to San Francisco by the RHNA process was not realistic given the constraints and impediments to housing production, but still accepted the allocation as its quantified housing production goal.

Although San Francisco fell short of meeting the state mandated fair share housing targets, over 17,470 new housing units were built from 1999-2006, or almost 86% of its housing production targets (Table A-1). The City met almost 83% of the target for very-low income housing, but only 52% of the low-income housing production target was produced. The City also exceeded the market-rate housing target by over 53%. The greatest deficiency for the reporting period was in the production of moderate-income housing, where the City produced just 13% of its target. These numbers, however, represent an improvement over the previous Housing Element update reporting period (1989-1998), where San Francisco met only 61% of its total housing production targets, producing only 40% of both its very-low and low-income housing targets, and 12% of its moderate-income housing target.

| Income Category | ABAG/HCD Regional Determination (RHNA) 1999-June | Production Goals | Actual New Housing Production and Acquisition/Rehabilitation 1999 – 2006* | | |
|------------------------|--|------------------|---|---------------------------|-------------------|
| | No. of Units | % of Total | No. of Units | % of Actual Production | % of RHNA Goal |
| Very Low (< 50% AMI) | 5,244 | 25.7% | 4,342 | 24.8% | 82.8% |
| Low (50-79% AMI) | 2,126 | 10.4% | 1,113 | 6.4% | 52.4% |
| Moderate (80-120% AMI) | 5,639 | 27.7% | 725 | 4.1% | 12.9% |
| Market (over 120% AMI) | 7,363 | 36.1% | 11,293 | 64.6% | 153.4% |
| TOTALS | 20,372 | 100.0% | 17,473 | 100.0% | 85.8% |

SOURCE: Housing Inventory, Mayor's Office of Housing, SF Redevelopment Agency

Table A-1

Housing Production Targets and Actual Housing Production by Income Category, 1999 – 2006

While San Francisco did improve the production of housing affordable to low and very-low income households earning less than 80% AMI, it did not substantially improve the production of moderate-income housing for households earning between 80% and 120% AMI. The primary obstacle to the production of moderate-income housing in high land cost markets such as San Francisco is profitability. Moreover, unlike low and very low income housing, few subsidies exist for building housing for moderate income households. ABAG's 2007 study, *A Place Called Home*, shows that other communities in the Bay Area with high land values have also failed to produce sufficient moderate-income housing. Almost all of the moderate-income housing produced during the reporting period came from the inclusionary housing programs and, with increasing land and production costs, there is little reason to think this trend will change.

Production of market-rate housing during the reporting period continued to exceed RHNA targets, with over 150% of the target for this income category produced during the reporting period.

^{*}Acquisition/Rehabilitation units included to the extent allowed by Housing Element law. Acquisition/Rehabilitation project umbers provided by Mayor's Office of Housing and the SF Redevelopment Agency.

Housing Programs and Initiatives

The 2004 Housing Element retained most of the policies in the 1990 Residence Element, but consolidated and reorganized the City's 12 housing objectives. The 2004 Housing Element places greater emphasis on identifying appropriate locations for new housing citywide, especially increased density near downtown; on implementing area plans to build new neighborhoods in appropriate locations; on improving the livability of existing neighborhoods through good design, mixed-use development, increased density near transit, improved infrastructure and public amenities, and reduced parking requirements; on protecting the affordability of existing housing and building more new affordable housing; on streamlining the housing production process through program EIRs and Area Plan EIRs; on creating mixed-income communities; on providing more family housing; and on managing homelessness through supportive housing.

The objectives and policies of the 2004 *Housing Element* underscored four main housing themes: 1) increasing housing production, especially affordable housing; 2) preserving and maintaining the City's housing supply; 3) increasing housing densities in areas well served by transit in order to create a more livable City, meet the City's goals for housing production, revitalize neighborhoods; and 4) building supportive housing opportunities for the homeless and those at-risk of homelessness.

New Area Plans

A variety of new area plans were initiated during the 1999-2006 reporting period. These plans seek to capitalize on each area's unique assets for current and future residents, and strengthen neighborhoods by encouraging new housing in transit-rich areas where neighborhood shops and services are concentrated.

- The Better Neighborhoods Program was started in 2000 and used intensive community-based planning to incorporate recognition of citywide needs, including housing goals, into the planning process for each neighborhood. Three neighborhoods Balboa Park, Central Waterfront, and Market and Octavia were initially selected to serve as models for similar future programs in other parts of the City. The Market Octavia Plan was adopted and approved in 2008 and Balboa Park in April 2009. The Central Waterfront Plan was included in the Eastern Neighborhoods environmental review and plan adoption process in December of 2008.
- The Eastern Neighborhoods (EN) planning process is a large-scale community planning effort in several neighborhoods in the eastern portion of San Francisco originally including the South of Market, Mission, Potrero Hill/Showplace Square, Bayview, and Visitacion Valley neighborhoods. Eventually the Bayview, (adopted by the San Francisco Redevelopment Agency in June 2006), and Visitacion Valley (adopted in December 2008) neighborhoods underwent separate planning and plan adoption processes. The Central Waterfront was incorporated into the EN environmental review and plan adoption process. These EN plans were adopted in December 2008.

- In the Downtown area, the Rincon Hill plan was approved in 2005, allowing for 2,200 units; some 1,460 of these units have since been entitled. The Transbay Redevelopment Area was adopted in 2005 and will add approximately 2,600 new units. Successful completion and implementation of these plans will create vibrant new communities adjacent to employment centers and regional transit hubs, consistent with the policies and programs contained in the housing element.
- Area plans for India Basin and Japantown were initiated in 2007.

Program Environmental Impact Reports

A major new policy in the 2004 Housing Element encourages the preparation of detailed Program Environmental Impact Reports (EIR) and the use of subsequent community plan exemptions, where appropriate, for new planning areas in order to streamline environmental review by reducing duplication in the EIR process. Area Plans in these program areas would also seek to reduce the number of discretionary approvals required for specific affordable housing projects. The pilot project for this type of program EIR was the Market/Octavia Area Plan, which analyzed the area plan at a programmatic level while also providing project-level environmental review of former freeway parcels where the plan foresees specific residential growth. The Market/Octavia program EIR was completed in the summer of 2008; subsequently the Planning Department has established a community plan exemption processes, which enables new construction to benefit from the analysis completed in the Market and Octavia EIR. Other area plans adopted in 2008 also approved programmatic EIRs. The program EIR and community exemption model will streamline the entitlement process new infill housing units.

Affordable Housing

Planning Department - Inclusionary Housing Program. In 2001, San Francisco greatly increased the capacity for affordable housing production through expansion of its Inclusionary Housing Program and increased fees to the Affordable Housing Fund. During the 1999-2006 reporting period, the inclusionary program produced 869 units, mostly in the South of Market. This is 796 more than the 73 units produced from 1992 (when the program first began) to 1998. The inclusionary program also contributed \$23 million to the Affordable Housing Fund in in-lieu fees.

In 2006, the program was further modified as follows: expanded coverage with a lower threshold to include projects with five or more new units; increased the percentage of affordable units required to 15% on-site and 20% off-site; increased the amount of in-lieu fees in order to cover the increasing costs of constructing affordable units; and required off-site affordable units to be rental, or ownership units affordable to

those making 80% of the San Francisco Area Median Income (SFAMI), and be located within a mile of the subject development. Because median income for the City of San Francisco is lower than area median income, program affordability levels are tied to metropolitan median income or SFAMI. This better reflects local conditions and further enhances program affordability.

Most recently completed new area plans have also incorporated higher inclusionary affordable housing requirements. These areas include Rincon Hill, Market Octavia, and Eastern Neighborhoods program area plans.

- Redevelopment Agency Housing Participation Policy. Changes to the Redevelopment Agency's Housing Participation Policy also occurred in 2002, with required unit percentages and affordability requirements similar to the City's Inclusionary Affordable Housing Program. The Redevelopment Agency's program produced 480 affordable units during the 1999-2006 reporting period, and should produce substantially more units in the next period if the Agency's recommendation to adopt new inclusionary requirements similar to those adopted by the City in 2006 is approved.
- Jobs Housing Linkage Program. In February 2001, the Office-Affordable Housing Production Program (OAHPP) was revised and expanded; it was also renamed the Jobs-Housing Linkage Program (JHLP). The original OAHPP required office development project sponsors to directly provide housing or to contribute land or in-lieu fees to a housing developer as a condition of approval for large-scale office development. The JHLP was expanded in scope and application to include all types of commercial development (e.g., hotels, entertainment, R&D, large retail etc.); monitoring and collection of fees paid was also enhanced.

From 1999-2006. JHLP contributions to the Affordable Housing Fund increased to almost \$42 million, compared with less than \$9 million collected between the 1990 *Housing Element* reporting period of 1989-1998. Also, in response to increasing development costs, fees were increased substantially in 2008. JHLP funds raised in fiscal 2007-2008 were over \$21 million, and are expected to increase during the next reporting period, as several more large developments are in the pipeline.

HOPE SF Program

The City developed the 2006 HOPE SF program to increase affordable housing production. Modeled after the federal HOPE VI program, HOPE SF provides funding to replace existing public housing and add mixed-income units. The HOPE SF also plans for needed transit improvements, community facilities, and public amenities. The HOPE SF Task Force identified 2,500 existing units in need of replacement on eight underutilized sites. They found that, in addition to replacing the existing affordable units, that these sites could accommodate an additional 3,500 homes. The pilot project for HOPE SF, Hunter's View in the Bayview District, is scheduled to break ground in 2009.

Supportive Housing

In 2006, San Francisco's Continuum of Care approach to homelessness was modified to focus on providing supportive housing opportunities for families and single persons under a Housing First model. The plan established a 10-year goal of producing 3,000 units of supportive housing, and over 1,500 units have been produced through 2007.

At-Risk Affordable Housing

The number of affordable housing units at risk of converting to market rate, including Single Resident Occupancy (SRO) units, has been substantially reduced by the Mayors Office of Housing (MOH) and the Redevelopment Agency (SFRA). At risk units were transferred to non profits and provided operating subsidies, ensuring their long term affordability. As called for in the 2004 *Housing Element* capital improvement projects were implemented for distressed public housing, and several public housing projects, such as Hayes Valley and Valencia Gardens, were rebuilt during the reporting period using federal HOPE VI funds.

The Residential Conversion and Demolition Guidelines, the Condominium Conversion Ordinance (which limits the annual number of apartments that can convert to condominiums), and the City's Rent Control policies all continue to limit the demolition or conversion of existing affordable housing.

OBJECTIVES AND POLICIES - IMPLEMENTATION PROGRAMS EVALUATION

The following review of past and current implementation programs is organized by the three primary themes of the 2004 *Housing Element*: 1) Construction and Conservation of Housing; 2) Affordability; and 3) Citywide and Regional Concerns.

1. CONSTRUCTION AND CONSERVATION OF HOUSING

Objectives 1, 2, and 3 detail San Francisco's strategy for increasing the overall net supply of housing. Production of new housing and increasing density of development was the primary strategy. Retaining the existing supply of housing, particularly rental housing, affordable units and residential units located in commercial and industrial areas, and maintaining existing housing in decent condition, were also important strategies for increasing the supply of housing in San Francisco. Several programs were successful in helping achieve these objectives, which continued several of the policies from the 1990 *Residence Element* related to retaining the existing housing stock, and combined two objectives from the 1990 *Residence Element* related to maintaining condition of housing and seismic safety.

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

New Housing Production

From 1999-2006, San Francisco's housing stock added a net increase of 17,473 units. As stated previously, although San Francisco fell short of its RHNA targets, this still represents 86% of its overall housing production targets. This unit gain reflects the cumulative efforts of a range of public agency programs and private investment throughout the City. This total is the net balance of new construction, demolished units, alterations, and allowable acquisition/rehab.

Major Plans and Developments

A number of area and community planning efforts were also initiated between 1999 and 2006/ The resulting plans and rezoning in these areas increase potential housing capacity. As shown in Table A-2 below, these programs created capacity for growth estimated to be over 40,600 units.

Table A-2
Planned Capacity &
Programs, Estimated
Growth

| Program | Sub-Area | Program | Estimated Plan Growth |
|------------------------|---------------------------------|--------------|--------------------------|
| | Mission | Area Plan | 1,700 |
| Eastern Neighberheads | East SoMa | Area Plan | 2,900 |
| Eastern Neighborhoods | Central Waterfront | Area Plan | 2,000 |
| | Showplace Square & Potrero Hill | Area Plan | 3,200 |
| | Western SoMa | Area Plan | 2,700 |
| Better Neighborhoods | Market & Octavia | Area Plan | 6,000 |
| Detter Neighborhoods | Balboa Park | Area Plan | 1,800 |
| Downtown Maighbarhaada | Rincon Hill | Area Plan | 4,100 |
| Downtown Neighborhoods | Transbay | Area Plan | 3,400 |
| | India Basin | Project/Plan | 1,300 |
| Dovoboro | Candlestick | Project/Plan | 7,500 |
| Bayshore | Hunters Point | Project/Plan | 2,500 |
| | Schlage/Visitacion Valley | Project/Plan | 1,500 |
| Total | | | 40,600 |

In addition, there were several other initiatives pursued by the City from 1999-2006 to create more housing units. These include:

Secondary Units. Allowing an additional on-site unit in existing residential structures
is an effective and inexpensive way to realize greater housing potential. Several measures have been introduced in the last 20 years that sought to create additional housing
opportunities through such a mechanism, but were deemed politically infeasible due

to neighborhood opposition. The initiatives proved quite controversial in some neighborhoods, as they failed to convince residents that reduced parking requirements for secondary units would not have adverse neighborhood effects, even for those located near transit and services. Thus, the City's housing interests might be better served by exploring support for second units in Area Plans or other neighborhood focused planning efforts. Although 72 secondary units were legalized from 2000-2007, 185 were removed during the same period.

• **Institutional Master Plans.** The City requires that large institutions create Institutional Master Plans (IMPs) whose purpose are to provide the public with information regarding institutional operations including future expansion, construction, and property acquisition.

Although IMPs are informational only and do not explicitly require that institutions provide housing for its students or workers, the process has directly contributed to increasing the amount of housing large institutions must plan to accommodate demand. For example, through the IMP process, San Francisco State University increased the amount of student housing it planned to provide from 845 to 1,200 units.

During the 1999-2006 reporting period, a total of nine IMPs were completed including:

- 1. 50-70 Oak Street, Conservatory of Music
- 2. 380 Ellis Street, Glide Foundation
- 3. 100 Phelan Avenue, San Francisco City College
- 4. 800 Chestnut, San Francisco Art Institute
- 5. 200 McAllister, U.C. Hastings College
- 6. 1 Beach, CA School of Psychology
- 7. 1692 Haight, Haight Street Free Clinic
- HOME 15/5. The Mayor announced the HOME 15/5 initiative on August 3, 2005. This initiative established a goal of 15,000 new homes to be built by 2010, including 5,400 new homes affordable to low- and moderate-income families. Table A-3 below shows the progress in meeting HOME 15/5 goals. In FY2007-08, the budget for affordable housing is \$226.2 million, an increase over the \$211.9 million in the FY2006-07 budget and the \$135.2 million in the FY2005-06 budget.

| | 2005 | 2006 | 2007 | 2008 | TOTALS |
|-------------------------------|-------|-------|-------|-------|--------|
| Units Entitled by Planning | 4,665 | 5,701 | 2,612 | 2,418 | 15,396 |
| Units Issued Building Permits | 5,571 | 2,332 | 3,281 | 2,346 | 13,530 |
| Units Completed | 2,112 | 1,995 | 2,679 | 3,340 | 10,126 |

Table A-3 Progress Towards Meeting Home 15/5 Goals

• Family Housing. The construction of new family housing, especially affordable family housing, was a major goal of the 2004 *Housing Element*. A total of 2,214 units of designated affordable family housing, consisting of three or more bedrooms, was produced during the 1999-2006 reporting period. This represents 56% of all affordable housing constructed in the City or 15% of total housing production during that time. In addition, 626 single-family homes were completed during the reporting period, representing 4.2% of all new construction.

OBJECTIVE 2 RETAIN THE EXISTING SUPPLY OF HOUSING.

- The City has codified controls on applications that propose the loss of dwellings and live-work units by merger, conversion or demolition. Except in the case of unsound or unsafe housing, or the most expensive single family homes, dwelling removal requires a hearing before the Planning Commission, and applicants must meet a majority of the criteria for dwelling loss to be approved, in order to retain the City's existing sound housing stock. Over 1,000 units were demolished during the reporting period, representing about 0.3% of the City's housing stock. However, given the City's one-to-one replacement policy, almost all of the demolished units were part of replacement projects. Compared with the 1,600 units demolished during the 1989-1998 period, the annual rate of demolitions has been decreased.
- The City's dwelling unit merger policy was codified in 2008 to require Planning Commission review of any proposal to merge dwelling units. Planning Code Section 317 establishes criteria to evaluate such proposals, and emphasizes the importance of existing units to the city's housing stock. From 1990-1998, 326 dwelling units were lost due to a merger with another unit, while from 1999-2006, 315 dwelling units were lost due to mergers. This represents a 25% increase in the annual average number of units lost due mergers.
- San Francisco's Condo Conversion Ordinance is now almost 25 years old. The ordinance restricts the number of rental units that can be converted to ownership properties to 200 per year. These controls remain an important feature of the City's ability to retain its rental housing stock. Programs proposed in the 2004 *Housing Element* suggested implementing sales price limitations on conversions of existing lowand moderate-income units, requiring a portion of any condo subdivision to remain permanently affordable, and construction of an equivalent number of similar units off-site or payment of an in-lieu fee. These programs did not receive support and the existing rent controlled apartment stock continues to decrease, particularly in two-unit buildings.
- The Residential Hotel Conversion Ordinance preserves the City's valuable supply of single room occupancy (SRO) residential units and restricts their conversion to commercial uses. Originally adopted in 1980 and strengthened in 1990, this program is still in effect and the loss of SRO units has been minimized. The total number of residential rooms decreased during the 1999-2006 reporting period from 19,618 to 19,164. However, rooms owned and operated by non-profit organizations increased

from 15% in 1999 to 25% in 2006, thereby permanently protecting their affordability. The SRO Hotel Safety and Stabilization Task Force continues to monitor SRO units in the City.

Several measures have been implemented to slow the loss of single-room occupancy (SRO) residential hotel units in San Francisco, such as increased safety regulations, transfer of residential hotel buildings to non-profit organizations, ensuring the long-term affordability of these units, and the reauthorization of the Single Room Occupancy Hotel Safety and Stabilization Task Force that was set to expire in 2003. Many SROs in the City have now been transferred to non-profit ownership or management, helping ensure the continued viability that these important affordable housing resources provide, but operating and rehabilitation subsidies are needed for many of the properties acquired 10-15 years ago. New affordable SROs are being built with supportive services for this population.

A number of new for-sale SRO units have been completed in the South of Market as well. These units have been controversial because they are relatively expensive on a per square foot basis and take advantage of zoning controls originally intended to accommodate affordable, rental SROs.

 Several attempts were made over the past 20 years to legalize some of the estimated 20,000 illegal secondary units scattered throughout the City as a way to retain this supply of housing that is generally more affordable. This policy met with substantial opposition from residents concerned with the lack of parking for these units, and was never adopted. Significant issues with meeting State-mandated building codes were also problematic.

OBJECTIVE 3

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

- Publicly Funded Rehabilitation. The City sponsored the rehabilitation of 2,051 units
 during the last reporting period. Funding from these programs, administered by the
 Mayor's Office of Housing and the San Francisco Redevelopment Agency, enabled the
 units to be revitalized while retaining affordability.
- Historic Resources. Several buildings were designated landmarks during the 1999-2006 reporting period including the Glazer Keating House at 1110 Taylor Street, 557 Ashbury Street, and the Shipwright's Cottage at 900 Innes. Historic Surveys were also initiated for all the Better Neighborhoods and Eastern Neighborhoods plan areas as well Japantown, and all of these surveys have either been completed or will be complete by 2009. As new plan areas are established, an evaluation of historic resources will be performed where appropriate. The Planning Department will also be revising the historic context statement for the City, which provides a framework for the evaluation of the significance of potential historic resources. This work is also expected to be completed in 2009.

- Federal Hope VI Program. The federally established HOPE VI Program assists local Public Housing Authorities with the rehabilitation of distressed residential units and buildings. The San Francisco Housing Authority has received \$118.5 million to support the rehabilitation of five public housing developments, leveraging these grants into an additional \$166.8 million in private and public funding. The Housing Authority rehabilitated 650 units from 1998-2002 with these funds, and another 700 units are currently under construction.
- HOPE-SF Program. As previously discussed, the City launched the HOPE-SF initiative
 in 2006 which called for using City funds to rebuild 2,500 units of public housing in
 several distressed sites across the City. These developments would be rebuilt at higher
 density and as mixed-income communities with neighborhood services. An important
 part of the HOPE-SF program is the one-to-one replacement of subsidized housing
 units and the programs established to ensure right of return for existing residents.
- Unreinforced Masonry Buildings. There are currently 102 units in six unreinforced
 masonry buildings that require seismic upgrading. The Department of Building Inspection is currently pursing abatement actions for these structures. This number is
 down from 11,850 units and 399 buildings in 2002. Most of these rehabilitated units
 are in residential hotels (SROs) and apartment buildings occupied by lower income
 households.
- Property Maintenance Assistance. The CERF/CHRP programs continue to assist low-income property owners in repairing code violations that might otherwise lead to abatement of housing units. New CERF loans average four to five per year, and new CHRP loans average 10-15 per year.

2. AFFORDABILITY

Both the 1990 *Residence Element* and the 2004 *Housing Element* called for increasing production of affordable housing, preserving affordable housing, encouraging economic integration in housing development, and the expansion of financial resources for permanently affordable housing. Several objectives and policies from the 2004 *Housing Element* made significant contributions to San Francisco's efforts to provide, retain, and fund affordable housing citywide.

OBJECTIVE 4

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY.

• *Inclusionary Housing Program.* The Planning Commission and Board of Supervisors adopted new code language in 2002 that placed a 10% affordable requirement on all housing projects over 10 units and a 12% affordable requirement on developments over 10 units that seek conditional use approval. Prior to this adoption, inclusionary housing was only encouraged, not required. A total of 472 units were produced by the City's inclusionary policy during the 1999-2006 reporting period, with the majority of the units produced in the last two years.

The City modified and expanded the requirements again in 2006, resulting in 447 units produced between 2007 and June 2008. The program was expanded by eliminating the distinction for conditional use applications, and now requires 15% on-site inclusionary and 20% off-site. The program was also expanded to include projects containing five to nine units. A proposal to require condominium conversions to be subject to the inclusionary ordinance was suggested by the 2004 *Housing Element*, but was not incorporated in the 2006 changes.

- Redevelopment Agency Housing Participation Policy. Changes to the San Francisco Redevelopment Agency's Housing Participation Policy also occurred in 2002, with required unit percentages and affordability requirements similar to the City's Inclusionary Affordable Housing Program in effect at that time. The Agency's program produced 480 affordable units during the 1999-2006 reporting period. In September 2008, the Agency recommended adoption of new requirements similar to those adopted by the City in 2006.
- Density Bonuses and FAR limits. The City has continued the policy of establishing special use districts (SUDs) and height exceptions intended to support the development of affordable housing by allowing density bonuses for higher percentages of affordable or special needs housing. Almost all new Area Plans initiated during the 1999-2006 reporting period also include these policies, as well as additional affordable housing impact fees. Floor area ratio (FAR) limitations have been removed in the downtown areas to encourage housing development.
- Housing Development on Public Land. Over the past ten years, the City has engaged in several major planning efforts which include the identification of housing opportunities on public lands. In particular, the City seeks to take advantage of new and rehabilitated housing on former military properties in San Francisco the Hunter's Point Naval Shipyard and Treasure Island. Through the Planning Department's Better Neighborhoods Program, the City is pursuing the development of affordable housing on several significant public sites. The Market-Octavia Plan calls for the development of up to 900 units of housing on the former Central Freeway parcels, one-half of which could be affordable and/or senior units. The Balboa Park Plan recommends the construction of affordable housing on portions of the Phelan Loop owned by the San Francisco Community College District, on existing bus yards owned by the Municipal Railway, and on portions of the unused Balboa Reservoir owned by the Public Utilities Commission.
- Surplus Public Lands. In 2004, the City adopted the Surplus City Property Ordinance. This ordinance requires that surplus public land be identified and evaluated for potential use as homeless housing. It also established a Citizens Advisory Committee to explore affordable housing development at sites determined to be surplus, or, if identified as such, if this land should be sold to raise money for affordable housing development. The removal of the Central Freeway created a variety of surplus parcels in the Market-Octavia plan area that will be developed as housing, and several publicly owned sites in the Eastern Neighborhoods are also being considered for affordable housing development. Table A-4 lists other sites that have been transferred to MOH for consideration as affordable housing

Table A-4
Surplus Properties
Transferred to MOH

| 150 Otis |
|--------------------------|
| 155 & 165 Grove |
| 201 Broadway |
| 301 Wilde |
| 341 Corbett |
| 395 Justin |
| 949 Vermont |
| Junipero Serra @ Shields |
| Lawton & 20th Avenue |
| San Jose @ Cuvier |
| San Jose @ Milton |
| Alemany & Ocean |
| 195 Portola |
| |

INCREASE THE EFFECTIVENESS AND EFFICIENCY OF THE CITY'S AFFORDABLE HOUSING PRODUCTION SYSTEM.

- Program EIRs. The Market & Octavia Area Plan was developed with a program EIR
 designed to include sufficient detail to avoid the need for additional project EIRs, and
 thus streamline the housing production process. As the program EIR was recently
 approved, it remains to be seen whether it will have the intended effect of reducing
 the amount of environmental review necessary for subsequent projects within the plan
 area. The City also continues to advocate for changes to CEQA that facilitate transitoriented development.
- Entitlement Process Improvements. The City initiated several efforts to identify obstacles to housing production and speed the entitlement process, and a joint process improvement team between the Planning Department and the Department of Building Inspection (DBI) is actively working on these issues. Additional staff at both agencies was hired during the reporting period to expedite entitlements and permitting, representing a 23% increase in staffing at the Planning Department and 12% increase at DBI since 2005.

The City also invested \$600,000 in new technology to streamline permitting activities among various agencies, including Planning, DBI, Fire, and the Department of Public Works. The Business Process Review was initiated by DBI during the reporting period to further streamline the issuance of building permits. A policy was implemented early in 2007 that requires immediate assignment of affordable housing projects, eliminating a four to six month delay.

• Consolidated Plan. The Mayor's Office of Community Development (MOCD) Consolidated Plan in 2000 and 2005 identified the specific housing needs of San Francisco's low-income residents, based on demographic and other information. The 2005 Consolidated Plan, which covers the 2005-2009 period, contains the following priorities which are used to allocate affordable housing funds: 1) create housing opportunities for the homeless; 2) create affordable rental housing opportunities for individuals and families with incomes up to 60% of the area median income (AMI), and; 3) create homeownership opportunities for individuals and families with incomes up to 120% AMI.

The Mayor's Office of Housing (MOH) and San Francisco Redevelopment Agency (SFRA) continue to collaborate with the Department of Public Heath and Human Services to develop supportive housing opportunities that directly and effectively address the needs of homeless persons. Additionally, MOH and SFRA have continued to develop high quality affordable rental housing opportunities for households at or below 50% AMI, along with administering new homeownership opportunities (most arising from San Francisco's inclusionary housing policy) for households generally ranging from 80% to 120% AMI.

 Non-Profit Support. The Mayor's Office of Housing continues to administer Housing Program Grants from the federal Community Development Block Grant program (CDBG), which amounted to \$16.3 million between 1999 and 2006 (Table A-5). These funds are granted to local non-profit housing agencies to build local capacity and support housing activities consistent with the consolidated plan.

| Year | Amount |
|-------|--------------|
| 1999 | 1,789,834 |
| 2000 | 1,607,847 |
| 2001 | 2,051,954 |
| 2002 | 1,978,216 |
| 2003 | 1,835,277 |
| 2004 | 2,601,326 |
| 2005 | 2,268,614 |
| 2006 | 2,172,360 |
| Total | \$16,305,428 |

Table A-5 CDBG 1999-2006

OBJECTIVE 6 PROTECT THE AFFORDABILITY OF EXISTING HOUSING.

- Rent Control. The San Francisco Rent Ordinance was enacted effective June 13, 1979 by the Board of Supervisors and signed by the Mayor to alleviate the City's affordable housing crisis. The Ordinance applies to most rental units built before June 1979, and places limits on the amount of rent increases which can be charged and on the reasons for evicting a tenant. Although the number of rent controlled units continues to decline, particularly in smaller two-unit buildings that are not subject to condominium conversion controls, approximately 170,000 rental units are protected by rent control. Tenants in these units are safeguarded from excessive rent increases.
- First-time Homeowner Assistance Programs. The Mayor's Office of Housing offers several funding programs to assist moderate and low-income households in purchasing their first property. These funds include the Downpayment Assistance Loan Program (DALP), City Second Loan Program, and Mortgage Credit Certificate Program (MCC) that assist with the funding of a down payment and increase a household's ability to qualify for a mortgage. The lack of funding and increasing cost of property during the reporting period has limited the number of households these programs have been able to assist. During the 1999-2006 reporting period, DALP and City Second loans assisted 428 households and the MCC program assisted 406 households.
- Permanent Affordability. Long-term or permanent affordability remains a priority for the programs of the Mayor's Office of Housing (MOH) and San Francisco Redevelopment Agency (SFRA). For almost all programs, affordability terms of 50 to 75 years are now standard. The term of affordability is greater than the anticipated life of the developments funded by public funds. Where project sponsors have sought additional money from the City to extend the useful life of the building, MOH and SFRA require an extension of the term of affordability. In addition, the lead role played by non-profit entities in sponsoring affordable housing has meant that, in practice, housing developments will remain affordable even after the expiration of the 50 to 75 year term, since such assets must continue to be used for purposes consistent with the corporate purpose of the organization.
- Community Land Trusts. The City established a Community Land Trust Task Force in 2001 to explore the feasibility of using land trust structures to enhance affordable housing opportunities in San Francisco. Land trusts and other limited equity ownership models may be an effective way of retaining affordability in tight housing markets.

A pilot project sponsored by the San Francisco Community Land Trust (SFCLT) was approved in 2006 at 53 Columbus Avenue and is nearing completion. The building contains 21 apartments housing 80-plus tenants, primarily elderly Chinese immigrant families. SFCLT will retain ownership of the land, but will sell the apartments to existing tenants as a cooperative. Resident-owners will own a limited equity stake allowing them to sell their units in the future, but the resale price will be controlled to ensure permanent affordability. SFCLT secured a \$2 million loan from the city to pay for seismic upgrades, as well as support from the City's Lead Program; and from the Mayor's Office of Housing. In addition, tenants have agreed to a five percent rent increase and a \$5,000 down payment. The outcome of this project will help determine the viability of this method of ensuring permanent affordability.

- Affordable Housing Monitoring Programs. The Mayor's Office of Housing manages a number of programs to set and implement monitoring standards and procedures for projects receiving housing subsidies. Monitored subsidies include loans for owner-occupied single-family homes, multi-family rental units, and the refinancing of affordable housing projects. Through an annual recertification process, MOH staff review management practices, income and rent levels, and occupancy status at subject properties to ensure compliance with affordability requirements. MOH significantly improved its Asset Management and BMR and Inclusionary monitoring programs near the end of the reporting period through investments in technology and process improvements. In 2007, MOH and the Planning Department also updated the Inclusionary Procedures Manual that contains procedures for monitoring and enforcing the policies that implement the program.
- Acquisition of At-Risk Affordable Housing. The acquisition of affordable housing units at-risk of converting to market rate due to expiring HUD mortgages or other subsidies has been an important part of the City's efforts to increase the stock of affordable housing. Concerted efforts by MOH and SFRA have resulted in securing financing for most of these properties to come under non-profit ownership to ensure permanent affordability. From 1999 to 2006, a total of 1,661 affordable units were preserved through these efforts. Assisted housing developments include multifamily rental housing complexes that receive government assistance from federal, State, and/or local programs (or any combination of rental assistance, mortgage insurance, interest reductions, and/or direct loan programs) which are eligible to change to market-rate housing due to termination of a rent subsidy contract (e.g., Housing Choice Vouchers, Section 8) mortgage prepayment (e.g., FHA), or other state or local programs with expiring use restrictions. While most traditionally at-risk conversions have been averted, a new need has emerged to preserve affordability and community stability of rental housing stock restricted by the City's rent stabilization ordinance. Because many such sites are too small for traditional local financing models (less than 20 units) MOH is currently working on a "small site" program that could allow the acquisition and rehabilitation of smaller sites, requiring a creative model addressing the specifics of these properties.
- Single Resident Occupancy (SRO). Residential hotels in San Francisco are regulated by Administrative code Chapter 41 – the Residential Hotel conversion and Demolition Ordinance, enacted in 1981. This ordinance preserves the stock of residential hotels and regulates the conversion and demolition of residential hotel units.

At the end of the 1999-2006 reporting period, 19,164 residential hotel rooms existed in San Francisco; 75% were in for-profit residential hotels and 25% were in non-profit hotels. Moreover, residential rooms in non-profit residential hotels have been increasing in each of the past five years: 40% from 2003 to 2007.

• Other Programs. The Condominium Conversion Ordinance puts the cap on the number of rental units converted to ownership units at 200 per year in order to limit the loss of rental units that are generally more affordable housing opportunities. The Rent Control Board also continues to implement rent control as a measure to retain affordability in rental housing. However during the 1999-2006 reporting period, 1,774 units were converted to condominiums in two-unit buildings. Two-unit buildings continue to be exempted from the condominium conversion ordinance and in 2007 an additional 522 units were converted to condominiums in these buildings. From 1999-2007, a total of 2,296 rental units were lost due to two-unit building condominium conversions.

OBJECTIVE 7

EXPAND THE FINANCIAL RESOURCES AVAILABLE FOR PERMANENTLY AFFORDABLE HOUSING.

- Jobs-Housing Linkage Program. The economic boom of the late 1990s and the housing bubble of 2003-2006 provided substantial additional funds for affordable housing from the Jobs-Housing Linkage Program (JHLP). For example, JHLP fees totaled almost \$42 million during fiscal 1999-2006, compared with less than \$9 million during the fiscal year 1986 (when the program was established) to 1998 period. Ten development projects, totaling 743 housing units, received funds from the JHLP between 1999 and 2006. These fees were increased substantially during the reporting period in order to more equitably share the burden of housing provision in San Francisco, and JHLP funds raised in fiscal 2007-2008 were over \$21 million. Funds are expected to increase during the next reporting period due to planned pipeline development.
- *Inclusionary In-lieu Fees*. The City's revised and expanded inclusionary program, and increased in-lieu fees, resulted in payments of \$23 million to the Affordable Housing Fund during the 1999-2006 reporting period. Like the expected increase in JHLP rev
 - enue, dramatic increases in the payments to the AHF are also expected from the inclusionary program, as in-lieu fee payments under the revised program were almost \$51 million in fiscal 2007-2008 alone.
- Affordable Housing Bonds. In 1996, San Francisco voters approved Proposition A, the Affordable Hous-

| Fiscal Year | Amount Collected |
|-------------|------------------|
| 1999-2000 | \$0 |
| 2000-2001 | \$0 |
| 2001-2002 | \$0 |
| 2002-2003 | \$0 |
| 2003-2004 | \$959,411 |
| 2004-2005 | \$134,875 |
| 2005-2006 | \$2,623,279 |
| 2006-2007 | \$19,225,864 |
| 2007-2008 | \$7,514,243 |
| 2008-2009 | \$43,330,087 |

Table A-6 Inclusionary Housing Fees, 1999-2008

ing and Home Ownership Bond Program, which allocated \$100 million in bond money to affordable housing programs administered by the Mayor's Office of Housing. The program dedicated 85% of these funds to the development of affordable rental housing, and 15% to down payment assistance for first time homebuyers. The Mayor's Office of Housing began dispersing funds from this program to specific projects in 1998, supported by Proposition A bond money during the reporting period. A similar affordable housing bond appeared on the San Francisco ballot in 2002 but failed to receive the required two-thirds vote. Although not a bond and therefore passable with a majority vote, Measure B on the 2008 ballot promised to establish an affordable housing fund financed by a small property tax assessments over a15 year period; nevertheless, Measure B also failed to garner sufficient voter support.

3. CITYWIDE AND REGIONAL CONCERNS

The 2004 *Housing Element* continued several 1990 Residence Element objectives that encompass citywide and regional concerns and priorities related to the production and allocation of housing, including improving access to housing opportunities, adjusting affordability standards, preventing discrimination, minimizing or mitigating displacement, increasing production of family-sized units, creating mixed-income neighborhoods, reducing homelessness and the risk of homelessness, revitalizing neighborhoods to improve quality of life, increasing density near transit, providing neighborhoods with adequate transit and amenities, increasing available funding for transit-oriented development, expanding regional transit systems to discourage commuting by car, and promoting increased affordable housing production across the region.

OBJECTIVE 8 ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

- Preventing Discrimination. The Fair Housing Unit of San Francisco's Human Rights
 Commission (HRC) investigates and mediates complaints of discrimination in housing based on race, religion, sexual orientation, and numerous other characteristics and qualities discrimination against families with children. Protection from such discrimination stems from several local ordinances, including five sections of the Municipal Police Code that prohibit specific kinds of housing discrimination. HRC staff also provides counseling on fair housing and general housing rights, offers referrals to other agencies, conducts research on fair housing practices, and hosts training and educational sessions.
- Fair Housing. The product of a multi-agency effort coordinated by the Mayor's Office
 of Housing, the City released an updated Analysis of Impediments to Fair Housing
 report in 2004. The report discusses the challenges of affordability, accessible housing, and alleged discrimination in the City's housing market. The paper also offers
 recommendations on increasing community acceptance of affordable housing and the

promotion of fair housing practices in public housing. These action items are incorporated into the City's 2005-2010 Consolidated Plan and its associated Action Plan.

- Density Bonus. The City has continued the policy of establishing Special Use Districts (SUDs) to allow density bonuses in certain circumstances, such as affordable or special needs housing. The following SUDs were adopted during the 1999-2006 reporting period:
 - Alabama and 18th Affordable Housing
 - Third and Oakdale Affordable Housing
 - Van Ness and Market
 - Trinity Plaza
 - 901 Bush
 - Folsom and Main
 - Scott Street Senior Housing
 - Fourth and Freelon
 - Haight Street Senior Housing
 - Downtown Housing Demonstration
- Economic Integration. The city revised and expanded its inclusionary affordable housing policy in 2002 and again in 2006, as discussed in greater detail under Objective 7 above. The policy requires the provision of affordable units in development projects with five or more units and discourages the provision of off-site units to meet this requirement; moreover if the required affordable units are built off site, they must be located within one mile. Over time, this will lead to greater economic integration of units within housing developments.

The HOPE-SF program launched in 2006 will rebuild existing public housing projects as mixed-income developments, at increased density and with additional public amenities. The pilot project at Hunter's View is scheduled to break ground in 2009, and the success of this project will serve as a model for increased economic integration.

Affordability Targets. Since adoption of the 1990 Residence Element, the Mayor's Office
of Housing (MOH) and the San Francisco Redevelopment Agency (SFRA) have targeted their affordable housing programs to serve low and very low-income households
to the maximum extent feasible. For most rental housing units, household income
may not exceed 60% of area median income (AMI). Most ownership units can range
from 80% to 120% AMI, but must average 100% AMI.

Changes to the City's inclusionary program in 2006 require any off-site BMR units to be either rental units, or ownership units affordable to 80% AMI. These agencies have also dedicated increasing resources to assisting households at income levels below the maximum income levels for each program. For example, notices of funding availability for family rental housing currently require that units targeted toward households with extremely low incomes (i.e., at or below 20% of area median income) be included in the development.

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT.

- Rent Control and Tenants' Rights. The San Francisco Human Rights Commission administers numerous programs to investigate and mediate conflicts around alleged housing discrimination. The City's Rent Stabilization Board Commission comprised of tenant, landlord, and neutral representatives oversees the Rent Stabilization Board, the City agency charged with monitoring and enforcing the city's rent control ordinance. The Rent Board offers counseling and referral services to tenants faced with property management problems or the threat of eviction. The City's Rent Control ordinance requires property owners to compensate tenants that are evicted due to a major capital improvement project or an owner move-in. The number of total evictions represented by Ellis Act and owner move-in evictions declined to 531 over the 1999-2006 reporting period; this is a substantial decrease from the 1,345 reported for 1989 through 1998. This was largely due to declining owner move-in evictions.
- HOPE-SF. The HOPE-SF program to rebuild public housing includes provisions for one-to-one replacement of all housing units and right of return for existing tenants. Tenant assistance to enable return is also provided.

OBJECTIVE 10

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS IN COORDINATION WITH RELEVANT AGENCIES AND SERVICE PROVIDERS

- Master Lease Program. The City created a Master Lease Program in 1999 that provides
 housing with supportive services for persons leaving homeless shelters. This program
 was expanded significantly from 2003 to 2007 to focus on providing supportive housing. In July 2000, the City completed the renovation of 100 units at the Presidio as
 supportive housing geared towards homeless veterans.
- 10-Year Plan to End Chronic Homelessness. Recognizing the need for an integrated service system, the City adopted the Continuum of Care Plan in 1995 in an effort to better coordinate housing, health, and human services for homeless individuals and families. This plan was updated in 2001.

The City dropped the Continuum of Care approach to providing services in 2004, with Mayor Gavin Newsom's 10-Year Plan to End Chronic Homelessness that emphasized building supportive housing for the chronically homeless under a "housing first" approach. Under this plan, the City proposes a total of 3,000 units in supportive housing by 2014. As of 2008, approximately 1,500 units have been created, mostly from the acquisition and rehabilitation of existing units as well as formal agreements with existing SROs. An April 2007 commitment to double the production of family supportive housing was made in response to the concern that the City's supportive housing programs over the last few years served primarily single people.

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

- Residential Design Guidelines. In 1989, the Planning Department proposed a set of design guidelines to help ensure that new residential development respects the unique character of many of San Francisco's neighborhoods. These guidelines were refined and adopted as part of the 1990 Residence Element update, and were updated again in 2003 as part of the 2004 Housing Element program.
- New Area Plans. Through the Better Neighborhoods and other area plan programs, the Planning Department continues to explore ways to develop and enhance the quality and livability of existing residential neighborhoods. The Eastern Neighborhoods new area plans initiated during the 1999-2006 reporting period and recently adopted in 2008, identify core elements that help create vibrant neighborhoods, such as walkability, availability of services, transit access, housing choices, and unique character. These new area plans incorporate these ideas into the development of community goals and neighborhood improvements.
- Housing Development in Residential Neighborhoods. Almost 4,550 units of housing were developed in San Francisco's existing residential neighborhoods from 1999-2006, representing 30% of all housing production in the City during that time period. This figure includes all new units constructed in the city's traditionally residential RH and RM districts (Residential House and Residential Mixed). The City has been able to locate this substantial amount of new housing in existing residential areas without significant adverse impacts to prevailing neighborhood character. The Better Neighborhoods and Eastern Neighborhoods programs provide for an increase in the number of housing units built in these districts near transit and other services.
- *Parking Requirements*. Neighborhood planning policies seek to reduce parking requirements below one space per unit in areas near transit in order to increase density, discourage automobile use, and create more walkable neighborhoods.
- Green Building Quality of Life Improvements. The City has made a substantial effort
 to incorporate green building principles and green design into development projects
 during the last several years. In 2006, the Planning Department and other permitting agencies began to expedite permits for Leadership in Energy and Environmental
 Design (LEED) certified gold buildings. Moreover, in 2008 the City adopted a Green
 Building Ordinance that requires new construction to meet green building standards.

STRENGTHEN CITYWIDE AFFORDABLE HOUSING PROGRAMS THROUGH COORDINATED REGIONAL AND STATE EFFORTS.

• Regional Grants. San Francisco was successful in advocating for language in the 2007-2014 Regional Housing Needs Assessment (RHNA) process to direct more transportation money to jurisdictions that agree to take on greater housing growth. Recently, the Association of Bay Area Governments FOCUS program, which seeks to encourage growth near transit in the Bay Area, designated several neighborhoods in San Francisco as Priority Development Areas (PDAs). PDAs are regionally-designated areas prioritized for housing development, and therefore eligible for grant funding. Planned PDAs would be eligible for capital infrastructure funds, planning grants, and technical assistance while Potential PDA's would be eligible for planning grants and technical assistance, but not capital infrastructure funds. Currently, a number of neighborhoods have been identified as PDAs. These areas represent approximately 40% of the city's land area.

Attachment A-1 is a review of all the implementation programs of the 2004 Housing Element:

 $\it Table\,A-7$ Review of Implementation Programs from 2004 Housing Element

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|--|---|--|---------------------------------|
| HOUSING SUPPLY | | | |
| OBJECTIVE 1 To provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment demand. | | Somewhat successful. | Continue/ Modify |
| Policy 1.1 Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households. Set allowable densities in established residential areas at levels that will promote compatibility with prevailing neighborhood scale and character where there is neighborhood support. | The City added a total of 17,473 net units, 35% of which are affordable. Of these affordable units, 2,214 are family housing, representing 56% of all affordable housing constructed or 15% of total housing production. | Somewhat successful, although RHNA targets not met. Given market conditions, the proportion of affordable housing has increased. | |
| Policy 1.2 Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities. | New area plans, including Market-Octavia, Eastern Neighborhoods, Rincon Hill and others, potentially increase housing capacity by over 55,000 and capitalize on existing neighborhood commercial and transit infrastructure where present. These plans also require a percent of larger family sized units. | Plans that will facilitate and guide growth in appropriate areas were successfully adopted. | |
| Policy 1.3 Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City. | The Planning Department successfully adopted the Eastern Neighborhoods plan that encourages housing in former industrial areas where residential neighborhoods are established and urban amenities are in place or are feasible. | Successful | |
| Policy 1.4 Locate in-fill housing on appropriate sites in established residential neighborhoods. | The Planning Department continues to encourage housing development on brownfield sites such as the former Schlage Lock factory, where clean-up costs are not prohibitive and residential neighborhoods can be established. | Successful | |
| Policy 1.5 Support development of affordable housing on surplus public lands. | The City continues to evaluate surplus federal or state lands as an affordable housing resource. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify/ Delete |
|---|---|--|--------------------------------|
| Policy 1.6 Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects. | The Redevelopment Agency continues to prioritize affordable housing on lands it controls. | On-going | |
| Policy 1.7 Encourage and support the construction of quality, new family housing. | The Planning Department increased height limits, eliminated density requirements, modified off-street parking requirements, and generated additional funds for affordable housing through new impact fees in the Rincon Hill Plan Area. Similar changes are proposed for the Transbay Plan Area. | | |
| Policy 1.8 Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lower-income households. | The Planning Department continues to implement the Van Ness Avenue Plan, which requires residential units over commercial uses. There are currently 929 units in the development pipeline for this area. | On-going | |
| Policy 1.9 Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students. | The Planning Department adopted new zoning that requires a minimum percentage of larger family units, ranging from two to four bedrooms, in new major residential projects. | To be determined in the next reporting period. | |
| | The Mayor's Office of Housing and the San Francisco Redevelopment Agency continues to administer programs for development of affordable family rental housing with priority given to projects that include affordable family units for the homeless and those at-risk of homelessness, and include supportive services for residents. | On-going | |
| | Student housing was increased due in part to nine Institutional Master Plans adopted during the 1999-2006 reporting period. | To be determined in the next reporting period. | |
| | New residential design guidelines were adopted easing infill development in existing neighborhoods. | On-going | |
| | RTO zoning adopted that encourages the creation of secondary units. | To be determined in the next reporting period. | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|---|---|--------------------------------------|---------------------------------|
| | The Planning Department will continue to support the Jobs Housing Linkage Program, which requires that commercial development provide housing or pay an in-lieu fee. Nearly \$42 million was collected during the 1999-2006 reporting period. | Successful. Revise fees as needed | |
| HOUSING RETENTION | | | |
| OBJECTIVE 2 Retain the existing supply of housing. | | Successful | Continue |
| Policy 2.1 Discourage the demolition of sound existing housing. | The City continues to apply the Residential Conversion and Demolition Guidelines while discouraging the merger of units. | On-going | |
| Policy 2.2 Control the merger of residential units to retain existing housing. | The Condo Conversion Ordinance continues to control the conversion of smaller apartment buildings into condominiums and restrict larger apartment buildings over 6 units from converting. | On-going | |
| Policy 2.3 Restrict the conversion of rental housing to other forms of tenure or occupancy. | The Residential Hotel Conversion Ordinance continues to preserve the City's supply of SRO units. | On-going | |
| Policy 2.4 Retain sound existing housing in commercial and industrial areas. | The Department of Building Inspection and the San Francisco Fire Department continue to regulate the safety of buildings through annual inspections. | On-going | |
| Policy 2.5 Preserve the existing stock of residential hotels. | The City continues to facilitate the transfer of residential hotels to non-profit housing organizations to ensure permanent affordability, livability, and maintenance. | On-going | |
| Policy 2.6 Consider legalization of existing illegal secondary units where there is neighborhood support, the units can conform to minimum Code standards of safety and livability, and the permanent affordability of the units is assured. | | | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|---|--|--------------------------------------|---------------------------------|
| HOUSING CONDITION | | | |
| OBJECTIVE 3 Enhance the physical condition and safety of housing without jeopardizing use or affordability. | | Successful | Continue |
| Policy 3.1 Ensure that existing housing is maintained in a decent, safe, and sanitary condition, without increasing rents or displacing low-income households. | 2,051 units were rehabilitated during the reporting period. | Successful | |
| Policy 3.2 Preserve at risk, privately owned assisted housing. | Several buildings were landmarked and Historic Surveys were initiated for most area plans underway. | Successful | |
| Policy 3.3 Maintain and improve the condition of the existing supply of public housing. | The Housing Authority received \$118.5 million from the Federal HOPE VI Program to rehabilitate five public housing developments; this was used to leverage an additional \$166.8 million. Some 650 units were rehabilitated, with another 700 units under construction. | To be determined upon completion. | |
| Policy 3.4 Monitor the correction of serious continuing code violations to prevent the loss of housing. | The HOPE SF program was initiated and will use City funds to rebuild 2,500 units of public housing. | To be determined upon completion. | |
| Policy 3.5 Improve the seismic stability of existing housing without reducing the supply of affordable housing. | Seismic retrofits of UMBs have been completed on most of the 11,850 units identified following the 1989 earthquake. Retrofits are pending for the remaining 102 units. | | |
| Policy 3.6 Preserve landmark and historic residential buildings. | The CERF/CHRP programs continue to assist low-income property owners in repairing code violations; | On-going | |
| | The Department of Building Inspection continues to ensure that residential units meet building code standards by responding to complaints and through periodic inspection of apartments and hotels, as well as mandating the seismic retrofit of unreinforced masonry buildings. | On-going | |
| | The City continues to implement the Proposition M policy that landmarks and historic buildings be preserved. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|--|---|------------|---------------------------------|
| HOUSING AFFORDABILITY | | | |
| OBJECTIVE 4 Support affordable housing production by increasing site availability and capacity. | | Successful | Continue |
| Policy 4.1 Actively identify and pursue opportunity sites for permanently affordable housing. | The City's Affordable Housing Fund, derived from payment of fees by office, entertainment, hotel, and retail developers as well as market rate housing developers, continues to be used to develop affordable housing. A total of \$65 million was collected during the 1999-2006 reporting period. | On-going | |
| Policy 4.2 Include affordable units in larger housing projects. | The City's Inclusionary Housing program, which requires new development to provide a percentage of affordable units, produced 472 units during the 1999-2006 reporting period. The City expanded the program in 2001 and 2005. An additional 546 units were produced in 2007-2008 | On-going | |
| Policy 4.3 Encourage the construction of affordable units for single households in residential hotels and "efficiency" units. | The Redevelopment Agency increased affordability requirements in redevelopment areas, resulting in 480 affordable units during the 1999-2006 reporting period. | On-going | |
| Policy 4.4 Consider granting density bonuses and parking requirement exemptions for the construction of affordable housing or senior housing. | Affordable housing special use districts (SUDs) that increase densities for more affordable units continue to be established. Almost all new area plans also include these policies as well as requiring additional affordable housing impact fees. | On-going | |
| Policy 4.5 Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures. | Developing housing on appropriate public land continues to be city policy. The Market Octavia Plan calls for the development of up to 900 units on former Central Freeway parcels. The development of additional affordable housing continues to be investigated for various other plan areas. | On-going | |
| Policy 4.6 Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production. | | | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|---|---|---|---------------------------------|
| OBJECTIVE 5 Increase the effectiveness and efficiency of the city's affordable housing production system. | | Mostly successful. | Continue. |
| Policy 5.1 Prioritize affordable housing projects in the planning review and approval processes, and work with the development community to devise methods of streamlining housing projects. | Additional staff at Planning and DBI were hired to expedite the permitting process and the City invested \$600,000 in new technology to streamline permitting activities among various agencies. In 2007, a policy was implemented that requires immediate assignment of affordable housing projects eliminating a 4-6 month delay. | On-going | |
| Policy 5.2 Support efforts of for-profit and non-profit organizations and other community-based groups and expand their capacity to produce and manage permanently affordable housing. | The Mayor's Office of Housing (MOH) and the Redevelopment Agency continue to collaborate with the Department of Public Health and the Human Services Agency to develop supportive housing for homeless persons and families, as well as develop rental housing at or below 50% AMI. | On-going | |
| Policy 5.3 Create greater public awareness about the quality and character of affordable housing projects and generate community-wide support for new affordable housing. | MOH continues to administer the Community Development Block grant program to fund the activities of local nonprofit housing agencies with \$16.3 million distributed between 1999 and 2006. In 2008, \$2.2 million was distributed. | On-going | |
| Policy 5.4 Coordinate governmental activities related to affordable housing. | | | |
| OBJECTIVE 6 Protect the affordability of existing housing | | Mostly successful. Some affordable rental units were lost in 2-unit buildings. Upon vaca- tion rent control price resets to market price. | Continue/ Modify |
| Policy 6.1 Protect the affordability of units in existing buildings at risk of losing their subsidies or being converted to market rate housing. | The rent control ordinance continues to limit rent increases for approximately 170,000 rental units in the City. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify/ Delete |
|--|--|--|--------------------------------|
| Policy 6.2 Ensure that housing developed to be affordable is kept affordable. | The Downpayment Assistance Loan Program (DALP) and Mortgage Credit Certificate (MCC) program continues to assist with the funding of a down payment and increase a household's ability to qualify for a mortgage. During the 1999-2006 reporting period, 428 households received DALP or city second loan assistance and the MCC program assisted 406 households. | On-going | |
| Policy 6.3 Safeguard tenants from excessive rent increases. | Permanent affordability remains a priority for all City housing programs with most now having affordability terms of 50 to 75 years; as most affordable housing is owned and operated by nonprofit agencies, affordability beyond this term is also ensured. | On-going | |
| Policy 6.4 Achieve permanent affordability through community land trusts and limited equity housing ownership and management. | The city continues to explore community land trusts with a pilot project at 53 Columbus approved and nearing completion. The outcome of this project will help determine the viability of this method of ensuring permanent affordability. | Community land trust pilot project under construction. | |
| Policy 6.5 Monitor and enforce the affordability of units provided as a condition of approval of housing projects. | MOH continues to improve its monitoring of affordable housing programs with significant technology and process improvements to Asset Management and the Below Market Rate and Inclusionary monitoring programs. | On-going | |
| | MOH and the San Francisco Redevelopment Agency (SFRA) acquired financing for the acquisition of most at-risk affordable housing (due to expiring HUD mortgages or other subsidies). MOH is currently working on a "small site" program that could allow the acquisition and rehabilitation of smaller sites that are typically too small for traditional financing models. | On-going | |
| | The Condominium Conversion Ordinance continues to limit to 200 per year the number of rental units converted to ownership units. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|--|--|---|---------------------------------|
| OBJECTIVE 7 Expand the financial resources available for permanently affordable housing. | | Successful | Continue |
| Policy 7.1 Enhance existing revenue sources for permanently affordable housing. | The Jobs-Housing Linkage Program (JHLP) continues to provide substantial funds for affordable housing. During the reporting period \$42 million was collected, assisting 10 development projects totaling 743 units. | On-going | |
| Policy 7.2 Create new sources of revenue for permanently affordable housing including dedicated long-term financing for housing programs. | Inclusionary in-lieu fees were increased during the reporting period, resulting in \$23 million in payments to the Affordable Housing Fund. | On-going | |
| Policy 7.3 Develop greater investments in and support for affordable housing programs by corporations, churches, unions, foundations, and financial institutions. | The Human Services Agency and the Department of Public Health continue to offer operating subsidies for special needs housing through their supportive housing programs. | On-going | |
| | The Redevelopment Agency continues to administer the Tax Increment Housing Program and the Housing Opportunities for People with AIDS Program (HOPWA) to develop affordable housing. | On-going | |
| | The City continues to work with local financial institutions and non-profits to provide credit opportunities to low- and moderate-income individuals and households. | On-going | |
| HOUSING CHOICE | | | |
| OBJECTIVE 8 Ensure equal access to housing opportunities. | | Successful, given that discrimination can never be completely eliminated. | Continue |
| Policy 8.1 Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible. | The Human Rights Commission continues to investigate and mediate complaints of discrimination in housing. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify/ Delete |
|---|---|------------|--------------------------------|
| Policy 8.2 Employ uniform definitions of affordability that accurately reflect the demographics and housing needs of San Franciscans. | Inclusionary requirements were amended in 2006 to reflect San Francisco median income instead of the SF-Marin-San Mateo area median income. | On-going | |
| Policy 8.3 Ensure affirmative marketing of affordable housing. | The City has continues the policy of establishing special use districts to allow density bonuses for affordable or special needs housing. | On-going | |
| Policy 8.4 Encourage greater economic integration within housing projects and throughout San Francisco. | Economic integration in housing has been fostered by the City's revised and expanded Inclusionary Housing Ordinance that requires below market rate units (BMRs) to be built as part of new development. The HOPE-SF program will also rebuild existing public housing projects as mixed-income developments at increased densities and with additional public amenities. | On-going | |
| Policy 8.5 Prevent housing discrimination | MOH and the SFRA have targeted their affordable housing programs to serve low and very low income households to the maximum extent possible. | On-going | |
| Policy 8.6 Increase the availability of units suitable for users with supportive housing needs. | The San Francisco Redevelopment Agency and the Mayor's Office of Housing continue to monitor leasing and sales of assisted housing developments to ensure compliance with affirmative marketing goals and income and rent restrictions. | On-going | |
| Policy 8.7 Eliminate discrimination against households with children | The City's affirmative marketing programs for affordable housing continue to require outreach to minority communities, including advertising in multi-lingual media. | On-going | |
| Policy 8.8 Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants. | | | |
| Policy 8.9 Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing | | | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|---|---|--|---------------------------------|
| Policy 8.10 Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City. | | | |
| OBJECTIVE 9 Avoid or mitigate hardships imposed by displacement. | | Successful | Continue |
| Policy 9.1 Minimize the hardships of displacement by providing essential relocation services. | The Human Rights Commission continues to investigate and mediate charges of housing discrimination. | On-going | |
| Policy 9.2 Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection. | The Rent Stabilization Board continues to enforce the city's rent control ordinance which requires property owners to compensate tenants that are evicted as well as offering counseling and services to tenants faced with property management problems or eviction threats; the number of total evictions represented by Ellis Act and owner move-in evictions declined during the 1999-2006 reporting period to 531, compared to 1,345 reported for 1989-1998. | On-going | |
| | The City continues to work for a minimum of one-to-one replacement of all housing lost. | On-going | |
| | The HOPE-SF program to rebuild public housing includes provisions for one-to-one replacement of all housing units and right of return for existing tenants; tenant assistance to enable return is also provided. | On-going | |
| HOMELESSNESS | | | |
| OBJECTIVE 10 Reduce homelessness and the risk of homelessness in coordination with relevant agencies and service providers | | Somewhat successful; although the City continues its' efforts, homelessness continues to be a major problem. | Modify |
| Policy 10.1 Focus efforts on the provision of permanent affordable and service-enriched housing to reduce the need for temporary homeless shelters. | The Master Lease Program, established in 1999 to provide housing with services for homeless persons, was expanded significantly during the reporting period. The City completed the renovation of 100 units of supportive housing at the Presidio. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|--|--|------------|---------------------------------|
| Policy 10.2 Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors. | The Treasure Island Homeless Development Initiative (TIHDI) rehabilitated 250 units of housing as part of the homeless component of the civilian reuse plan for Treasure Island. | On-going | |
| Policy 10.3 Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services. | In 2004, the City adopted a 10-year plan to end chronic home-lessness by constructing 3,000 units of supportive housing by 2014. | On-going | |
| Policy 10.4 Facilitate childcare and educational opportunities for homeless families and children | The Residential Hotel Unit Conversion and Demolition Ordinance continues to minimize the loss of residential hotel units through conversion and demolition. | On-going | |
| | The Department of Human Services (DHS) continues to fund non-profit agencies to provide on-site supportive services for formerly homeless individuals and families living in supportive housing. DHS coordinates development of these programs with the Mayor's Office of Housing and the Redevelopment Agency, which provide funding for construction and rehabilitation of affordable housing, including supportive housing. | On-going | |
| | MOH, the San Francisco Housing Authority and the Redevelopment Agency continue to integrate job training and other programs that support low- and moderate-income families, into its affordable housing development. | On-going | |
| | The DHS Eviction Prevention and Rental Assistance program continues to work with non-profits to help low and very-low income individuals and families at risk of homelessness to maintain their housing by paying past due rent to avoid eviction, and offering legal services, counseling, and other supportive services. | On-going | |
| | DHS continues to fund non-profit contractors to provide after-care services for homeless families once they are housed to help them maintain housing, become stable and prevent recurring episodes of homelessness. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modity / Delete |
|---|--|------------|---------------------------------|
| | The City continues to operate its Homeless Services Team, which conducts outreach to homeless persons living on the street with the goal of assisting the most difficult-to-reach homeless persons to access available appropriate services, benefits, health care and housing. | On-going | |
| | The Department of Human Services continues to implement the California Work Opportunity and Responsibility to Kids (CalWORKs) program to serve adults with dependent children where participants receive financial support and a full array of services for 18-24 months as they work with an Employment Specialist to follow an individualized Employment Plan. | On-going | |
| HOUSING DENSITY, DESIGN, AND QUALITY OF LIFE | | | |
| OBJECTIVE 11 In increasing the supply of housing, pursue place making and neighborhood building principles and practices to maintain San Francisco's desirable urban fabric and enhance livability in all neighborhoods. | | Successful | Continue |
| Policy 11.1 Use new housing development as a means to enhance neighborhood vitality and diversity. | The Planning Department's Residential Design Guidelines was updated in 2003 to help ensure that new residential development is compatible with existing residential development. | On-going | |
| Policy 11.2 Ensure housing is provided with adequate public improvements, services, and amenities. | All new area plans initiated during the reporting period include enhancements to the quality and livability of neighborhoods; walkability, availability of services, transit access, and housing choices are all incorporated into the development of community goals and neighborhood improvements. | On-going | |
| Policy 11.3 Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement. | The Planning Department continues to encourage historic preservation and adaptive reuse of older buildings to enhance neighborhood vibrancy. | On-going | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify/ Delete |
|--|--|------------|--------------------------------|
| Policy 11.4 Avoid or minimize disruption caused by expansion of institutions, large-scale uses and auto-oriented development into residential areas. | Almost 4,550 units of housing, or 30% of all housing production from 1999-2006, were developed in San Francisco's existing neighborhoods without significant adverse impacts to prevailing neighborhood character. The remaining new units were built on industrial land. | On-going | |
| Policy 11.5 Promote the construction of well-designed housing that enhances existing neighborhood character. | Planning policies encourage the reduction of parking below one space per unit in areas near transit to increase density, discourage automobile use, and create more walkable neighborhoods. | On-going | |
| Policy 11.6 Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit. | Beginning in 2006, City permitting agencies expedited permits for LEED certified Gold buildings. In 2008, the City adopted a Green Building Ordinance that requires new construction to meet green building standards. | On-going | |
| Policy 11.7 Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units. | The Department of Building Inspection, Pacific Gas and Electric Company (PG&E), and the Building Science industry continue environmental education programs for the general public, project sponsors, and builders. | On-going | |
| Policy 11.8 Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character. | The Mayor's Office of Housing continues to provide funding for the physical and financial preservation of non-profit owned affordable rental housing that requires energy efficiency improvements in order to protect its affordability. | On-going | |
| Policy 11.9 Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character. | The Department of Building Inspection continues to enforce Title 24 energy code requirements, as well as the Residential Energy Conservation Ordinance (RECO) that affects all residences at time of sale or at time of meter conversion, major improvement or condominium conversion. | On-going | |
| Policy 11.10 Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance. | | | |

| Objective/ Policy/ Implementation (Policy/ Program) | Result | Evaluation | Continue/ Modify / Delete |
|---|---|---|---------------------------------|
| REGIONAL AND STATE HOUSING NEEDS | | | |
| OBJECTIVE 12 Strengthen citywide affordable housing programs through coordinated regional and state efforts. | | Successful. The City continues to engage on a regional level, and strives to carry its fair share of regional growth. | Modify |
| Policy 12.1 Work with localities across the region to establish a better relationship between economic growth and increased housing needs. | The City continues to work with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to shape plans that meet regional housing, transportation, and job needs. | On-going | |
| Policy 12.2 Support the production of well-planned housing regionwide that address regional housing needs and improve the overall quality of life in the Bay Area. | The San Francisco Redevelopment Agency (SFRA) continues to serve as the lead agency and administrator of the HOPWA Program on behalf of the San Francisco Eligible Metropolitan Statistical Area (EMSA), which includes San Francisco, San Mateo and Marin counties. | On-going | |
| Policy 12.3 Encourage jurisdictions throughout the Bay Area to recognize their share in the responsibility to confront the regional affordable housing crisis. | At the state level, the City was successful in advocating for changes that direct more transportation money to jurisdictions, like San Francisco, that take on greater housing growth as part of the 2007-2014 Regional Housing Needs Allocation process. | On-going | |
| Policy 12.4 Foster educational programs across the region that increase public understanding of the need for affordable housing and generate support for quality housing projects. | At the regional level, the City successfully coordinated with the Association of Bay Area Governments (ABAG) to designate several neighborhoods in San Francisco as Priority Development Areas that, as regionally-designated areas prioritized for housing development, are eligible for various funds to assist with capital infrastructure, planning, and technical assistance expenses. | On-going | |
| Policy 12.5 Support the State of California in developing and implementing state affordable housing plans and programs. | | | |



Public Participation



Implementing Programs



Estimating Potential Development Capacity

INTRODUCTION

The Planning Department faces many policy questions relating to the future development, its location and type, within San Francisco. To inform this discussion, the Department relies on a number of data sources compiled into key databases to analyze existing and future land use trends and potential. The "build out" database is a collection of parcel-based data which quantifies existing land use conditions and, given zoning and height information, estimates for each parcel the potential for additional development. The database is set up with a series of scripts (see Attachment D-1) enabling testing of possible rezoning scenarios with relative ease. The result is a cumulative estimate of vacant and underdeveloped sites' potential development at less than the theoretical maximum capacity allowed under current zoning. This estimate is necessarily conservative as it takes into account neighborhood character wherein existing residential structures typically fall below building densities and heights allowed by zoning.

TERMS

The terms used in the tables and Housing Element Part I: Data and Needs Analysis are explained below:

- Housing Potential Sites: These are sites suitable for residential development based
 on criteria and site analyses of each district in the City. They consist of vacant or
 "undeveloped" parcels and "soft sites," which are determined appropriate for residential
 development based chiefly on database analysis including screening based on existing
 uses and preliminary surveys.
- Vacant or Near Vacant and Undeveloped Lands: A parcel is considered "vacant" or "near vacant" and undeveloped if development is 5% or less of the potential development. This criterion thus includes unimproved or undeveloped lots used for open storage, surface parking, or other open air uses. Large lots with very small structures, for example a one-level grocery store with a relatively large parking lot, also fit under this description. These sites theoretically could be readily developed for residential use.

• *Underdeveloped Sites or "Soft Sites"*: A second category of housing potential sites includes parcels which exceed 5% but not 30% of potential development square footage but were considered reasonable candidates for redevelopment. These include sites with building uses that significantly underutilize the site such as. These sites may have structures that could be reused or rebuilt for residential use.

GENERAL APPROACH TO ESTIMATING POTENTIAL CAPACITY

The build out database uses zoning information to estimate the potential development for each of more than 150,000 parcels in San Francisco. Given the number of parcels in the city, it is not feasible to calculate capacity for parcels individually. Accordingly, a batch treatment, and thus larger datasets of information, is needed.

Potential development is counted in residential units and in commercial gross square feet. A parcel may have residential, commercial or residential and commercial development capacity depending on the specific combination of zoning and height district. *Attachment D-2* summarizes permitted land uses and general development standards for the City's zoning districts. These development standards include density and open space requirements relevant to estimating potential capacity of each parcel. Setbacks, where appropriate [largely in residential districts, but mainly in the RH-1(detached) district], are built in the "buildable envelope" of the parcel.

Once the development potential for residential and commercial space is calculated, information on existing housing units and commercial square footage can be used to calculate the net potential for each parcel. For example, for a parking lot or a one-storey building in an 80-foot height zoning district, most of the potential capacity remains unused or underdeveloped; for two-storey homes in most residential neighborhoods, however, the potential capacity would be considered built out.

The degree to which a parcel is considered built out is measured as its development "softness" and expressed as a percentage of how much of the parcel's potential development capacity is utilized, aggregating residential and non-residential uses. The softness categories in use are 5% and 30%; the categories are mutually exclusive, and a parcel's softness is counted in the category it falls immediately beneath. For example, a parcel that is developed to 20% of its zoned capacity will fall in the 30% softness bracket. The total remaining potential is measured in the field Netsqft, while remaining housing potential is recorded in Netunits. Netsqft is total potential square feet minus total existing square feet. Netunits, similarly, is total potential units minus total existing units. Rather than being mutually exclusive measures, or Netunits being contained in Netsqft, they measure different things.¹

Netsqft doesn't distinguish between what uses exist and could exist in a building, but is strictly a measure of how large the building is relative to the estimated potential given the zoning and height combination. Netunits in turn only compares existing and potential residential units. If the existing unit count happens to be small relative to non-residential uses in a building, the space for the additional, or net units could end up consuming more space than the net remaining buildable space. In order for the net residential units to be developed, there would, apart from an expansion of the building, also need to be a conversion of existing commercial uses to residential. This principle, if uncommon in practice, is illustrated in Figure D-1.

For the purpose of determining remaining development potential capacity, the Planning Department does not consider any parcel developed to more than 30% of its capacity as a "soft site," or a candidate for additional square footage or intensification. However, as net units are tallied separately as the difference between potential and existing units, a parcel is only considered soft if the actual building size is small enough to warrant a softness classification. In other words, a building could conceivably have a potential for more residential units per existing density controls, but if it is already built to capacity in terms of square footage, it is not considered "soft" as an increase in residential units would need to come at the expense of existing uses in the building (whether as a split of existing units, or conversion of commercial space) and not through building expansion.

SPECIFIC APPROACH BY ZONING DISTRICT TYPE

Different development assumptions were applied to parcels based on general zoning designations. In addition to development standards specific to zoning, these assumptions also take into consideration existing development patterns including commercial and residential mix.

- **Downtown:** In all C-2, C-3 and C-M districts, it is assumed that the primary use will be commercial and this is thus assigned 90% of the square footage with the remaining 10% going to residential use.
- *Industrial and South of Market districts*: It is assumed in these districts that a certain proportion of the lots will be developed as residential and the remaining will be devoted to commercial use.
- *PDR Districts:* Envelope is determined as FAR times lot area. FAR varies by height district. No residential uses assigned.
- **Downtown Residential Districts:** For these districts, bulk controls play a significant role in determining the amount of developable space, so floor plates was varied for different portions of the building depending on the height district. Residential to commercial uses was assigned in ratios 6:1.
- *Eastern Neighborhoods Residential Districts:* For Mixed-Use-Residential and Downtown Residential-South Beach, residential to commercial uses were assigned in a 3:1 ratio and 6:1 ratio, respectively. Buildable area is stories times 80% of lot area.
- Multi-Use: This covers all Residential-Mixed (RM) districts. It assumes one primary
 use residential with no secondary use. Residential density limits determine the
 number of units, constrained by the height limit and rear yard requirements.
- **Resident:** This assumes housing as the sole use in all residential (RH) districts. This scenario also assumes one unit for each RH-1 lot, two units for RH-2, and three units for RH-3. For larger lots, the conditional use density limits apply.
- *Residential-Transit Oriented:* As no residential density is specified, an average unit size of 1,000 sq ft plus 20% circulation/building inefficiency was used. The buildable envelope was calculated using 55% lot cover for each floor. No commercial uses assumed.

- Mixed: All neighborhood commercial districts and the Chinatown Mixed Use districts
 are assumed to have commercial as the primary use, built-out based on the FAR, with
 residential as a secondary use, built-out to residential density limits. Residential development, however, is trimmed down based on the height limits.
- Neighborhood Commercial Mixed, No Density Limits: A new, more flexible class of
 neighborhood commercial districts has been introduced not nominally constraining
 residential density, except for a requirement that 40% of units be two-bedrooms or
 larger. Height limit, rather than FAR was used to determine the built-out envelope. For
 these districts we divided evenly capacity between residential and commercial space.
- Eastern Neighborhoods Mixed Districts: A number of new zoning districts in the
 Eastern Neighborhoods emphasize use flexibility and are less prescriptive in terms of
 allowed density for residential uses. For these districts, FAR determines the buildable
 area, and FAR in turn varies depending on building height. In these districts, commercial uses are given priority, ranging between 50% to 75% of buildable space.

DATA

The Department relies on a number of sources to provide the key information that forms the basis for the capacity calculations (Table D-1). While each data set is subject to errors in substance and time, we are confident that the method is meaningful in the aggregate assuming that errors are geographically randomly distributed. We have not found evidence that errors exhibit clustering.

Table D-1

Data Inputs and Sources

| Data | Source(s) |
|--|---|
| Housing Units | Assessor's Office, Department of Building Inspection, Mayor's Office of Housing, Planning Department, San Francisco Housing Authority, San Francisco Redevelopment Agency |
| Zoning Districts and Development Standards | Planning Department |
| Height Limits | Planning Department |
| Building Square Footage | Assessor's Office, LIDAR* 3D data set |
| Commercial Square Footage | Dun & Bradstreet, LIDAR* 3D data set |
| Historic Survey Rating Status | Planning Department |
| Public Facilities | Department of Telecommunications and Information Services |
| Transfer of Development Right status | Planning Department |
| Development Pipeline | Department of Building Inspection, Planning Department, San Francisco Redevelopment Agency |

Notes:

CALCULATING CAPACITY

Table D-2 summarizes the algorithm for calculating residential and commercial square footage, respectively, for each district. For practical reasons, districts were grouped in

^{*} Light Detection and Ranging, a remote sensing system used to collect three-dimensional topographic data, was used to estimate existing building square footage.

general zoning district classes; for example, the over 20 distinct, named neighborhood commercial districts were grouped with general neighborhood commercial districts. Assumptions also include: the height of one floor or one storey was considered on average 10 feet; square footage of a new dwelling unit was estimated at a gross 1,200 square feet, including circulation space, building inefficiencies, parking etc.

The purpose of the build out has been to determine buildable capacity. Given the variety of land uses allowed in most districts, buildable capacity is categorized at the most basic level: residential or non-residential/commercial use. Accordingly, commercial space is treated as a generic category for the purposes of calculating potential non-residential space.²

Limitations

For reasons of data architecture, Special Use Districts (SUDs) overlaid on zoning districts were generally not included for build out calculation, with the exception of the Van Ness Market Downtown Residential Special Use District, which could readily be mapped and treated as a downtown residential district. All occurrences of this Special Use District/C-3 zoning combination could thus be treated the same way.

Another shortcoming of the build out script is that it does not at this time estimate the possibility of a Planned Unit Development (PUD) option available to parcels larger than ½ acre in single ownership. While PUDs allow slightly greater density, they allow less than the density allowed by a district one class denser in order to not qualify as a rezoning. Capacity, this way, for sites eligible for PUD is estimated on the conservative side.

Finally, inaccuracies crop up where lots are split into multiple zoning and/or height districts. The lot proportions in each district cannot be determined at the database level.³ In most of these cases, the more conservative zoning or height district was picked, and capacity calculated accordingly. For some larger sites, the height to be used by the script was assigned manually to better reflect actual conditions.

It is important to note that the buildout dataset lacks a time dimension and makes no assumptions or claims about economic or political conditions. Construction on sites may or may not happen depending on economic conditions, and would need to go through the normal review channels prior to realization. Moreover, this exercise of estimating the City's remaining potential development capacity should not be taken as an identification of soft sites or parcels that will turn over and be developed. Market pressures can push development in parcels that may have existing land uses that exceed 30% or even 50% of its zoned capacity.

² For some districts the script accounts for different commercial categories separately to better reflect specific district limitations on certain uses.

Once we digitize a citywide height layer, this issue can be better addressed within a geographic information system.

Table D-2
Buildout Calculation Algorithm by Zoning District

| District | District Class | Algorithm | Constraint |
|------------------------------------|----------------------------------|---|--|
| RH-1, RH-1(D), RH-2, RH-3 | Residential | The suffix of the district determines number of possible units. A test is performed to see if lot is large enough for Conditional Use additional units. No commercial allowed. No non-residential assumed for these districts. | If average unit size times units is larger than buildable envelope, subtract one unit until units fit in envelope. |
| RM-1, RM-2, RM-3, RM-4 | Residential- Multi | The suffix of the district determines the allowable density. RM-1, for example, allows one unit per 800 square feet of lot area. No non-residential assumed for these districts. | If average unit size times units is larger than buildable envelope, subtract one unit until units fit in envelope. |
| RTO | Residential | Calculate buildable envelope by taking 55% of lot area times stories. Divide envelope by average unit size. No non-residential uses assumed for these districts. | If average unit size times units is larger than buildable envelope, subtract one unit until units fit in envelope. |
| RC, CRNC, CVR, CCB | Mixed | Commercial uses given a FAR of 1 by default. Rest of envelope given to residential uses, within the limits of the density cap. | If the number of units at the average unit size plus the 1 FAR commercial yields less than the total potential envelope, add commercial space up to the allowed commercial FAR. |
| C-3, C-2 | Downtown | Envelope is determined by FAR. Assign 90% to commercial, 10% to residential. Divide residential space by average unit size to get unit count. | Lots smaller than 7,500 square feet are assigned only half FAR. |
| DTR | High Density Residential | Envelope is determined by height, not by FAR. Height less than 24 stories results in floor plate of 7,500 sf, less than 30, 8,500, less than 35, 9,000, 36 and higher, 10,000 sf floor plate. Upper third of tower has a reduced floor plate by 10%. Residential to commercial space is assigned 6:1. | Because floor plate for this zone type is constrained regardless of lot size, a check was included to allow extra towers on very large lots to approximate square footage if lot was split. The constant used was 4, meaning that lots more than four times the floor plate would be candidates for a second tower, thereby ensuring that bulk controls in these districts would not be artificially limited on oversize lots. |
| MUO, UMU, MUR | Eastern Neighborhood Mixed | Envelope is set to stories times FAR. FAR in turn varies by height district. (Portion of) FAR is used, rest is residential. If four stories, set retail, office=1 FAR each. If five-six stories, set retail = 1 FAR, office=2 FAR. If 8 stories or more, set retail = 1, office=3 FAR. | |
| MUR, DTR-S | Eastern Neighborhood Mixed | Envelope is stories times lot area. We assign most space to residential use here. 25% Commercial, 75% residential. | |
| M-1, M-2 | Industry | Assign residential square footage based on half of residential density allowed for district. Commercial use is FAR times commercial share of development. | |

| District | District Class | Algorithm | Constraint |
|--|------------------------------|--|---|
| NC-1, NC-2, NC-3, named NC's, RED, RSD | Mixed | Commercial uses given a FAR of 1 by default. Rest of envelope given to residential uses, within the limits of the density cap. | If the number of units at the average unit size plus the 1 FAR commercial yields less than the total potential envelope, add commercial space up to the allowed commercial FAR. |
| NCT districts | Mixed, no density limits | Most districts capacity shared evenly between residential and commercial development. As no residential density is specified, an average gross unit size of 1,200 sq.ft. was used. | |
| PDR-1, PDR-2 | PDR | Envelope is FAR times lot area. FAR varies by height district. No residential space. | |
| SLI, SLR, SPD, SSO | South of Market Mixed Use | Multiply the commercial share of the lot by FAR to arrive at commercial square footage. The FAR varied for SSO lots depending on height limit. Divide the product of the residential share, number of buildable stories (limited by FAR) and .75 lot cover by the average size of a unit; this yields the number of units. Multiply this number by the average unit size to arrive at residential square footage. | |

Exceptions

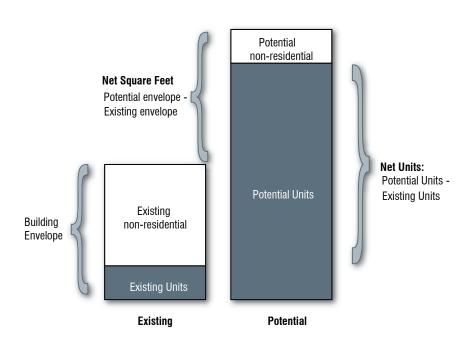
There were sites which would qualify for a softness label on metrics alone, but for a number of reasons were excluded from the overall softness tally. These cases are listed in Table D-3. These exceptions have been taken largely for practical reasons. For example, fire stations, schools and other public community facilities may be in structures that do not fully utilize the parcels' potential capacity based on underlying zoning standards. These buildings, however, serve a public function and may not likely be turning over for additional development. Similarly, freeways and other dedicated rights-of-way, even if these parcels are zoned for residential uses, are not considered as land suitable for development. Also underutilized parcels that may have residential or mixed uses with at least 10 units are not considered soft for this exercise. It is assumed for the purposes of estimating land inventory that such sites will not likely be demolished and rebuilt. These exemptions therefore make this makes for a conservative estimate of the City's remaining capacity.

Table D-3

Soft Site Exceptions

| Override Type | Description |
|--|--|
| Lot functions as open space for or oth- erwise connected to adjacent property | Lot is deeded open space for adjacent development. |
| Public or other large facility not likely to change | Fire stations, museums, schools etc. |
| Historic designation or otherwise significant | Exclusion from the softsite tally includes Category I and Category II buildings as well as California Historic Resource Status Codes 1 thru 5, all suffixes. |
| Incorrect (too low) base data | If existing square footage information is deemed to be on the low side, the net capacity figure can be overstated. For example, the square footage reported represents only one condominium in a multi-unit structure. |
| TDR Used | If a Certificate of Transfer was issued, lot was marked as not soft as capacity has been transferred under §128. |
| Residential units | If more than 10 residential units were on site, the site was considered not soft. |
| Pipeline | A development event is in the pipeline. Site is assumed not soft if construction has already started or if the proposed project has received planning entitlements and/or building permits have been approved or issued. |
| ROW | Freeway or other dedicated rights-of-way. |

Figure D-1
Relationship Between Building Envelopes, Net Square Feet, and Net Units⁴



As net units is the nominal difference between existing and proposed units, the net unit estimate will in some cases presuppose that, in order to realize the net unit figure, existing non-residential building space will need to be converted into residential use. The figure shows this in the uncommon situation where a building has far more non-residential than residential space, and thus can add a relatively large number of units—more than could typically fit in the net square feet available between the existing building size and what could be built if fully developed.

Attachment D-1

Main Build-Out Functions

Note: These functions were used for the buildout calculations in Microsoft Access's Visual Basic for Applications interface.

```
Option Compare Database
Option Explicit
'Class MixedUseCapacity
Function MixedGeneral(inStories As Integer, inLotArea As Double,
    inresdensity As Integer, inFAR As Single, rearYard As Double, flag As
Dim varunits As Integer
Dim varressqft As Double
Dim varcommsqft As Double
Dim vartotsqft As Double
Dim check, potEnvelope, farOverride As Single
'If infar > inStories Then
'tempFAR = inStories
'End If
farOverride = 1 'set a commercial far at 1 as a default.
varunits = Int(inLotArea / inresdensity)
varressqft = varunits * grossUnitSize(1)
varcommsqft = inLotArea * farOverride
vartotsqft = varressqft + varcommsqft
'this compares totalsqft to the theoretical envelope given res/com mix. If
larger than 1, subtract units.
potEnvelope = ((farOverride * inLotArea) + (inStories - farOverride) *
(inLotArea * (1 - rearYard)))
check = (vartotsqft / potEnvelope)
Select Case check 'if envelope is not filled, add commercial
                `varressqft = potEnvelope - inLotArea
                `varunits = varressqft / grossUnitSize(1)
                varcommsqft = potEnvelope - varressqft
        Case Else
                Do While potEnvelope > vartotsqft And varcommsqft <
(inLotArea * inFAR)
                        'varunits = varunits - 1
                        'potEnvelope = ((farOverride * inLotArea) +
(inStories - farOverride) * (inLotArea * (1 - rearYard)))
                        varcommsqft = varcommsqft + 1000
                        `varressqft = varunits * grossUnitSize(1)
                        vartotsqft = varressqft + varcommsqft
                Loop
End Select
Select Case flag
        Case 1
                MixedGeneral = varunits
                MixedGeneral = varcommsqft
End Select
```

'works on soma districts; uses average unit size rather than units relative 'are very permissive density-wise (1 per 200 sf lot area), using average size yields an estimate on the conservative side.

'leave out the rearyard usage for now; go with FAR.

Dim varcommsqft, varressqft As Long Dim varfar As Single Dim lotCoverage As Single lotCoverage = 1 - rearYard

```
varfar = 0
   If InStr(1, inZoning, "SSO") > 0 Then
        Select Case inStories
           Case 4, 5
               varfar = 3
            Case 6, 8
               varfar = 4
            Case 13
               varfar = 4.5
            Case Else
               varfar = inFAR
        End Select
   End If
   If varfar = 0 Then
       varfar = inFAR
   End If
   varressqft = inLotArea * (1 - inShare) * varfar * (1 - rearYard)
   If inStories <= varfar Then</pre>
        varressqft = inLotArea * (1 - inShare) * inStories * (1 - rearYard)
        varcommsqft = inLotArea * inShare * inStories
   Else
       varcommsqft = inLotArea * inShare * varfar
        varressqft = inLotArea * (1 - inShare) * varfar * (1 - rearYard)
   End If
Select Case flag
        Case 1
               SOMGeneral = varressqft
        Case 2
               SOMGeneral = varcommsqft
End Select
End Function
Function ENMixed(ByVal inStories As Integer, ByVal inLotArea As Long, flag
As Byte)
   Dim retail As Long
   Dim office As Long
   Dim resSf As Long
   Dim FAR As Single
   Dim envelope As Long
   Dim totComSf As Long
    '***returns commercial square footage for eastern neighborhood zoning
districts. Allocates commercial primarily based on
    `***FAR (variable by height district) and leaving the rest to
residential.
   envelope = inStories * inLotArea
   Select Case inStories
        Case Is <= 4
           FAR = 3
            retail = inLotArea * 1
            office = inLotArea * 1
            totComSf = retail + office
           resSf = FAR * inLotArea - totComSf
        Case Is = 5
           FAR = 4
            retail = inLotArea * 1
            office = inLotArea * 2
            totComSf = retail + office
           resSf = FAR * inLotArea - totComSf
        Case Is = 6
           FAR = 5
            retail = inLotArea * 1
```

```
office = inLotArea * 2
            totComSf = retail + office
            resSf = FAR * inLotArea - totComSf
        Case Is = 8
            FAR = 6
            retail = inLotArea * 1
            office = inLotArea * 3
            totComSf = retail + office
            resSf = FAR * inLotArea - totComSf
        Case Is > 8
            FAR = 7.5
            retail = inLotArea * 1
            office = inLotArea * 3
            totComSf = retail + office
            resSf = FAR * inLotArea - totComSf
    End Select
    Select Case flag
        Case 1
                ENMixed = resSf
        Case 2
                ENMixed = totComSf
End Function
Function NCTGeneral(ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal rearYard As Single, ByVal comShare As
Single, flag As Byte) As Long
    `***Projects number of units on NC lots without density control.
    Dim envelope As Double
    Dim varunits As Integer
    Dim varressqft As Double
    Dim vartotsqft As Double
    Dim varcomsqft
    envelope = inLotArea * (1 - rearYard) * inStories
varunits = envelope * (1 - comShare) / grossUnitSize(0.5)
    varcomsqft = envelope * comShare
    vartotsqft = varressqft + varcomsqft
    Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
Nz(inStories, 0)
        varunits = varunits - 1
        varressqft = varunits * grossUnitSize(0.5)
        vartotsqft = varressqft
    Loop
Select Case flag
                NCTGeneral = varunits
        Case 2
                NCTGeneral = varcomsqft
End Select
End Function
`-----
'Other functions
Function grossUnitSize(parkingperunit As Single) As Long
        Const parkingSqft As Integer = 300
        Const circulationPercent As Single = 0.15
        Dim circulationSqft As Integer
        Const baseSize As Integer = 713
                Const usableOpenSpace As Integer = 80
        circulationSqft = baseSize * circulationPercent
```

```
grossUnitSize = baseSize + parkingperunit * parkingSqft +
circulationSqft + usableOpenSpace
End Function
Function C2 resunits(ByVal inStories As Integer, ByVal inLotArea As Double,
ByVal inFAR As Single) As Integer
    'returns residential units for C2 districts. Full FAR is given to
commercial,
   'any remaining square footage given to residential. Residential rear
yard requirement
   'NOT implemented in this function.
   Dim varressqft As Long
   Dim varresunits As Long
   Dim envelope As Long
   Dim varcommsqft As Long
   varcommsqft = inLotArea * inFAR
   envelope = inLotArea * inStories
   varresunits = Int(inLotArea / 800)
   varressqft = varresunits * grossUnitSize(1)
   If ceil(varcommsqft / inLotArea) > inStories Then
       varcommsqft = inLotArea * inStories
   End If
   Do While varcommsqft + varressqft > envelope And varresunits > 0
       varresunits = varresunits - 1
       varressqft = varresunits * grossUnitSize(1)
   Loop
   C2 resunits = varresunits
End Function
Function C2_sqft(ByVal inStories As Integer, ByVal inLotArea As Double, _
ByVal inFAR As Single)
   Dim varcommsqft As Double
   varcommsqft = inLotArea * inFAR
   If ceil(varcommsqft / inLotArea) > inStories Then
       varcommsqft = inLotArea * inStories
   End If
   C2 sqft = varcommsqft
End Function
                      _____
Function C3_ressqft(ByVal inStories As Integer, ByVal inLotArea As Double,
ByVal inFAR As Single, ByVal inZoning As String)
 Dim xy As New MixedUseCapacity
 C3 ressqft = xy.C3General(inStories, inLotArea, inFAR, inZoning, 1)
End Function
            ______
Function C3_commsqft(ByVal inStories As Integer, ByVal inLotArea As Double,
ByVal inFAR As Single, ByVal inZoning As String)
 Dim xy As New MixedUseCapacity
 C3 commsqft = xy.C3General(inStories, inLotArea, inFAR, inZoning, 2)
End Function
```

```
Function DTR Commsqft(ByVal inStories As Integer, ByVal inLotArea As
Double, ByVal inShare As Double, ByVal rearYard As Single)
   Dim varTowerEnvelope As Long
   varTowerEnvelope = towerEnvelope(inStories, inLotArea, inShare,
rearYard)
   DTR Commsqft = (varTowerEnvelope * (1 - inShare))
End Function
               ______
Function DTR ressqft (ByVal inStories As Integer, ByVal inLotArea As Double,
ByVal inShare As Double, ByVal rearYard As Single)
   Dim varTowerEnvelope As Long
   varTowerEnvelope = towerEnvelope(inStories, inLotArea, inShare,
rearYard)
   DTR ressqft = (varTowerEnvelope * (inShare))
End Function
Function towerEnvelope(ByVal inStories As Integer, ByVal inLotArea As
Double, ByVal inShare As Double, ByVal rearYard As Single) As Long
   Dim varLowerTowerFloorplateSqft As Double
   Dim varLowerTowerStories As Byte
   Dim varlowertowersqft As Double
   Dim varTowerstories As Byte
   Dim varTowerEnvelope As Double
   Dim varUpperTowerFloorPlateSqft As Double
   Dim varUpperTowerStories As Double
   Dim varUpperTowerSqft As Double
   Dim varPodiumStories As Byte
   Dim varPodiumSqft As Double
   Dim varTowers As Integer
   Dim varNextTower As Double
   Const areaFactor As Byte = 5
   If inStories <= 12 Then
       varPodiumStories = inStories
       varPodiumSqft = varPodiumStories * inLotArea * (1 - rearYard)
       If inStories <= 24 Then
           varLowerTowerFloorplateSqft = 7500
           varPodiumStories = 8
           varLowerTowerStories = inStories - varPodiumStories
           varUpperTowerStories = 0
        ElseIf inStories <= 30 Then
           varLowerTowerFloorplateSqft = 8500
           varPodiumStories = 8
           varLowerTowerStories = inStories - varPodiumStories
           varUpperTowerStories = 0
        ElseIf inStories <= 35 Then
           varLowerTowerFloorplateSqft = 9000
           varUpperTowerFloorPlateSqft = varLowerTowerFloorplateSqft -
(0.1 * varLowerTowerFloorplateSqft)
           varPodiumStories = 12
           varTowerstories = inStories - varPodiumStories
           varUpperTowerStories = (1 / 3) * varTowerstories
           varLowerTowerStories = (2 / 3) * varTowerstories
```

```
ElseIf inStories > 35 Then
            varLowerTowerFloorplateSqft = 10000
            varUpperTowerFloorPlateSqft = varLowerTowerFloorplateSqft -
(0.1 * varLowerTowerFloorplateSqft)
            varPodiumStories = 12
            varTowerstories = inStories - varPodiumStories
            varUpperTowerStories = (1 / 3) * varTowerstories
varLowerTowerStories = (2 / 3) * varTowerstories
        End If
        varNextTower = (varLowerTowerFloorplateSqft * areaFactor)
        varTowers = Int(inLotArea / varNextTower)
        If varTowers < 1 Then
           varTowers = 1
        End If
        `***podium envelope
        varPodiumSqft = (varPodiumStories * inLotArea) * (1 - rearYard)
        `***lower tower envelope
        Select Case inLotArea
            Case Is >= varLowerTowerFloorplateSqft
               varlowertowersqft = (varLowerTowerStories *
varLowerTowerFloorplateSqft) * varTowers
           Case Else
               varlowertowersqft = (varLowerTowerStories * inLotArea) *
varTowers
        End Select
        '***upper tower envelope
        Select Case inLotArea
            Case Is >= varUpperTowerFloorPlateSqft
               varUpperTowerSqft = (varUpperTowerStories *
varUpperTowerFloorPlateSqft) * varTowers
           Case Else
                varUpperTowerSqft = (varUpperTowerStories * inLotArea) *
varTowers
        End Select
   End If
   varTowerEnvelope = varPodiumSqft + varlowertowersqft +
varUpperTowerSqft
   towerEnvelope = varTowerEnvelope
End Function
Function EN com(ByVal inStories As Integer, ByVal inLotArea As Long)
Dim xyz As New MixedUseCapacity
EN com = xyz.ENMixed(inStories, inLotArea, 2)
End Function
Function EN_res(ByVal inStories As Integer, ByVal inLotArea As Long)
Dim xyq As New MixedUseCapacity
EN com = xyq.ENMixed(inStories, inLotArea, 1)
End Function
             ______
Function EN_PDR_com(ByVal inStories As Integer, ByVal inLotArea As Long)
   Dim retail As Long
   Dim office As Long
   Dim resSf As Long
   Dim PDR As Long
   Dim FAR As Single
   Dim totComSf As Long
    '***Returns commercial square footage for eastern neighborhoods PDR
districts.
```

```
If inLotArea < 2500 Then
    Select Case inStories
        Case Is <= 4
            FAR = 3
            retail = inLotArea * 1
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is = 5
            FAR = 4
            retail = inLotArea * 1
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is = 6
           FAR = 5
            retail = inLotArea * 1
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
           totComSf = retail + office + PDR
        Case Is = 8
           FAR = 6
            retail = inLotArea * 1
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is > 8
            FAR = 7.5
            retail = inLotArea * 1
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
    End Select
ElseIf inLotArea >= 2500 And inLotArea < 5000 Then</pre>
    Select Case inStories
        Case Is <= 4
            FAR = 3
            retail = 2500
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is = 5
            FAR = 4
            retail = 2500
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is = 6
            FAR = 5
            retail = 2500
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is = 8
           FAR = 6
            retail = 2500
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
        Case Is > 8
            FAR = 7.5
            retail = 2500
            office = inLotArea * 1
            PDR = FAR * inLotArea - (retail + office)
            totComSf = retail + office + PDR
    End Select
```

```
ElseIf inLotArea >= 5000 Then
        Select Case inStories
            Case Is <= 4
                FAR = 3
                retail = 2500
                office = 5000
                PDR = FAR * inLotArea - (retail + office)
                totComSf = retail + office + PDR
            Case Is = 5
                FAR = 4
                retail = 2500
                office = 5000
                PDR = FAR * inLotArea - (retail + office)
                totComSf = retail + office + PDR
            Case Is = 6
                FAR = 5
                retail = 2500
                office = 5000
                PDR = FAR * inLotArea - (retail + office)
                totComSf = retail + office + PDR
            Case Is = 8
                FAR = 6
                retail = 2500
                office = 5000
                PDR = FAR * inLotArea - (retail + office)
                totComSf = retail + office + PDR
            Case Is > 8
                FAR = 7.5
                retail = 2500
                office = 5000
                PDR = FAR * inLotArea - (retail + office)
                totComSf = retail + office + PDR
        End Select
    End If
    EN PDR com = retail + office + PDR
End Function
Function SOM commsqft(ByVal inZoning As String, ByVal inLotArea As Double,
ByVal inStories As Integer,
ByVal inFAR As Single, ByVal inShare As Single, ByVal rearYard As Single)
As Long
'works on soma districts; uses average unit size rather than units relative
to lot area. Since these districts
    'are very permissive density-wise (1 per 200 sf lot area), using
average size yields an estimate on the conservative side.
Dim xz As New MixedUseCapacity
    SOM commsqft = xz.SOMGeneral(inZoning, inLotArea, inStories, inFAR,
inShare, rearYard, 2)
End Function
Function SOM_ressqft(ByVal inZoning As String, ByVal inLotArea As Double,
ByVal inStories As Integer,
ByVal inFAR As Single, ByVal inShare As Single, ByVal rearYard As Single)
As Long
Dim pz As New MixedUseCapacity
    SOM ressqft = pz.SOMGeneral(inZoning, inLotArea, inStories, inFAR,
inShare, rearYard, 1)
End Function
Function Mixed Comml(inStories As Integer, inLotArea As Double,
    inresdensity As Integer, inFAR As Single, rearYard As Double)
```

```
Dim tempUnits
Dim xx As New MixedUseCapacity
Mixed_Comml = xx.MixedGeneral(inStories, inLotArea, inresdensity, inFAR,
rearYard, 2)
End Function
Function Mixed Units(inStories As Integer, inLotArea As Double,
   inresdensity As Integer, inFAR As Single, rearYard As Double)
'***Projects number of units on mixed-zoned lots. Maximizes residential per
density limit, assigns rest to commercial up to FAR.
Dim tempUnits
Dim xx As New MixedUseCapacity
Mixed Units = xx.MixedGeneral(inStories, inLotArea, inresdensity, inFAR,
rearYard, 1)
End Function
    Function MUR DTR S Comsqft(ByVal inStories As Integer, ByVal inLotArea As
Double, ByVal inShare As Single, ByVal rearYard As Single) As Long
   Dim varcomsqft As Double
   Dim vartotsqft As Double
    '***companion function to MUR Ressqft. Com share set in separate lookup
table and passed in.
   vartotsqft = inLotArea * inStories * (1 - rearYard)
   varcomsqft = (vartotsqft * (1 - inShare))
   MUR DTR S Comsqft = varcomsqft
End Function
Function MUR DTR S Ressqft(ByVal inStories As Integer, ByVal inLotArea As
Double, ByVal inShare As Single, ByVal rearYard As Single) As Long
   Dim varressqft As Double
   Dim vartotsqft As Double
    '***companion function to MUR comsqft. Com share set in separate lookup
table and passed in.
   vartotsqft = inLotArea * inStories * (1 - rearYard)
   varressqft = (vartotsqft * inShare)
   MUR_DTR_S_Ressqft = varressqft
End Function
Function NCT ComSqft(ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal rearYard As Single, ByVal comShare As
Single) As Long
    '***Projects number of units on NC lots without density control.
Dim klm As New MixedUseCapacity
NCT_ComSqft = klm.NCTGeneral(inStories, inLotArea, rearYard, comShare, 2)
End Function
Function NCT_Units(ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal rearYard As Single, ByVal comShare As
Single) As Integer
    `***Projects commercial use based on set share
Dim kl As New MixedUseCapacity
NCT Units = kl.NCTGeneral(inStories, inLotArea, rearYard, comShare, 1)
```

```
End Function
Function RH units(ByVal inZoning As String, ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal rearYard As Single)
    '***Projects number of units on RH-zoned lots
   Dim varunits As Single
   Dim varressqft As Double
   Dim vartotsqft As Double
   Const rh1nxt As Integer = 3000
   Const rh2nxt As Integer = 1500
   Const rh3nxt As Integer = 1000
   Dim rhzoning As Integer
   Dim rhnumber As Integer
   rhzoning = InStr(1, inZoning, "RH-")
   If rhzoning = 1 Then
        rhnumber = (CInt(Mid(Nz(inZoning, 0), 4, 1)))
    'first of three blocks testing whether lot is large enough for CU units
   Select Case inLotArea
       Case Is >= 1500
   If rhnumber = 1 Then
        If inLotArea >= 1 * rhlnxt And InStr(1, inZoning, "RH-1(D)") = 0
Then
            varunits = Int(inLotArea / (rh1nxt))
            varressqft = varunits * grossUnitSize(1)
            vartotsqft = varressqft
            Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
inStories
                varunits = varunits - 1
               varressqft = varunits * grossUnitSize(1)
               vartotsqft = varressqft
            Loop
            RH units = varunits
        Else
            varunits = rhnumber
            varressqft = varunits * grossUnitSize(1)
            vartotsqft = varressqft
            Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
inStories
               varunits = varunits - 1
               varressqft = varunits * grossUnitSize(1)
               vartotsqft = varressqft
            Loop
            RH units = varunits
        End If
        'second of three blocks testing whether lot is large enough for CU
units
   ElseIf rhnumber = 2 Then
        If inLotArea >= 2 * rh2nxt Then
            varunits = Int(inLotArea / rh2nxt)
            varressqft = varunits * grossUnitSize(1)
            vartotsqft = varressqft
            Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
inStories
                varunits = varunits - 1
               varressqft = varunits * grossUnitSize(1)
               vartotsqft = varressqft
            Loop
            RH_units = varunits
        Else
            varunits = rhnumber
            varressqft = varunits * grossUnitSize(1)
            vartotsqft = varressqft
```

```
Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
inStories
                varunits = varunits - 1
                varressqft = varunits * grossUnitSize(1)
                vartotsqft = varressqft
            Loop
            RH units = varunits
        End If
        'third of three blocks testing whether lot is large enough for CU
units
    ElseIf rhnumber = 3 Then
        If inLotArea >= 3 * rh3nxt Then
            varunits = Int(inLotArea / (rh3nxt))
            varressqft = varunits * grossUnitSize(1)
            vartotsqft = varressqft
            Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
inStories
                varunits = varunits - 1
                varressqft = varunits * grossUnitSize(1)
                vartotsqft = varressqft
            Loop
            RH_units = varunits
        Else
            varunits = rhnumber
            varressqft = varunits * grossUnitSize(1)
            vartotsqft = varressqft
            Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
inStories
                varunits = varunits - 1
                varressqft = varunits * grossUnitSize(1)
                vartotsqft = varressqft
            Loop
            RH units = varunits
        End If
    Else
        RH units = 0
   End If
Case Else
   RH units = 0
End Select
End Function
Function RM Units(ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal inresdensity \bar{\text{As}} Double, ByVal rearYard As
Single) As Long
    `***Projects number of units on RM-zoned lots
    Dim varunits As Integer
   Dim vardensity As Double
    Dim varressqft As Double
   Dim vartotsqft As Double
    vardensity = inLotArea / inresdensity
    varunits = Int(vardensity)
    varressqft = varunits * grossUnitSize(1)
   vartotsqft = varressqft
    Do While (vartotsqft / (inLotArea * (1 - rearYard))) > inStories
        varunits = varunits - 1
        varressqft = varunits * grossUnitSize(1)
vartotsqft = varressqft
    Loop
    RM_Units = varunits
```

```
Function RTO Units(ByVal inZoning As String, ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal rearYard As Single)
    '***Projects number of units on R-zoned lots
   Dim envelope As Double
    Dim varunits As Integer
    Dim varressqft As Double
    Dim vartotsqft As Double
    If InStr(1, inZoning, "RTO") Then
        envelope = inLotArea * 0.55 * inStories
        varunits = envelope / grossUnitSize(0.75)
       vartotsqft = varressqft
       Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
Nz(inStories, 0)
           varunits = varunits - 1
            varressqft = varunits * grossUnitSize(1)
           vartotsqft = varressqft
        Loop
        RTO Units = varunits
       RTO_Units = Null
    End If
End Function
______
Function RTO MixUnits (ByVal inStories As Integer,
ByVal inLotArea As Double, ByVal rearYard As Single)
    `***Projects number of units on RED-Mixed-zoned lots in West Soma
    Dim resenvelope As Double
    Dim varunits As Long
    Dim varressqft As Double
    Dim varcomsqft As Double
    Dim vartotsqft As Double
    If Lotarea >= 1200 Then
       varcomsqft = 1200
    Else
       varcomsqft = inLotArea
    End If
    resenvelope = inLotArea * (1 - rearYard) * inStories - varcomsqft
    varunits = resenvelope / grossUnitSize(1)
    vartotsqft = varressqft
   Do While ceil(vartotsqft / (inLotArea * (1 - rearYard))) >
Nz(inStories, 0)
       varunits = varunits - 1
       varressqft = varunits * grossUnitSize(1)
       vartotsqft = varressqft
    Loop
    RTO MixUnits = varunits
End Function
Function height_stories(ByVal in_limit As String)
    `***Returns number of stories allowed given the height limit
    Dim varstring As String
   Dim varheight As Integer
    If (InStr(1, in limit, "OS/") = 1)
        And (InStr(1, in_limit, "-") > 0) Then varstring = Mid(in_limit, 4, InStr(1, in_limit, "-") - 4)
        varheight = CInt(varstring)
    ElseIf InStr(1, in_limit, "-") > 0 Then
        varstring = Left(in_limit, InStr(1, in_limit, "-") - 1)
        varheight = CInt(varstring)
```

```
ElseIf InStr(1, in limit, "X") > 0 Then
       varstring = Left(in limit, InStr(1, in limit, "X") - 1)
       varheight = CInt(varstring)
       varheight = 0
   End If
   height stories = Int(varheight / 10)
End Function
             _____
Function ceil(ByVal innumber As Double)
    '***Returns the next integer up; used for calculating number of stories
   \*'***given the lot area and building square footage
   If Int(innumber) > innumber Then
       ceil = Int(innumber) + 1
       ceil = Int(innumber)
   End If
End Function
Function old unit size()
   \verb|`***Used for assumptions about square footage of existing units| \\
   old unit size = 765 * 1.2
End Function
Function new unit size(ByVal in option As Boolean)
   `***Use for calculating square footage of new residential units.
    `***Case true for live-work, case false for everything else.
   If in option Then
       new_unit_size = 1000
       new unit size = 1000 * 1.2
   End If
End Function
Function calc_softness(ByVal intotsqft As Double, ByVal insqft As Double)
   Select Case Nz(insqft, 0)
       Case 0 To (intotsqft * 0.05)
           calc softness = 5
       Case (intotsqft * 0.05) To (intotsqft * 0.3)
           calc softness = 30
       Case (intotsqft * 0.3) To (intotsqft * 0.4)
           calc softness = 40
       Case (intotsqft * 0.4) To (intotsqft * 0.5)
          calc softness = 50
       Case Else
           calc_softness = Null
   End Select
End Function
```

 ${\it Attachment D-2} \\ {\it Summary of Residential Development Standards by Zoning District}$

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|--|--|---|---|--|
| RESIDENTIAL DISTRICTS | | | | |
| RH-1(D) House, One-Family (Detached Dwellings) | One dwelling unit per lot. (11 du/acre) | Residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 300 sq.ft. per unit if private; 400 sq.ft. per unit if common. |
| RH-1 House, One-Family | One dwelling unit per lot; up to one unit per 3000 sq.ft. of lot area (maximum of 3 units) with conditional use approval. (17 du/acre) | Residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 300 sq.ft. per unit if private; 400 sq.ft. per unit if com- mon. |
| RH-1(S) House, One-Family with Minor Second Unit | Same as RH-1; or 2 dwelling units per lot with second unit limited to 600 sq.ft. of net floor area. (35 du/acre) | Residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 300 sq.ft. per unit if private; 400 sq.ft. per unit if com- mon. |
| RH-2 House, Two-Family | Two dwelling units per lot; up to one unit per 1500 sq.ft. of lot area with conditional use approval. (35 du/acre) | Residential care facility for 6 or fewer. | Residential care facility for 7 or more; group housing, boarding; group housing, religious orders; group housing, medical and educational institutions. | 125 sq.ft. per unit if private; 166 sq.ft. per unit if com- mon. |
| RH-3 House, Three-Family | Three dwelling units per lot; up to one unit per 1000 sq.ft. of lot area with conditional use approval. (52 du/acre) | Residential care facility for 6 or fewer. | Residential care facility for 7 or more; group housing, boarding; group housing, religious orders; group housing, medical and educational institutions. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |
| RM-1 Mixed (Apartments and Houses), Low Density | Three dwelling units per lot or one dwelling unit per 800 sq.ft. of lot area. (54 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |
| RM-2 Mixed (Apartments and Houses), Moderate Density | Three dwelling units per lot or one dwelling unit per 600 sq.ft. of lot area. (77 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 80 sq.ft. per unit if private; 106 sq.ft. per unit if com- mon. |

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|--|---|---|---|--|
| RM-3 Mixed (Apartments and Houses), Medium Density | Three dwelling units per lot or one dwelling unit per 400 sq.ft. of lot area. (109 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 60 sq.ft. per unit if private; 80 sq.ft. per unit if com- mon. |
| RM-4 Mixed (Apartments and Houses), High Density | Three dwelling units per lot or one dwelling unit per 200 sq.ft. of lot area. (218 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| RC-3 Residential-Commercial Combined, Medium Density | Three dwelling units per lot or one dwelling unit per 400 sq.ft. of lot area. (109 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 60 sq.ft. per unit if private; 80 sq.ft. per unit if com- mon. |
| RC-4 Residential-Commercial Combined, High Density | Three dwelling units per lot or one dwelling unit per 200 sq.ft. of lot area. (218 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| RTO Residential Transit Oriented Development | Permitted 1 dwelling unit per 600 square feet of lot area, may exceed this limit for BMR units, affordable housing, or other special uses. With a conditional use permit density may exceed 1 unit per 600 and is then limited by height, bulk and unit mix requirements. | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|---|---|---|---|--|
| RTO-M Residential Transit Oriented Development, Mission | Permitted 1 dwelling unit per 400 square feet of lot area; may exceed this limit for BMR units, affordable housing, or other special uses; Density may exceed 1 unit per 400 and is then limited by height, bulk and unit mix requirements. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. (109 du/acre) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |
| NEIGHBORHOOD COMMERCIAL DISTRICTS (NCD) | L DISTRICTS (NCD) | | | |
| Pacific NCD | One dwelling unit per 1,000 sq.ft. of lot area. (44 du/acre) | Group housing | Residential care facility for 6 or fewer. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |
| NC-1 NC Cluster District, NC-2 Small-Scale NCD, NC-S NC Shopping Center, Inner Sunset NCD, Sacramento NCD, West Portal NCD | One dwelling unit per 800 sq.ft. of lot area. (54 du/acre) | Group housing; residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |
| NC-3 Moderate-Scale NCD, Castro NCD, Inner Clement NCD, Outer Clement NCD, Upper Fillmore NCD, Haight NCD, Union NCD, 24th-Noe Valley NCD | One dwelling unit per 600 sq.ft. of lot area. (77 du/acre) | Group housing; residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 80 sq.ft. per unit if private; 100 sq.ft. per unit if com- mon. |

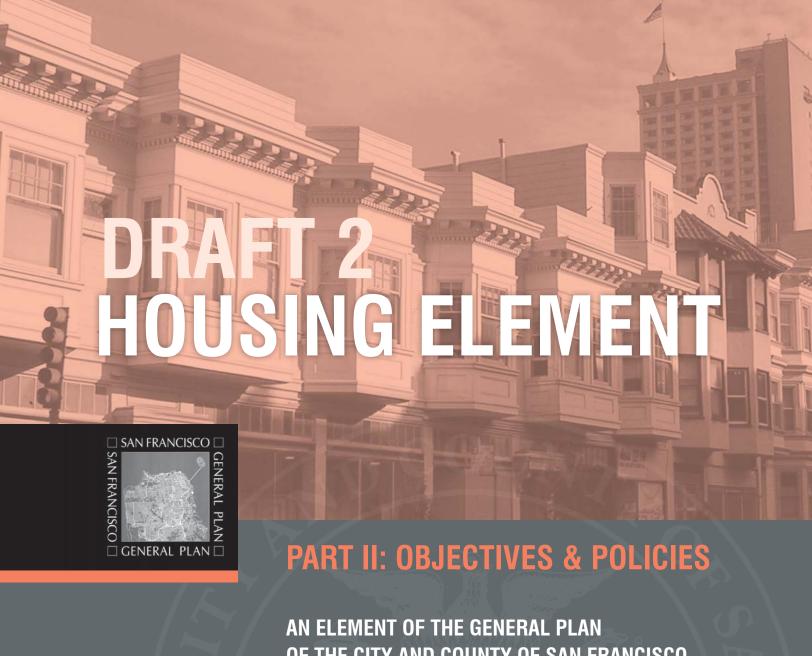
| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|---|---|---|--|--|
| Broadway NCD, Upper Market NCD, North Beach NCD, Polk NCD | One dwelling unit per 400 sq.ft. of lot area. (109 du/acre) | Group housing; residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 60 sq.ft. per unit if private; 80 sq.ft. per unit if com- mon. |
| NEIGHBORHOOD COMMERCIAL TRANSIT DIST | L TRANSIT DISTRICTS (NCTD) | | | |
| Hayes-Gough NCTD, Upper Market NCTD | No density limit; density controlled by physical envelope controls of height, setbacks, open space, and exposure. (N/A) | Group housing; residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 60 sq.ft. per unit if private; 80 sq.ft. per unit if com- mon. |
| NCT-2 Small-Scale NCTD | No density limit; density controlled by physical envelope controls of height, setbacks, open space, and exposure. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. (N/A) | Group housing; residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 100 sq.ft. per unit if private; 133 sq.ft. per unit if com- mon. |
| NCT-3 Moderate-Scale NCTD, Mission NCTD | No density limit; density controlled by physical envelope controls of height, setbacks, open space, and exposure. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. (N/A) | Group housing, residential care facility. | Not applicable. | 80 sq.ft. per unit if private; 100 sq.ft. per unit if com- mon. |
| Valencia NCTD, 24th-Mission NCTD, SOMA NCTD | No density limit. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. (N/A) | Group housing; residential care facility for 6 or fewer. | Residential care facility for 7 or more. | 80 sq.ft. per unit if private; 100 sq.ft. per unit if com- mon. |
| MIXED USE DISTRICTS | | | | |
| CCB Chinatown Community Business, CVR Chinatown Visitor Retail, CRNC Chinatown Residential Neighborhood Commercial, | One dwelling unit per 200 sq.ft. of lot area. (218 du/acre) | Group housing, residential care facility. | Not applicable. | 48 sq.ft. |

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|---|---|---|--|--|
| RED Residential Enclave | One dwelling unit per 400 sq.ft. of lot area. (109 du/acre) | SRO units. | Residential care facility. | 60 sq.ft. per unit if all private; 80 sq.ft. if common space. 36 sq.ft. per unit for live/work units. |
| SPD South Park | No density limit. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. | SRO units. | Group housing; residential care facility. | 80 sq.ft. per unit; 54 sq.ft. if publicly accessible. |
| RSD Residential/ Service | One dwelling unit per 200 sq.ft. of lot area for projects below 40 ft; above 40 ft., density determined by conditional use process. (218 du/acre) | SRO units. | Group housing; residential care facility. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| SLR Service/ Light Industrial/ Residential | One dwelling unit per 200 sq.ft. of lot area. (218 du/acre) | SRO units. | Group housing; residential care facility. | 60 sq.ft. per unit if private; 80 sq.ft. per unit if common. |
| SLI Service/ Light Industrial | By conditional use only if low income; otherwise, not permitted; one dwelling unit per 200 sq.ft. of lot area. (218 du/acre) | Not applicable. | SRO units, if low income; group hous- ing; residential care facility. | 36 sq.ft. |
| SSO Service/ Secondary Office | By conditional use only; one dwelling unit per 200 sq.ft. of lot area. (218 du/acre) | SRO units. | Group housing; residential care facility. | 36 sq.ft. |
| RH-DTR Rincon Hill Downtown Residential, SB DTR South Beach Downtown Residential | No density limit. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. | Not applicable. | Residential care facility. | 75 sq.ft. per unit; up to 50% may be provided offsite if publicly accessible. |
| MUG Mixed Use - General, MUR Mixed Use - Residential, MUO Mixed Use - Office | No density limit. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. (N/A) | SRO units. | Student housing; residential care facility. | 80 sq.ft. per unit; 54 sq.ft. if publicly accessible. |

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses | Residential Conditional Uses | Usable Open Space Require- |
|--|---|--|---|--|
| UMU Urban Mixed Use | No density limit. 40% required to contain at least 2 bedrooms or 30% required to contain at least 3 bedrooms. | Not applicable. | Student housing; residential care facility. | 80 sq.ft. per unit; 54 sq.ft. if publicly accessible. |
| TB DTR Transbay Downtown Residential (Redevelopment Project Area) | No density limit. (N/A) | Group housing, residential care facility. | Not applicable. | 16 sq.ft. per unit plus common space located in the center of each block |
| COMMERCIAL DISTRICTS | | | | |
| C-2 Community Business | Dwelling at a density of the closest R district, but in no case less be less than one dwelling unit per 800 sq.ft. of lot area. (54 du/acre) | Group housing; residential care facility. | Not applicable. | Same as the requirement for the nearest R district. |
| C-M Heavy Commercial | By conditional use only; dwelling at a density of the closest R district, but in no case less be less than one dwelling unit per 125 sq.ft. of lot area. (348 du/acre) | Group housing; residential care facility. | Not applicable. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| DOWNTOWN COMMERCIAL DISTRICTS | STRICTS | | | |
| C-3-O Downtown - Office, C-3-R Downtown - Retail, C-3-G Downtown - General | Dwelling at a density of the closest R district, but in no case less be less than one dwelling unit per 125 sq.ft. of lot area. Higher density permitted with conditional use. (348 du/acre) | Group housing; residential care facility. | Not applicable. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| C-3-S Downtown Support | Dwelling at a density of the closest R district, but in no case less be less than one dwelling unit per 125 sq. ft. of lot area. Higher density permitted with conditional use. (348 du/acre) | Group housing. | Residential care facility. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|--|--|---|--|--|
| INDUSTRIAL AND PDR (PRODU | INDUSTRIAL AND PDR (PRODUCTION, DISTRIBUTION, AND REPAIR) DISTRICTS | DISTRICTS | | |
| M-1 Light Industrial | Dwelling at a density of the closest R district, but in no case less be less than one dwelling unit per 800 sq.ft. of lot area. (54 du/acre) | Residential care facility. | Group housing; | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| M-2 Heavy Industrial | Dwelling at a density of the closest R district, but in no case less be less than one dwelling unit per 800 sq.ft. of lot area. (54 du/acre) | Not applicable. | Group housing; | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| PDR-1-B PDR - Light Industrial Buffer, PDR-1-D PDR - Design, PDR-1-G PDR - General, PDR-2 Core PDR - Bayview | Dwelling units or group housing not permitted. (N/A) | Not applicable. | Not applicable. | Not applicable. |
| PUBLIC USE DISTRICT | | | | |
| P Public | Dwelling units or group housing not permitted. (N/A) | Not applicable. | Not applicable. | Not applicable. |

| Zoning District | Maximum Dwelling Unit Density | Other Residential Uses (Permitted as of Right) | Residential Conditional Uses (Subject to Commission Approval) | Usable Open Space Require- ments for Dwelling Units |
|---|---|---|---|---|
| SPECIAL USE DISTRICTS (SUD) | (| | | |
| Van Ness SUD | No density limit, density controlled by physical envelope controls of height, setbacks, open space, and exposure. (N/A) | Residential care facility for 6 or fewer; group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educational institutions. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| Folsom and Main Residential/ Commercial SUD | No density limit; density controlled by physical envelope controls of height, setbacks, open space, and exposure. (N/A) | Group housing; residential care facility. | Not applicable. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| North of Market Residential SUD Subarea No. 1 | One dwelling unit per 125 sq.ft. of lot area; double density provisions do not apply. (348 du/acre) | Residential care facility for 6 or fewer, group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| North of Market Residential SUD Subarea No. 2 | One dwelling unit per 200 sq.ft. of lot area; double density provisions do not apply. (218 du/acre) | Residential care facility for 6 or fewer, group housing, boarding; group housing, religious orders. | Residential care facility for 7 or more; group housing, medical and educa- tional institutions. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if com- mon. |
| Van Ness and Market Down- town Residential SUD | No density limit; density controlled by physical envelope controls of height, setbacks, open space, and exposure. (N/A) | Group housing; residential care facility. | Not applicable. | 36 sq.ft. per unit if private; 48 sq.ft. per unit if common; up to 40% may be provided off-site if within the SUD or within 900 feet of the project site. |
| Lakeshore Plaza SUD | By conditional use only; one dwelling unit per 3,000 sq.ft. of lot area on first and second stories only; group housing is not permitted. | Not applicable. | Residential care facility. | 300 sq.ft. per unit if private; 400 sq.ft. per unit if com- mon. |



OF THE CITY AND COUNTY OF SAN FRANCISCO

JUNE 2010 | PRELIMINARY DRAFT FOR PUBLIC REVIEW

Note: This Document is based on the June 2009 Preliminary Draft of the Housing Element, Part II Objectives and Policies. Changes since the 2009 Preliminary Draft incorporate community comments, Community Advisory Body (Cab) comments, and comments from other City agencies. The Planning Department released a memo in April 2010 summarizing the proposed changes. This memo, which precedes the draft element, serves as an executive summary for the changes included in the full text.

Changes to the document are noted as follows:

- Deletions strike through text
- Additions <u>Underlined text</u>

Additionally staff made a number of minor corrections to the document - these are not noted in this document.



To: Community Advisory Body

Date: May 19, 2010

Projects: Summary of Proposed Changes to first draft

Housing Element 2009 Update

Staff Contact: Kearstin Dischinger (558-6284)

Kearstin.Dischinger@sfgov.org

Reviewed by: Sarah Dennis Phillips

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

Reception: 415.558.6378

410.008.0376

Fax:

415.558.6409

Planning Information: 415.558.6377

In June 2009, the Planning Department published the initial draft 2009 Housing Element Update. Subsequently staff held open office hours, hosted an online survey, accepted verbal and written public comment, hosted a Community Advisory Body (CAB) meeting, and held two public hearings in front of the Planning Commission to gather public input on the draft. Input received through these forums fell into several general areas described below. In response to that input, staff proposes the following general revisions to the first draft Housing Element:

Background/Introduction Section

1. Clarify Housing Element's role in City policy

- Clarify that the Housing Element is intended to provide the policy background for housing programs and decisions; and to provide broad direction towards meeting the City's housing goals.
- Clarify that Housing Element DOES NOT
 - o create change to development potential at any location in the City,
 - undermine neighborhood efforts such as design guidelines or neighborhood CC&Rs,
 - o provide funding for housing development,
 - o approve or entitle development,
 - o modify land use or the Planning Code,
 - o specify areas for increased height and density,
 - o direct exact height or density limits for specific neighborhoods.

These types of parameters are specified in the Zoning Map and Planning Code, and *can only be changed* through a community processes and related legislative processes, as discussed below.

Objectives and Policies Section

- 2. Focus growth in community plan areas already adopted and underway.
- Add NEW POLICY: Focus housing growth in community plan areas according to adopted Area Plans and Redevelopment Plans.
 - o Note that adopted plans have community-accepted visions for housing.
 - o Note that adopted plans provide capacity for almost 30K units.
 - o Fulfill these plans according to vision to accommodate housing growth
 - Add map of planning areas.
- Add NEW POLICY: Complete planning processes underway in major opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard, to enable their development as significant community assets for housing.
 - o Note that these plans will provide capacity for another 16K of housing
 - o Include on above map of planning areas

3. Describe the role of Community Planning Processes, and application of various land use controls within those processes.

- Remove POLICY 1.3: Continue using community planning processes to plan for housing growth;
 and
- Replace with NEW POLICY: Ensure changes to land use controls are proposed through neighborhood-supported community planning processes.
 - o Clarify that such processes are intended to be partnerships with the neighborhood.
 - o Articulate steps required to initiate a community planning process.
 - Articulate steps required to adopt any changes that could result in changes to neighborhood, especially height or density.
- Remove POLICY 1.4: Through community planning processes, establish land use controls that support efficient use of land; and
- Consider NEW INDIVIDUAL POLICIES on the types of land use controls to be considered during a neighborhood-supported community planning process, from 2004 Housing Element:
 - Secondary units where neighborhood support and when other neighborhood goals can be achieved (2004 HE Policy 1.8).
 - o Flexibility in number and size of units within permitted volumes (2004 HE Policy 4.5).
 - o Appropriate scale and density for new and existing residential areas (2004 HE Policy 11.9).

4. Emphasize "permanently affordable" housing.

• Modify OBJECTIVE 1: Add the clause: especially permanently affordable housing.

- Modify OBJECTIVE 2: Add the clause: without jeopardizing affordability.
- Modify POLICY 6.1 to prioritize permanent housing solutions.

5. Clarify that use of City land for affordable housing will be balanced with other municipal needs.

• Add language to POLICY 1.2 ensuring that future needs for schools and transit will be considered before public land is repurposed to support affordable housing.

6. Clarify the relationship between transportation and new housing.

- Remove POLICY 1.5: Support new housing projects on sites that are located along major transit lines.
 - o Remove Map 1: Major Transit Lines.
- Modify POLICY 12.1: <u>Encourage Promote</u> new housing that is located in close proximity to transportation infrastructure, to relies on transit use and environmentally sustainable mode choices.\
 - Clarify that any closer look at areas served by transit will only occur through a neighborhood-supported community planning process.

7. Clarify that the City's goal is for an equitable distribution of housing, especially affordable housing, without displacement.

- Add NEW POLICY: Promote and support voluntary housing acquisition and rehabilitation which does not displace occupants (1990 HE Policy 5.2).
- Add NEW POLICY: Encourage an equitable distribution of growth according to infrastructure and site capacity, and do not disproportionately overburden areas that cannot support growth.
 - o MODIFY Policy 4.5: Ensure that new permanently affordable housing is located in all of the <u>City's neighborhoods</u>, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

8. Clarify the connection between various non-residential and residential uses.

- Add NEW POLICY (from 2004): Require new commercial developments and higher educational
 institutions to meet the housing demand they generate, particularly the need for affordable housing for
 lower income workers and students.
- Add NEW POLICY: Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.
- Use the institutional master plan (IMP) process required by the City's Planning Code to encourage institutions to provide housing

9. Define sound housing.

 Clarify that the definition of sound housing should be based on structural condition and not economic value.

10. Define "middle income housing:

- Clarify that "middle income housing" is defined for the purposes of this Housing Element as housing affordable to households making between 120 and 150% of median income.
- Add middle income category to RHNAs in Part 1, Table I-39

11. Enhance discussions about the needs of housing for seniors.

- Add references to all special populations
- Add discussion about specific needs of populations including people with cognitive impairment, dementia, and other disabilities; and design features that can create age and disability friendly communities.

12. Focus on the prevention of homelessness.

• Add NEW POLICY: The City shall continue efforts to prevent homelessness, including supporting the provision of housing to those at risk of homelessness.

13. Ensure decision-making processes do not undermine community participation.

- Clarify policies under OBJECTIVE 10: *Ensure a streamlined, yet thorough, and transparent decision-making process* are not intended to streamline neighborhood opposition.
 - Remove Policy 10.2: Reduce the need for discretionary processes such as conditional use approval, and ensure an effective decision making process that ensures adequate community review where discretion is warranted.
 - o Remove references to Discretionary Review.
 - Under Policy 10.3, *Use best practices to reduce excessive time or redundancy in local application of CEQA*, add support of CEQA as a tool for community review. Ensure best practices do not impact community's ability to understand, and provide input towards, impacts of proposed projects.
 - Add language ensuring residents have due process available to them to participate in future of their neighborhoods; and connect to steps required for community planning processes, as discussed above.

14. Strengthen preservation of neighborhood character:

- MODIFY OBJECTIVE 11: <u>Support and promote Recognize</u> the diverse and distinct character of San Francisco's neighborhoods.
 - o Under Policy 11.2, add language that makes clear that no City actions should make an individual community's local controls, such as CC&R's, unenforceable.
 - Clarify that draft does not suggest elimination of parking spaces or reduction of required parking in housing. This should be addressed within community planning processes as appropriate, and not prescribed at the citywide level.

- NEW POLICY: Ensure growth is accommodated without significantly impacting existing residential neighborhood character.
- NEW POLICY: Maintain allowable densities in established residential areas at levels which promote compatibility with prevailing neighborhood character.
 - o Introduce strategy of a "neighborhood livability initiative," focused on protecting character of RH1 and RH2 urban village areas.
- MODIFY POLICY 11.6 Reflect upon <u>Foster development that strengthens</u> local culture, needs and values when planning for new uses and housing; strengthen each area's sense of place and history.

15. Clarify that pursuit of sustainability and green objectives should be based on their effectiveness

 Add discussion that guides how the City will prioritize its efforts in pursuing various green policies and programs.

16. Provide consistency throughout the document as follows:

- o Include bicycling when referencing various modes of transportation ex: walking transit, and bicycling
- o Edit longer discussions or tangents under policies.

We look forward to hearing your input on the proposed general changes. Next steps in the process will include preparation of a second draft 2009 Housing Element Update incorporating these changes, preparation and release of the draft Environmental Impact report (DEIR) for the 2004 and 2009 Housing Elements, and a publicly noticed 45-day review period for the DEIR. In addition, both the second draft Housing Element Update and the DEIR will be forwarded to the California Department of Housing and Community Development to comply with State housing element law.

Community conversation will continue throughout all of these steps. With continued public input throughout the summer, staff hopes to achieve a final draft for adoption by early fall 2010.

INTRODUCTION

Housing element law mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The City of San Francisco has embraced this requirement as an opportunity for a community based vision for San Francisco's future. Part 2 of the *Housing Element* sets forth objectives, policies, and programs to address the housing needs identified in Part one.

The Housing Element is intended to provide the policy background for housing programs and decisions; and to provide broad direction towards meeting the City's housing goals. As with other elements of the General Plan, it provides the policy framework for future planning decisions, and indicates the next steps the City plans to take to implement the Housing Element's objectives and policies. Adoption of the Housing Element does not modify land use, specify areas for increased height or density, suggest specific controls for individual neighborhoods, implement changes to the Zoning Map or Planning Code, or direct funding for housing development. Any such changes would require significant community and related legislative processes, as well as review and public hearings before the Planning Commission and Board of Supervisors.

Why is Housing an Issue?

San Francisco's population continues to grow; now surpassing the 1950s population peak, with over 800,000 residents. As a hub for the region, San Francisco hosts a significant proportion of the City's jobs, as well as the core of local transportation infrastructure. Despite the recent economic impacts of the national recession, industries in San Francisco are – slowly - growing, particularly in the categories of financial and professional services, and knowledge industries such as biotechnology, digital media, and clean technology. With new employment opportunities comes the increased demand for a variety of housing types.

Affordable housing is the most salient housing issue in San Francisco and the Bay Area. ABAG projects that at least 39% of new housing demands will be from low and very low income households (households earning under 80% of area median income), and another 22% affordable from households of moderate means (earning between 80 and 120% of area median income). The policies and programs offer strategies to address these specific housing demands.

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 San Francisco must plan for the capacity for roughly 31,000 new units, 60% of which should be suitable for housing for the extremely low, very low, low and moderate income households, in the next Housing Element period to meet its share of the region's projected housing demand. Because San Francisco also shares these state and regional objectives to increase the supply of housing, improve the regional jobs-housing balance, protect the environment, and promote a more efficient development pattern, this Housing Element works to meet those targets.

The City's Housing Values

In developing the 2009 Housing Element Update, the City worked closely across agencies and broadly with San Francisco neighborhoods, community organizations, housing advocates, and residents. Through a broad outreach process that included a Community Advisory Body, stakeholder sessions, over 30 community workshops, monthly office hours, and interactive web outreach including an online survey, four housing values were developed to guide the 2009 Housing Element:

- 1. Prioritize permanently affordable housing. Across the City, participants acknowledged that the cost of housing in San Francisco was an issue affecting everyone, from working families to the very poor. Thus the Housing Element focuses on creating the right type of housing, to meet the financial, physical and spatial needs of all of our residents who cannot afford market-rate housing. This requires not only creating new housing, but addressing the numerous housing types needed for San Francisco's diverse population, and preserving and maintaining the existing housing stock, which provides some of the City's most affordable units.
- 2. Recognize and preserve neighborhood character. Residents of San Francisco, from its wealthiest neighborhoods to its lower income areas, prioritized their own neighborhoods' physical and cultural character. Therefore the Housing Element recognizes that any plans for housing, from individual projects to community plans, need to acknowledge the unique needs of individual neighborhood which they are located. No individual strategies proposed in this Housing Element are appropriate universally; each needs to be considered within the neighborhood context. By using community planning processes that are driven by the input of the community itself, the City can ensure that the best qualities of neighborhoods are not only maintained, but strengthened.
- 3. Integrate planning of housing, jobs, transportation and infrastructure. Participants stressed that housing does not occur in a vacuum- that successful housing must be considered as a part of a whole neighborhood, one that includes public infrastructure such as transit, open space and community facilities, and privately provided infrastructure such as retail and neighborhood services. As one considers the needs of various household types, steps must be taken to encourage amenities required by families, such as child care, schools, libraries, parks and other services.
- 4. Cultivate the City as a sustainable model of development. The City's residents recognized the City's social, practical and legislative responsibility to address housing needs from both the local and the regional perspective, given San Francisco's role as a job center and a transit nexus. Thus, the Housing Element prioritizes increasing transit availability and accessibility, and prioritizing housing development where transit and other mode options are improved, to reduce the impacts of greenhouse gas emissions. It promotes "green" development in both new and reconstruction. It does not, however, promote growth at all costs: the Housing Element recognizes that a truly sustainable San Francisco balances housing

production with other major values discussed above, in the context of affordability needs, infrastructure provision, and neighborhood culture and character.

Challenges Ahead: Balancing Goals with Resources and Realities

In an effort to plan for and respond to growing housing demands, the Planning Department has engaged several neighborhoods in specific community planning efforts. Nine community plans – the Bayview Hunters Point, Rincon Hill, Market & Octavia, Central Waterfront, Eastern SoMa, Mission, Showplace Square/Potrero Hill and Balboa Park Area Plans, and the Visitacion Valley Master & Redevelopment Plan - have been adopted since the 2004 Housing Element update. Together these recently adopted Plan Areas are projected add growth of up to 20,000 new units, which, in combination with citywide infill potential provides sites which can accommodate over 42,000 new units, as cited in Part 1 of the Housing Element. Ongoing community planning efforts, including major redevelopment plans at Mission Bay, Treasure Island and Hunter's Point Naval Shipyard, will add even more capacity over the next 20 years.

Implementation of these plans, both on the housing and infrastructure side still requires significant planning and support. The City has made strides in developing new housing to serve that growing population - about 18,960 new housing units were added to the City's housing stock since 2000 - housing affordability continues to be a major policy issue. Even with very successful policies and programs, and an all-time high average production rate of over 2000 units per year, San Francisco achieved only 67% of its housing goals for very low and low production, and a total of 47% of all affordable housing production. Because of the high cost of housing subsidies required to provide a unit to low and very low income households ranges from \$170,000 to \$200,000 per unit. Total costs to meet the total need projected by the RHNAs exceed \$2 billion dollars, significantly more than funding has allowed in previous years. Given current economic conditions this level of funding is far more than can be realistically expected in the short term.

This Housing Element addresses residential development during a period of national recession, against a backdrop of reductions in sale and rental values, backlogs of unsold units, and a dearth of funding for new housing development. Working within this context, the Housing Element stresses stabilization strategies that respond to the economic downturn. Creative new context specific strategies include:

- Small-site acquisition and rehabilitation, where the City takes an active role in securing and stabilizing existing units as permanently affordable housing.
- Owner-initiated rehabilitation, where the City supports- financially or otherwise – owner or landlord initiated improvements to existing housing, particularly at-risk rental units.

¹ Note: Other major cities, such as Oakland and Los Angeles, faced the same challenges, meeting on average only 30% of their affordability targets

- Project partnerships, fostering relationships between affordable and market rate developers on new sites, or on projects which may have stalled, to expand affordable housing opportunities.
- Providing assistance in foreclosures, including assistance to existing homeowners and working to secure foreclosed units as affordable opportunities.

However, even with these strategies the City will not likely see the development 31,000 new units, particularly its affordability goals of creating over 12,000 units affordable to low and very low income levels projected by the RHNA. There are adequate sites to meet projected housing needs, and the policies of this Housing Element support further housing development. However, realizing the City's housing targets requires tremendous public and private financing - given the state and local economy and private finance conditions is not likely to be available during the period of this Housing Element.

For the City is to be truly successful in achieving the type and amount of housing targeted by the RHNAs and mandated by local and regional sustainability goals, a full partnership with the state and the region is required. Funding at the state and regional levels need to continue to consider – and prioritize - San Francisco's share of the statewide housing, particularly its affordability challenges, when allocating funding for affordable housing and for public infrastructure. Only through this partnership, and if infrastructure and housing funding priorities are coordinated with regional growth objectives, can the City truly move towards these housing production targets.

Acknowledging Tradeoffs

The Housing Element is intended to be an integrated, internally consistent and compatible statement of policies for housing in San Francisco, based upon the goals of the citizens of the City. However, many of these goals have a natural tension between them. For example, the relationship of market rate to affordable housing can often seem competitive, and even oppositional. Yet increased levels of affordable housing cannot be achieved without the private development sector, which brings significant funding towards affordable housing and its needed services through tax revenues, inclusionary requirements and other fees. In balancing this relationship, the City needs to consider how all types of housing contribute to overall goals.

Another tension exists between the demand for more housing in San Francisco and the impact – real or perceived – that new development can have on neighborhoods. To meet local and regional sustainability goals, more housing and greater density is required, but growth needs to be shaped so that it does not occur at the expense of valued San Francisco neighborhood qualities. Community plans balance these factors to increase housing equitably while still preserving what people love about their neighborhoods.

Another major issue to balance is the relationship between housing and infrastructure The City's goal is to locate housing in areas that already have access to infrastructure and services, many sites large enough for affordable housing are often found in transitioning areas that require additional infrastructure. The City needs to seek equilibrium for

housing opportunities by prioritizing increased infrastructure or services to these transitioning areas.

The purpose of this Housing Element is not to resolve all of those tensions, but to provide a framework the City can use to highlight concerns that should be balanced by decision makers, to achieve the City's stated housing goals.

The Document

The *objectives* and *policies* that follow are intended to address the State's objectives and the City's most pressing housing issues: identifying adequate housing sites, conserving and improving existing housing, providing equal housing opportunities, facilitating permanently affordable housing, removing government constraints to the construction and rehabilitation of housing, maintaining the unique and diverse character of San Francisco's neighborhoods, balancing housing construction with community infrastructure, and sustainability. Each set of objectives and related policies is accompanied by *implementing programs* - a detailed schedule of actions that will implement the housing element including timelines, steps, projected outcomes and entities responsible for each action. Also, each set of objectives and policies is followed by a series of strategies for further review - ideas which were raised over the course of the Housing Element development and outreach, which require further examination, and potentially long-term study, before they can be directly implemented. These strategies will be examined in more detail with the appropriate agencies over the course of the draft Housing Element's review, to determine if such strategies are possible and can be pursued as implementation programs.

Issue One: Adequate Sites

Objective 1 Identify and make available for development adequate sites to meet the City's housing needs. <u>especially permanently</u> affordable housing.

Even during declining economies, housing demand in San Francisco continues. Families continue to grow, life expectancy has increased, and more people seek to live closer to where they work. The need for housing comes from households of all income levels.

In an effort to manage the regional growth and accommodate projected housing needs throughout the Bay Area, the Association of Bay Area Governments (ABAG) allocates a number of housing units at various income levels to each community in the region based on projected job growth. ABAG has allocated more than 31,000 new housing units in City and County of San Francisco through the year 2014, with over 60% of those units required to be affordable to households of moderate income (defined as 120% of Area Median Income) or below.

Reaching these ABAG goals will require the implementation of a number of strategies, including planning and constructing new permanently affordable housing, for which land must be identified. Housing sites must be considered carefully in order to make the most of a limited land supply while ensuring that new housing is in keeping with existing neighborhood character. Completed and ongoing area plans have developed neighborhood specific housing plans, which could accommodate the majority of new housing needs in the City.

Specific criteria should be considered when planning for, and securing, sites for housing. To enable easy access and movement throughout the City, housing should be located close to transit, and to other necessary public infrastructure such as schools, parks and open space, as well as quasi-public or privately provided services such as child care and health facilities. To enable access to retail and services, new housing should be located throughout the City in a mixed-use fashion. To ensure the health of residents, housing should be located away from concentrations of health-impacting land uses.

New housing is not the only answer to addressing housing needs in San Francisco. Other strategies, such as retention of existing units, and making existing units permanently affordable, as discussed in Objectives 2 and 3, enable the City to meet many of its housing affordability goals.

Policy 1.1 Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

San Franciscans are a diverse population, with a diverse set of housing needs. Future housing policy and planning efforts must take into account the diverse needs for housing. The RHNA projections indicate housing goals for various income levels, these provide basic planning goals for housing affordability. San Francisco's housing policies and programs should provide strategies that promote housing at each income level, and furthermore identify sub-groups, such as middle income and extremely low income households that require specific housing policy. In addition to planning for affordability, the City should plan for housing that serves a variety of household types and sizes.

Policy 1.2 Focus housing growth and the infrastructure necessary to support growth according to community plans. Complete planning underway in key opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard.

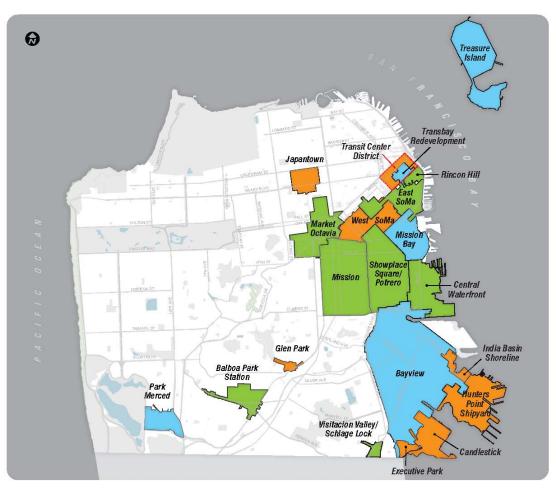
In order to increase the supply and affordability of housing, the City has engaged in significant planning for housing through Area Plans (portions of the General Plan which focus on a particular part of the City), Redevelopment Plans (community revitalization plans authorized and organized under the provisions of the California Community Redevelopment Law), and major development projects created in partnership with private sponsors. Adopted community plans include Balboa Park, Market and Octavia and the Central Waterfront neighborhoods; the Eastern Neighborhoods program including the

Mission, South of Market, Showplace Square and Potrero Hill; and several Redevelopment Area Plans, most recently Visitacion Valley/Schlage Lock.

ePlans underway include Japantown, Glen Park, and a number of planning projects in the Southeast sector of the City, including Executive Park, Candlestick, and Hunters Point Shipyard. Other major projects in development with the City include Treasure Island, Park Merced and the Transbay Transit Center. These ongoing community planning efforts should continue. These projects could result in a community accepted housing vision for the neighborhood, related zoning changes and neighborhood specific design guidelines that will encourage housing development in appropriate locations throughout San Francisco.

Together, these planning efforts could provide capacity for significantly more than the 31,000 units allocated for this planning period (2007-2014); however they will require significant investment in infrastructure and supporting services in order to support this growth. Each adopted plan contains related programs for affordable housing (directing the mix of housing types, tenures and affordability needs), infrastructure and community services, they also contain design guidelines and community review procedures. The City should prioritize public investment in these plan areas to achieve the community goals of each plan, according to each plans' infrastructure and community improvements program.

Draft 2009 Housing Element | San Francisco General Plan



Plan Areas





| Plan Area/ Major Project | Estimated New Housing Construction Potential* |
|---|---|
| Balboa Park Area Plan | <u>1,800</u> |
| Market/Octavia Area Plan | <u>6,000</u> |
| Central Waterfront Area Plan | <u>2000</u> |
| Mission Area Plan | <u>1700</u> |
| East SOMA Area Plan | <u>2900</u> |
| Showplace Square/Potrero Hill Area Plan | <u>3200</u> |
| Rincon Hill Area Plan | <u>4,100</u> |
| Visitation Valley Redevelopment Plan | <u>1,500</u> |
| Transbay Redevelopment Plan | <u>3,400</u> |
| Mission Bay Redevelopment Plan | <u>6000</u> |
| Total Adopted Plans & Projects: | <u>32,600</u> |
| - Executive Park | 1,600 |
| Glen Park | <u>100</u> |
| <u>Japantown</u> | To be determined |
| Park Merced | <u>5,600</u> |
| Transit Center District | <u>1,200</u> |
| West SOMA | <u>2,700</u> |
| Hunters Point Shipyard | <u>4,000</u> |
| Candlestick | <u>7,500</u> |
| Treasure Island | <u>8,000</u> |
| Total Plans & Projects Underway: | <u>31,900</u> |
| TOTAL | <u>63,300</u> |

*From individual NOP and EIR, rounded

Policy 1.3 Work proactively to identify and secure opportunity sites for permanently affordable housing.

While in previous years land prices have dramatically increased, current land prices seem to have stabilized. This may provide opportunity for sites for permanently affordable housing development that should be aggressively pursued.

Publicly-owned land offers unique opportunity for development of affordable housing. The City should regularly review its inventory of surplus, vacant or underused public property, through an annual reporting process that provides such information to the Mayors Office of Housing. Public property no longer needed for current or foreseeable future public operations, such as public offices, schools or utilities should be considered for sale or lease for development of permanently affordable housing. The City should ensure that future land needs for transit, schools and other services will be considered before public land is repurposed to support affordable housing. Where sites are not appropriate for affordable housing, revenue generated from sale of surplus lands should continue to be channeled into the City's Affordable Housing Fund under the San Francisco Administrative Code Sections 23A.9 - 11.

The City's land-holding agencies should also look for creative opportunities to partner with affordable housing developers. This may include identifying buildings where air rights may be made available for housing without interfering with their current public use; sites where housing could be located over public parking, transit facilities or water storage facilities; or reconstruction opportunities where public uses could be rebuilt as part of a joint-use affordable housing project. Agencies should also look for opportunities where public facilities could be relocated to other, more appropriate sites, thereby making such sites available for housing development. For example, certain Muni fleet storage sites located in dense mixed-use or residential areas could be relocated, thereby allowing in-fill mixed use or residential development. The City should proactively seek sites for affordable housing development by buying developments that are no longer moving towards completion. This may include properties that have received some or all City land use entitlements, properties that have begun construction but cannot continue, or properties that have completed construction, but whose owners must sell.

Policy 1.4 Continue using community planning processes to plan for housing growth. Ensure neighborhood-supported community planning processes are used to generate changes to land use controls.

Community plans are an opportunity for neighborhoods to work with the City to develop a strategic plan for their future, including housing, services and amenities. Such plans can be used to target growth strategically to increase infill development in locations close to transit and other needed services, as appropriate. Community plans also develop or update neighborhood specific design guidelines, infrastructure plans, and historic resources surveys, as appropriate. As noted above, the City has already done significant community planning to accommodate projected growth.

Changes that involve several parcels or blocks should always be the result of a neighborhood-supported community planning process.

Any new community planning processes should be initiated *in partnership* with the neighborhood. The process should be initiated by the Board of Supervisors, with the support of the District Supervisor, through their adoption of the Planning Department's or other overseeing agency's work program; and the scope of the process should be approved by the Planning Commission or other agency. Areas for future planning for the next Housing Element planning period (2014-2021) should be based on established planning principles, such as locations with necessary public infrastructure and neighborhood amenities, and where site opportunities exist, such as undeveloped (or underdeveloped) areas where residential use is appropriate or appropriate at higher densities. Criteria for initiation of new planning efforts should include locations near major transportation investments or future funded improvements and major opportunity sites. New planning efforts should also aim for a fair distribution of growth, so as not to disproportionately burden certain areas of the City.

To assure that the Planning Department, and other agencies involved in land use approvals conduct adequate community outreach, <u>any</u> changes to land use policies and controls <u>that result from the community planning process may be proposed</u> only after an open and publicly noticed process, <u>after review of a draft plan and environmental review</u>, and with comprehensive support from the community. These changes must be approved by the Planning or other Commission, and Board of Supervisors at a duly noticed public hearing. Additionally, the Department's Work Program allows citizens to know what areas are proposed for community planning. The Planning Department should use the Work Program as a vehicle to inform the public about all of its activities, and should publish and post the Work Program to its webpage, and make it available for review at the Department.

Policy 1.5 Consider secondary units in community plans where there is neighborhood support and when other neighborhood goals can be achieved especially if that housing is made permanently affordable to lower-income households.

Secondary units (in-law" or "granny units") are smaller dwelling units within a structure containing another much larger unit, frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. –Such units could be developed to meet the needs of seniors, people with disabilities and others who, because of modest incomes or lifestyles, prefer or need small units at relatively low rents.

Within a community planning process, the City may explore where secondary units can occur without adversely affecting the exterior appearance of the building, or in the case of new construction, where they can be accommodated within the permitted building envelope. The process may also examine where existing secondary units can be legalized, for example through an amnesty program that requires building owners to increase their safety and habitability. Secondary units should be limited in size to control their impact.

Policy 1.6 Consider greater flexibility in number and size of units within established building envelopes in community plan areas, especially if it can increase the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings.

However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density.

Within a community supported planning process, the City may consider using the building envelope, as established by height, bulk, set back, parking and other Code requirements, to regulate the maximum residential square footage, rather than density controls that are not consistent with existing patterns. In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. In some areas, such as RH-1 and RH-2, density limits should be maintained to protect neighborhood character.

Policy 1.4 Policy 1.4 Through community planning processes, establish land use controls that support efficient use of land.

Efficient use of land enables additional housing, promotes walkability, supports transit use and preserves open space. There are a number of planning and zoning strategies that can foster efficient site development. Increased heights, higher densities, compact building patterns and inclusion of secondary units are all strategies that have been used throughout the City to foster well-organized land use. Such strategies, when correctly implemented, can give San Francisco's more urban neighborhoods the zoning and design tools to ensure that development is efficient, attractive, pedestrian friendly and contributes to a thriving community. These strategies can enable growth to be sited thoughtfully, along transit nodes and in neighborhood centers, and shaped appropriately, with pleasing building scales that relate to the width of the street, the character of the existing built fabric, and the activity of the environment. In particular, code changes that regulate building density by height, bulk and setback requirements, rather than by limits on the number of units allowed, ensure that the form of housing is sculpted to be in context with established neighborhood character.

However, all of these strategies are not appropriate in all locations—it is important that zoning and design tools be reviewed in the context of their applicability and appropriateness to a given neighborhood. Therefore, within each individual community planning process, the Planning Department should study existing conditions, looking at factors such as infrastructure, existing heights and densities, composition of the built

fabric, historic structures and neighborhood character. Completion of such a study will allow the Department to determine how strategies that increase capacity for housing would work within neighborhood specific context.

Secondary units (also called "accessory units", "in-law units" or "granny flats") represent a simple and cost-effective method of expanding the housing supply, because they can be located efficiently on existing residential lots without requiring the owner to subdivide the property; can be constructed inexpensively when such units are located in already existing structures; and can meet the needs of low income households or seniors because of their typically lower rents. Secondary units are allowed in all of the City's zoning districts, except for RH-1 areas. Given concerns about secondary units' impacts on neighborhood character and about increased parking demands, allowing secondary units in RH-1 districts should be considered only during the community planning process, and allowed where there is demonstrated community support, and where such units can conform to minimum Code standards of safety and livability.

Policy 1.5 Policy 1.5 Support new housing projects on sites that are located close to major transit lines.

San Francisco enjoys an extensive network of transit lines, including a number of major transit lines that provide nearby residents with the opportunity to move about the City without need of a car. Because of proximity to transit, some 29% of the City's households do not own cars and 33% of San Franciscans take public transit to work, with higher rates for households in transit rich areas. Infill housing in transit rich areas provides a cost effective solution for lower income residents and for those who do not own cars, particularly if parking is not included or required. Locating new housing along transit-served areas supports the City's *Transit First* policy and discourages car dependency. More importantly it provides site-efficient and cost effective housing solutions.

However, it is important to distinguish areas that are "transit rich," and located along major transit lines, from those that are simply served by transit. For the purposes of this Housing Element, "major transit lines" are defined as those that have significant ridership and comprehensive service—meaning almost 24-hour service with minimal headways. This network of major transit lines includes BART's heavy rail lines, MUNI Metro's light rail system including the F, J, K, L, M and N lines, and Muni's major arterial, high-ridership, frequent service local network lines. These lines are defined and prioritized in Muni's Transit Effectiveness Project (TEP) as the "24-hour Rapid Network," and will be slated for long-term improvements. These transit lines are slated to receive funding and service increases which will make it easier to meet service demands as well as increase the ability to travel both downtown and between neighborhoods. Therefore, the Department should support housing projects along these major transit lines that are consistent with all current zoning. A map of these major transit lines is attached as Map II-1: Major Transit Lines.

Policy 1.7 Consider public health objectives when designating and promoting housing development sites.

A healthy neighborhood has a balance of housing and the amenities needed by residents at a neighborhood level, such as neighborhood serving retail, particularly stores offering fresh produce, childcare and medical services. Community planning efforts should include requirements, incentives or bonuses to encourage necessary amenities as appropriate.

Land use and transportation planning decisions are directly related to environmental health and justice issues in San Francisco. For example, SFDPH environmental health inspectors frequently observe that families live in buildings that cause a variety of health outcomes such as asthma and lead poisoning. Understanding the impacts of past uses on the soil, the proximity to currently operating heavy industrial uses, and the surrounding air quality are critical when developing housing.

In 2007 the San Francisco Department of Public Health completed the Healthy Development Measure Tool (HDMT), a system to evaluate health impacts of new development. The HDMT proposes a checklist for evaluating a range of project types from smaller housing developments to neighborhood wide community plans. The HDMT covers six topics: environmental stewardship, sustainable and safe transportation, public infrastructure (access to goods and services), social cohesion, adequate and healthy housing, and a healthy economy, with over 100 benchmarks in total. The level of analysis the tool provides can be very useful in developing housing policy and programs for a large area, as it can aide in identifying gaps in services and amenities to be addressed at a policy level. Because of HDMT tool's breadth, it is important that it be used in the appropriate context. Therefore the HDMT should be used to provide a general review of overall context, particularly in the development of community plans.

Policy 1.8 Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

San Francisco has a strong tradition of mixed-use neighborhoods, allowing residents to take advantage of the City's rich mix of services and amenities on foot and by transit. Mixed-use buildings in San Francisco allow residents to live above street-front commercial space, services or institutional uses. Housing should continue to be considered as a joint use with all compatible non-residential uses. While separation of some uses will always be required to protect public health, the majority of the City's non-residential uses, such as retail, services and workplaces, are compatible with, and can be improved by, the inclusion of housing.

Policy 1.9 Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

<u>New commercial</u> or other non-residential development projects increase the City's employment base, thereby increasing the demand for housing. Similarly, institutions of higher education provide needed services and contribute to the intellectual and cultural life of the City, while at the same time create a demand for housing by students, which can pressure on existing housing stock.

The City's Jobs-Housing Linkage Program, which collects fees for affordable housing production from commercial developments, should continue to be enforced and monitored. Higher educational institutions should assist in the provision of additional housing, including affordable housing, as well. The City should use the institutional master plan (IMP) process required by the City's Planning Code to encourage institutions to provide housing, should support new construction of student housing that could reduce pressure on the existing housing stock, and should consider incentives for student housing development.

Implementation Measures

To achieve the City's objective to identify and make available adequate sites for development in order to meet the City's housing need, the City will implement the following measures:

- 1. Planning staff shall provide data to the Planning Commission on the expected unit type and income level of any proposed projects or area plans under review, including how such units would address the regional housing needs production goals.
- 2. Planning shall continue to make data on housing production available to the public through the annual Housing Inventory.
- 3. All agencies subject to the Surplus Property Ordinance, San Francisco Administrative Code Sections 23A.9 11, shall annually report on the availability of surplus property to the Department of Real Estate and the Assessor's Office, for use by the Mayor's Office of Housing ("MOH") in MOH's continuing evaluation of surplus land for suitability for affordable housing development potential. To the extent that land is not suitable for housing development, the City should sell surplus property and use the proceeds for affordable housing development for homeless people consistent with the Surplus Property Ordinance.
- 4. MOH shall continue to actively pursue surplus or underused publicly-owned land for housing potential, working with agencies not subject to the Surplus Property Ordinance such as the San Francisco Public Utilities Commission, SFUSD and the Municipal Transportation Agency to identify site opportunities.

- City agencies shall continue to survey their properties for affordable housing opportunities or joint use potential.
- 5. Consistent with the SFMTA's Climate Action Plan, MOH shall work with MTA to identify Muni sites that can serve as potential housing sites.
- 6. To further smaller scale TOD opportunities, Planning and MTA shall evaluate smaller surplus MTA-owned sites (typically surface parking lots) and identify barriers towards their redevelopment, such as Planning Code issues, neighborhood parking needs and community sentiment.
 - 7. The Redevelopment Agency shall continue to set-aside sites in redevelopment areas for affordable housing development.
 - 8. Planning, Redevelopment and MOEWD shall should complete long range planning processes already underway: Japantown, Glen Park, the Northeast Embarcadero Study, the Bayview Hunters Point Plan, Candlestick / Hunters Point, India Basin Shoreline Community Planning Process, Treasure Island and Hunter's Point.
 - 9. Planning shall publish its annual work program, citing all community planning processes that are to be initiated or are underway. This annual work program shall be located on the Department's website.
 - 10. At the initiation of any community planning process, the Planning Department shall notify all neighborhood organizations that have registered with the Planning Department on its Neighborhood Organization List and make continued outreach efforts with all established neighborhood and interest groups in the area of the City under consideration.
 - 11. At the conclusion of any community planning process, the Planning Commission shall adopt any corresponding implementation measures that result from the process, including revisions to zoning, public benefits programs, implementation plans, review procedures, and new Planning Code provisions, only if they find that the community planning process has entailed substantial public involvement.
 - 12. Planning shall require integration of new technologies that reduce the space required for non-housing functions, such as parking, and shall consider requiring parking lifts to be supplied in all new housing developments seeking approval for parking at a ratio of 1:1 or above.
 - 13. When considering legalization of secondary units within community planning processes, Planning shall develop a Design Manual that illustrates how secondary units can be developed to be sensitive to the surrounding neighborhood, to ensure neighborhood character is maintained.
 - 14. Planning staff shall prioritize support for projects which are located within a reasonable walking distance of stops along major transit lines, including BART, MUNI rail lines and Muni's "24-hour Rapid Network".

- 15. Planning shall continue to impose requirements under the Jobs Housing Linkage Program, and shall work with new or expanding commercial and institutional uses to plan for the related housing need they generate. The fee structure should also be reviewed regularly to ensure that developers continue to contribute adequately to the costs created by the demand for housing caused by their projects, while not damaging project feasibility.
- 16. Planning shall work with DPH to tailor the use of the Healthy Development Measurement Tool (HDMT) in development of neighborhood or citywide plans to be effective given the tradeoffs inherent in achieving affordable housing, and utilize the information received in the development of policy and programs.
- 17. Planning shall continue to implement City requirements for Institutional Master plans (Section 304.5 of the Planning Code) to ensure that institutions address housing and other needs, with full participation by the Planning Commission, community and neighborhood organizations, other public and private agencies and the general public.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- MOH should explore programs that promote donation of land for affordable housing development to the City, including community land trust programs. One possibility may be the review of programs that could allow the donation of real estate as a charitable contribution, similar to the Conservation Tax Incentive promoted by the Trust for Public Land for open space purposes, where taxpayers can deduct up to 50% of adjusted gross income (AGI) for donations or bargain sales of qualified conservation easements.
- Planning should continue to explore area-specific strategies to maximize opportunities for affordable housing, such as identifying affordable housing site opportunities, or developing additional inclusionary measures that are tailored to particular neighborhoods, within community planning processes,
 - Planning should explore methods for promoting increased mixed uses, including the consideration of requiring conditional use authorization for single-use development projects in mixed use zoning districts, (such as Neighborhood Commercial zoning districts).
 - Planning and MOH should explore incentives for student housing. Student housing is already exempt from the City's Inclusioanry Housing Ordinance, but additional modifications may assist in increasing the feasibility and supply of student housing.

Issue 2: Conserve and Improve Existing Stock

Objective 2 Retain existing housing units, and promote safety and maintenance standards, without jeopardizing affordability.

The majority of San Francisco's housing stock is over 60 years old – it is an important cultural and housing asset that the City must protect for future generations. Nearly all of San Francisco households will make their home in existing housing – RHNA goals for new housing represent less than one percent of the existing housing stock. Therefore, conserving and improving the existing stock is critical to San Francisco's long term housing strategy. Retaining existing housing reduces the needs for resources to build new housing. Policies and programs under this objective facilitate conservation and improvement of the variety of unit types physical conditions.

Housing maintenance includes routine maintenance, major repair projects, and preventive care – especially seismic work. The health of the existing housing stock requires that all types of maintenance be pursued to the extent possible, while not overburdening low-income groups. The seismic sustainability of the existing stock is of particular local concern.

Policy 2.1 Policy 2.1 Discourage the demolition of sound existing housing, unless the demolition results in a net increase in affordable housing.

Demolition of existing housing often results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly. Demolition can result in displacement of residents, causing personal hardship and need to relocate. Older housing stock should only be considered for demolition and replacement when the resulting project results in a significant increase in affordability.

There are environmental and natural resources considerations when demolishing housing stock that is physically sound. Therefore, a determination of 'sound housing' should be based on physical condition, not economic value. San Francisco's Planning Code and Planning Commission guidelines require public hearing and deliberation for demolition of units, discourage the demolition of sound housing stock, especially historically significant structures, and require that replacement projects be entitled before demolition permits are issued. The City should continue these policies. to discourage the demolition of existing housing that is sound or can be rehabilitated, particularly where those units provide an affordable housing resource. In many neighborhoods shopping areas, conversions of upper floor housing units to non-residential use are allowed, but subject to conditional use review. Under such review, the desirability of retaining the housing should be weighed against the public benefits to be gained by the alternative, non-residential use. As a general rule, conversion should be considered only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial district. Similarly, in downtown commercial districts, conversion of upper-floor housing units to non-residential use should be subject to conditional use review.

Policy 2.2 Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing.

San Francisco is vulnerable to both subdivisions and unit mergers in response to short term market trends. The City must protect the existing units and their relative affordability while recognizing the need for some flexibility to support family housing. Merging of two units, especially small units, can allow a family to grow without leaving their community. Yet mergers also result in a net loss of housing units in the City, where the resulting unit is often less affordable, thus amplifying both problems of housing supply and affordability. All proposals to merge units should be carefully considered within the local context and housing trends to assure that the resulting unit responds to identified housing needs, rather than creating fewer, larger and more expensive units.

Policy 2.3 Prevent the removal or reduction of housing for parking.

Maintaining existing space in buildings that is dedicated to housing reduces the need for the production of new housing to support existing and future households. The more habitable space in a structure, the greater the ability of the structure to adapt to a variety of lifecycles, and the more flexibility provided for the growth of families. Space currently dedicated to housing people should not be converted into parking. Furthermore, the City should encourage the conversion of ground floor space to housing, provided such a conversion does not impact the long term seismic sustainability of the existing structure.

Policy 2.4 Promote improvements and continued maintenance to existing units to ensure long term habitation and safety.

As the City's housing stock ages, maintenance becomes increasingly important. The majority of San Francisco housing is more than 60 years old. Property owners should be encouraged and supported in efforts to maintain and improve the physical condition of housing units. Maintenance is generally the responsibility of property owners, with the City enforcing appropriate seismic and safety standards. But in some circumstances such as low income homeowners, senior homeowners, or neglected or abandoned property, the City should take a more active role through funding and programs in order to facilitate maintenance and improvements and ensure the long term habitability of the housing stock.

Although code enforcement should be actively pursued, flexibility should be granted to low-income households where Code violations do not create a public safety hazard or a serious household safety condition. Legalization of existing secondary units should be considered, where Code violations do not create a public safety hazard, in exchange for designating the unit permanently for senior or affordable housing.

Policy 2.5 Encourage and support the seismic retrofitting of the existing housing stock.

A major earthquake could jeopardize 8,600 to 100,000 housing units. Seismic retrofitting of the existing housing stock increases the possibility of sound housing after a seismic event.

The City should prioritize public resources to address the most imminent risks: 1) structures at high risk of collapse and therefore pose the highest public safety risk, such as soft-story buildings; 2) structures that house low income or vulnerable populations; and 3) structures that are vulnerable due to construction type. DBI should focus seismic upgrade programs towards vulnerable geographies and soils types (as identified by CAPPS), populations (areas with low median incomes or high population of seniors) and building types (older, rent-controlled and soft story).

The City should also continue to educate and assist property owners in their efforts to make seismic safety improvements. Currently property owners can find information on DBI's earthquake preparedness website, attend lunchtime talks, or reference the Seismic Safety FAQ for building owners sheet.

Implementation Measures

To achieve the City's objective to retain existing housing units, and promote safety and maintenance standards, the City will implement the following measures:

- 18. The Planning Department shall continue to implement the recently adopted Planning Code Section 317, which codifies review criteria for allowing housing demolition, conversion and mergers, amend it when necessary, and shall continue to apply Section 311 of the Planning Code to deny residential demolition permits until approval of a new construction permit is obtained. Planning shall also continue to require that all publicly subsidized housing units be replaced one for one.
- 19. Planning shall continue to require Discretionary Review (DR) for all dwelling unit merger applications.
- 20. Planning shall amend existing Historic Preservation bulletins and Residential Design Guidelines to discourage the reduction of habitable or potentially habitable space for parking.
- 21. Through the Community Action Plan for Seismic Safety (CAPSS), DBI shall develop and adopt a program which mandates seismic upgrades for "soft-story" buildings.
- 22. The Department of Building Inspection (DBI) shall continue to provide educational programs to assist property owners with nonstructural improvements that assist in long-term safety, such as securing water heaters and developing household emergency plans.
- 23. DBI shall continue to provide and improve public information materials for residents and property owners about best practices and programs to maintain and enhance their home(s), including advertising of funding sources. DBI shall provide language translation of all materials, and shall explore methods of working through neighborhood organizations to expand knowledge about programs.

- 24. The Mayor's Office of Neighborhood Services shall expand the capacity of the Neighborhood Empowerment Network, a partnership of City Agencies, local non profits and committed community leaders, to share information to prepare homeowners and residents for natural disasters.
- 25. DBI shall continue to ensure that residential units meet building code standards by responding to complaints and through periodic inspection.
- 26. MOH shall evaluate and enhance the CHRP rehabilitation program to facilitate housing acquisition and maintenance projects for low-income households.

Strategies For Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- DBI should consider additional programs that support voluntary home maintenance and seismic retrofitting, including expedited plan review and fee rebates.
- MOH and DBI should explore methods to, and seek funding for, programs that can increase maintenance and safety standards while not unduly increasing rents or displacing low-income households, such as a City-funded loan program aimed at meeting the needs of lower-income owners, similar to Chicago's H.O.M.E.'s Upkeep and Repair Services Program.
- The BIC should evaluate the current uses of the Code Enforcement Rehabilitation Fund (CERF) and determine whether the program could be improved or expanded.
- As a part of the CAPPS Program, DBI should evaluate the need for revisions to the San Francisco Building Code; the need for the retrofit of designated shelters or the determination of alternate seismically safe locations; and the need for mitigation programs for critical non-ductile concrete buildings.
- DBI should evaluate alternative uses of the Seismic Safety Loan Program, and consider making it available for use in rehabilitating properties for conversion to limited-equity housing cooperatives.

Objective 3: Protect the affordability of the existing housing stock, especially rental units.

San Francisco is a city of renters – which enables incredible diversity of age, income, and household type. Students, young professionals, artists, new families, low income households, and many others rely on the availability of rental housing to live in San Francisco. The City's market-rate rental units generally provide moderately priced housing options, while rent controlled units and permanently affordable rental units meet needs at lower income levels. Thus the availability of sound and affordable rental housing is of major importance to meet the City's housing needs.

Regulations protecting the affordability of the existing housing stock have traditionally focused on rental housing, such as rent control and its associated tenants rights laws, and condominium conversion limits. Both rent control and condominium conversion limits evoke an impassioned public discussion around housing rights, private property rights, and quality of life in San Francisco, and property owners continue to emphasize the negative effects of rent control policies on the supply of housing. This discussion warrants continued public engagement in the ongoing effort to provide a balance of housing opportunities to support San Francisco's diverse population.

Policy 3.1 Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

Sixty-two percent of San Francisco's residents are renters. In the interest of the long term health and diversity of the housing stock the City should work to preserve this approximate ratio of rental units. The City should pay particular attention to rent control units which contribute to the long term existence and affordability of the City's rental housing stock without requiring public subsidy, by continuing their protection and supporting tenant's rights laws. Efforts to preserve rental units from physical deterioration include programs that support landlord's efforts to maintain rental housing such as: maintenance assistance programs, programs to support and enhance property management capacity, especially for larger companies, and programs to provide financial advice to landlords.

Policy 3.2 Promote voluntary housing acquisition and rehabilitation to protect affordability for existing occupants.

As the majority of San Francisco's housing units are over 60 years old, maintenance issues, particularly in rental properties, often impact the overall livability of some housing. The level of investment required for significant maintenance can jeopardize the affordability of the unit, putting low income tenants at risk. To balance the need for affordable, yet safe, housing, affordable housing funds should be invested into rehabilitation of existing stock. As a cost effective way for the City to secure permanently affordable housing, this strategy must occur with full participation of the property owner, and must not result in displacement of existing tenants

Policy 3.3 Maintain balance in affordability of existing housing stock by supporting affordable moderate ownership opportunities.

The intent of maintaining a balance of housing opportunities is to maintain housing for a diversity of household types and income categories.

Units in limited equity cooperatives remain affordable because they are deed-restricted to an affordability level, so that the owner can sell his/her unit for a price up to that maximum affordability level. Opportunities to create affordable homeownership opportunities through programs such as limited equity cooperatives should be supported.

Limited conversions of rental stock to condominiums also help achieve affordable homeownership, providing a category of housing stock for moderate income housing needs. Thus, while the City needs to consider the impact of conversion of rental units to ownership status, as it will impact preservation of rental units, this issue should be balanced with the need for a diversity of housing choices. Conversion of rental housing to time share or corporate suite use should be prohibited.

Policy 3.4Preserve "naturally affordable" housing types, such as smaller and older ownership units.

A review of current sales prices reveals that new homes are priced considerably higher than existing, older housing stock. This is particularly true of smaller units, such as the mid-century construction in certain lower density residential neighborhoods. These housing units provide a unique homeownership opportunity for new and smaller households. While higher density housing generally results in more shared costs among each unit, the pre-existing investment in lower density housing generally outweighs the benefits of higher density in terms of housing affordability. To the extent that lower density older housing units respond to this specific housing need, without requiring public subsidy, they should be preserved. Strategies detailed under Objective 2, to retain existing housing units, and promote their life-long stability, should be used to support this housing stock.

Policy 3.5 Retain permanently affordable residential hotels and single room occupancy (SRO) units.

Residential or single-room occupancy hotels (SROs) offer a unique housing opportunity for lower income elderly, disabled, and single-person households. The proximity of most SROs to the downtown area has fueled pressure to convert SRO's to tourist hotels. In response to this, the City adopted its Residential Hotel Ordinance, which regulates and protects the existing stock of residential hotels. This ordinance requires permits for conversion of residential hotel rooms, requires replacement on a 1 to 1 level, and requires 80% of the cost of replacement to be provided to the City in the case of conversion or demolition.

Residential hotels located in predominantly residential areas should be protected by zoning that does not permit commercial or tourist use; in non-residential areas, conversion of units to other uses should not be permitted or should be permitted only where a residential unit will be, or has been, replaced with a comparable unit elsewhere. For those hotels that are operated as mixed tourist/permanent resident hotels, strict enforcement is needed to ensure that the availability of the hotel for permanent residential occupancy is not diminished. City programs should support the retention of residential hotels, restrict conversions and demolitions, and require mitigations to any impacts on the affordable housing stock.

Implementation Measures

To achieve the City's objective to retain existing housing units, and promote safety and maintenance standards, the City will implement the following measures:

- 27. DBI and DPW shall continue to moderate the conversion of rental housing to condominiums.
- 28. Planning shall continue to enforce the Residential Hotel Unit Conversion and Demolition Ordinance.
- 29. The Department of Health and Human Services (HSA) shall continue to facilitate the transfer of residential hotels to effective non-profit housing organizations; and HSA, DPH, and MOH should develop programs that further encourage non-profit operation of SROs.
- 30. MOH shall implement the Small Site Acquisition and Rehabilitation program using inclusionary in-lieu fees to enable non-profits to acquire existing rental properties under 25 units for long-term affordability; and shall explore other methods of support, such as low-interest rate financing and technical assistance for small site affordable development.

Strategies For Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- The City should evaluate the role of rent-controlled units in meeting affordable housing needs, in order to develop policies that effectively continue their protection, and possibly implement requirements for their replacement. As part of this work, the City should consider pursuit of state legislative efforts that eliminate housing displacement pressures.
- The Rent Board should explore requiring proof of full-time residency for rent controlled units, to ensure they are fully occupied and not used as a second home, pied-à-terre or executive housing.
- The City should continue to monitor the effectiveness of current condominium conversion restrictions intended to moderate conversion and maintain supply of affordable rental housing in the City.
- MOH, SFRA HHS and DPH should explore how to expand the creation of permanently affordable units for single person households, particularly outside of well-served locations such as the Tenderloin and SOMA.
- MOH, SFRA and DBI should work cooperatively with affordable housing groups to identify and develop tools that would facilitate rehabilitation of at-risk rental units on an ongoing basis.

Issue 3: Equal Housing Opportunities

Objective 4. Foster a housing stock that meets the needs of all residents across lifecycles.

Population diversity is one of San Francisco's most important assets; San Francisco's residents span ethnicities, income levels, household types and sizes. Supporting household diversity requires the City support a variety of housing opportunities, so that everyone has the opportunity to live in a suitable home that they can afford

A diverse housing stock provides housing for people throughout their lifecycle, as they move from being a single household, to families with children, to aging and elderly. It accommodates different types of households, from traditional married couples to cooperative living households, from female-headed households to multigenerational families with adult children who live at home. It provides a range of housing options for people's varying needs, which might span illness, disability, or unique supportive service needs. Designing housing that can accommodate all physical abilities is critical to maintaining housing diversity.

A diverse housing stock provides unit types that span financial abilities as well as personal choice, in diverse, economically integrated neighborhoods that offer a positive quality of life. Households should be able to choose the form of tenure most suited to their needs, from either a rental or an ownership housing stock. And they should be able to find suitable, affordable places to live in healthy neighborhoods, free from concentrations of pollutants such as aging industrial uses, power plants, and sewage treatment facilities.

Policy 4.1 Develop new housing, and encourage the remodeling of existing housing, for families with children.

Families with children are very much part of the City's vitality and diversity. While currently families with children constitute a small portion of San Francisco households, with only 12% of the City's total population being 14 years old and younger, the changing demographics of the City illustrate that the need for family housing is growing, as larger, extended families increase and as more and more households desire to stay in the City as they have children.

Much of the new housing constructed in the last decade was smaller studios and one-bedroom units. New multi-bedroom units are often too expensive for the average San Francisco family. Many large families, especially those newly immigrated to the United States, are crowded into units designed for much smaller households. As a result, San Francisco's families with children are leaving or are experiencing overcrowded conditions.

While all agencies in the City acknowledge the need for housing for families with children, particularly low and very low family needs, there still is no accepted definition of family housing. The Department of Children Youth and Families has developed a number of recommendations for action towards family housing, including a proposed definition of family-friendly housing. This work should be codified into a formal city definition that can be used to shape housing requirements, and inform housing construction approvals.

Recent community planning efforts promote the construction of new housing for families by requiring that a minimum 40% of new units constructed have two-bedrooms or more. This practice should be continued where appropriate. Existing units can also offer opportunities for "family-sized" housing through expansion and in some cases unit mergers. A number of existing units are already sized for family households, especially single family homes. The City should offer support for elderly people who seek to downsize their homes, and encourage people who may be better served by alternatives, particularly in term of size, upkeep and budget, to downsize.

For family sized units to work for families the City needs to look beyond the provision of housing to ensure that the other amenities critical to families are provided. Proximity to schools, to open space, and to affordable child care are critical for the well-being of families. The Next Generation SF agenda, developed by Coleman Advocates for Children and Youth and committed to by the Mayor, not only advanced more affordable family housing, but advocated for better education opportunities for the City's youth, particularly minority youth, to advance their long-term opportunities, and for more revenue to be devoted to the safety and economic security of SF families, through more child care, violence prevention, youth employment and family support services.

Policy 4.2 Provide a range of housing options for residents with special needs for housing support and services.

There are a number of groups in the City in need of special housing consideration. Populations in need of support include the physically and mentally disabled; those suffering from mental illness, cognitive impairment; or dementia; or those suffering from severe illness such as AIDs. They also include people undergoing transitions, such as those trying to exit homelessness, aging out of foster care, leaving a hospital or institutional care; or populations in need of special security, such as transgender individuals. Many of these groups need housing with supportive services provided either on-site or nearby; many face bias in their existing housing situations, and many are at risk of losing housing due to disruptive behavior, deteriorating medical conditions, or an inability to afford rent.

Another category of at-risk individuals includes the City's recent immigrants, particularly refugees and undocumented workers, including day laborers and domestic workers. Many of these new arrivals need low cost housing and support services including multicultural and multilingual assistance. Many have families whom they support, and are stressed from overcrowding and substandard living conditions; many are homeless.

The City should take an active role to encourage the construction of new facilities, and the expansion of the available housing units, in appropriate locations suited to needs of these groups. The City should also support efforts by potential sponsors to identify and develop sites for special users and work cooperatively with social service agencies and housing providers. The City should also seek to reduce institutional barriers to development of innovative forms of housing that would better serve these individuals, from group housing to supportive housing to residential treatment facilities. One category of need that is expected to increase dramatically in coming years , due to a reduction in custodial care for older adults at hospitals and in nursing facilities, is dementia care. Also, there will be a growing population of people with cognitive impairment and dementia in San Francisco between 2010 to 2030. A broad range of residential care facilities will be needed to provide step-down 24-hour care. A range of care settings, from Residential Care Facilities for the Elderly or Residential Care Facilities for the Chronically Ill to new, more facilities models, such as the GreenHouse model, a group-home facility for seniors, should be explored.

Of particular importance are the ancillary social and medical service facilities, employment or advocacy services that enable positive living for members of in-need populations. The link to services is critical- in some cases, intensive case management and availability of services can make the difference between someone becoming institutionalized or homeless, or remaining in their own home. Therefore, support facilities need to be located on-site, or integrated into neighborhoods within close pedestrian or transit access from residences. In particular, board and care facilities, group homes, and services that allow at-risk or disabled persons to live at home while still receiving daily support, should be permitted to locate close to their clients. Where new residential care facilities are constructed, they should be located close to existing services, and in underserved neighborhoods to allow clients to remain meaningfully engaged in their community.

Policy 4.3 Create housing for people with disabilities and aging adults by including universal design principles in new and rehabilitated housing units.

Despite the cost of housing, San Francisco remains attractive to seniors and people with disabilities because of the City's transportation, health services, and other resources. While some of the disabled and elderly will require housing that provides supportive, long-term care arrangements as discussed above, many will remain largely independent for longer periods of time, needing only physical accommodations to enable active living. Yet people with disabilities and aging San Franciscans often have difficulty finding housing constructed to meet their physical accessibility needs. While the current San Francisco Building Code requires all new construction except one and two-family dwellings to comply with the Code's disability access requirements, much of the City's existing stock is inaccessible, and existing privately funded multi-family dwellings are not required to include accessibility upgrades when completing alterations. Those with physical disability issues are further at risk in obtaining housing because they often have lower than average incomes.

The City's community planning processes should foster <u>private and publicly supported</u> housing designed according to universal design principles, meaning that it is accessible, or can be made adaptable, to the disabled or elderly. "Accessible" means that the housing presents no physical barriers to handicapped or elderly people. "Adaptable" means housing whose entry and circulation are designed and constructed so that relatively minor adjustments and additions can make the unit fully accessible. Existing housing may be more difficult to retrofit, and more costly, when it is being rehabilitated as permanently affordable housing, so accessibility and adaptability design requirements should be made flexible for reconstruction projects.

Similar to the discussion above regarding housing for people with supportive needs, of particular importance are the everyday services and activities that sustain healthy, independent living for those with cognitive impairments, physical constraints and low mobility. Community planning processes should also foster direct, walkable access to recreational facilities and open space, to commercial areas and shopping, and to community services. They should go beyond physical access to ensure that people with cognitive impairment, dementia, other disabilities and aging adults feel comfortable and safe. Inclusion of public realm features that promote security, such as clearly visible signage, bright lighting and surveillance features that improve public safety, can go a long way towards creating age and disability friendly communities.

Policy 4.4Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

In recent years the production of new housing has yielded primarily ownership units. However, this trend may be shifting, as low vacancy rates and high rents indicate a strong demand for rental housing, and as lending practices shift in favor of projects with a long-term source of income (rents). The City should make a concerted effort to do what is within its control to encourage the continued development of rental housing throughout the City, including market-rate rentals that can address moderate and middle income needs.

Recent community planning efforts have explored incentives such as fee waivers, or reductions in inclusionary housing requirements, in return for the development of deed-restricted, long-term rental housing. The City should also seek new ways to promote new, permanently affordable rental housing, such as looking to existing sites or buildings for acquisition as permanently affordable units; this would require a local fund that is structured to act quickly to enable such purchases as they become available.

Policy 4.5 Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

Economically-integrated, diverse neighborhoods provide residents with a number of benefits. Crime levels, school attendance and graduation rates, employment opportunity

and health status of residents tend to be markedly improved in integrated neighborhoods, as compared to exclusively lower-income areas.

While San Francisco's neighborhoods are more economically integrated than its suburban counterparts, concentrations of low-income households still exist. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas of the city, and community planning efforts should include policies and programs that foster a diverse, integrated housing stock. These planning efforts should also include protections against the displacement of existing low- and moderate-income households by higher income groups.

The City's Inclusionary Housing Program, which requires that affordable housing units be provided on-site, provides one method for on-site integration (Map II-2: Below Market Rate Housing Projects). Construction of new affordable housing projects should likewise be distributed throughout the City, to ensure equitable neighborhoods as well as equal access to residents living in different parts of San Francisco (Map II-3: Affordable Housing Projects). For example, the homeless population lives in many neighborhoods throughout the City and would benefit from having housing resources in the neighborhood in which they work and live. All neighborhoods of the city should be expected to accept their fair share of affordable housing, whether it is through the City's inclusionary affordable housing policies, construction of new 100% affordable projects, rehabilitation projects.

Policy 4.6 Encourage an equitable distribution of growth according to infrastructure and site capacity.

Equitable growth brings economic opportunity to all residents, provides for intelligent infrastructure investment and offers a range of housing choices. Distributing growth equitably means that each part of the City has a role in planning for growth, and receives an equitable distribution of growth's benefits. It is as much about revitalizing and redeveloping transitioning parts of the City such as the Eastern Neighborhoods, as it is about guiding new communities in areas such as Treasure Island.

Whether in existing or new neighborhoods, all of the City's resident's should have access to public infrastructure, services and amenities. In ideal circumstances, infrastructure will be available before or in concert with new housing. Therefore growth should be directed through community planning to areas where public infrastructure exists and is underutilized; it should not overburden built-out neighborhoods where infrastructure is at capacity. Community planning should also look to areas where there is site capacity but are less developed in terms of infrastructure; these areas will require the construction of new infrastructure in cooperation with new development.

Policy 4.7 Consider environmental justice issues when planning for new housing, especially affordable housing.

The term "environmental justice" was born out of a concern that minority and low-income populations bear a disproportionate share of adverse health and environmental

impacts because of where they live. Proximity to undesirable land uses, substandard housing, housing discrimination, personal safety in housing, and community displacement are environmental justice issues that need to be addressed in many of the City's neighborhoods.

Housing is an important component of addressing environmental justice. The City should promote new, and rehabilitated, low-income housing on sites that do not have negative health impacts, near services and supplies so that residents have access to transit and healthy fresh food, jobs, child care and youth programs. The City needs to also ensure that the costs of housing do not lead to other environmental justice impacts, such as sacrificing nutrition, healthcare, and the needs of their children.

Implementation Measures

To achieve the City's objective to foster a housing stock that meets the needs of all residents across lifecycles, the City will implement the following measures:

- 31. All City agencies shall utilize a common definition for family housing, to guide the provision of family units in both private and public construction.
- 32. Planning should evaluate the impact of requiring minimum percentages of family units in new recently adopted community plans, and continue the practice where it promotes family housing that is accessible to residents.
- 33. The Mayor and the Board of Supervisors shall continue efforts to meet the goal of the Next Generation SF agenda, including construction or acquisition of sites for 3000 family units by 2011.
- 34. The Department of Public Health (DPH) will continue to provide permanent housing and supportive services for adults with mental health, substance use, and chronic medical conditions through the Direct Access to Housing (DAH) Program; and to provide on-site case managers who can help residents avoid eviction.
- 35. The Department of Aging and Adult Services (DAAS), through the Community Living Fund, will continue to support home and community-based services that help individuals who are at risk of being institutionalized.
- 36. Planning shall continue to implement Planning Code Section 209, which allows a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when the housing is specifically designed for and occupied by senior citizens, physically or mentally disabled persons.
- 37. Planning and OEWD shall promote the use of Historic Rehabilitation Tax Credits to help subsidize rental projects, and continue to provide information about such preservation incentives to repair, restore, or rehabilitate historic resources towards rental housing in lieu of demolition.
- 38. MOH and SFRA shall encourage economic integration by prioritizing the location new affordable and assisted housing opportunities outside concentrated low-income areas and encouraging mixed-income development. MOH and

SFRA shall and regularly provide maps and statistics to the Planning Commission on the distribution of projects. This information shall be included in reports including the Housing Inventory

- 39. Planning and MOH shall continue to implement and update the Citywide Inclusionary Housing Program, which requires the inclusion of permanently affordable units in housing developments of 5 or more units.
- 40. The Next Generation SF agenda, developed by Coleman Advocates for Children and Youth and committed to by the Mayor, not only advanced more affordable family housing, but advocated for better education opportunities for the City's youth, particularly minority youth, to advance their long-term opportunities, and for more revenue to be devoted to the safety and economic security of SF families, through more child care, violence prevention, youth employment and family support services.

Strategies For Further Review

To further this objective, the City should further explore the following options, and examine their potential to address Housing Element goals:

- The Tax Assessors Office should evaluate the primary inhibitors to downsizing, and examine the incentives offered by Prop 60, which allows senior owners to move into "equal" or "lesser" value units while retaining their previously established Prop. 13 taxable values.
- Planning staff should review the Planning Code's incentives for senior housing development.
- MOH, SFRA and other housing entities should explore methods of collaborating with special needs advocacy groups to increase outreach to historically socio-economically disadvantaged populations.
- Supportive housing providers should explore ways to increase design and program elements in supportive housing which increase safety and inclusion, and provide trainings for housing staff to increase understanding of residents and reduce bias.
- DAAS should explore the potential for partnerships with HSA, MOH and nonprofit developers interested in developing adult residential care facilities to increase supportive housing options for the elderly, particularly people with dementia.
- DBI should study ways to encourage inclusion of "Universal Design" elements into new projects, especially small-scale, cost-effective measures such as installation of appliances and countertops at accessible heights, flat light switches, and levers and grab bars; resulting programs should balance the benefits of physical accessibility with the benefits of housing affordability.

- DAAS should work with MOH and SFRA to explore ways to implement the GreenHouse model, a small-scale living environment of 6 to 10 seniors with nursing care needs that can be integrated into existing neighborhoods as infill development.
 - DAAS, HSA, and/or MOH should actively work towards the development of sites for residential care facilities that are close to existing services – one promising option is to develop affordable residential care settings directly on the Laguna Honda Hospital campus. They should also work towards acquisition of housing that could be rehabilitated towards the Green House model in the Bayview district, which is particularly underserved.
- During community planning processes, Planning should explore partnerships with agencies such as RPD, OEWD, MOH and DCYF for cross-discipline efforts that may improve conditions in disadvantaged neighborhoods and increase access to housing, jobs, and public services.
- Planning should examine incentives such as density bonuses, or other zoning related mechanisms that encourage long-term (i.e. deed-restricted) permanently affordable rental housing.

Objective 5 Ensure that all residents have equal access to available units.

Previous policies have discussed the need to maintain and add new housing to meet San Francisco's identified needs; the policies that follow under this Objective are intended to make sure that all residents have access to those units. Governmental 'red tape', including byzantine application systems and disparate housing application processes, can make accessing the supportive housing system extremely difficult, particularly for people already burdened by language or other social barriers. Social and economic factors can discriminate against certain population groups and limit their access to housing opportunities, leading to patterns of economic and racial segregation. And even when people have successfully entered the supportive housing system, options seldom provide an exit strategy towards independence.

Policy 5.1 Ensure all residents of San Francisco have equal access to subsidized housing units

Federal fair housing laws prohibit discrimination against protected classes of people as described below in Policy 6.4; they also prohibit most types of preference so as to avoid discrimination. Many communities, including San Francisco, have adopted some form of local preference, providing priority for people who live and/or work in the municipality to affordable and/or workforce housing sponsored and/or supported by the City. However, smaller geographic preference areas, or any specific racial or other preference, put local governments at risk of violating fair housing laws and constitutional law. To ensure all residents have access to housing, public agencies should make special efforts to attract cultural, racial or ethnic groups who might not normally be aware of their housing choices, particularly those who have suffered discrimination in the past. Marketing and

outreach efforts should encourage application by households who are least likely to apply because of characteristics protected by fair housing law.

Policy 5.2 Increase access to housing, particularly for who might not be aware of their housing choices.

Currently, subsidized housing is offered through a number of City agencies, including the San Francisco Housing Authority, the San Francisco Redevelopment Agency, the Mayor's Office of Housing, and the Department of Health and Human Services; by nonprofit entities managing their own housing developments; and even by market-rate developers in the case of the City's Inclusionary Housing Program. The result of so many programs, with different administrating entities, creates difficulty in navigating the City's affordable housing placement system, and places a high burden on housing advocates and service providers. A comprehensive, single-stop source of all available housing is needed to link residents to prospective homes in a timely matter.

Efforts to improve access should focus particularly on groups who might not be aware of their housing choices, including those with lower incomes, language and comprehension barriers, and those who have suffered discrimination in the past. The City should therefore partner with community providers already serving those groups. Available housing should be advertised broadly, with targeted outreach to at-risk populations and communities, in multi-lingual media to ensure fair marketing practice. And information about housing rights, such as safeguards against excessive rent increases, should be given the same marketing and outreach.

Policy 5.3 Prevent housing discrimination, particularly against immigrants and households with children.

Housing discrimination is defined as the denial of rights to a group of persons by direct providers of housing whose practices making housing unavailable to certain groups of people. Discrimination can be based on race, color, or national origin; religion; sex or gender; familial status; and disability; and furthermore on factors such as HIV/AIDS status, weight or height, source of income, and economic discrimination. Discrimination in housing is governed primarily by the federal Fair Housing Act. To ensure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. The Human Rights Commission enforces the City's Fair Housing Law and handles complaints of housing discrimination.

Households with children are one group that is often cited as having difficulty finding suitable housing because some landlords discriminate against children as tenants. The City should continue enforcement of the 1987 ordinance prohibiting residential apartment owners from discriminating against families based on household size unless the Building Code does not permit occupancy of the dwelling by a family of that size. In publicly subsidized housing, households with dependent children should have multiple bedroom units.

The State and City have developed numerous tenants' rights laws and fair housing statutes. Education of residents and tenants is critical to ensure implementation of these laws, and the City should work not only to uphold such laws, but to broaden their affect

by partnering with community service providers and housing rights advocates to expand both knowledge and .protections.

Policy 5.4 Provide a range of unit types for all segments of need, and work to move residents between unit types as their needs change.

Changes in life stage or household type, such as a personal need, illness or disability; the birth of a child; or a change in economic situation or job opportunity, can affect the type of unit a household requires. Once residents do achieve housing, they are also challenged in moving beyond that unit to another housing unit that may be more appropriate for their current life stage. To meet the diversity of need demanded by the residents of San Francisco, a range of housing types must be provided, and the ability to move between these types – often referred to as "moving up the housing ladder" must be available.

Supportive housing, or housing for the formerly homeless, is often the first step on the ladder for many individuals. However, much of the housing aimed at meeting this need is temporary, renting by the week or month, and intended only to provide short-term housing until another option can be found. Other options, and support service that help move people between these options, is required. To make such movement possible, the City needs to make a concerted effort to link its various programs, and provide counseling for residents in aspects of those programs so they have the ability to move between them. The City also needs to provide financial support needed to start at the next level, whether that is a rental deposit for an apartment or a down payment for a first home. The City should also look to helping people on the other side of the housing ladder, such as those who might be downsizing, particularly from single family homes into either smaller units/condos or rental units.

Implementation Measures

To achieve the City's objective to ensure that all residents have equal access to available units, the City will implement the following measures:

- 41. All housing agencies shall require associated project sponsors to provide the agency with an outreach program that includes special measures designed to attract those groups identified as least likely to apply.
- 42. The Mayor's Office on Housing (MOH) shall work with the SFRA, SFHA, HSA, DPH, and nonprofit and private housing providers to develop a "onestop" center providing information on all affordable housing opportunities within the City, including BMRs, providing specific information about the availability of units and related registration processes, and applications.
- 43. The City's Human Rights Commission (HRC) will continue to support and monitor the Fair Housing Access laws and advise the Mayor's Office of Housing and the Mayor's Office on Disability on issues of accessibility and impediments to Fair Housing. The HRC will investigate and mediate discrimination complaints. When appropriate, the HRC will provide referrals to other government agencies.
- 44. The HRC will continue to assist in resolving landlord-tenant problems in rental housing, including single room occupancy hotels.

- 45. The Board of Supervisors shall continue to uphold local measures prohibiting tenant harassment. Section Sec. 37.10B of the City's Administrative Code prevents landlords or their agents from doing specified acts, such as abusing the right of entry to the unit, threatening or attempting to coerce a tenant to move, or interfering with the tenant's right of privacy.
- 46. DBI shall perform proactive enforcement of housing codes where such infractions adversely affect protected resident categories, and shall monitor the correction of such continuing code violations to prevent the loss of housing.
- 47. The City and all of its partners shall continue to provide translation of all marketing materials, registration processes, applications, etc. Such materials should be marketed broadly and specifically target underserved populations.
- 48. The Police Department will continue to implement San Francisco's Municipal Police Code under Article 1.2, which prohibits housing discrimination against families with minor children. This law prohibits the most common forms of discrimination, such as restrictive occupancy standards, rent surcharges and restrictive rules.
- 49. The City will continue to promote access to housing by families by enforcing Section 503(d) of the City's Housing Code, and supporting amendments that increase equity.

Strategies For Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- MOH should explore methods of partnering with community service providers and housing rights advocates to expand community knowledge of, and access to, the "one-stop" center above.
- All housing agencies should work together to explore how to expand assistance for residents transitioning from supportive services to rental housing, by providing credit help, clean slate programs, and security deposit assistance.
- The Board of Supervisors shall explore ways in which the City can support housing rights advocates, to assist in disseminating information to the widest possible audience.

Objective 6 Reduce homelessness and the risk of homelessness.

Over the last Housing Element period, San Francisco has made strides in addressing homelessness, with documented decreases in population living on the street. The policies of the 1980s that regarded temporary shelter as an acceptable housing plan for homeless households has been superseded by an increased focus on permanent supportive housing programs, as well as programs such as Project Homeless Connect (where volunteers connect homeless individuals to services), Care Not Cash (which redistributes general

relief support in the form of housing & other services), and eviction prevention services that attempt to stem the onset of homelessness before it starts.

However, homelessness continues, and recent figures show that homelessness figures have increased as unemployment has risen. Statistics show that the category at most risk for homelessness is middle-aged individuals, particularly males, of all races; immigrants and families. Special categories of risk include veterans, those with substance abuse problems, and transgendered individuals.

Policy 6.1 <u>Prioritize permanent housing solutions while</u> pursuing both short- and long-term strategies to eliminate homelessness.

While shelters can provide an alternative to sleeping on the streets, they do little to address the underlying causes. A permanent solution to homelessness requires permanent affordable housing. San Francisco has focused homeless housing efforts on providing very low-income homeless singles and families a range of supportive options that are intended to stabilize their housing situation for the long term. Programs sponsored by the Human Services Agency include Permanent SRO Housing for Single Adults through the Master Lease Program, Rental Housing Subsidies for Single Adults and Families with Disabilities including mental health, substance abuse and/or HIV/AIDS, and Permanent Supportive Housing for Families.

In addition to permanent housing, temporary shelters and services are still needed, particularly services that provided in an unbiased, multi-lingual and multicultural context. Immediate housing will be needed to serve socio-economic groups that will be particularly impacted by the recent economic trends. In particular, more home-improvement workers and day laborers, facing more competition and a dwindling number of construction jobs, are becoming homeless. Yet few flexible options for housing - meaning, housing that is not already reserved for a specific program - exist in the neighborhoods they call home, resulting in people shuttling from neighborhood to neighborhood to find an open bed.

The City's "Continuum of Care: Five-Year Strategic Plan," created by the San Francisco Local Homeless Coordinating Board (the primary City policy board responsible for planning and coordinating homeless programs in the city), is intended to provide a comprehensive roadmap for policy and services directed towards people who are homeless and at risk for homelessness. Its "priority" sectors of action include permanent, subsidized housing; transition from incarceration, foster care and hospitals as well as avoiding evictions; interim housing in shelters as a stopgap until permanent housing is available; improvement of access to housing and support services; increased economic stability through employment services and education; and respectful, coordinated Citywide action dedicated to individual's rights. The City's "10 Year Plan to End Chronic Homelessness" focuses more deeply upon permanent supportive housing for the chronically homeless including families, which make up an estimated 20% of San Francisco's homeless population. Both plans should continue to be executed and implemented, and creation of the housing types they promote – both permanently

affordable and necessary additional shelters – should be located equitably across the City according to need.

Policy 6.2 Prioritize the highest incidences of homelessness, as well as those most in need, including families and immigrants.

Between 60 to 80% of all homeless individuals in San Francisco may suffer from physical disability, mental illness, or substance addiction. The City's "Continuum of Care" plan prioritizes stable, permanently housing for this group.

Families, while not the highest incidences of homelessness (last year's count by the Human Services Agency found that 91% of the homeless were single adults, and 9% were in families) are an important category of need. Homeless family housing is extremely limited; focusing on the City's chronically homeless often leaves out families, who tend to become homeless situationally, based on current job or economic conditions.

Refugees and immigrants also face housing hardship. Language barriers and, frequently, the additional hurdle of illegality can create unique barriers to housing access. Homeless people who are undocumented can face prejudice in trying to secure beds or units, inability to communicate, and frequently have difficulty accessing beds on a regular basis, or the more stable, long-term forms of housing that might enable them to move up the housing ladder. Both families and immigrants should be given particular consideration in the City's homeless policies and housing creation.

Implementation Measures

To achieve the City's objective to reduce homelessness and the risk of homelessness, the City will implement the following measures:

- 50. The Department of Public Health, the Human Services Agency; the Mayor's Office of Community Development; the Department on the Status of Women; the Department of Children, Youth and Their Families; the Mayor's Office of Housing; and the San Francisco Redevelopment Agency shall continue to implement the City's "10 Year Plan to End Chronic Homelessness" and the "Continuum of Care: Five-Year Strategic Plan of San Francisco."
- 51. HSA will continue to operate programs such as its Master Lease Program, which renovates hotels to be managed by nonprofit agencies providing case management and supportive services on-site, and to fund non-profit agencies to provide on-site supportive services.
- 52. DPH shall continue to offer shelter programs such as Homeless Death Prevention, Winter Shelter, and Community Housing Partnership; as well as services and clinics which deliver a variety of health services to homeless persons.

Strategies For Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- HSA should explore new ways to provide permanently affordable and service-enriched housing to reduce the need for temporary homeless shelters, and to place homeless people in housing directly off the streets, without first going through a "readiness process," shelter, or transitional housing program.
- HSA should explore the potential to create or set aside publicly constructed housing for homeless families with children, with supportive services for residents.
- HSA should continue to work with Redevelopment and MOH, and nonprofit partners such as the Coalition on Homelessness to expand ways to move homeless people currently within the shelter system toward permanently affordable housing.

Issue 4: Facilitate Permanently Affordable Housing

Objective 7 Secure funding and resources for permanently affordable housing, including innovative programs that are not solely reliant on traditional mechanisms or capital.

Responding to the needs for affordable housing is the most critical housing objective in San Francisco. San Francisco's projected affordable housing needs far outpace the capacity for the City to secure subsidies for new affordable units. A successful funding strategy will require a range of resources including federal, state, and regional partners, and the City.

First, the City must continue to proactively pursue additional federal, State and regional affordable housing and infrastructure dollars to support projected housing needs. Second, the City must continue to aggressively develop local programs to fund affordable housing, including strategies that more efficiently use existing subsidies to work towards the desired mix of affordable housing options. Third, the City needs to look beyond dollars for creative ways to facilitate affordable housing development that make sense in the current economic climate, such as land subsidy programs, process and zoning accommodations, and acquisition and rehabilitation programs.

Policy 7.1 Expand the financial resources available for permanently affordable housing, especially permanent sources.

San Francisco should continue to be a leader in identifying, securing and mandating funding for permanently affordable housing. Building on a good track record for securing federal and state funds, the City shall continue to lobby for necessary funding in coordination with regional entities. Local programs such as HOPE-SF, inclusionary housing and 50% set asides of Redevelopment Areas' Tax Increment Financing dollars demonstrate a strong dedication to providing local funding to affordable housing. These programs should be continued and expanded as feasible.

The State should also consider methods of increasing funding for affordable housing. Ballot measures do not promote long-term security for affordable housing, and given recent ballot trends, asking voters to go further into debt every four years is a risky

proposition. The City should support state efforts to identify a permanent state fund that would finance housing for low- and middle-income households.

A dedicated, permanent source of local funding for housing programs will also help address the need for affordability over the long-term. Currently, local funding for affordable housing is dependent on annual budgeting, which makes long-term planning difficult. It also creates a situation where affordable housing funding is dramatically effected by downturns in the economy, which further exacerbates issues already faced by low-income families. Ultimately San Francisco's affordable housing programs should have a permanent funding source.

Policy 7.2 Strengthen San Francisco's affordable housing efforts by planning and advocating at regional, state and federal levels.

Housing affordability in San Francisco is not an issue that may be addressed in isolation from other municipalities in the region. Because the region's growth forecast is based on increased housing development that supports alternative transportation modes, the State and region's policies project that a large proportion of the region's growth will continue in San Francisco. Thus, the City needs to advocate strongly for a coordinated regional strategy that takes into account the planning and capital required to accommodate the household growth in a sustainable way.

Also, because the RHNAs originate from state allocations, state funding sources need to program funding for affordable housing and infrastructure according to growth forecasts. Senate Bill 375, California's landmark smart growth bill adopted in 2008, legislates the reduction of greenhouse gases through regional and local planning efforts, and requires that any transportation projects and programs that receive state funding must be consistent with these greenhouse gas reduction plans. However, the State should seek to go further in tying funding to smart growth allocations, by directing housing and infrastructure funds towards jurisdictions accommodating that smart growth; and federal stimulus fund efforts should follow this same model. The City needs to use it's planning and redevelopment efforts, which outline a land use and infrastructure framework for growth, to more strongly advocate at the state and federal funding world.

Policy 7.3 Recognize the importance of funds for operations, maintenance and services to the success of affordable housing programs.

A holistic approach to affordable housing includes careful consideration of the operation, services and maintenance programs necessary to maintain the housing once it is built. As the income level of households decreases, the income subsidy needed to cover the gap between eligible operating costs and project income becomes deeper.

Operations and maintenance costs should be considered as a necessary aspect of publicly subsidized affordable housing projects. One potential strategy is the development of a fund earmarked for operations and maintenance costs affordable to very low-income persons, based on the supplement to rent revenue required to cover ongoing operating expenses. Services plans should include resident placement and supportive services, including job placement, as needed.

Policy 7.4Facilitate affordable housing development through land subsidy programs, such as land trusts and land dedication.

Land costs are a considerable portion of affordable housing development costs. Land trusts and land dedication programs can reduce those costs – thus reducing the overall subsidies required to build new affordable housing units. The City shall support and encourage land based subsidies, especially when land is well suited for affordable housing development.

Land trusts rely on individuals or groups to purchase the land and later devote that land to affordable development entities; this model is appropriate for public agencies or larger employers as a way of supporting affordable housing development. The San Francisco Community Land Trust is one example of how a nonprofit can purchase land and maintain permanent affordability by creating long terms ground leases that include resale restrictions.

Land dedication allows property owners to designate their land for an affordable housing project; this model could most likely be used by private citizens or private developers wishing to provide community benefits. The Trust for Public Land has a program which promotes dedication for open space purposes by providing major tax deductions; a similar program could be developed for charitable contribution of land for housing purposes.

Policy 7.5 Encourage the production of affordable housing through process and zoning accommodations, and prioritize affordable housing in the review and approval processes.

Public processing time, staffing, and fees related to City approval make up a considerable portion of affordable housing development costs. The City should expedite the review process and procedures as appropriate; to reduce overall development costs and increase the performance of public investment in affordable housing.

Local planning, zoning, and building codes should be applied to all new development, however when quality of life and life safety standards can be maintained zoning accommodations should be made for permanently affordable housing. For example exceptions to specific requirements including open space requirements, exposure requirements, or density limits, where they do not affect neighborhood quality and meet with applicable design standards, including neighborhood specific design guideline, can facilitate the development of affordable housing. Current City policy allows affordable housing developers to pursue these zoning accommodations through rezoning and application of a Special Use District (SUD). The City could further improve developers' ability to use SUDs by making them as of right.

City review and approval of affordable housing projects should be improved to reduce costly delays. Affordable housing projects already receive Priority Application Processing through coordination with the Planning Department, Department of Building Inspection, and Department of Public Works. This process could be further enhanced by designating a planner(s) to coordinate governmental activities related to affordable housing.

Policy 7.6 Acquire and rehabilitate existing housing to maximize effective use of affordable housing resources.

The City's existing housing stock provides a resource which can be used to fulfill a number of affordable housing needs. The City should pursue and facilitate programs that enable households to better access existing housing stock. By acquiring and rehabilitating such units, the City can use affordable housing funds in a cost-effective way that provides stability in existing low-income neighborhoods, where units may be at risk of poor safety or conversion. Such housing acquisition and rehabilitation should happen only on a voluntary basis, and must not displace occupants

San Francisco should also explore opportunities to take advantage of projects that are delayed, abandoned or are on the market. Having a readily accessible pool of funding available for purchase of such projects would enable affordable housing developers to take over the land and entitlements of such projects. The City should explore a number of options to assist in securing these opportunities for permanently affordably housing, coops or land-trust housing, including subsidies, affordable housing programs, new tax incentives or government intervention.

Policy 7.7 Support housing for middle income households, especially through programs that do not require a direct public subsidy.

Market rate housing in the City of San Francisco is generally available to households making at or above 180% of median income. Affordable housing programs, including City subsidized affordable housing and inclusionary housing, are provided to households at or below 120% of median income. This leaves a gap of options for households in between those two categories, referred to as "middle income" households and defined for the purposes of this Housing Element as housing affordable to households making between 120 and 150% of median income. Unfulfilled demand for middle income housing impacts the supply and pressure on housing stock for lower income households.

San Francisco prioritizes federal, state, and local subsidies for lower income households; therefore the City should support innovative market-based programs and practices that enable middle income housing opportunities. Creating smaller and less expensive unit types that are "affordable by design" can assist in providing units to households falling in this gap. Development strategies that reduce construction costs, such as pre-fabricated housing and other low cost construction types can decrease overall housing costs, making it affordable to middle income households without subsidy. Industrialized wood construction techniques used in lower density housing and light-weight prefabricated, pre-stressed concrete construction in moderate and high density housing also have the potential of producing great savings in construction time and cost.

Policy 7.8 Develop, promote, and improve ownership models which enable households to achieve homeownership within their means, such as down-payment assistance, and limited equity cooperatives.

Affordable homeownership opportunities are part of providing a diversity of housing opportunities in the City.

San Francisco should continue homeownership assistance programs including counseling, down payment assistance, silent second mortgages and programs that support teachers. Other programs that reduce the burden of homeownership such as limited equity cooperatives, which can be created through community land trusts and are discussed in Policy 3.2, should be supported by the City.

Recent homeownership and foreclosure trends have resulted in potential opportunities for affordable homeownership programs. To the extent that San Francisco experiences foreclosures, San Francisco should provide assistance to existing homeowners and work to secure foreclosed units as affordable ownership opportunities. Where larger, multi-unit buildings become available via foreclosures, the City should look to acquire them as permanently affordable units; this would require the ability to reformulate related programs to access funding, or a designated local fund that is structured to act quickly to enable such purchases as they become available.

Cooperative housing types, which typically enable efficient use of land or existing housing stock, can be less costly. Common examples include limited-equity housing cooperatives, shared rentals and group houses. Another option is a common-interest cooperative model, which is commonly used by artist, student or other communities where housing assets are owned and managed in common by all of the co-op's members. A final option is cohousing, in which individual households band together in cooperative living, using things like common kitchens, community rooms, open space and even personal transportation such as shared cars and bicycles. The City should therefore support cooperative housing types as a form of market-based lower cost housing.

Implementation Measures

To achieve the City's objective to secure funding and resources for permanently affordable housing, including innovative programs, the City will implement the following measures:

- 53. The San Francisco Redevelopment Agency will continue to maximize its contribution towards permanent affordable housing construction, and shall continue its practice of reauthorizing Tax Increment Financing in expiring redevelopment areas wherever possible to continue revenue for affordable housing purposes.
- 54. HSA and DPH will continue to administer operating subsidies for special needs housing through their supportive housing programs.
- 55. MOH, SFRA, and SFHA will continue efforts to provide financial support to nonprofit and other developers of affordable housing, through CDBG and other funding sources.
- 56. Under the oversight of the Capital Planning Committee, the City should formalize an interagency grant committee tasked with creating a coordinated grant strategy for pursuing stimulus funds for housing and supporting infrastructure.

- 57. The City's housing agencies shall keep apprised of federal, state and local affordable housing funds and other grant opportunities to fund affordable housing for the City of San Francisco, and shall work with federal Representatives to keep the abreast of the specifics of the housing crisis in San Francisco. MOH, SFRA and other agencies shall continue to use such funds for housing at all AMI levels below market.
- 58. Planning shall monitor the construction of middle income housing under new provisions included within the inclusionary requirements of the Eastern Neighborhoods Area Plans, and consider expanding those provisions Citywide if they meet Housing Element goals.
- 59. MOH shall continue to administer first time homebuyer programs such as City's Down Payment Assistance Loan Program (DALP), City Second Loans, and the Inclusionary Affordable Housing Program.
- 60. The City shall pursue federal and state opportunities to increase programs for limited equity homeownership, homeowner assistance programs and down payment assistance. Programs specific to the recent foreclosure trends should be pursued as appropriate. Upon implementation, all programs have a significant prepurchase counseling program, and that consumers are supported by a post-purchase services network to assure access to information and services to prevent foreclosure.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- MOH should explore federal and state stimulus opportunities to increase programs for limited equity homeownership, homeowner assistance programs and down payment assistance; ensuring all programs have a significant prepurchase counseling program, and that consumers are supported by a post-purchase services network to assure access to information and services to prevent foreclosures.
- The Board of Supervisors should explore the creation of a permanent local source of affordable housing funding for the City, such as a housing trust fund. The City should also support efforts at the state level to establish a similar permanent state source of funding for affordable housing.
- Planning, in cooperation with other agencies, should explore the use of Tax Increment Financing outside redevelopment areas to further the development of affordable housing and supportive infrastructure.
- MOH and Planning should continue to consider, within the context of a community planning process, zoning categories which require a higher proportion of affordable housing where increased density or other benefits are granted. Options include Affordable Housing Only Zones (SLI); Affordable Housing Priority Zones (UMU) or Special Use Districts on opportunity sites.

• DBI should review Building Code requirements to examine ways to promote "affordable by design" housing, including pre-built housing, affordable by design, construction types that allow housing at the ground floor of podiums, and other low cost construction types.

Objective 8 Build public and private sector capacity to support, facilitate, provide and maintain affordable housing.

The development of affordable housing is critical to the long term health, sustainability and diversity of San Francisco. In order to successfully deliver affordable housing the City and private sector must have the tools they need to develop and rehabilitate affordable housing. It is in the interest of the City to ensure that both public and private entities that participate in the delivery and maintenance of affordable housing have resources and materials, in addition to funding that are necessary to deliver affordable housing. Key functions include technical support and services, and political support and development of public awareness.

Policy 8.1 Support the production and management of permanently affordable housing.

Non-profit housing development corporations develop most of San Francisco's subsidized affordable housing. The City should continue to provide technical and financial assistance to support continued operations and enhanced capacity of these entities. One strategy is to facilitate partnerships, such as linking nonprofits with private developers for joint development opportunities, or with lenders to expand funding options. Another is providing information and advice, such as training on design, green building and energy efficient remodeling, and information about construction products

Additionally the City should invite partnerships towards affordable housing development with market rate developers, major employers, religious organizations, other philanthropic organizations and trade unions. These organizations may offer development or organizational capacity, funding or land resources.

Policy 8.2 Encourage employers located within San Francisco to work together to develop and advocate for housing appropriate for employees.

Local employers, particularly larger employers, have a vested interest in securing housing necessary to support their work force. The City should foster stronger housing advocacy among employers, who could advocate for housing projects and types. The City should also connect major employers to both market-rate and affordable developers, especially those with a vested interest in workforce housing, such partnerships could provide developers with a funding resource, or a pool of committed residents, which could reduce the risk of developing a project, while securing housing for employees.

Policy 8.3 Generate greater public awareness about the quality and character of affordable housing projects and generate community-wide support for new affordable housing.

Affordable housing projects are sometimes delayed or withdrawn because of community opposition. Greater public awareness of affordable housing challenges and potential solutions would generate broader long-term support for housing. San Franciscans, faced with one of the most expensive housing markets in the City, generally support the notion of providing more affordable housing options and understand the range and severity of affordable housing needs in the City. However when individual projects are presented the macro understanding of the affordable housing crisis gets lost in fears about changes to an individual neighborhood or block. The City, in coordination with affordable housing providers, should work to showcase successful affordable housing projects that improve neighborhoods, help households, and provide much needed workers for our City.

Implementation Measures

To achieve the City's objective to build public and private sector capacity to support, facilitate, provide and maintain affordable housing, the City will implement the following measures:

- 61. MOH, SFRA, and other housing agencies shall continue to provide support to nonprofit and faith-based organizations in creating affordable housing, including both formal methods such as technical assistance and training to subsidized housing cooperative boards, and informal methods such as providing information about programs that reduce operations costs, such as energy efficient design.
- 62. MOH shall continue to coordinate local affordable housing efforts through the Citywide Loan Committee and the Consolidated Plan.
- 63. OEWD shall coordinate with employer organizations such as the Chamber of Commerce, to facilitate their advocation, sponsorship or even subsidization of affordable housing, including the organization of a collective housing trust fund.
- 64. Planning, DBI and other agencies shall continue to provide informational sessions at Planning Commission, Department of Building Inspection Commission and other public hearings to educate citizens about affordable housing, including information about its residents, its design, and its amenities.
- 65. Planning staff shall support affordable housing projects in the development review process, including allowing sponsors of permanently affordable housing to take full advantage of allowable densities provided their projects are consistent with neighborhood character.
- 66. The city should encourage manufactured home production, per California law (Government Code 65852.3) that permits all manufactured homes.

- 67. OEWD shall explore targets for construction of employer assisted housing, similar to the City of Chicago's program that created a goal that 10% of all plan for transformation units be filled with employer assisted units.
- 68. OEWD and Planning shall develop a consistently applied time limit for valid Planning Code entitlements, which can be tied to expiration of environmental review. OEWD, MOH and Planning should also explore options that would support affordable housing when/if entitlements expire. One option for study is to allow the expired entitlement to continue if the site is sold to an affordable housing developer, or allow expansion of the time limit if project sponsors agree to increased affordability requirements.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- OEWD and MOH should explore partnerships between developers and employers, such as master lease programs that ensures that a given number of units will be rented by the employer or their a sub lessee (the employee); or purchase guarantees to accompany the construction of for-sale housing, where an employer agrees to purchase a given number of units in a development if those units are not otherwise purchased, in exchange for price discounts for employees.
- MOH and Planning should explore expansion of the land donation alternative included in the Eastern Neighborhoods Area Plans as a way to fulfill Inclusionary Zoning requirements, and should work with the Tax Assessors office to explore tax incentives that could facilitate the donation of land from private property owners to the City or non-profits for the development of affordable housing.

Objective 9 Preserve units subsidized by the federal, state or local Sources.

In 1997, in response to a change in federal guidelines that allowed the affordability provisions on subsidized housing to expire, San Francisco created a program to preserve affordable housing. Through this program the Mayor's Office of Housing and the San Francisco Redevelopment Agency has acquired and transferred a number of at-risk developments to non-profit entities for permanent affordability.

Continuing to maintain the existing stock of subsidized units is a critical component of San Francisco's affordable housing strategy. As units provided by the Redevelopment Agency and MOH, which currently apply life-long affordability restrictions to their projects, are not particularly at risk, efforts need to focus on properties not financed by these entities. Additionally, the City should continue to provide long term funding strategies to new subsidized units, to protect the public's investment in affordable housing and maintain housing stability.

Policy 9.1 Protect the affordability of units at risk of losing subsidies or being converted to market rate housing.

Existing affordable housing units should be maintained and preserved at their current levels of affordability. Through the Housing Preservation Program (HPP), the City's housing agencies work to restructure funding terms of Community Development Block Grant funds and housing office bonds to extend affordability terms of subsidized developments. In most cases, the land is purchased by the Redevelopment Agency, with long-term affordability contracts required for the units. The City should continue these efforts to ensure that subsidized units remain affordable when a specific subsidy expires. To protect affordability, preservation program efforts need to begin early, prior to the contract's expiration date, so careful tracking of existing subsidized housing and coordinated planning among various agencies should be continued.

The City also has additional ordinances that limit profit from market-rate conversions of restricted units, thereby motivating HUD contract renewals. These include the Rent Control Ordinance (Administrative Code, Chapter 37), the Assisted Housing Preservation Ordinance (Administrative Code, Chapter 60), the Source of Income Ordinance (City Police Code, Article 33, Section 3304), and the Just Cause Eviction Ordinance (Residential Rent Stabilization and Arbitration Ordinance, Chapter 37.9). The implementation of these ordinances should be continued.

Policy 9.2 Continue prioritization of affordable preservation as the most effective means of providing affordable housing.

Financial support is required to continue to support the preservation of existing affordable housing. The HPP program has used tax-exempt bond financing, low income tax credits and federal funds to finance acquisition and rehabilitation costs. In addition, the Agency has engaged tenants and built organizing capacity to support acquisition negotiations with owners of such developments. The City should continue these mechanisms to complete acquisitions of existing, at-risk subsidized units.

Additionally, other agencies in the City should look to retain existing affordable housing stock with supportive programs and policies. Privately owned and operated rental housing is under continuing pressure to convert to market rate housing, and programs such as the acquisition and rehabilitation model discussed previously can aid in their retention.

Policy 9.3 Maintain and improve the condition of the existing supply of public housing, through programs such as HOPE SF.

The San Francisco Housing Authority is the largest landlord in San Francisco with over 6,200 units, and is one of the most important sources of permanently affordable housing for low-income households. The devolution of responsibility for public housing from a federal to local level requires increased local responsibility for public housing developments. The City should continue to pursue innovative local financing techniques, energy efficiency measures, and creative property management and customer service.

Innovative programs such as HOPE SF, which distinguish San Francisco as a leader in public housing redevelopment should be continued with City investment and support.

Implementation Measures

To achieve the City's objective to preserve units subsidized by the federal, state or local sources, the City will implement the following measures:

- 69. SFRA shall continue monitoring of all "at risk" or potentially at risk subsidized affordable housing units, and continue to implement the Assisted Housing Preservation Program (HPP) to protect and preserve federally subsidized housing.
- 70. SFRA shall continue to ensure relocation of all tenants who are displaced, or who lose Section 8 subsidies, through housing reconstruction.
- 71. MOH shall continue to lead a citywide effort, in partnership with SFRA, SFHA and other City agencies to prioritize and facilitate the preservation and redevelopment of the City's distressed public housing according to the recommendations of the HOPE SF task force.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

• SFRA, in cooperation with MOH and the SFHA, shall explore the creation of a residents and/or non-profit ownership and management program to acquire existing "at risk" buildings.

Issue 5: Remove constraints to the construction and rehabilitation of housing

Objective 10 Ensure a streamlined, yet thorough, and transparent decision-making process

Many factors can constrain the development, maintenance, and improvement of the housing stock. Market conditions, such as the cost of land, the availability of materials, and the rate of labor, are difficult to affect through government actions. Local requirements, such as noticing procedures, review periods and public comment periods, are necessary to ensure opportunities for neighborhood participation. But other factors, such as the However, providing clarity of planning and permitting requirements, processing time, application and review procedures, and environmental review requirements, can be directly addressed through City policy. reduce unnecessary delays, participation and public comment processes.

Policy 10.1 Create certainty in the development entitlement process, through housing regulations that makeby providing clear community parameters for development and consistent application of these regulations.

There is a clear public benefit to creating, and applying, a strict approach to regulatory land use controls. Certainty in the development regulations simplifies the process for applicants, and allows neighbors to understand and anticipate the likely outcomes of changes in their neighborhood. It also reduces misunderstandings between developers and communities before proposals have been designed to a level of detail where change can be very costly or time-consuming. The ultimate goal of a "certain" development entitlement process is to create greater transparency and accountability in the process for all parties, empowering both the public and developers.

A goal of recent Planning Department community planning processes is to use the intensive neighborhood-based planning process to coordinate citywide goals with the needs of individual neighborhoods. The resulting adopted area plans have directed both land use and urban form to create development that is of a character and quality specified by the community, through clear Planning Code provisions as well as neighborhood specific Design Guidelines.

It is critical that the spirit and letter of these adopted area plans are implemented. Full implementation of the Community's vision requires consistent application of plan policies and project review. Once such controls are in place, it is the responsibility of planning and permitting staff to adhere to consistent and clear application of Planning Code, Design Guidelines, and other adopted requirements. Monitoring reports adopted as a part of each area plan should be used to improve consistency and results of the regulatory process.

Affordable housing projects are often granted exceptions to general requirements to further the City's ability to meet affordable housing objectives. Often simple exceptions raise confusion and concern among community members. Where additional support may be required for projects which meet the City's targeted housing needs, such as permanently affordable housing for very-low and low-income households, the City should explore methods such as designating Planning staff, or taking an active role in mediating disputes with neighbors. Such a function could either be provided within the City or contracted with an outside non-profit entity to provide free mediation services.

Policy 10.2 Reduce the need for discretionary processes such as conditional use approval, and ensure an effective decision-making process that ensures adequate community review where discretion is warranted.

Conditional use authorizations, which are subject to a decision by the Planning Commission, can have varying outcomes, and can therefore be problematic for neighborhoods who are seeking certainty about changes in their neighborhood. Recent amendments to the Planning Code in several recent area plans adopted new land use controls which replaced some conditional use requirements in those plan areas in

exchange for clear as of right requirements. Future community planning processes should continue its practice of reducing conditional uses when appropriate and where such removal can support desired types of development.

The City's mandatory (i.e. non community initiated) Discretionary Review should be refined and replaced with clear conditions where possible. The City's community initiated Discretionary Review process should also be evaluated through a public process, and examined to provide more certainty and predictability in the development process. This will eliminate some of the costs associated with developing housing and making changes or additions to the existing housing stock, and will improve a process that currently constrains property owners and housing development.

Policy 10.2 Use best practices to reduce excessive time or redundancy in local application of CEQA.

The California Environmental Quality Act was initiated to open development decisions so that action could be taken to offset negative environmental effects, and as a mechanism for community review of projects. At its basis, CEQA offers a tool to balance environmental values with concrete development decisions, and as such, was one of the early tools citizens and agencies had to promote environmentally favorable projects, and reject, or reduce the impact of, negative ones. However, its provisions have created numerous concerns about delay and misuse of CEQA; policymakers have recently started discussing reform of CEQA to help address concerns about misuse and delays to good housing projects. Reform should be pursued in a way that does not unduly limit neighborhood participation in review of development proposals.

Using best practices, Community Plan exemptions and tiered environmental reviews can help enable CEQA to be more closely tuned to its initial intent, and to become a strong mechanism for smart growth planning and development. In particular, the City should explore mechanisms that will maintain the strength of CEQA and its use as a tool for environmental protection while eliminating aspects of its implementation that are not appropriate to the City's context. One such improvement underway is the recent Board of Supervisors direction to study the updating of automobile "Level of Service" (LOS) with Auto Trip Generation (ATG) as a more meaningful measure of traffic impacts in an urban context. The City should ensure best practices do not impact any community's ability to understand, and provide input towards, impacts of proposed projects. Residents should continue to have due process available to them to participate in future of their neighborhoods.

Policy 10.3 Support state legislation and programs that promote environmentally favorable projects.

Senate Bill 375 legislates the reduction of greenhouse gases through regional and local planning efforts, to achieve statewide sustainable development goals. SB 375 provides some regulatory relief for "sustainable projects" to reduce project costs, processing time and legal risks, including reducing some CEQA provisions. It also hints at linking future

State infrastructure funding, specifically transportation funds, to achievement of smart growth goals, including lower vehicle miles traveled. Allocation of affordable housing resources, particularly for new production, should be consistent with smart growth principles.

SB375, and future regional and state efforts, should be accompanied by the kind of funding that will enable growth to truly be "smart". Linking funding directly to efficient land use, rather than to population or regions, would encourage smart land use patterns. The implementation of SB375 should be monitored, and addressed with amendments if necessary, to ensure it successfully provides the tools necessary to meet its smart growth goals in San Francisco.

Implementation Measures

To achieve the City's objective to ensure a streamlined, yet thorough, and transparent decision-making process, the City will implement the following measures:

- 72. Within all community planning processes, and in updates to the Planning Code, Planning shall clearly specify development that is principally permitted, and limit conditional use requirements. Where conditional use authorization is required, the Planning Code should provide clear conditions for deliberation.
- 73. Planning shall implement an interdepartmental review committee for major projects, requiring large projects come in for an interdepartmental review with representatives from all appropriate reviewing agencies (Planning, DBI, the Fire Department, and DPW) to provide project sponsors with early feedback on the proposed project, identify issues that will may overlap among the various departments, and increase the speed at which the project can move through all City review and approval processes.
- 74. Planning shall continue to utilize, and explore ways to increase the benefits of, Community Plan exemptions and tiered environmental reviews. As a part of this process, Planning shall prioritize projects which comply with CEQA requirements for infill exemptions by assigning planners immediately upon receipt of such applications.
- 72. The Board of Supervisors shall establish timelines for all CEQA determinations appealed to the Board of Supervisors, including negative declarations and categorical exemptions, and explore mechanisms to discourage unfounded appeals.
- 75. The City shall coordinate with regional entities to complete the necessary planning document for SB375, including a "Sustainable Communities Strategy" which promotes sustainable growth; and corresponding updates to the Housing, Recreation and Open Space, and Land Use Elements of the General Plan.
- 76. The Department of the Environment, Planning and other agencies shall coordinate City efforts to update the Climate Action Plan, create climate

- protection amendments to the San Francisco General Plan, and develop other plans for addressing greenhouse gases necessary per AB32 and SB375.
- 77. Planning shall implement tools to decrease EIR production time, such as creating an established pool for consultant selection for project applications to streamline environmental review processes for project applicants; screening applications upon intake to identify necessary special studies and the likely level of review required for the project, which will allow project sponsors to initiate any required special studies while the application is waiting to be assigned to a planner; and adding Planning staff to increase in-house resources for transportation environmental review.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

• Planning should continue to examine how zoning regulations can be clarified, and design guidelines developed through community planning processes. Planning staff should adhere to such controls in reviewing and recommending approval of projects.

Issue 6: Maintain the Unique and Diverse Character of San Francisco's Neighborhoods

Objective 11 Recognize Support and respect the diverse and distinct character of San Francisco's neighborhoods.

San Francisco is a City of neighborhoods, each with a distinct character and quality. While the Housing Element provides a citywide housing strategy, no policy should be applied without first examining its applicability to each specific neighborhood's unique context. Its implementation should be applied and expressed differently in each neighborhood. The existing character, design context (including neighborhood specific design guidelines), historic and cultural context, and land use patterns of each neighborhood shall inform and define the specific application of Housing Element policies and programs. As each neighborhood progresses over time the distinct characters shall be the foundation to all planning and preservation efforts. Just as the City seeks a variety of housing types to meet the diversity of needs, the City also values a variety of neighborhood types to support the varying preferences and lifestyles of existing and future households.

Policy 11.1 Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and fits within respects existing neighborhood character.

San Francisco has a long standing history of beautiful and innovative architecture that builds on appreciation for beauty and innovative design. Residents of San Francisco should be able to live in well-designed housing suited to their specific needs. The City should ensure that housing provides quality living environments and complements the character of the surrounding neighborhood, while striving to achieve beautiful and innovative design that provides a flexible living environment for the variety of San Francisco's household needs.

The City should continue to improve design review to ensure that the review process results in good design that complements existing character. The City should also seek out creative ways to promote design excellence. Possibilities include design competitions that foster innovative thinking, looking to the City's "beauty contest" idea as a way to provide limited, as-of-right approval for particularly well-designed projects, and encouraging designers to meet with other local architects to provide peer review. New York City recently implemented a similar initiative that awards public projects, including affordable housing, based on talent and experience rather than to the lowest bidder, which has resulted in several buildings with lauded design.

Policy 11.2 Ensure implementation of accepted design standards in project approvals.

As the City's Residential Design Guidelines state, San Francisco is known for its neighborhoods and the visual quality of its buildings. Its architecture is diverse, yet many neighborhoods are made up of buildings with common rhythms and cohesive elements of architectural expression. For all new buildings and major additions, the fundamentals of good urban design should be followed, respecting the existing neighborhood character, while allowing for freedom of architectural expression. A variety of architectural styles (e.g. Victorian, Edwardian, Modern) can perform equally well. Proposed buildings should relate well to the street and to other buildings, regardless of style.

New and substantially altered buildings should be designed in a manner that conserves and protects respects neighborhood character by implementing the Residential Design Guidelines as Standards—meaning that quality should not be compromised. High quality materials, and a strong attention to details, should be carried across all styles. And buildings should represent their era, yet be timeless, as new development will take place over time. Modest structures will fill in small gaps in the urban fabric, some owners will upgrade building facades, and large underutilized land areas will see dramatic revitalization in the years ahead.

<u>Planning Department review of projects and development of guidelines should build on and bolster individual community's local controls, including recently adopted Area Plans, neighborhood specific guidelines, neighborhood Covenants, Conditions, and Restrictions (CC&R's), neighborhood specific design guidelines, and historic preservation district</u>

<u>documents</u>. New development and alterations or additions to existing structures in these neighborhoods should refer to these <u>controls</u> in concert with the citywide Residential Design Guidelines. Also projects in historic preservation districts should refer to related design documents.

Policy 11.3 <u>Ensure growth is accommodated without significantly impacting existing residential neighborhood character.</u>

Accommodation of growth should be achieved without damaging existing neighborhood character. In community plan areas, this means development projects should adhere to adopted policies, design guidelines and community review procedures. In existing residential neighborhoods, this means development projects should uphold and preserve the existing zoning of the area.

To ensure character is not impacted, the City should continue to use community planning processes to direct growth and change according to a community-supported vision. The Planning Department should utilize residential design guidelines, neighborhood specific design guidelines, and other documents describing a specific neighborhoods character as guideposts to determine compatibility of proposed projects with existing neighborhood character.

Policy 11.4 <u>Maintain allowable densities in established residential</u> areas at levels which promote compatibility with prevailing neighborhood character.

Residential densities should continue to be applied where appropriate to maintain prevailing building types in established neighborhoods. Particularly in RH-1 and RH-2 areas, density limits should be maintained to protect neighborhood character. Other strategies to maintain and protect neighborhood character should also be explored, including "neighborhood livability initiatives" that could examine community-supported guidelines and principles to preserve what is beloved about the area. Such an initiative could result in strategies to improve the appearance and accessibility of neighborhood commercial districts, or neighborhood specific design guidelines for specific RH-1 and RH-2 neighborhoods.

Policy 11.5 Foster a sense of community through architectural design, using features that promote community interaction.

Buildings define the public realm. Building height, setback, and spacing define the streets, sidewalks, plazas, and open space that provide the setting for people to meet and interact informally and shape the neighborhood's range of social experiences and offerings. Buildings shape views and affect the amount of sunlight that reaches the street. And the frontage of buildings can encourages interaction, while providing safety and increasing surveillance of the street. Thus, buildings should be designed with a human scale, consistent with each individual area's traditional pattern of development. Design features such as regular entrances and windows along the street, seating ledges, outdoor

seating, outdoor displays of wares, and attractive signage, the use of stoops and porticos, and limiting blank walls all assist in ensuring an inviting community environment.

The uses of buildings and their relationships to one another can also affect the variety, activity, and liveliness of a place. Zoning for a mix of use, open spaces and community facilities in appropriate locations, such as neighborhood commercial centers, can increase opportunities for social interaction. Mixing compatible uses within buildings, such as housing with retail, services or small-scale workplaces, can build activity for friendly streets and public spaces. In the best cases, the defining qualities of buildings along the street create a kind of "urban room" where the public life of the neighborhood can thrive.

Policy 11.6 Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

Landmarks and historic buildings are important to the character and quality of the City's neighborhoods and are also important housing resources. A number of these structures contain housing units particularly suitable for larger households and families with children.

New buildings adjacent to or with the potential to visually impact historic contexts or structures should be designed to complement the character and scale of their environs. The new and old can stand next to one another with pleasing effects, but only if there is a successful transition in scale, building form and proportion, detail, and materials.

Policy 11.7 Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas. into residential areas, and restrict uses that disrupt the residential fabric.

Some commercial and institutional uses, such as educational, religious, medical and senior housing, generate unique service demands and patterns. As these projects are pursued, community infrastructure, including transportation, open space, and other recreational facilities, should be appropriately provided. The scale and design of permitted commercial and institutional buildings should acknowledge and respond to the surrounding neighborhood context, incorporating neighborhood specific design guidelines whenever possible. To ensure a successful integration of these uses, especially large institutions, the City should pay close attention to plans for expansion through master planning efforts. Analysis should include needs generated for housing, transportation, pedestrian amenities, and other services.

Policy 11.8 Reflect upon Foster development that strengthens local culture, sense of place and history. needs and values when planning for new uses and housing; strengthen each area's

In addition to the factors discussed above, including physical design, land use, scale, and landmark elements, neighborhood character is also defined by long-standing heritage, community assets, institutional and social characteristics. Maintaining the linkages that such elements bring, by connecting residents to their past, can contribute to the

distinctiveness of community character and unique sense of place; as well as foster community pride and participation.

Elements of community heritage can include the public realm, including open space and streets; and the built environment, institutions, markets, businesses that serve local needs, and special sites. Other, non-physical aspects can include ethnicity, language, and local traditions. Development of new housing should consider all of these factors, and how they can aide in connecting to them. Housing types that relate to the community they served, particularly the income, household and tenure type of the community, can help to address negative changes in socioeconomic conditions, and reduce displacement. Constructing housing that includes community components that build upon this sense of place, such as public plazas, libraries, community facilities, public art, and open spaces, can build a stronger sense of community heritage. And the development of neighborhood-specific design guidelines, as discussed above, should review local neighborhood characteristics that contribute to and define its character beyond the physical.

Historically, neighborhoods in San Francisco have become identified with certain cultural groups, including ethnic-communities that have settled within corridors or areas of larger neighborhoods. It is important to recognize, however, that local culture is not static- San Francisco's cultural character and composition have shifted as social, ethnic, and political groups have moved across the City's landscape. Plans and programs, including housing developments, need to recognize the duality of changing environments when they occur, and work to both preserve the old while embracing the new.

Implementation Measures

To achieve the City's objective to <u>recognize respect</u> the diverse and distinct character of San Francisco's neighborhoods, the City will implement the following measures:

- 78. Planning staff shall continue to implement the Residential Design Guidelines as standards (including renaming these guidelines to emphasize their role in project review and entitlement as standards for clarity), and shall reform the Planning Department's internal review process to ensure consistent application of design guidelines and enhance the internal role of a "Residential Design Team" who shall oversee application of the Guidelines.
- 79. Planning staff shall continue to work with the design community to provide informational sessions at the Planning Commission, Department of Building Inspection Commission and other public hearings to educate decision makers and citizens about architectural design.
- 80. Planning staff shall continue to use community planning process to develop policies, zoning and standards that are tailored to neighborhood character.
- 81. In development of new community plans Planning shall include mixed use design standards for both residential and commercial buildings.
- 82. Planning Department staff shall continue project review and historic preservation survey work, in coordination with the Historic Preservation

Commission; and shall continue to integrate cultural and historic surveys into area plan projects.

- 83. Planning shall complete and adopt the Preservation Element of the General Plan.
- 84. MOH / SFRA shall continue funding the acquisition and rehabilitation of landmark and historic buildings for use as affordable housing.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

- Planning should explore ways to encourage property owners to use preservation incentives and federal tax credits for rehabilitation of qualified historical resources, Mills Act property tax abatement programs, the State Historic Building Code, and tax deductions for preservation easements.
- Planning should explore ways to assist in federal environmental review and review under Section 106 of the National Historic Preservation Act for historically significant local buildings receiving federal assistance.
- All agencies should explore ways to incorporate design competitions and peer review on major projects.

Issue 7: Balance Housing Construction and Community Infrastructure

Objective 12 Balance housing growth with adequate infrastructure that serves the City's growing population.

San Francisco's planning should take into account all elements of a whole neighborhood in coordination with new housing. Citywide and neighborhood specific planning should consider neighborhood infrastructure such as parks, recreational facilities and schools, and neighborhood services such as grocery stores, drug stores and other commercial services.

The City must continue to plan for the necessary infrastructure, especially transportation and water services, to support existing and new households. These fundamental services should be planned at a system level by each relevant agency and coordinated with new growth. Additionally standard development project review procedures should continue to consider the relationship between new development and necessary infrastructure.

Other important neighborhood elements maintain the health, well-being, and social standards of our City, including publicly provided functions such as schools, parks, libraries; as well as privately developed ones such as grocery stores and neighborhood

retail, child care, art and cultural facilities. These elements are critical to maintaining and enhancing the quality of life in San Francisco and should be encouraged and supported.

Policy 12.1 Promote <u>Encourage</u> new housing that is located in close proximity to transportation infrastructure, to promote relies on transit use and environmentally sustainable patterns of movement.

New residents require access to neighborhood serving businesses, employment centers, recreation facilities, and regional centers. To the extent possible these trips should be easily accommodated on the existing transportation network with increased services. To that end the city should promote housing development in areas that are well served with transportation infrastructure including Bart trains, and Muni light rail trains, and Muni's rapid network of buses. However, changes to the Planning Code to further accommodate housing near transit will only occur through a neighborhood-supported community planning process.

Encouragement of the use of public transit and car-sharing must be accompanied by improving the reliability and usability of public transportation and broadening access to and location of car share options, as ways to make these alternatives more attractive. Additionally, bicycle amenities can and should be an integral component to housing and supporting the City's Transit First policy. The City must maintain and improve the transportation network in coordination with new development. Long range transportation planning should consider projected growth patterns. Tools such as impact fees should facilitate the coordination of new growth with improved transportation infrastructure.

As the City has been directing planning efforts to shape housing construction in transitrich locations through its Redevelopment, Better Neighborhoods and other community planning processes, its funding efforts should prioritize these parts of the City. To ensure that new neighborhood infrastructure, particularly transit, is provided concurrently with new growth, agencies within the City should prioritize funding or planning efforts within these planned areas, especially for discretionary funding application processes such as the state's Proposition 1C.

Policy 12.2 Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

San Francisco's neighborhoods' support a variety of life choices through the quality of life elements they provide. Such elements include open space, child care facilities and other neighborhood services such as libraries, neighborhood-serving retail (including grocery stores), community centers, medical offices, personal services, locally owned businesses, and a pedestrian and bike-friendly environment. These elements enable residents to continue to live in their neighborhood as their needs change, and encourage neighborhood relationships. Access to these amenities and services at a neighborhood level enables residents to make many trips on foot or public transportation.

Some of these amenities are maintained by the City, such as open space and some childcare facilities. The City should consider projected growth patterns in plans for the growth and maintenance of these quality of life amenities. Other neighborhood services such as grocery stores, drug stores, and restaurants are provided by private parties – the City should support and encourage the adequate provision of these services whenever possible.

Policy 12.3 Ensure new housing is sustainably supported by the City's public infrastructure systems.

Projected growth will affect our local public infrastructure systems, especially transportation infrastructure and systems such as water, sewer and power. Realizing this, the City and County of San Francisco has taken a proactive effort in working towards interagency solutions. However, because provision of major infrastructure transcends City boundaries, long-term strategic planning also requires coordination with, and support from, State and regional agencies. It is critical that State and regional infrastructure funding be directly linked to the Regional Housing Needs Allocations (RHNA), and award plans for infill growth, rather than awarding vehicular capacity throughout the region.

With regards to transportation, the City's long-range Countywide Transportation Plan guides future investment decisions. Managed by the San Francisco County Transportation Authority, the Plan looks at projected growth in jobs and housing in San Francisco, regional trends and changing needs, to provide the city's blueprint for transportation system development and investment over the next 30 years.

With regards to water supply, the San Francisco Public Utilities Commission (SFPUC) plans for growth via the Urban Water Management Plan, which is updated every five years, and is pursuing strategies to addressing increased growth by means such as innovative conservation practices, use of recycled water, and increased use of groundwater. In conjunction with these plans, the PUC has established new connection fees to ensure that new development pays for the impact it places upon the supply network. The PUC has also recently adopted rate increases to fund voter-approved seismic improvements to the pipe network and the combined sewer/stormwater system.

The City's power networks need to be given the same cooperative consideration. While the City is currently well supplied with power, and is supplementing that system regularly with new technologies such as wind and solar, aging infrastructure, funding constraints and deferred maintenance highlight the need for continued master planning if the emerging vision for a more sustainable system is to be achieved.

Implementation Measures

To achieve the City's objective to balance housing growth with adequate infrastructure that serves the City's growing population, the City will implement the following measures:

- 85. Planning shall cooperate with infrastructure agencies such as SFMTA and DPW to plan for adequate transportation to support the needs of new housing, and within each community planning process shall develop clear standards for transit and transportation provision per unit.
- 86. Planning shall ensure community plans for growth are accompanied by capital plans and programs to support both the "hard" and "soft" elements of infrastructure needed by new housing.
- 87. Planning shall formalize an "Implementation Group" in the Planning Department, to manage the implementation of planned growth areas after Plan adoption, including programming impact fee revenues and coordinating with other City agencies to ensure that needed infrastructure improvements are built.
- 88. Planning shall update CEQA review procedures to account for trips generated, including all modes, and corresponding transit and infrastructure demands.
- 89. Planning shall update other elements of the City's General Plan, such as the Transportation and Community Facilities Element to identify infrastructure standards and plans that account for projected growth.
- 90. Planning shall continue implementing the City's requirement <u>set forth in Planning Code Section 167</u> that units be sold and rented separately from parking so as to enable the resident the choice of owning a car.
- 91. Planning and SFMTA should coordinate housing development with the ongoing Transit Effectiveness Project.
- 92. Planning and other relevant agencies shall maintain consistency of development fees, while updating such fees through regular indexing according to construction cost index to maintain a correct relationship between development and infrastructure costs. Fees to be updated include the Transportation Impact Development Fee, Area Plan specific impact fees, downtown impact fees, and other citywide impact fees.
- 93. The PUC will ensure charges for system upgrades are equitably established, so that new growth will pay its way for increased demands placed on the system, while all residents pay for general system upgrades and routine and deferred maintenance.
- 94. The PUC will continue to implement conservation regulations and incentives such the City's Green Building Ordinance and the Stormwater Design Guidelines.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

• Planning shall consider incentive programs such as requiring larger new housing developments to provide transit passes to their residents as a part of

association dues or monthly rent; or requiring new developments that include carsharing parking spots to encourage carshare memberships to their residents.

• Planning shall explore the creation of a definition of neighborhood serving uses that reflects use categories which clearly serve the daily needs of adjacent residents, perhaps modeled on North Beach SUD requirements which restrict to "neighborhood-serving retail sales and personal services of a type which supplies commodities or offers personal services to residents," (Planning Code Section 780.3).

Issue 8: Prioritizing Sustainable Development

Objective 13 Prioritize sustainable development in planning for and constructing new housing.

The United Nations' definition of sustainability, also used by the San Francisco Sustainability Plan, states that "A sustainable society meets the needs of the present without sacrificing the ability of future generations to meet their own needs." Accordingly, sustainable development in San Francisco aims to meet all human needs – environmental, economic and social – across time.

San Francisco is often seen as a leader in urban sustainable development, because of its early adoption of a Sustainability Plan (1997), and subsequent policies, from prohibitions on plastic bags and bottled water to the recently adopted Green Building Ordinance. However, sustainable development does not focus solely on environmental issues. It should encompass the way we promote economic growth, so that the most vulnerable, disadvantaged residents get an equal share of the benefits of growth. Also critical is the concept of social equity, which embraces a diversity of values that are not perhaps as easily quantified as greenhouse gas emissions or marketplace dollars, such as housing & working conditions, health, educational services and recreational opportunities, and general quality of life.

While San Francisco's transit accessibility and role as a regional job center does promote its role as a nexus for new housing development, sustainability does not mean growth at all costs. A truly sustainable San Francisco balances housing production with affordability needs, infrastructure provision, and neighborhood culture and character. Thus, as the City prioritizes sustainability in housing development, all actions need to keep in mind its broad range of environmental, economic and social components, by ensuring that housing development does not degrade environmental quality, or contribute emissions that further impact our resources; by promoting economic vitality so that all citizens have access to housing that is within their means and close to their workplace; and by protecting the rights of all citizens, including preventing their displacement.

Policy 13.1 Support "smart" regional growth that locates new housing close to jobs and transit.

In San Francisco, and in many of the other job centers in the Bay Area, workers struggle to find housing they can afford. At the same time, employers have difficulty recruiting employees, because of the lack of affordable options near their locations. These trends

exacerbate long-distance commuting, one of the primary sources of greenhouse gas emissions; they also negatively impact the working families struggling with such commutes by demanding more travel time and higher travel costs.

The City should support efforts to construct more housing near jobs, and near transit. Yet, sustainable development requires consideration of the impacts of new housing. Plans for smart growth must work to prevent the unintended consequences on low-income residents, such as gentrification and displacement, and to maintain the character and composition of neighborhoods for the long-term.

This answer of new housing near jobs does not apply to San Francisco alone. As part of the larger regional economy of the Bay Area, decisions made by one community - to limit commercial or residential growth - affect other communities in the region. SB 375 attempts to address this at a state level, but continued efforts are required to ensure new residential development is planned region wide to take advantage of the availability of employment opportunities, efficient transportation systems, and community services. It is imperative that governing entities such as the Association of Bay Area Governments and the State structure funding and other incentives to direct local government policies to house their fair, "smart" share of the labor pool, particularly those locations close to transit. San Francisco should take an active role in promoting such policies, and discouraging funding that would enable housing development that is not attached to the use of public transit. The City should also play a greater role in ensuring local and regional growth management strategies are coordinated and complementary.

Policy 13.2 Work with localities across the region to coordinate the production of affordable housing region wide according to sustainability principles.

Because the need for housing relates to jobs which are provided across the region, planning for housing requires a regional strategy. In a true jobs-housing balance, the workers are the residents of nearby housing, and housing costs are affordable to the local workforce. Provided the type and cost of housing constructed are taken into account, smart growth strategies can address the housing needs of low-income residents, while contributing to diverse communities.

Construction of housing affordable to a mix of incomes must be provided not only in San Francisco, but throughout the region, to allow low-income residents to reach jobs as well as needed services like grocery stores and child-care. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco. Communities throughout the Bay Area, particularly those who provide working opportunities for this same population, should accept responsibility for housing low- and moderate-income households as well. One way of addressing affordability needs across municipal boundaries is to explore the creation of a regional affordable housing fund, which could accept funds from both public and private sources. Another is a permanent state fund that would finance housing for low-

and middle-income households, which would ease some of the funding uncertainty that occurs during difficult budget years.

Policy 13.3 Promote sustainable land use patterns that integrate housing with transportation viato increase transit, pedestrian, and bicycle modes. trips

Sustainable land use patterns include those located close to jobs and transit, as noted above. But they also include easy access to, and multiple travel modes between, other services, shopping and daily needs. This could mean all services needed are located within an easy walk of the nearby housing; it could also mean that such services are available by bike or transit, or in the best cases, by all modes. The common factor in sustainable land use patterns is that the need for a private car is limited.

To encourage walking, cycling and transit use, comprehensive systems must be in place. A Citywide network of walkable streets, bike lanes that are safe for children as well as the elderly, and reliable, convenient, transit must be in place. The City should continue efforts to improve such networks, to make them more attractive to users. The City should also continue requirements and programs that link developers of housing to contribute towards such systems. Sustainable design that includes improved streets and transit stops adjacent to developed property, as well as the inclusion of mid-block crossings, alleys and bike lanes at larger, multi-block developments, can further incentivize non-automotive movement.

Policy 13.4 Promote the highest feasible level of "green" development in both private and municipally-supported housing.

Green development specifically relates to the environmental implications of development. Green building integrates the built environment with natural systems, using site orientation, local sources, sustainable material selection and window placement to reduce energy demand and greenhouse gas emissions.

San Francisco has for several years had a municipal green building ordinance, and in the past year has also adopted strict green building standards for private construction as well. The City also promotes several incentive programs to encourage development to go beyond the requirements of the ordinances, including Priority permitting for LEED Gold certified projects, solar rebates at the local, state and federal level, and rebates for energy and water efficiency.

Preservation and rehabilitation of existing buildings is in and of itself a "green" strategy, normally consuming far less energy than demolition and new construction. But truly addressing climate change must include upgrades to these buildings as well. Often, features that add to the initial cost of a structure are highly cost-effective in terms of the life cycle or operating costs. For example, weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and housing costs. Energy costs, particularly, can be a burden on low-income families; reducing energy costs, can leave more money for housing. Where the City coordinates on implementation of

sustainability programs, priority should be given to programs based on their effectiveness and feasibility.

Implementation Measures

To achieve the City's objective to prioritize sustainable development in planning for and constructing new housing, the City will implement the following measures:

- 95. Regional planning entities such as ABAG shall continue to prioritize regional transportation decisions and funding to "smart" local land use policies that link housing, jobs and other land uses, including focusing on VMT reduction. The City shall encourage formalization of state policy that similarly prioritizes transportation and infrastructure dollars transit infrastructure for "smart growth" areas such as San Francisco, rather than geographic allocation.
- 96. The City shall support and participate in the development of the regional "Sustainable Communities Strategy" plan to meet greenhouse gas emissions reduction targets by ABAG and MTC. Subsequently, the City shall amend local plans, including the Housing Element, Recreation and Open Space Element, as necessary to be in concordance with the Strategy.
- 97. The City shall advocate at the federal level for the Federal Transportation Reauthorization Act to include sustainable growth language that links transportation and land use, and create strong links between transportation funding and transit-oriented development, such as mixed-income housing.
- 98. On a local level, the City shall prioritize planned growth areas such as Better Neighborhoods, other Area Plans or Redevelopment Areas for regional, state and federal bond and grants, especially for discretionary funding application processes such as the State's Prop 1C.
- 99. The San Francisco Transportation Authority shall implement regional traffic solutions that discourage commuting by car, such as congestion pricing, parking pricing by demand, and shall continue to work with the Metropolitan Transportation Commission (MTC) on funding strategies.
- 100. The City shall continue to support efforts to use state or regional funds to give housing subsidies or income tax credits to employees who live close to their workplaces, and shall consider offering housing subsidies or income tax credits to employees who live close to their workplaces.
- 101. The City will continue to support transit-related income tax credits to encourage employees to commute to work via transit; and shall explore local requirements on new developments to provide residents with a transit pass.
- 102. OEWD will facilitate employer-supported transit and transportation demand management (TDM) programs, including rideshare matching, transit improvements, bicycle and pedestrian facility improvements, parking management and restriction of free parking; and continue to require that

employers offer commuter benefits per Section 421 of the Environment Code to encourage employees to use transit or carpool.

103. DBI, Planning, and the Department of Environment shall continue to implement the City's Green Building Ordinance; and the Department of the Environment, the PUC and DBI shall continue local and state incentive programs for green upgrades.

Strategies for Further Review

To further this objective, the City should further explore the following options, and examined their potential to address Housing Element goals:

• DBI should work with the Rent Board and other building-owner organizations to explore incentives that can be offered to landlords to promote "green" capital improvements, such as enabling restricted tenant pass-throughs when such improvements will result in a tangible financial benefit to the tenant.

Appendix B-4

2004 Adjudicated Housing Element

PART II

OBJECTIVES, POLICIES, AND IMPLEMENTATION PROGRAMS

INTRODUCTION

This second part of the *Housing Element* sets forth objectives, policies, and implementing programs to address the critical housing needs identified in Part I. In the last decade, San Francisco's population grew while new housing construction failed to keep pace. San Francisco households grew an average 2,400 annually, yet addition to the housing stock averaged just about 1,000 a year. Vacancy rates plummeted and even middle-income householders found themselves paying 50% or more of their income to rents.

The State Department of Housing and Community Development (HCD), with the Association of Bay Area Governments (ABAG), has estimated that San Francisco needs to build over 2,700 new units a year to meet its share of the region's projected housing demand. As recent production fell short of this annual target, 3,200 new units a year must be built between 2001 and 2006 to meet regional housing goals. At least 40% of these new housing construction should be affordable to low and very low income households, and 32% affordable to households of moderate means.

Objectives and policies are general in nature and serve as the framework for decision making and priority-setting. They address specific needs and are followed by related implementation actions. For these implementation actions to succeed, three major prerequisites must be met:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed while incentives are identified and provided; and

 Adequate financing must be available for both private and non-profit housing development.

San Francisco is a mature built—up city with very few large open tracts of land to develop. Still, opportunities for new housing do exist. Scattered across the City are vacant or underused lands suitable for in-fill development. As many as 29,000 new housing units could be built on such parcels under current zoning standards. But high land prices add tremendous costs to housing development. A particularly vocal citizenry can delay or even stop new development. And as housing demand rises, so do housing costs.

Despite this, San Francisco continues to be a highly desirable place to live. It is a traditional employment hub and most workers who live in San Francisco can reduce commute distances and use the city's extensive transit network. Schools, services, institutions and cultural opportunities enrich San Francisco's neighborhoods. Residents value the City's unique combination of natural setting, built environment, and cultural diversity. New residents will continue to be attracted to San Francisco's new and established neighborhoods. City policy makers must determine how to comfortably accommodate the present and future population, keeping it diverse with varying incomes, household size, and composition. Policy makers must also preserve values that San Francisco residents cherish. There must be opportunities for families, children, seniors, and people of different cultural backgrounds to contribute to the unique blend that is San Francisco.

Addressing Housing Needs

Current and future residents of limited means are likely to need assistance to continue to live in San Francisco. Many future San Francisco workers will be earning below 80% of the area's median income. Sales clerks and secretaries, as well as technical professionals and bank executives, must be able to live here. The City must also house the additional firefighters, policemen, teachers, and health, recreation and primary care providers needed to support the City's growing population. Even construction workers who will be building the new houses will need housing they can afford.

The high cost of being a San Francisco resident has already become evident in who now lives here. While service workers make up 44% of the City's workforce, only 14% of residents are employed as service workers. Unless housing is available for local service workers and their families, these trends will continue. Upper income (market rate) housing makes up most of the housing produced in the last 10 years and in the last several years has even exceeded projected needs for this market segment. Federal and state subsidies have provided some funds to build housing affordable to very-low and low-income householders, but moderate-income householders have found themselves in a tight squeeze for housing they can afford.

The average San Francisco household size, which has grown steadily smaller following the War, increased in the 1990s as housing costs rose and forced shared rentals among non-relatives. Family households, which now make up less than half of all San Francisco households, are dramatically under-served by new market rate housing that seldom provides more than two-bedroom units. The proportion of children in the City sank from 25% to less than 15% from 1990 to 2000. Steps must be taken to encourage units suitable for families in neighborhoods with schools, libraries, parks and other services. San Francisco will need to aggressively produce affordable housing to avoid becoming a city where only the rich live or a city with few children.

Increasing the City's housing supply and preserving existing neighborhood character are not mutually exclusive goals. The Planning Department's aim is to plan for growth to enhance the best qualities of San Francisco, strengthen the character of existing neighborhoods, and create new ones. Planning efforts must respond to human needs, ensuring that new development contributes to creating a more livable city. In-fill development should be encouraged in established residential neighborhoods where supporting infrastructure and community services already exists. New neighborhoods planned in redevelopment areas such as Mission Bay and the Hunters Point Naval Shipyard will provide housing in a variety of unit sizes, at both market and affordable rates. Neighborhood services, as well as community facilities, will also be provided.

Neighborhood commercial corridors also provide opportunities for additional upper residential stories to be built above ground level retail. These areas are along transit lines and offer greater possibilities for linking housing, employment, and transportation. Reduced residential parking

requirements in these transit intensive areas could be an added incentive to build housing above commercial uses. Denser construction, where it is already allowed, can also significantly boost housing counts and add vitality to street life as well. Sites near downtown and along transit corridors show the most promise for such development.

However, much of the new housing built in the last decade was produced on less-expensive industrial land in the City's eastern portion, displacing some needed services and threatening the vitality of the City's diverse economy. Frequently this development was unconnected to the amenities typically expected and provided in established residential areas, amenities that contribute to the viability and livability of thriving residential neighborhoods. Continuing this trend without clear policies and rules that balance the optimizing of land uses while preserving and enhancing neighborhood character could result in the loss of crucial support services, threaten the City's economy, and diminish the overall quality of life

Citywide Action Plan

To meet the challenge of housing production and affordability, the Planning Department will address the housing targets developed by HCD-ABAG through initiatives of a Citywide Action Plan (CAP). The CAP comprehensively explores the challenge of meeting the need for both housing and jobs in ways that capitalize upon and enhance the best qualities of San Francisco as a place. The CAP will direct a mix of housing and neighborhood-serving uses to places with good public transit and urban amenities, new office uses to the City's compact downtown core, and needed industrial uses to core industrial lands in portions of the City's east side, thereby releasing the rest for housing and other uses. A new *Land Use Element* will identify specific sites in these areas for housing.

The CAP promotes housing by increasing densities in areas well served by transit. Specific strategies in these areas include: reducing parking requirements; floor-to-area ratio (FAR) exemptions; removing density caps in certain areas; increasing height limits; utilizing air-rights for housing; and increased density and height limits at key corner lots.

These strategies will be applied throughout the City. Generally, increased housing densities and reduced parking requirements will be proposed in areas well served by transit. In the Central Waterfront area, a mix of uses is being planned to accommodate housing in a largely industrial area. Lands occupied by the former Central Freeway around Market Street and Octavia Boulevard are being programmed for new housing while increasing existing residential densities. In Balboa Park, new housing is planned capitalizing on city owned land and an existing transit node. In the Downtown area, dense housing is planned on underutilized parcels. In the redevelopment areas of Mission Bay and Hunters Point Naval Shipyard, new neighborhoods are planned that promise approximately 7,600 units. However, these density increases must be combined with the capture of some of the added development value through the provision of public benefits.

The Eastern Neighborhoods, representing roughly one-quarter of the City, are being studied and re-zoned to identify core areas where vital production, distribution, and repair (PDR) businesses are needed to maintain economic diversity. These core areas will be zoned to promote business and job expansion while the rest of the Eastern Neighborhoods will allow or expressly encourage housing. In the Mission District and South of Market, residential densities will be increased along transit corridors and additional land will be re-zoned for housing. In Showplace Square, housing will be integrated into a vibrant and historic light industrial area. In Bayview, a town center will be created around the planned rail service allowing greater residential densities. In Visitacion Valley, an existing brownfield site will be developed into housing, open space, and neighborhood serving retail. These rezoning efforts can boost the City's housing capacity by as much as 12,000 additional housing units.

Other strategies to increase housing include the expanded Jobs Housing Linkage Program that requires new large commercial developments to provide housing or pay an in-lieu fee to meet the housing demand new jobs generate. The recently revised and expanded inclusionary affordable housing ordinance now applies to all new residential developments of 10 units or more. Publicly owned lands are also being reviewed to assess residential development potential while revenues from surplus public land sales will be dedicated to future affordable housing production. Institutional Master Plans will be required to encourage higher educational institutions to provide

housing. Education programs to foster the acceptance of new housing, particularly affordable housing, are also planned.

Although there are more than enough in-fill housing sites to meet projected housing needs and aggressive housing policies and programs are set to encourage housing development, realizing the City's housing targets would require tremendous financing. It has been estimated that enormous amounts of public funding would be necessary to bridge the gap between the statemandated housing production targets and what can be realistically be expected in the next five and a half years (Table I-58).

Financing for housing production will continue to be affected by economic cycles. With the availability of future public subsidies impossible to predict, an optimistic assumption would anticipate funding that would sustain the previous decade's affordable housing production. Achieving production and affordability targets are clearly very difficult, but accepting more "realistic" ones will only weaken efforts to obtain the additional resources necessary to meet the City's housing needs. Consequently, the City will uphold these housing production targets and annually assess priorities against the reality of available resources.

The objectives and policies detailed below address the state's, the region's and the City's goals of achieving decent, suitable, and affordable housing for current and future San Franciscans. Increasing the City's housing stock, protecting and conserving existing units, and encouraging housing choice are objectives predicated on affordability. The homeless and households with special needs are given particular attention as these vulnerable populations have limited housing options. Livability will not be sacrificed with the push to expand the City's housing supply. New housing will be directed to appropriate locations, with sufficient supporting infrastructure, institutions and urban amenities. The implementing programs accompanying these objectives and policies are in response to meeting San Francisco's fair share of the regional housing needs. These objectives and policies are instructed by and consistent with two of the *General Plan*'s Priority Policies. These are:

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

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

HOUSING SUPPLY

OBJECTIVE 1

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

New housing, particularly permanently affordable housing, is required to help meet the City's housing needs. New housing is needed to accommodate projected population growth, improve the jobs/housing balance so that fewer new San Francisco workers will have to live outside the city and commute to work, relieve rent pressures, meet the needs of specific population groups not adequately housed in the existing stock, and reduce homelessness.

New residential development must be of a character and stability that enhances the City's neighborhoods and maintains the quality of life for existing and future residents. How this new residential development can be accommodated without jeopardizing the very assets that make living in San Francisco desirable must be discussed. In order to enhance the city's livability, the supply of housing must be increased and new housing developments should respect the scale and character of the surrounding neighborhood. The lot pattern and building bulk should relate to surrounding properties. Transit and other public and private services should be available to serve the new residents. High quality design should ensure that new residential development is compatible with, and enhances, its surroundings. Neighborhood groups, project sponsors, and

City agencies should work together to create designs that contribute to great neighborhoods for current and future residents.

To ensure a balanced approach to development and the rate of change in San Francisco, the City should use its planning powers including zoning and permit review to encourage residential development in areas where it can be accommodated well and discourage it where it is less appropriate. The City should use its zoning and land use controls, environmental review processes, *General Plan* policies, area plans, and capital improvements and financial programs to address the location and intensity of growth in San Francisco.

In order to advance *General Plan* policies, including the *Housing Element*, the Planning Department is engaged in several on-going projects and studies on overall growth in the City and housing need. These efforts include the Better Neighborhoods program, the drafting of a new *Land Use Element* of the *General Plan*, and community planning activities for the Eastern Neighborhoods of the City. These projects will result in specific zoning and design guidelines that will encourage housing development in appropriate locations throughout San Francisco.

Over the past decade, the City's employment growth has far exceeded the production of housing. The significant jobs/housing imbalance specifically meant that not enough new housing was built to meet the needs of the City's expanding workforce. This jobs/housing imbalance has particularly harmed lower-income households who are unable to compete in the housing market as demand for and the cost of housing escalates. In the face of increasing pressures in the housing market, households with the fewest resources such as households with children and those with special needs became the most vulnerable to extreme rent burden, evictions, or even homelessness.

POLICY 1.1

Encourage higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income

households. Set allowable densities in established residential areas at levels which will promote compatibility with prevailing neighborhood scale and character where there is neighborhoods support.

San Francisco enjoys an extensive network of transit lines and along transit preferential streets are numerous in fill housing opportunities. While different zoning controls may result in different housing configurations and densities on these parcels, residential parking requirements in these cases should be, if appropriate, modified.

Proximity to transit does influence rates of auto ownership and the need for parking. Some 29% of the City's households do not own cars and 31% of San Franciscans take public transit to work. These rates are even higher for households living in areas well served by transit. Locating new housing along transit-served areas supports the City's transit first policy and can discourage car dependency.

Additional housing should be encouraged in neighborhood commercial districts, including floors above ground-level commercial uses, and in areas well served by transit. There is a reduced need for automobile use in these areas due to their proximity to transit, services, employment, and entertainment. Parking and traffic problems can be further addressed by community parking facilities and car-sharing programs, and other creative transportation programs.

Moderate to high densities presently exist in many established residential areas adjacent to downtown. These levels should be maintained. These neighborhoods provide housing close to urban employment centers, homes for newcomers, and serve as centers for culture and the arts. They are among the traditional neighborhoods that give San Francisco its flavor and character. New neighborhoods close to downtown should be built emulating these urban densities to foster urban values.

IMPLEMENTATION 1.1

* A citywide action plan (CAP) should provide a comprehensive framework for the allocation of higher density, mixed use residential development in transit rich areas with

stable urban amenities in place. In these areas, specific CAP strategies should include: higher densities and reduced parking requirements in downtown areas or through a Better Neighborhoods type planning process; pedestrian-oriented improvements to enhance the attractiveness and use of transit.

All City agencies, including the Mayor's Office of Housing and the Redevelopment Agency, will continue to provide support for below market rate housing in other areas well served or planned to be served by transit.

POLICY 1.2

Encourage housing development, particularly affordable housing, in neighborhood commercial areas without displacing existing jobs, particularly blue-collar jobs or discouraging new employment opportunities.

The City's neighborhood commercial districts offer the potential for new additional housing over ground floor retail uses. In many cases, additional floors can be constructed to make full and efficient use of appropriately scaled height limits. If necessary, private open space requirements could also be modified, with alternative access to the outdoors considered. New housing represents not only an expanded market to support neighborhood retail, but its residents will serve as the eyes and ears of the streets. In the long term, neighborhood commercial district controls and standards should be revised to recognize and enhance the supporting role and centrality of these districts to the surrounding residential districts.

IMPLEMENTATION 1.2

The Planning Department will develop proposals in neighborhood commercial districts (NCDs) well served by transit to strengthen their function as a traditional "town center" for the surrounding residential districts.

The Planning Department will review planning and permit procedures to remove impediments to the production of housing and neighborhood serving uses in commercial and neighborhood commercial areas near transit corridors that are defined and determined to be served by sufficient and reliable transit.

POLICY 1.3

Identify opportunities for housing and mixed-use districts near downtown and former industrial portions of the City.

Opportunities exist for new residential development in downtown areas. New housing can also be developed in some underused industrial and commercial districts in parts of the city without significant displacement of existing residential units or viable commercial and industrial activities. Housing should also be encouraged in former industrial areas where newer residential neighborhoods have already become established. Certain sites, because of their location or existing use, may not be appropriate for new residential development.

IMPLEMENTATION 1.3

- Downtown areas and areas subject to a Better Neighborhoods type planning process will be expected to absorb major office and residential developments over the next decade. Planning and zoning code changes should include floor-to-area ratio exemptions. These development bonuses would be conferred only in cases where in return the development will provide major public benefits to the community.
- The Planning Department will introduce zoning changes in the traditionally industrial eastern part of the City. The areas under study are: Mission, South of Market, Showplace Square/Potrero Hill, Bayview Hunters Point, and Visitacion Valley. Housing,

especially affordable housing, will be encouraged in former industrial areas where residential neighborhoods are established and urban amenities are in place or feasible.

The Planning Department will continue to encourage housing development on brownfield sites where clean-up costs are not prohibitive and attractive residential neighborhoods can be established.

POLICY 1.4

Locate in-fill housing on appropriate sites in established residential neighborhoods.

In established residential neighborhoods, new in-fill housing construction should be located: on vacant sites that are not designated for open space; where buildings cannot feasibly be rehabilitated or brought to acceptable levels of seismic safety; and where non-conforming uses have been terminated.

IMPLEMENTATION 1.4

The Planning Department and the Planning Commission will continue to approve new infill housing construction in compliance with residential guidelines in established neighborhoods.

POLICY 1.5

Support development of affordable housing on surplus public lands.

Opportunities for housing development, particularly permanently affordable housing, on surplus vacant or underused public property should be aggressively pursued. The Planning Department

should work with the Department of Real Estate, which manages the disposition of surplus public lands, to maintain a comprehensive and updated inventory of publicly held lands. City agencies should continue to identify and make available underutilized sites within their jurisdiction. In some cases the air rights of these sites may be made available for housing without interfering with their current public use. Housing over public parking, transit facilities or water storage facilities are examples of such joint use. City property no longer needed for the purpose for which it was acquired or for some other public purpose, such as open space and recreation land, should be considered for rezoning, sale, or lease for development of permanently affordable housing. The City also owns several significant land holdings outside the City and County borders. Revenues generated from sale of surplus lands should be channeled into the City's Affordable Housing Fund. Similarly, federal or state lands acquired by the City should be considered directly as affordable housing resources. Development of publicly owned or controlled sites in redevelopment areas designated for housing should be expedited.

IMPLEMENTATION 1.5

- The City will require quarterly reporting of all publicly owned land to the Assessor's Office. The Planning Department will also work with the Department of Real Estate, which manages the disposition of surplus public lands to examine the feasibility of directing revenues generated from surplus land sales into the City's Affordable Housing Fund.
- The City will continue to evaluate surplus federal or state lands as an affordable housing resource.
- The Redevelopment Agency will continue to prioritize affordable housing on lands it controls.
- The City will promote joint development projects on surplus public lands with non-profit and for-profit developers, as well as encourage construction over air rights of existing public facilities.

- A separate list of State and Federally owned land should continue to be maintained for affordable housing development purposes.
- Construction over air rights and existing public facilities will be considered for affordable housing production on a case-by-case basis.
- The Planning Department will continue to work with other agencies, especially the San Francisco Unified School District and the Public Utilities Commission, to encourage the use of surplus land for the development of mixed-use affordable housing with a higher percentage of units affordable to people earning less than the Area Median Income.

POLICY 1.6

Create incentives for the inclusion of housing, particularly permanently affordable housing, in new commercial development projects.

Mixed commercial/residential building development in downtown areas provides needed housing and adds 24-hour vitality. Existing incentives should be maintained and new ones created to encourage housing and mixed-use projects in and near the downtown area. Housing in excess of the base floor-to-area ratio should continue to be encouraged in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts. Removing maximum dwelling unit density within a building envelope also offers the possibility of a variety of residential unit types and densities.

IMPLEMENTATION 1.6

The Planning Department will review the following incentives for commercial project developments in the Downtown C-3 District: floor-to-area ratio (FAR) exemption for housing; no residential parking requirement; and no density requirements for residential projects. Housing in excess of the base FAR in the Downtown General (C-3-G) and Downtown Support (C-3-S) Districts has also been proposed by the Board of Supervisors.

- The Planning Department and the Redevelopment Agency will propose increasing height limits, eliminating density requirements and modifying off street parking requirements in the Transbay/Rincon Hill redevelopment survey areas. The Mid Market redevelopment survey area will be re-zoned to include mixed use residential areas and reduced residential parking requirements.
- The Planning Department will continue to implement the Van Ness Avenue Plan which requires residential units over commercial uses.
- The Planning Department will update the Land Use Element to define areas for mixeduse development focused along transit corridors that are determined to be served by sufficient and reliable transit.

POLICY 1.7

Encourage and support the construction of quality, new family housing.

Children and families are very much part of the City's vitality and diversity. They bring life and transform even the City's least child friendly downtown neighborhoods. But San Francisco's families with children are leaving as family sized housing become scarce or prohibitive, outbid by more affluent and flexible non-family households that form as a response to the City's high rents and housing costs. The changing demographics of the City also hint at larger, extended families. Families with children and elderly members have few options as only 25% of the City's housing stock has three or more bedrooms. Much of the housing constructed in the last decade were of studios, and one—or two bedroom units—too small to accommodate larger families. Single family residential builders and contractors should be encouraged to develop the almost one thousand vacant lots in residential neighborhoods that can accommodate new single-family housing or duplexes.

New family housing, particularly affordable housing, need not be confined to the suburban residential neighborhoods. Children thrive in and can benefit from urban living. The compact nature of urban living can offer children proximity and access to various activities, especially those that appeal to their recreational and cultural interests. New residential development opportunities, including affordable family housing, have been identified in neighborhoods near downtown. Developments that include various unit sizes that can accommodate families with children should be supported and encouraged.

IMPLEMENTATION 1.7

In response to the increasing number of families in San Francisco, the Planning Department will develop zoning amendments to require a minimum percentage of larger family units, ranging from two to four bedrooms, in new major residential projects. The Planning Department will also propose eliminating density requirements within permitted building envelopes in downtown areas and areas subject to a Better Neighborhoods type planning process to maximize family units constructed.

- The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to administer programs for development of affordable family rental housing.

 Priority will continue to be given to projects that include affordable family units for the homeless and those at risk of homelessness, and include supportive services for residents.
- The Planning Department will study the feasibility of "flexible" development projects to accommodate family growth, shrinkage, expansion, and extension. Loft sleeping areas, family rooms and master bedrooms could be designed to ease future conversion to efficiency apartments for family members, or as an income unit.

POLICY 1.8

Allow new secondary units in areas where their effects can be dealt with and there is neighborhood support, especially if that housing is made permanently affordable to lowerincome households.

Secondary units (in-law" or "granny units") are smaller dwelling units within a structure containing another much larger unit, frequently in basements, using space that is surplus to the primary dwelling. Secondary units represent a simple and cost-effective method of expanding the housing supply. Such units could be developed to meet the needs of seniors and others who, because of modest incomes or lifestyles, prefer or need small units at relatively low rents. Neighborhood acceptance of secondary units should be encouraged in areas where off-street parking can be provided (it could be tandem parking) and where the secondary unit can be installed without adversely affecting the exterior appearance of the building, or in the case of new construction, can be accommodated within the permitted building envelope. Secondary units should be limited in size to control their impact.

IMPLEMENTATION 1.8

- The Board of Supervisors has introduced Planning Code amendments to allow secondary units in new buildings that are in close proximity to neighborhood commercial districts and public transit.
- The Planning Department will support efforts and promote educational programs that will help residents in existing neighborhoods understand the advantages of incorporating some secondary units in their communities.
- The Planning Department will study the impacts of relaxing parking requirements for secondary units located in all neighborhoods.
- On-going planning will propose Planning Code amendments to encourage secondary units where appropriate.

POLICY 1.9

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

New and expanding commercial activities increase the City's employment base. These new jobs are important to the residents of the City and the Bay Area and contribute to the continued economic vitality of the region. The workers filling these jobs also increase the City's need for housing. The City's Jobs-Housing Linkage Program, which exacts fees for affordable housing production from commercial developments, should be enforced and monitored. The fee structure should also be reviewed regularly to ensure fair burden on developers.

Similarly, institutions of higher education provide needed services and contribute to the intellectual and cultural life of the City. At the same time, their non-resident student body

presents a housing need. Higher educational institutions should assist in meaningful ways in the provision of additional housing to meet this demand.

IMPLEMENTATION 1.9

- The Planning Department will continue to support the Jobs Housing Linkage Program, which requires that commercial development provide housing or pay an in-lieu fee.
- Institutions are required to have an Institutional Master Plan that conforms to the General Plan. The Planning Department will evaluate higher educational institutions' student housing programs through the required Institutional Master Plan.

HOUSING RETENTION

OBJECTIVE 2

RETAIN THE EXISTING SUPPLY OF HOUSING.

The existing housing stock is the City's major source of relatively affordable housing. It is very difficult to replace given the cost of new construction and the size of public budgets to support housing construction. Priority should be given to the retention of existing units as a primary means to provide affordable housing.

POLICY 2.1

Discourage the demolition of sound existing housing.

Demolition of existing housing often results in the loss of lower-cost rental housing units. Even if the existing housing is replaced, the new units are generally more costly. Demolition often results in displacement of residents, causing personal hardship and relocation problems.

In 1994, the Planning Commission adopted guidelines regarding housing demolition, for situations when such projects require conditional use approval. In addition to the criteria for demolition approval, the guidelines require replacement housing or in-lieu fees to the City's affordable housing fund as full or partial mitigation for each unit lost. The City should continue to discourage the demolition of existing housing that is sound or can be rehabilitated, particularly where those units provide an affordable housing resource.

IMPLEMENTATION 2.1

- The City will continue to implement the Proposition M policy that requires that existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of neighborhoods.
- The Planning Commission will continue to apply Section 311 of the Planning Code to deny residential demolition permits until approval of a new construction permit is obtained.
- The Department of Building Inspection in consultation with the Planning Department will develop and periodically update criteria and continue to evaluate the soundness of housing before granting demolition approval.
- The Planning Department will continue to require replacement housing or in-lieu fees paid to the City's affordable housing fund as mitigation for the demolition of sound housing units.
- The feasibility of expanding the demolition definition will continue to be evaluated in order to prevent the loss of housing classified as "alterations."

POLICY 2.2

Control the merger of residential units to retain existing housing.

The Planning Commission has adopted policies that require Discretionary Review for all dwelling unit merger applications. The Housing Element, General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives are used to consider merger proposals on a case-by-case basis. Specifically, these criteria state that when reviewing applications for the removal of a legal dwelling unit, the Planning Commission must consider the detrimental effects to the housing supply, landmark designations, and planned owner occupancy. The Planning Commission must also work to minimize displacement, and ensure code compliance and structural safety.

IMPLEMENTATION 2.2

The Planning Department will continue to require Discretionary Review for all dwelling unit merger applications. Merger proposals will be considered on a case-by-case basis and approved or rejected on their individual merits as they pertain to policies of this Housing Element, the General Plan Priority Policies (Planning Code Section 101.1), and other Planning Commission directives. Detrimental effects to the housing supply, the minimization of displacement hardships, code compliance, structural safety, landmark designations, and planned owner occupancy will continue to be considered during Discretionary Review.

POLICY 2.3

Restrict the conversion of rental housing to other forms of tenure or occupancy.

Conversion of existing rental apartment buildings to condominiums, stock cooperatives or tenants-in-common ownership, depletes the supply of the City's more affordable housing stock. It also brings into conflict two desirable goals — expansion of homeownership opportunities and

preservation of the existing rental housing stock. While conversions to condos, co-ops, and tenancy-in-common expand the number of units available for purchase, they do so by reducing the number of units available for rent. As a result, existing and future tenants who cannot buy at that time can be displaced. Similarly, the use of large, older apartment buildings for time-sharing or corporate suites can cause displacement of existing residents.

In general, conversions should not shift the balance between ownership and rental housing, and should protect potentially displaced tenants to the maximum extent possible. Closely evaluating proposed conversions and limiting the number of conversions annually, should achieve a reasonable balance between ownership and rental housing. Conversion of rental housing to time share or corporate suite use should be prohibited.

IMPLEMENTATION 2.3

- The City will continue to limit the conversion of rental housing with the Condominium Conversion Ordinance. This ordinance limits the annual number of units converted and allows only small projects with owner occupants to be considered for conversion. Conversion approval will continue to require a high degree of tenant intent to purchase their rental unit as a condition of approval. The conversion criteria include Tenant Rights Rules. Renters are given the right to purchase their unit at a price established by the owner or they can choose to rent the unit at their current rent for one year after the conversion is complete. Tenants who are 62 or older are entitled to a lifetime lease.
- The City will evaluate requiring sales price limitations on existing low and moderateincome housing units that are proposed for conversion.
- The City will study requiring a portion of any condominium conversion subdivision to remain permanently affordable and requiring developers to construct an equivalent number of similar units elsewhere or pay an equivalent in lieu fee to the City's Affordable Housing Development Fund.

 Conversions to uses other than housing should not be permitted unless a specific evaluation by the Planning Commission concludes that there is clear and convincing evidence that such conversion is the only recourse in the interest of the common weal.

POLICY 2.4

Retain sound existing housing in commercial and industrial areas.

Many parts of San Francisco were developed before there were zoning regulations that separated various types of land uses. As a result, thousands of housing units were built in areas that also contain industrial and commercial uses and have since been zoned industrial or commercial. Many of these housing units are sound or could be rehabilitated. They represent a significant portion of the City's affordable housing supply and would be very difficult to replace. Yet, in many of the areas that such housing is located, it could be profitable to convert to a non-residential use.

In many neighborhood shopping areas, conversions of upper floor housing units to non-residential use are subject to conditional use review. Under such review, the desirability of retaining the housing can be weighed against the public benefits to be gained by the alternative use. As a general rule, conversion should be considered only for needed neighborhood serving commercial activities that cannot reasonably locate elsewhere in the commercial district. Similarly, in downtown commercial districts, conversion to non-residential use should be subject to conditional use review.

Housing enclaves in industrial areas should be protected by residential or special use district zoning, so that conversion to non-residential uses cannot take place. However, the continuation of residential uses on scattered and isolated lots within developed industrial areas can cause conflict with legitimate industrial needs. Here, conversion should be a conditional use so that the specific industrial need can be weighed against the need to conserve housing.

IMPLEMENTATION 2.4

- The Planning Department will continue to support existing housing in commercial and industrial areas by regulating conversions as provided in the Planning Code.
- As part of the Planning Department's current citywide action plan, planning efforts in the eastern neighborhoods of the City, where housing exists in commercial and industrially zoned districts, should address housing retention as new policies and zoning are established. Mixed use should be encouraged where appropriate.

POLICY 2.5

Preserve the existing stock of residential hotels.

Residential or single-room occupancy hotels (SROs) represent a unique and often irreplaceable resource for thousands of lower income elderly, disabled, and single-person households. Most of these hotels are close to downtown and have been subject to strong economic pressures that led to conversion or demolition. As San Francisco grew as a tourist center, many of these hotels have been converted to permanent or seasonal tourist uses. Others have been demolished and replaced with other uses. Some of these SROs are being used as family housing. In the City's tight housing market, some downtown SROs have also become dormitories and efficiency apartments for nearby educational institutions. In the last five years, fires and other safety code violations have displaced hundreds of low-income residents.

The retention of remaining units housing permanent residents should be supported. Residential hotels located in predominantly residential areas should be protected by zoning that does not permit commercial or tourist use. In non-residential areas, conversion of units to other uses should not be permitted or be permitted only where a residential unit will be, or has been, replaced with a comparable unit elsewhere. For those hotels that are operated as mixed tourist/permanent resident hotels, strict enforcement is needed to ensure that the availability of the hotel for permanent residential occupancy is not diminished. The Residential Hotel

Ordinance currently regulates and protects the existing stock of residential hotels. This ordinance requires permits for conversion of residential hotel rooms, has a strong replacement provision, and requires 80% of cost of replacement to be provided to the City in the case of conversion or demolition. The City should facilitate the purchase and master lease of residential hotels by non-profit entities for the purpose of improving the quality of the housing and achieving long-term affordability.

IMPLEMENTATION 2.5

- The Department of Building Inspection and the San Francisco Fire Department will
 continue to regulate the safety of these buildings through annual inspections.
- The City will continue to facilitate the transfer of residential hotels to effective non-profit housing organizations to ensure permanent affordability, livability, and maintenance.
- The City will work to reauthorize the Single Room Occupancy Hotel Safety and Stabilization Task Force set to expire in 2003. This task force will continue to monitor, develop and present recommendations to San Francisco Mayor and Board of Supervisors regarding policies and procedures around fire prevention, investigations and prosecution of SRO violators, and stabilization of hotel tenants and residents.

POLICY 2.6

Consider legalization of existing illegal secondary units where there is is neighborhood support and the units can conform to minimum Code standards of safety and livability and the permanent affordability of the units is assured.

It is estimated that over 20,000 housing units in the City were built without a building permit. These units may exceed allowable densities, may not provide for current parking requirements, or may not meet minimum standards set forth in the San Francisco Building Code. However,

these units constitute a major source of affordable housing in the City and their loss would dramatically increase pressure on the housing market.

Proposals to allow legalization of secondary units under certain conditions have been made over the years but have not been adopted because of neighborhood opposition. Some units have been eliminated through abatement proceedings, largely originated by complaints, while additional units continue to be created without permits. The City should develop procedures to legalize existing illegal secondary units and bring them into code compliance.

IMPLEMENTATION 2.6

Consistent with Policy 2.6, study the legalization of existing secondary units. This study will examine: the reduction of permitting fees and elimination of additional penalties to make legalization an attractive option for owners; ways to address neighborhood concerns as to the legalization of secondary units; regulation which might be required to mitigate neighbors' concerns about off-street parking; and implementation mechanisms for keeping secondary units affordable.

HOUSING CONDITION

OBJECTIVE 3

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

Over one-half of San Francisco housing is more than 60 years old. As the City's housing stock ages, maintenance becomes increasingly important. Considerable private investment into the renovation of some of the City's older housing units has lessened the need for some types of direct public intervention used in the past. There is, however, a continuing housing rehabilitation need. The City should monitor those areas of the city particularly susceptible to a decline in housing quality, and take appropriate remedial steps where necessary.

POLICY 3.1

Ensure that existing housing is maintained in a decent, safe, and sanitary condition, without increasing rents or displacing low-income households.

The City should ensure that residential units meet building code standards by periodic inspection of apartments and hotels and prompt response to complaints. Code compliance activities should be designed to minimize any financial hardship for lower income households brought on by required rehabilitation. Low interest and deferred payment loan programs should be targeted to low and moderate-income tenants.

IMPLEMENTATION 3.1

The San Francisco Department of Building Inspection will continue to ensure that residential units meet building code standards by responding to complaints and through periodic inspection of apartments and hotels.

- The Department of Building Inspection will continue to issue code violations for residential properties that are not decent, sanitary, or safe. If violations are repeatedly ignored and not corrected, the City Attorney's Office will continue to assist in abatement.
- The Mayor's Office of Housing will continue to offer low interest and deferred payment loan programs designed to target and benefit low-income homeowners including the Code Enforcement Rehabilitation Fund (CERF) and Community Housing Rehabilitation Program (CHRP).
- The Mayor's Office of Housing will continue to provide funds for rehabilitating existing housing with affordability restrictions in order to improve living conditions for tenants and extend the properties' useful life as affordable housing.

Preserve at risk, privately owned assisted housing.

Privately owned and operated assisted housing is under continuing pressure to convert to market rate housing. Existing funding levels for some developments have either failed to keep pace with actual costs or have less than favorable returns, causing owners to convert units to market rate or sell their properties outright, and thereby removing units from the stock of assisted housing. Policies are needed to encourage the retention of the existing assisted housing stock wherever possible.

IMPLEMENTATION 3.2

The San Francisco Redevelopment Agency will continue to support the acquisition and rehabilitation of multi-family and senior housing that is at risk of being converted to market rate due to the expiration of existing rental subsidy contracts or the prepayment of HUD-insured mortgages.

Maintain and improve the condition of the existing supply of public housing.

The San Francisco Housing Authority is the largest landlord in San Francisco with over 6,200 units, and is one of the most important sources of permanently affordable housing for low-income households. Operating subsidies and modernization funds provided by the Federal government have not been adequate to keep this conventional public housing in sound condition. Increased Federal support, innovative local financing techniques, energy efficiency measures, and creative property management and customer service are all required to maintain and improve this valuable supply of affordable housing. Additionally, inter-agency collaboration and long-range plans for public housing are being developed, including identifying opportunities for potential mixed income in-fill development in underused lands and where consistent with overall social goals.

IMPLEMENTATION 3.3

- The San Francisco Housing Authority will continue to administer the HOPE VI grants. Recent grants will help revitalize five housing sites and provide 1,228 affordable housing units. Additional funds will add 137 accessible and 207 adaptable apartments to the SFHA stock.
- The San Francisco Housing Authority will continue to manage other publicly assisted projects. Capital Fund Program (CFP) and Community Development Block Grants (CDBG) will assist in sustaining comprehensive modernization and capital improvements at SFHA sites. The average annual operating funding is \$15 million, and its focus is to stabilize living conditions in the current housing stock.
- The San Francisco Housing Authority will continue to maintain communication between housing organizations in the city through the CHAS Public Housing Subcommittee. The San Francisco Housing Authority has created the San Francisco Housing Corporation, a 501(c)3 non-profit corporation which leverages and maximizes resources and assists in the sustainability of programs for low-income households.

Monitor the correction of serious continuing code violations to prevent the loss of housing.

Code enforcement on hardship cases can present particular housing challenges. In some cases, compliance with full requirements should be deferred to the extent legally permissible if all life safety hazards are abated. In particular, the City should extend the period allowed for code compliance to avoid displacement of low- or moderate-income households until replacement housing can be found.

Where there is a refusal to correct serious but remediable violations, the City should exercise its ability to make the repairs and recover the costs by putting a lien on the property. In aggravated cases, the buildings can be placed in City receivership. Public assistance should then be provided to maintain affordability levels.

IMPLEMENTATION 3.4

- The Mayor's Office of Housing will continue to administer and promote the Code Enforcement Rehabilitation Fund (CERF) program to correct building code violations in housing for low-income residents.
- The City will continue to abate serious, repeated, building code violators.
- The City Attorney's Code Enforcement Task Force will continue its activities.

POLICY 3.5

Improve the seismic stability of existing housing without reducing the supply of affordable housing.

Despite substantial retrofitting efforts in the last decade following the Loma Prieta earthquake, there are about 8,590 residential units in unreinforced masonry buildings in San Francisco that

require structural strengthening. Because these buildings are not sufficiently reinforced and the floors are not adequately tied to the walls, they are vulnerable to damage or collapse in an earthquake. Residential hotels, which are predominantly occupied by persons of relatively low incomes, make up much of these buildings at risk. These remaining buildings are located in the South of Market, the Tenderloin, Chinatown, and along the Bush Street and Van Ness Avenue corridors. Retrofitting programs should safeguard affordability and minimize displacement of low-income residents.

In addition to unreinforced masonry buildings, there are other residential buildings that are also vulnerable to damage in an earthquake. In many cases, property owners can undertake relatively inexpensive measures such as bolting frames to foundations and installing shear walls where needed. The Office of Emergency Services has updated and improved the City's Emergency Preparedness Plans. The City should continue its building seismic safety informational programs and also pursue technical assistance programs targeting earthquake safety precautions. These issues are also addressed in the Community Safety Element of the General Plan.

IMPLEMENTATION 3.5

The Seismic Safety Bond Program will continue to fund the seismic rehabilitation of unreinforced masonry buildings to the extent that demand for funds continues to exist.

- The City Department of Building Inspection (DBI) will continue to mandate the seismic retrofit of unreinforced masonry buildings.
- The DBI is also developing a Community Action Plan for Seismic Safety (CAPSS) which is investigating the impacts of potential earthquakes and developing policies and programs to reduce these impacts.

Preserve landmark and historic residential buildings.

The preservation of landmarks and historic buildings is a priority policy of the City's General Plan. Landmarks and historic buildings are important to the character and quality of the City's neighborhoods and are also important housing resources. A number of these structures contain housing units particularly suitable for larger households and families with children. More specific policies for these buildings will be contained in the Preservation Element, currently being prepared.

IMPLEMENTATION 3.6

- The Planning Commission will review and adopt the Preservation Element of the General Plan.
- The Planning Department and the Department of Building Inspection will continue to regulate the preservation and protection of landmark and historic buildings by monitoring use, alterations, and demolition.
- The City will continue to implement the Proposition M priority policy that landmarks and historic buildings be preserved.
- The Planning Department's Citywide Cultural Resource Survey program is a multi-year effort that will document resources in neighborhoods and commercial areas throughout San Francisco.
- The Mayor's Office of Housing and the Redevelopment Agency will continue to fund the acquisition and rehabilitation of landmark and historic buildings for use as affordable housing.

- The Planning Department will encourage property owners to use preservation incentives to repair, restore, or rehabilitate historic resources in lieu of demolition. These include federal tax credits for rehabilitation of qualified historical resources, Mills Act property tax abatement programs, the State Historic Building Code, and tax deductions for preservation easements.
- The Planning Department will continue to assist in federal environmental review and review under Section 106 of the National Historic Preservation Act for historically significant local buildings receiving federal assistance.

HOUSING AFFORDABILITY

OBJECTIVE 4

SUPPORT AFFORDABLE HOUSING PRODUCTION BY INCREASING SITE AVAILABILITY AND CAPACITY

POLICY 4.1

Actively identify and pursue opportunity sites for permanently affordable housing.

Publicly owned land represents one potential source of sites for affordable housing. Government agencies should actively maintain an inventory of land within their jurisdiction and, with the Planning Department, identify sites with the potential to support housing development. This evaluation could include options for joint development or relocation of current facilities to other sites. Such appropriate and available public land, along with other financial subsidies, should

then be considered for the development of housing. Priority should be given to immediate development of those public sites where 100% permanently affordable housing is achievable.

Large and privately held land parcels should also be identified and actively promoted for affordable housing. New programs should be established to acquire land and appropriate buildings for land and building "banking" in advance of specific project proposals.

While housing development can be incompatible with certain industrial uses and threaten viable activities, housing opportunity areas may exist in the primarily non-residential areas on the eastern side of the City. Land use analyses should continue and identify housing opportunity areas in the five Eastern Neighborhoods of South of Market, the Mission, Potrero/Showplace Square, South Bayshore, and Visitacion Valley. Any rezoning of industrial land to residential use should include requirements, incentives and bonuses to encourage the development of attractive and affordable housing. Program Environmental Impact Reports (EIRs) should be developed for those areas with sufficient detail to eliminate need for subsequent project EIRs on residential projects.

IMPLEMENTATION 4.1

- The City's Affordable Housing Fund provides funds to the Mayor's Office of Housing (MOH) to respond to housing opportunities in areas of the City that are not in Redevelopment Agency Project or Survey Areas and outside Mission Bay. This fund, derived from payment of fees to the City by office, entertainment, hotel, retail, and research and development developers, will continue to be used to construct new affordable housing.
- The City's Housing Participation Policy provides for affordable housing to be developed as part of market-rate housing developments in all redevelopment project areas on-site or an in-lieu fee is imposed.
- The City will explore land banking in advance of specific project development proposals when possible.

- The City will work to identify underutilized, vacant, and brownfield sites that are publicly or privately owned and suitable for affordable housing development. The City will work with for profit and non-profit housing developers to acquire these sites for permanently affordable housing.
- Program EIRs will be developed for new planning areas included in the Citywide Action Plan with sufficient detail to eliminate the need for subsequent project EIRs on future permanently affordable housing. Wherever the capacity for development is increased through rezoning or other regulation changes, commensurate requirements for public benefits, including increased housing affordability and community amenities for livability should be required.
- Permanently affordable housing sites will be especially sought out in places where transportation and existing amenities are in place.
- The revised Land Use Element will identify appropriate sites for permanently affordable housing.

POLICY 4.2

Include affordable units in larger housing projects.

Inclusion of affordable housing is currently required of new housing projects containing 10 or more units. Although preference is given to on-site inclusionary housing to ensure economic integration in housing development, off-site construction should be considered if this results in significant numbers of new affordable housing. The City's inclusionary affordable housing program should be monitored and reviewed regularly to ensure fair burden and not constrain new housing production.

IMPLEMENTATION 4.2

- The Planning Department will implement its recently updated Inclusionary Affordable Housing requirement, which requires 10% to 17% of units in all projects with 10 units or more be made affordable.
- The Mayor's Office of Housing will continue to administer the sales and leasing of units created through the Inclusionary Affordable Housing program. MOH will develop proposals to ensure availability of adequate funding to administer the inclusionary program.
- The San Francisco Redevelopment Agency will implement its Housing Participation
 Policy to require affordable housing through its owner participation and land disposition
 process.
- If housing projects are built on city-owned property, the percentage of affordable housing units should be increased and the units should be affordable to less than 60% of the Area Median Income for renters and less than 100% of the Area Median Income for home owners.

POLICY 4.3

Encourage the construction of affordable units for single households in residential hotels and "efficiency" units.

San Francisco has a relatively large stock of older residential hotels. The 1995 Single Room Occupancy Guidelines and accompanying Planning Code changes affecting densities, provision of kitchen facilities and parking now regulate the creation of these types of units. The Yerba Buena Commons, completed in 1995, demonstrated that it is possible to provide small but good quality units for single persons. Appropriate sites and sponsors for both market rate and affordable residential hotels should be developed.

IMPLEMENTATION 4.3

- Restrictive regulations in the Building and Planning Code will be studied by the Planning Department for possible modification.
- Appropriate sites and sponsors for affordable residential hotels will be identified through a coordinated effort between the Planning Department, the Mayor's Office of Housing and the Redevelopment Agency.
- Affordable housing advocacy groups will be encouraged by the City to hold project specific neighborhood acceptance community meetings when SRO housing developments are proposed in particular neighborhoods.
- The City will require that qualified property management companies be responsible for operating newly constructed SROs so that the facilities and associated services will be properly maintained and suitable for occupancy in the future.

POLICY 4.4

Consider granting density bonuses and parking requirement exemptions for the construction of affordable housing or senior housing.

Current state law calls for adoption of an ordinance permitting a 25% density bonus for projects which provide 20% of the units for lower-income households, 10% of the units for very-low-income households, or 50% of the units for senior citizens. The City should allow higher density bonuses where such housing will not disrupt neighborhood character or scale. The current code allows a density bonus for units designed for seniors and/or disabled occupants in R and NC districts. The current Planning Code provision of establishing special use district overlays for projects that are 100% affordable should be reconsidered; density bonus standards and other requirements uniformly applied citywide. Density bonuses should be conferred only when public benefits are provided.

IMPLEMENTATION 4.4

- The Panning Department will look at establishing uniform density bonus standards and equal requirements for affordable and senior housing development. Until then, affordable and senior housing projects will continue to be granted density bonuses and reduced parking requirements on a case-by-case basis.
- The Planning Department will investigate appropriate parking requirements for all affordable or senior housing projects.

POLICY 4.5

Allow greater flexibility in the number and size of units within established building envelopes, potentially increasing the number of affordable units in multi-family structures.

In San Francisco, housing density standards have traditionally been set in terms of numbers of dwelling units in proportion to the size of the building lot. For example, in an RM-1 district, one dwelling unit is permitted for each 800 square feet of lot area. This limitation generally applies regardless of the size of the unit and the number of people likely to occupy it. Thus a small studio and a large four-bedroom apartment both count as a single unit. Setting density standards encourages larger units and is particularly tailored for lower density neighborhoods consisting primarily of one- or two-family dwellings.

However, in some areas which consist mostly of taller apartments and which are well served by transit, the volume of the building rather than number of units might more appropriately control the density. Here the building envelope, as established by height, bulk, set back, parking and other Code requirements, would set the maximum residential square footage which could be subdivided into a greater number of smaller units or a smaller number of larger units.

IMPLEMENTATION 4.5

The Planning Department will explore ways to promote flexibility within a given building envelope to build a variety of unit types, ranging from a greater number of smaller units to fewer larger family units.

POLICY 4.6

Support a greater range of housing types and building techniques to promote more economical housing construction and potentially achieve greater affordable housing production.

Prefabricated or manufactured homes can be a valuable source of low cost housing. At its best, manufactured housing uses high technology and mass production techniques to reduce costs without sacrificing quality of design. Industrialized wood construction techniques used in lower density housing and light-weight prefabricated, pre-stressed concrete construction in moderate and high density housing also have the potential of producing great savings in construction time and cost. The use of these and similar techniques should be encouraged. Their use as temporary, emergency or transitional shelter on otherwise unutilized sites should be explored.

IMPLEMENTATION 4.6

- A low cost housing construction task force will be formed between the Mayor's Office of Housing, Department of Building Inspection, the Planning Department and the housing design and construction industry.
- In order to lower cost, the building industry will be encouraged to investigate the use of industrialized wood construction techniques in lower density housing, and the use of lightweight prefabricated, pre-stressed concrete construction, in moderate and high density housing.

- Allow secondary units in conformance with Policy 1.8.
- The City will work to encourage manufactured home production, per California law (Government Code 65852.3) that permits all manufactured homes built under HUD guidelines and on a foundation to be placed on lots zoned for conventional single-family residential dwellings.
- The Planning Department will encourage industry representatives to develop a model site to showcase the manufactured home product. This site will be used to educate the public with good models and dispel negative attitudes and inaccurate perceptions of manufactured home production.
- The Planning Department will write architectural compatibility guidelines to ensure that manufactured homes will blend into existing neighborhoods and alleviate public concern over design compatibility.
- The Planning Department will continue to support developers constructing co-housing, shared housing and group housing.
- The City will work with housing advocates to educate residents about the misconceptions of shared housing.
- Design zoning controls that meet the specific needs of artists.

OBJECTIVE 5

INCREASE THE EFFECTIVENESS AND EFFICIENCY OF THE CITY'S AFFORDABLE HOUSING PRODUCTION SYSTEM.

POLICY 5.1

Prioritize affordable housing projects in the planning review and approval processes, and work with the development community to devise methods of streamlining housing projects.

The Planning Department's review and approval of affordable housing projects should be improved to reduce costly and significant delays. Without diminishing public participation, the administrative processing and approval of affordable housing should be expedited through administrative action, local and State_legislation.

IMPLEMENTATION 5.1

- The City will advocate for the shortening of the time period for environmental review under the California Environmental Quality Act (CEQA) for affordable housing projects.
- City agencies will work to expedite affordable housing applications.
- The Planning Department will establish a program for preparing Area Plan Environmental Impact Reports (EIRs) for affordable housing project sites to eliminate the need for conditional use permits and subsequent EIRs.
- The Planning Department will develop a streamlining process to consolidate the public hearing process and avoid duplicative discretionary hearings and appeals.
- Affordable housing advocacy groups and project sponsors will be encouraged by the City to conduct project specific neighborhood workshops to foster neighborhood understanding and acceptance of affordable housing projects.
- The City Attorney's office will work to establish neighborhood dispute resolution methods to minimize administrative appeals and judicial challenges of projects.

POLICY 5.2

Support efforts of for-profit and non-profit organizations and other community-based groups and expand their capacity to produce and manage permanently affordable housing.

Non-profit housing development corporations have proven to be effective vehicles for the development of affordable housing. The City should continue to provide them with the technical and financial assistance to increase their production capacity and encourage and invite for-profit developers to build equivalent housing.

IMPLEMENTATION 5.2

The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to fund and provide technical support to non-profit housing corporations and invite and encourage for-profit builders to avail of the same opportunities.

POLICY 5.3

Create greater public awareness about the quality and character of affordable housing projects and generate community-wide support for new affordable housing.

Affordable housing projects are frequently delayed or withdrawn because of community opposition. Greater public awareness of affordable housing challenges and potential solutions is needed to gain broader, long-term support for housing strategies.

IMPLEMENTATION 5.3

- City agencies and housing advocacy groups will coordinate community outreach efforts that support neighborhood acceptance of permanently affordable housing developments.
- The City will continue to support affordable housing by publicizing permanently affordable developments with good design and effective management.

- Past affordable housing developments should be evaluated and their actual achievements documented and publicized.
- Continuing problems associated with these developments should be examined and rectified, and appropriate corrections made in future developments.

POLICY 5.4

Coordinate governmental activities related to affordable housing.

The City is required by federal Department of Housing and Urban Development (HUD) to prepare a five year Consolidated Plan to guide community development and housing assistance programs. The Consolidated Plan is the compilation of a coordinated effort between federal, state and local agencies that contribute to the production of housing and related services in San Francisco. This Plan was recently submitted to HUD in 2000.

IMPLEMENTATION 5.4

- The Mayor's Office of Community Development and the Mayor's Office of Housing will continue to draft and distribute the Consolidated Plan.
- The Planning Department will continue to work with the Redevelopment Agency and Mayor's Office of Housing to devise clear and consistent application procedures for homeownership programs.

OBJECTIVE 6

PROTECT THE AFFORDABILITY OF EXISTING HOUSING.

POLICY 6.1

Protect the affordability of units in existing buildings at risk of losing their subsidies or being converted to market rate housing.

A number of subsidized housing developments were created with federally supported mortgages and project-based rental assistance. Many of these projects have reached the 20-year mark and the owners of the developments have an option to prepay existing mortgages and terminate the project-based rental assistance contracts.

IMPLEMENTATION 6.1

- The City will continue to advocate at both the state and federal levels, for the preservation of housing subsidies. MOH and SFRA will continue to work with state and federal agencies to develop programs to assist HUD sponsored housing with expiring subsidies.
- The San Francisco Redevelopment Agency will continue to administer the Preservation of At-Risk Existing Affordable Housing program.
- In order to prevent the loss of affordable housing resulting from early termination of HUD mortgages, the City will explore the creation of a residents and/or non-profit ownership and management program to acquire existing "at risk" buildings.
- The City will work to prioritize relocation of tenants who lose Section 8 subsides.
- SFRA will continue to advocate for local, state, and federal legislation that supports local efforts to preserve at-risk developments.

- SFRA will continue to assist developers interested in preserving the affordability of atrisk housing.
- The City will continue to enforce the City's preservation ordinance that requires proper notification prior to transfer of an at-risk development.

POLICY 6.2

Ensure that housing developed to be affordable is kept affordable.

Affordable housing units that are created by various City actions should be required to remain affordable for as long a period as is legally permissible and financially practicable. The necessity of such requirement is underscored by the magnitude of the potential loss of existing HUD-financed affordable rental units that had a 20-year period for continuance of below market rents. In the past, locally assisted units have been required to remain at affordable rental rates or sales prices for periods as short as ten years. As the experience with expiring HUD contracts indicates, expiration dates arrive all too soon and a problem thought to be solved becomes a problem again. Most recently, the City has imposed 50- to 75-year terms. If legally permissible and financially practicable, an even longer term should be required. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties.

IMPLEMENTATION 6.2

- Affordable housing funded by MOH and SFRA will be required to maintain affordability as long as legally permissible and financially practicable. This requirement will continue to be enforced by Regulatory Agreements and other legally binding instruments.
- The City will ensure all publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes.

POLICY 6.3

Safeguard tenants from excessive rent increases.

In recent years the demand for the limited housing supply has resulted in substantial rent increases. Sometimes this has caused displacement or economic hardship. The regulatory process that stabilizes rent levels protects tenants from excessive rent increases and arbitrary eviction while at the same time allowing the landlord a fair rent and sufficient incentives to maintain housing quality should be maintained.

IMPLEMENTATION 6.3

 The Rent Control Board safeguards tenants from excessive rent increases under the Residential Rent Stabilization and Arbitration Ordinance.

POLICY 6.4

Achieve permanent affordability through community land trusts and limited equity housing ownership and management.

The American dream of homeownership is beyond the reach of many San Francisco households. First-time homebuyer programs sponsored by the City and private lending institutions should be encouraged and broadened to include second mortgage loan pools or other appropriate mechanisms to help buyers meet down-payment requirements. To stem speculation, such housing programs should include affordability restrictions. Conversion of buildings by their tenants to limited equity cooperatives and condominiums can stabilize prices and, as general home sales prices increase over time, can lower housing costs. The City should encourage these forms of ownership.

IMPLEMENTATION 6.4

- The Mayor's Office of Housing will continue to administer first time homebuyer programs, which includes the City Second Loans, the Condominium Conversion Program, and the Inclusionary Affordable Housing Program.
- The City will investigate the feasibility of community land trusts and other alternative ownership models.
- The City will continue to work to ensure that publicly funded homeownership projects remain affordable through deed and lease restrictions, and where practical, limit equity return so that homeownership remains affordable.

POLICY 6.5

Monitor and enforce the affordability of units provided as a condition of approval of housing projects.

Over the years, the city has in certain instances required the provision of affordable housing units as a condition of approval of a project. Monitoring and enforcement are needed to ensure the continued availability of these units. Stiff penalties for non-compliance should be created to provide strong economic disincentives against loss of required affordable housing units. Sufficient evidence should be required from applicants to prevent affordable housing units from being occupied by unqualified parties.

IMPLEMENTATION 6.5

 The Mayor's Office of Housing and the City Attorney's Office will continue to monitor compliance with affordability and occupancy restrictions. The Mayor's Office of Housing and the Planning Department will work to establish an adequate fee system to financially support the costs of a comprehensive affordable housing monitoring program.

OBJECTIVE 7

EXPAND THE FINANCIAL RESOURCES AVAILABLE FOR PERMANENTLY AFFORDABLE HOUSING.

POLICY 7.1

Enhance existing revenue sources for permanently affordable housing.

Existing financial programs, including Federal and State low-income tax credits and various HUD programs, should be maintained at maximum levels. Extensive lobbying efforts at State and Federal levels need to be carried out to protect the existing programs and create new ones. Joint metropolitan and statewide efforts to develop more creative revenue resources should be supported.

Incremental tax revenues in Redevelopment project areas can be used for affordable housing. The Redevelopment Agency has a policy of allocating at least 50% of its increment funds for low and moderate income housing construction or renovation.

IMPLEMENTATION 7.1

 The City supports efforts and advocate for the expansion of federal and state financing for affordable housing.

- The San Francisco Redevelopment Agency will continue to promote permanent affordable housing by approving the construction of housing in designated redevelopment areas and by providing financing for the development of affordable housing throughout the city.
- The Mayor's Office of Housing will continue to provide funding to increase and preserve the stock of affordable rental and ownership housing units for the City's very low to moderate income population. The Mayor's Office of Housing will continue to monitor projects on an annual basis that receive affordable housing funds to ensure on-going compliance.
- The Planning Department and the Mayor's Office of Housing will periodically reassess the fee levels of the Jobs-Housing Linkage Program, whereby new office developments are obligated to assist in the production of housing, to determine their adequacy and appropriate adjustments should be made.
- The Department of Human Services and the Department of Public Health will continue to offer operating subsidies for special needs housing through their supportive housing programs.
- The San Francisco Redevelopment Agency will continue to administer the Tax Increment Housing Program and the Housing Opportunities for People with AIDS Program (HOPWA).

POLICY 7.2

Create new sources of revenue for permanently affordable housing, including dedicated long-term financing for housing programs.

New revenue sources are needed if the City is to make a significant dent in the need for affordable housing. A major source of new revenue to the City that could be allocated to

affordable housing is the real estate transfer tax. Increasing the current tax rate and devoting much of the increased revenue to preservation of affordable housing (see Objective 5) and to new affordable housing development should be given high priority.

IMPLEMENTATION 7.2

- The City will investigate an increase in the real estate transfer tax.
- To the extent feasible, the City will continue to periodically issue affordable housing development bonds.
- The Mayor's Office of Community Development programs will continue to address emergency shelter needs and the Mayor's Office of Housing will continue to administer programs relating to transitional and permanent housing needs.

POLICY 7.3

Develop greater investments in and support for affordable housing programs by corporations, churches, unions, foundations, and financial institutions.

Greater corporate investment in and support for affordable housing should be encouraged. Churches are an untapped source of funding and land, as are dozens of local foundations and trade unions. The City should seek to better coordinate these efforts.

IMPLEMENTATION 7.3

- The City will continue to work with local financial institutions and non-profits to provide credit opportunities to low- and moderate-income individuals and households.
- The City will continue to work with local financial institutions to meet their community reinvestment obligation under the Community Reinvestment Act.

 The Mayor's Office of Housing will continue to work to better coordinate local affordable housing efforts through the Consolidated Plan process.

HOUSING CHOICE

OBJECTIVE 8

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

Population diversity is one of San Francisco's most important assets. To retain this diversity, a variety of housing opportunities should be available. Households should be able to choose the form of tenure most suitable to their needs, from either a rental or an ownership housing stock. A variety of unit sizes is also important, so that both larger and smaller households can be accommodated in adequate numbers. Units of varied costs are necessary to provide opportunities for households of different income levels. Finally, there should be units with special features and services suitable for households with special needs.

Social and economic factors can discriminate against certain population groups and limit their housing opportunities, leading to patterns of economic and racial segregation. Families with children are constrained by the types, sizes, and cost of units available to them. Access to units suitable for larger households tends to be limited by erosion of the older housing stock and discriminatory rental practices. Standard housing units with special features for elderly and handicapped persons are also in short supply. Housing that meets the needs and is affordable for artists is also lacking. If San Francisco is to retain its economic, racial, and cultural diversity, opportunities should be expanded for population groups for whom affordability and accessibility are crucial.

POLICY 8.1

Encourage sufficient and suitable rental housing opportunities and emphasize permanently affordable rental units wherever possible.

Since approximately two-thirds of San Francisco's residents are renters, the availability of sound and affordable rental housing is of major importance, especially for the young and elderly populations and low and moderate income families who tend to rent their residence. Low vacancy rates and high rents are indicators of a continuing demand for rental housing. The City should make a concerted effort to do what is within its control to encourage the development of permanently affordable rental housing.

IMPLEMENTATION 8.1

The Mayor's Office of Housing will continue to implement affordable rental housing programs for families, seniors, and households with special needs.

- City Agencies and non-profits will continue to implement subsidy, development and land use programs that preserve existing rental housing and encourage the development of new rental housing, particularly permanently affordable rental housing. The City will ensure that all newly constructed, publicly supported affordable rental housing projects remain permanently affordable through the use of grant or financing restrictions that regulate rents and tenant incomes
- Ensure that the First Source Hiring Program is fully implemented, thus aiding people's ability to afford housing.

POLICY 8.2

Employ uniform definitions of affordability that accurately reflect the demographics and housing needs of San Franciscans.

Median income figures are reported by the U.S. Department of Housing and Urban Development for the three county area comprised of San Francisco, Marin and San Mateo counties, referred to as the Primary Metropolitan Statistical Area (PMSA). Because average incomes are higher in Marin and San Mateo than they are in San Francisco, there is an upward bias to the numbers. For example, in 2000, the PMSA median family income was \$74,900. The 2000 Census, however showed that the median family income for the City and County of San Francisco was \$63,545 – about 85% of the area median income for the three county area covered by the PMSA.

| | Maximum HUD Income | Goal for Average SF Incomes |
|--------------------|-----------------------|-----------------------------------|
| Rental Programs | | |
| Low Income | 80% of AMI | 60% of AMI |
| Very Low Income | 50% of AMI | |
| Ownership Programs | | |
| Moderate Income | 120% of AMI | 100% of AMI |

In order to ensure that households at lower income levels are adequately served, the city's programming for affordable housing should target households at incomes lower than 85% of median. This has been done, for example, in rental projects in which the city is providing subsidy (land or financing or both) where the affordable rental units are required to be equal to or less than 60% of the PSMA median.

IMPLEMENTATION 8.2

- The Mayor's Office of Housing administers the annual affordability standards established by HUD to the various city agencies. The Planning Department will work with the Mayor's Office of Housing and the various City agencies to periodically review these standards for adequacy.
- The City will work to adopt income limits for affordable housing programs that target assistance to households who are low income by San Francisco standards, as well as meet the HUD area median requirements.

The Mayor's Office of Housing and the San Francisco Redevelopment Agency will continue to establish goals for programs and individual projects to ensure that, to the maximum extent feasible, they serve households at a variety of income levels, rather than just households at the top of eligible income ranges.

POLICY 8.3

Ensure affirmative marketing of affordable housing.

Periodic reporting on the composition of resident populations in various publicly supported housing projects and affordable units required as a condition of permit approval should be required to facilitate compliance monitoring. Counseling and education to maintain housing rights should be promoted.

The State and Federal Housing requirements regarding displacement prohibitions, and other restrictions where affordable housing rehabilitation or construction might impact the community, should be adopted as City policy. Available affordable housing should be advertised in multilingual media to ensure fair marketing practice. The City should monitor and strictly enforce these requirements. The City's Human Rights Commission protects persons from housing discrimination on the basis of race, religion, color, ancestry, age, sex, sexual orientation, gender identity, disability, place of birth, HIV/AIDS status, weight or height, families with minor children, source of income, and economic discrimination. Community forums including the Human Rights Commission should be provided in order to diffuse unwarranted opposition to affordable housing.

IMPLEMENTATION 8.3

The City's Human Rights Commission (HRC) will continue to support and monitor the Fair Housing Access laws and advise the Mayor's Office of Housing and the Mayor's Office on Disability on issues of accessibility and impediments to Fair Housing. The HRC will investigate and mediate discrimination complaints. When appropriate, the HRC will provide referrals to other government agencies.

- The HRC will continue to assist in resolving landlord-tenant problems in rental housing, including single room occupancy hotels.
- The San Francisco Redevelopment Agency and the Mayor's Office of Housing will continue to monitor leasing and sales of assisted housing developments to ensure compliance with affirmative marketing goals and income and rent restrictions.
- The City will continue to require periodic reporting on the composition of resident populations in publicly supported housing projects and affordable units.
- The City will continue to support counseling and educational programs on housing rights for renters.
- The City's affirmative marketing programs for affordable housing shall continue to require outreach to minority communities, including advertising in multi-lingual media.

POLICY 8.4

Encourage greater economic integration within housing projects and throughout San Francisco.

Patterns of economic segregation are evident in San Francisco. Although housing opportunities for low- and moderate-income households are available in many areas of the city, these tend to be concentrated in a few areas. Special efforts should be made to expand housing opportunities for households of lower-income levels in other areas of the city.

The affordability of housing is a citywide problem. All neighborhoods of the city should be expected to accept their fair share of affordable housing. This can be effected through

inclusionary affordable housing policies and consideration of secondary units in conformance with Policy 1.8.

Private reinvestment in many areas of the city, in a process of economic gentrification, can result in the displacement of low- and moderate-income households by higher income groups. Special efforts should be made to maintain the economic diversity of these areas.

IMPLEMENTATION 8.4

- The Planning Code's Inclusionary Affordable Housing Ordinance will require all
 residential and live/work developments of 10 units or more to provide inclusionary
 housing units, or to pay the required in-lieu fee.
- The City will encourage economic integration by locating new assisted housing opportunities outside existing areas of concentration of low-income households.

POLICY 8.5

Prevent housing discrimination.

To ensure housing opportunities for all people, the City should assist in the implementation of fair housing and anti-discrimination laws. The Human Rights Commission enforces the City's Fair Housing Law and handles complaints of housing discrimination. Residential apartment owners should also be prohibited from using arbitrary income and restrictive occupancy requirements that unnecessarily exclude lower income families.

IMPLEMENTATION 8.5

The Human Rights Commission (HRC) will continue to support and monitor the U.S.
Department of Housing and Urban Development's Fair Housing Access Laws. HRC will also continue to report to the Mayor's Office of Housing and the Mayor's Office on

Disability and the Board of Supervisors with findings and policy recommendations on issues of accessibility and discriminatory barriers.

- The HRC will continue to monitor fair housing practices at housing projects including homeless shelters and transitional housing that receive public assistance.
- SFRA and MOH will continue to monitor all projects for ongoing continued compliance with income and rent restrictions.
- The City will continue to provide funding to encourage equal access to housing for people with HIV/AIDS
- The Planning Department will advocate a mix of unit sizes and types to accommodate special users including senior citizens and physically disabled persons pursuant to Planning Code Section 209.1 during the design review phase of proposed housing projects.
- City and County of San Francisco Ordinances will continue to provide fair housing protection.
- The San Francisco City and County Department of Human Services' housing unit and the Human Rights Commission will continue to investigate and mediate complaints of housing discrimination.

POLICY 8.6

Increase the availability of units suitable for users with supportive housing needs.

The City should support efforts by potential sponsors to identify and develop sites for special users and work cooperatively with social service agencies and housing providers. The City should also seek to reduce institutional barriers to development of innovative forms of housing.

In addition to the disabled, other households with special needs have difficulty finding suitable housing in San Francisco. Many large families, especially those newly immigrated to the United States, are crowded into units designed for much smaller households. New housing construction, especially those including units to accommodate large families, should be encouraged. Many of the City's elderly citizens occupy housing that is not designed to meet their special needs. Shelters and transitional housing facilities are not available in sufficient numbers to meet the needs of the city's homeless population. The mentally disabled also need housing with additional support services.

The City should take an active role to encourage the expansion of the availability of housing units suited to needs of these groups including physical design features and ancillary social and medical service facilities. When units are constructed or rehabilitated to meet the needs of special user groups and have received City support or waivers, there should be monitoring to ensure that such units continue to be occupied by the intended group.

IMPLEMENTATION 8.6

- The City will continue to encourage and support the development of specialized housing types that meet the particular needs of various user groups. This housing will be especially encouraged in transit rich areas of the City, maximizing mobility and accessibility to services.
- To reduce institutional barriers to the development of innovative forms of housing, the
 City will continue to support efforts of potential sponsors to identify and develop sites for special users.
- The City will continue to promote cooperative efforts between social service agencies and housing providers to develop special user housing.
- Units that are constructed or rehabilitated to meet the needs of special user groups and receive City support or waivers will be monitored to ensure that such units continue to be occupied by the intended group.

POLICY 8.7

Eliminate discrimination against households with children.

Households with children often have difficulty finding suitable housing because many landlords do not want children as tenants. The City should prohibit discrimination against children and encourage the construction of units suitable for families with children. In assisted housing, households with dependent children should have preference in rental or resale of multiple bedroom units. The City should continue enforcement of the 1987 ordinance prohibiting residential apartment owners from discriminating against families based on household size unless the Building Code does not permit occupancy of the dwelling by a family of that size.

IMPLEMENTATION 8.7

- San Francisco's Municipal Police Code under Article 1.2 prohibits housing discrimination against families with minor children. This law prohibits the most common forms of discrimination, such as restrictive occupancy standards, rent surcharges and restrictive rules.
- The City will continue to promote access to housing by families by enforcing Section 503(d) of the City's Housing Code.

POLICY 8.8

Promote the adaptability and maximum accessibility of residential dwellings for disabled and elderly occupants.

Disabled and elderly San Franciscans are less able to compete for scarce housing units, in part because they often have lower than average incomes. Most housing units are also not physically accessible. The City should take an active role in expanding the availability of units suited to

households with special needs. Congregate housing with central eating facilities is an appropriate form of housing for some elderly households. In accordance with local policy and applicable law, new housing should be made accessible or adaptable to the disabled or elderly. "Accessible" means that the housing presents no physical barriers to handicapped or elderly people. "Adaptable" means housing whose entry and circulation are designed and constructed so that making relatively minor adjustments and additions rather than structural changes can make the unit fully accessible. Federally assisted housing currently requires that at least 5% of all new units are made fully accessible.

IMPLEMENTATION 8.8

- The City will continue to provide protective services to help keep seniors and disabled adults of all circumstances and income levels safe in their own homes rather than in nursing homes through the new Department of Aging and Adult Services.
- The Planning Department will continue to implement Planning Code Section 209, which allows a density bonus of twice the number of dwelling units otherwise permitted as a principal use in the district, when the housing is specifically designed for and occupied by senior citizens, physically or mentally disabled persons.
- The Department of Building Inspection will continue to enforce the standards of accessibility and adaptability for commercial facilities and new residential construction including motels, apartment buildings containing three or more dwelling units, homeless shelter and other specified building types. (Chapter 11A and 11B of the California Building Code).
- The Mayor's Office on Disability (MOD) will continue to ensure access for people with disabilities to City programs and facilities.
- The Mayor's Office of Housing will continue to review affordable housing development programs and projects to ensure that these projects provide not only the

accessibility required by federal, state and local law, but also the greatest accessibility feasible.

POLICY 8.9

Encourage the provision of new home ownership opportunities through new construction so that increased owner occupancy does not diminish the supply of rental housing.

Since the demand for rental housing continues to significantly exceed supply and less than 8% of San Francisco residents can afford the median home cost, the development of new home ownership opportunities should rely primarily on new construction and not the conversion of rental housing to home ownership.

IMPLEMENTATION 8.9

The City, through the Section 1302(c)2 of the San Francisco Subdivision Code, will continue to promote homeownership opportunities for existing tenants and prevent displacements by requiring a high degree of tenant intent to purchase their rental units as a condition of approval of applications for residential conversion.

POLICY 8.10

Ensure an equitable distribution of quality board and care centers, and adult day care facilities throughout the City.

Older, larger buildings, and vacant commercial spaces, may be suitable for conversion to group housing. Because of the availability of certain types of residential buildings and services in certain parts of the City, board and care and adult day care facilities have tended to become concentrated in those areas. Applications for new facilities may continue to reinforce these concentrations unless they are carefully reviewed. It is desirable that group housing and board

and care homes be distributed throughout the City so that people are offered a choice of locations and over-concentration of facilities in particular neighborhoods is avoided. However, the Federal fair housing laws prohibit limitations on board and care facilities and group homes to the extent that these limitations diminish housing opportunities for disabled persons and families with children. Adult day care facilities that allow disabled or elderly persons to live at home but receive daily support should be located close to their clients. In reviewing applications for board and care homes and adult day care facilities, the following factors should be among those evaluated:

- In the case of day care facilities, proximity to clients' residences
- Accessibility to recreational facilities and open space.
- Proximity to commercial areas and shopping.
- Proximity to community services.

IMPLEMENTATION 8.10

- The Planning Department will continue monitoring group housing to ensure a distribution of quality board and care and adult day care facilities
- The Planning Department will explore the potential for expanding as-of-right group housing and group housing definitions in Sections 209.2 and 216 "Other Housing" in the neighborhood commercial district controls. The Mayor's Office of Housing will continue to investigate creation of a loan program to expand housing provided by board and care operators.

OBJECTIVE 9

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT

POLICY 9.1

Minimize the hardships of displacement by providing essential relocation services.

Because of the economic and social hardships involved when a household is forced to move, and the difficulty of funding replacement housing at comparable rents, every effort should be made to minimize displacement.

Private demolition of housing can cause particular hardships because of the absence of relocation assistance programs for displaced households. Property owners should provide assistance in finding suitable relocation housing if any lower-income households are to be displaced. Property owners should inform tenants at the earliest possible date of any proposed demolition plans and should arrange for counseling assistance for the displaced households. Owners should not be permitted to demolish existing housing units until efforts have been made to assist tenants in obtaining relocation housing.

When displacement does occur as a result of public actions, uniform relocation services including counseling, locating replacement housing, and moving expenses, should be provided regardless of whether the displacement is caused by federal, state, or locally funded activities. In the case of privately funded developments where displacement occurs, the developer should be requested to provide such services.

IMPLEMENTATION 9.1

 When providing financial assistance for affordable housing development or rehabilitation, MOH and SFRA will continue to provide assistance required by the provisions of the federal Uniform Relocation Act (URA) or the California state relocation law.

 The City will continue to work for a minimum of one to one replacement of all housing lost, regardless of cause.

POLICY 9.2

Offer displaced households the right of first refusal to occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

Persons in private or publicly owned housing displaced by fire and other acts should be restored to their previous residential position to the maximum extent feasible. Where existing units are converted to condominium or cooperative ownership, existing tenants should be given opportunities to purchase converted units.

IMPLEMENTATION 9.2

- The Mayor's Office of Housing (MOH) and the San Francisco Redevelopment Agency will continue to provide tenants displaced during rehabilitation financed by each agency with the right to return to the unit or a comparable unit after the work is completed if they meet applicable eligibility criteria.
- MOH will administer affordability restrictions on the stock of units made affordable under the Condominium Conversion Program.

HOMELESSNESS

OBJECTIVE 10

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS IN COORDINATION WITH RELEVANT AGENCIES AND SERVICE PROVIDERS.

Homelessness has grown to a scale unprecedented in the United States since the 1930s. The legacy of the 1980s that has regarded temporary shelter as an adequate response to homelessness should be overcome. Shelters are not an acceptable alternative to decent, affordable housing. While the City should not relax its commitment to offering shelter to anyone who would otherwise be forced to live in streets, parks and doorways, the vision and the overall direction should remain fixed on the goal of creating and preserving low-cost housing, jobs and job training programs, and the necessary health and social support services that enable people to live with the greatest degree of independence possible. Such services for the homeless should be provided in a multi-lingual and multicultural context where needed. It is critical that San Francisco and other cities begin to develop a regional approach to homelessness in the Bay Area. Increased state and federal support is needed for regional efforts to succeed.

POLICY 10.1

Focus efforts on the provision of permanent affordable and service-enriched housing to reduce the need for temporary homeless shelters.

For a permanent solution to homelessness, permanent affordable housing must be developed. Although shelters can provide an alternative to sleeping on the streets, these do little to address the underlying problem. The development of new housing connected to services will best address this need.

IMPLEMENTATION 10.1

- City agencies including the Mayor's Office of Housing, the Department of Human Services, the Department of Public Health, the San Francisco Housing Authority, and the San Francisco Redevelopment Agency will prioritize the development of permanent supportive housing.
- The Department of Human Services and the Department of Public Health will continue to partner with capital funding agencies to develop supportive housing.
- Existing low cost housing will be preserved wherever possible.
- The Residential Hotel Unit Conversion and Demolition Ordinance will continue to benefit the public by minimizing the loss of residential hotel units through conversion and demolition.
- The Department of Human Services (DHS) will continue to administer the Shelter Plus Care program, which provides rental subsidies to homeless individuals and families with disabilities so that they may access and maintain permanent supportive housing. The City should collaborate in efforts at the federal level to expand resources for this program.
- DHS will continue to fund non-profit agencies to provide on-site supportive services for formerly homeless individuals and families living in supportive housing. DHS will coordinate development of these programs with the Mayor's Office of Housing and the San Francisco Redevelopment Agency, which provide funding for construction and rehabilitation of affordable housing, including supportive housing. Additional programs will be developed as funding availability allows.
- DHS will continue to operate its Master Lease Program in order to provide low-cost, safe, permanent housing to homeless individuals leaving emergency shelters. The capacity of this program should be expanded.

DHS will continue the collaboration started with the San Francisco Housing Authority in the formation of the Joint SFHA/DHS Workgroup to resolve priorities issues for clients of both agencies.

POLICY 10.2

Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors.

Measures that go beyond shelter are needed to address the root causes of homelessness. These include stable sources of income and health and social support services for short or long periods of time to assist people with special needs to live with the greatest degree of independence possible.

IMPLEMENTATION 10.2

- The Mayor's Office of Housing, the San Francisco Housing Authority and the San Francisco Redevelopment Agency will continue to integrate job training and other programs that support low- and moderate-income families into its affordable housing development.
- The Department of Human Services' Eviction Prevention and Rental Assistance program will continue to work cooperatively with non-profits to help low- and very low-income individuals and families at risk of homelessness to maintain their housing by paying past due rent to avoid eviction, and offering legal services, counseling, and other supportive services. The Rental Assistance Fund helps very low-income San Franciscans in a housing crisis. Eligible individuals and families can apply for grants to pay overdue rent to prevent eviction, or apply for a security deposit to move into permanent housing.

 DHS will continue to fund non-profit contractors to provide after-care services for homeless families once they are housed to help them maintain housing, become stable and prevent recurring episodes of homelessness.

POLICY 10.3

Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services.

While the emphasis should be on provision of permanent housing, the City should provide an emergency shelter program that provides temporary shelter and links homeless people to more comprehensive services. The City should also continue to support the Department of Public Health's Direct Access to Housing Program, which has helped households transition from shelters into permanent homes.

Homeless people often have difficulty gaining access to the health care system, whether it is because the multiplicity of problems they experience overwhelms health care providers, their behavior or appearance makes them unwelcome, or they themselves regard health care as low on the survival priority list. There is need for outreach services and multi-service centers that provide health care and other services to the homeless, in a manner that gains their trust and with a goal of integrating them into the larger health care and services systems.

IMPLEMENTATION 10.3

- The City will continue to develop resource centers to provide information and survival needs for the homeless.
- The City will continue to operate its Homeless Services Team, which conducts outreach
 to homeless persons living on the street with the goal of assisting the most difficult-toreach homeless persons to access available appropriate services, benefits, health care and
 housing. The Department of Human Services (DHS) will work to coordinate its street

outreach efforts with other such outreach programs operated by the Department of Public Health.

- The City will develop and implement a Homeless Management Information System (HMIS) leading to improved coordination of services.
- The DHS's Division of Housing and Homeless Programs will continue to fund a wide range of services that are part of a comprehensive, inter-agency, citywide approach to help homeless individuals and families achieve the highest level of self-sufficiency of which they are capable.
- DHS will continue to operate their program Connecting Point as a centralized intake and service referral system for families.

POLICY 10.4

Facilitate childcare and educational opportunities for homeless families and children.

Homeless families, just like other families, require a broad variety of childcare programs to meet their particular needs. For some, the need is for developmentally appropriate, well-equipped spaces that offer privacy, enabling families an opportunity to interact and play with their children. For other parents, who may need time to participate in job training, or to look for work or run errands, the need is for convenient drop-in childcare program. In other instances, the need may be for licensed childcare programs that serve the special needs of these children.

IMPLEMENTATION 10.4

The Department of Human Services will continue to implement the California Work Opportunity and Responsibility to Kids (CalWORKs) program to serve adults with dependent children where participants receive financial support and a full array of services for 18–24 months as they work with an Employment Specialist to follow an individualized Employment Plan.

HOUSING DENSITY, DESIGN, AND QUALITY OF LIFE

OBJECTIVE 11

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

Housing quality involves not only the physical condition of the housing structure itself but also the condition of the surrounding neighborhood and the adequacy of its amenities, facilities, and services. Quality urban housing can exist only in full service neighborhoods. New housing development must address these issues.

POLICY 11.1

Use new housing development as a means to enhance neighborhood vitality and diversity.

New in-fill housing development should be compact, mixed use, mixed income, and have a mix of unit sizes. Major multi-family housing projects that accommodate non-residential uses such as neighborhood serving retail, childcare or after school facilities, or even institutional uses such as a public library, should be encouraged and supported. Minimum density requirements and

maximum parking standards should be used to encourage a mix of unit sizes in areas well served by transit and neighborhood retail.

IMPLEMENTATION 11.1

- The new Land Use Element will identify in fill sites appropriate for mixed use residential projects. Appropriate neighborhood serving retail, public facilities and supportive amenities should be encouraged.
- The City will continue to implement its policy that the design of all housing sites and related amenities make a positive contribution to surrounding public space and to overall neighborhood vitality.
- The Planning Department will encourage historic preservation and adaptive reuse of older buildings to enhance neighborhood vibrancy.

POLICY 11.2

Ensure housing is provided with adequate public improvements, services, and amenities.

Many factors add to neighborhood livability, including the quality of schools, the availability of quality childcare at affordable prices, the effectiveness of police and fire services, access to open space and recreational opportunities, and access to transit. The large number of single parent and two working parent households makes the provision of childcare facilities an important component of family housing developments. Regular maintenance of streets and sidewalks, provision of street trees, and protection of residential areas from excessive traffic, are also important to neighborhood life. To provide its residents with a quality living environment, the City should address all of these factors.

IMPLEMENTATION 11.2

- All City of San Francisco departments and agencies will continue to contribute to the strengthening of neighborhood livability by providing and improving public amenities and services.
- Each City department will continue to seek funding from Federal, State, local and private sources in order to improve services.

POLICY 11.3

Encourage appropriate neighborhood-serving commercial activities in residential areas, without causing affordable housing displacement.

Certain non-residential uses are desirable and appropriate in residential areas. For example, small pedestrian-oriented grocery stores and other convenience shops can meet frequent and recurring needs of residents without disrupting the residential character of the area. On the other hand, other non-residential uses are noisy, unattractive, or generate excessive traffic and therefore would be undesirable in residential areas.

Commercial uses should be allowed in residential areas only if they meet the following criteria:

- The use is primarily pedestrian-oriented.
- The use serves the needs of the immediate residential neighborhood and does not draw significant trade from outside the neighborhood.
- The use does not displace a unit suitable for residential occupancy.
- The use does not disrupt or detract from the livability of the surrounding neighborhood.

- Suitable locations in immediately adjacent neighborhood commercial areas do not exist.
- The design of the building is in keeping with the established residential character of the area, and all signs are carefully regulated.
- Truck traffic servicing the use is minimized, and truck delivery hours are restricted.

Community services such as childcare centers are also particularly appropriate in residential areas, even though they may draw from a larger area and may not be primarily pedestrian-oriented. Non-residential uses, if essential to the preservation of a landmark building, could also be permitted if the specific use is compatible with the surrounding environment.

IMPLEMENTATION 11.3

- The Planning Department is studying the construction methods and design components of well-designed neighborhood serving commercial areas. This will result in revised Design Guidelines to further enhance these areas. Areas of particular interest will be: appropriateness of business type; building materials and design; public amenities; open space and public art; street, sidewalk and public transportation connections and circulation patterns; neighborhood safety; environmental considerations; and site design.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the neighborhood and the City.

POLICY 11.4

Avoid or minimize disruption caused by expansion of institutions, large-scale uses and auto-oriented development into residential areas.

The expansion needs of institutions often conflict with efforts to preserve and protect the scale and character of residential neighborhoods. Large educational, religious, and medical

institutions attract people from outside a neighborhood, aggravating traffic and parking problems. Institutional buildings also tend to be larger in scale and more intensely used than surrounding residential buildings. In addition, institutional expansion often requires removal of housing and displacement of residents.

To minimize the disruption caused by expansion of large institutions, the City should carefully review expansion plans. The needs of adjacent residential areas for housing, on-street parking and safe, quiet streets should be considered, in addition to the needs of the institution. Educational and medical institutions should be required to develop and submit master plans to the City, before the City reviews any specific expansion requests. Such a master plan should define long-term and short-range development plans of the institution. Early review of institutional development plans will permit exploration of alternate ways to address the needs of the institution in order to minimize potential conflicts with the residential area.

IMPLEMENTATION 11.4

- The City will continue to require large educational and medical institutions to develop and submit Institutional Master Plans as required by Section 304.5 of the Planning Code.
- The City will work to require institutions to provide housing for workers and students.
- Neighborhood impact will be reduced by building at the appropriate scale, addressing traffic and transportation impacts, and by carefully considering neighborhood design patterns.

POLICY 11.5

Promote the construction of well-designed housing that enhances existing neighborhood character.

Residents of San Francisco should be able to live in well-designed housing suited to their specific needs. To ensure that housing provides quality living environments and complements the character of the surrounding neighborhood, the following general design and amenity guidelines should be applied in evaluating new residential developments and alteration of existing buildings:

Exterior Appearance

 Design new and substantially altered buildings in a manner that conserves and protects neighborhood character (See Residential Design Guidelines, Department of City Planning, 2003 for more specific guidelines and illustrations.)

Recreation/Open Space

 Provide adequate on site usable open space and relate the type, amount and location of open space to the types of households expected to occupy the building. (See Figure 9, "Residential Open Space Guidelines" in the Recreation and Open Space Element, for more specific guidelines.)

Facilities

- In larger projects include needed amenities such as storage, laundry, community rooms, and recycling, and adopt green building practices to the maximum extent possible.
- Provide sites for childcare facilities to serve residents of the immediate vicinity if such facilities do not exist nearby, or if nearby facilities are at or near capacity.
- Provide sites for convenience shopping facilities to serve the immediate vicinity if such facilities do not exist nearby.

Security

• Incorporate concepts of security in the design of the building, especially in the number of units per entrance, sense of personal space and ability of the residents to effect self-policing of the grounds and immediate surroundings. Also, provide adequately lit unit address numbers that are easily read from the street or walkways.

Art Work

• Incorporate artwork in larger buildings.

Subdivisions and Planned Unit Developments

- For larger subdivisions and planned unit developments, provide a lot layout and pattern that integrates well with the surrounding urban fabric and create a street pattern that ties into the surrounding streets.
- Create a street pattern which ties into surrounding streets.
- Avoid creating dead end streets and cul de sacs where it is possible to create through streets.
- On wide blocks, create mid-block lanes that function as public streets.
- Create pedestrian passageways to provide convenient circulation within the project and convenient connections to areas outside the project.
- Create lot or building patterns that orient the fronts of buildings to, and create multiple building entries from the street.
- Avoid creating overly wide streets. Provide sidewalks wide enough to accommodate street trees.
- Underground utilities.

IMPLEMENTATION 11.5

- The Planning Department will continue to study the construction methods and design components of well-designed housing that enhances the existing urban fabric of San Francisco.
- The Planning Department will continue to use the Residential Design Guidelines when reviewing projects.
- Each project will be considered on its own merit and on its ability to make a positive contribution to the immediate neighborhood and the City.

POLICY 11.6

Employ flexible land use controls in residential areas that can regulate inappropriately sized development in new neighborhoods, in downtown areas and in other areas through a Better Neighborhoods type planning process while maximizing the opportunity for housing near transit.

Increased allowable densities should not detract from established neighborhood characteristics. In many cases, design and efficient site uses can make use of maximum housing densities while keeping resulting units affordable and compatible with neighboring structures.

IMPLEMENTATION 11.6

The City will continue to promote increased residential densities in areas well served by transit and neighborhood compatible development with the support and input from local neighborhoods.

POLICY 11.7

Where there is neighborhood support, reduce or remove minimum parking requirements for housing, increasing the amount of lot area available for housing units.

San Francisco first imposed residential parking requirements in the 1950s, when prevailing notions assumed that cars were becoming the primary way of getting around and automobile parking should be provided accordingly. This 1:1 parking requirement generated traffic and took up valuable space, but created a distinct neighborhood character in the western part of the City. One parking space reduces the amount of housing a parcel can accommodate by as much as 25%. Building parking space also adds \$20,000 to \$50,000 per parking space to the cost of housing construction.

Enforcing one off street parking space for each new dwelling unit is essentially a suburban practice and diverges from the City's tradition of compact, urban, walkable places in the older neighborhoods. Much of San Francisco was built before the advent of the automobile and most places are easily accessible by foot or public transit.

IMPLEMENTATION 11.7

The Planning Department will work to reduce parking in older neighborhoods and in other areas through a Better Neighborhoods type planning process with the support and input from local neighborhoods.

POLICY 11.8

Strongly encourage housing project sponsors to take full advantage of allowable building densities in their housing developments while remaining consistent with neighborhood character.

The Planning Department, with housing project sponsors, should explore and encourage project configurations that take full advantage of allowable building densities. Department support

should go beyond technical assistance and include coordinated and timely neighborhood outreach and accelerated processing. The Department should strongly support projects that creatively address residential parking and open space requirements, resulting in higher densities with a full range of unit sizes.

IMPLEMENTATION 11.8

- The Planning Department, with the support and input from local neighborhoods, study the impacts of reduced parking and private open space provisions and will consider revising the Planning Code accordingly.
- The Planning Department will work with housing advocates to educate residents on the benefits of traditional urban neighborhood supporting housing densities.

POLICY 11.9

Set allowable densities and parking standards in residential areas at levels that promote the City's overall housing objectives while respecting neighborhood scale and character.

In setting allowable residential densities in established neighborhoods, consideration should be given to the prevailing building type in the surrounding area so that new development does not detract from existing character. Established architectural characteristics should be respected. Design and efficient site uses can make use of maximum allowable densities while keeping resulting units affordable and compatible with neighboring structures. In areas where an urban scale and character is yet not established, densities should be set at levels that support transit and neighborhood amenities that are enjoyed by the City's more established neighborhoods.

IMPLEMENTATION 11.9

- The City, through a Better Neighborhoods type planning process, will continue to work to improve and enhance housing with the goal of more housing and vital, attractive transit served neighborhoods.
- The Planning Department will continue to employ Residential Design Guidelines and implement the General Plan to ensure new projects are compatible with established neighborhoods.
- The new Land Use Element will, within the framework of a comprehensive citywide action plan (CAP), identify areas where higher densities are appropriate.
- The updated Urban Design Element will reconcile the City's established and well formulated urban design principles with the City's housing objectives.

POLICY 11.10

Include energy efficient features in new residential development and encourage weatherization in existing housing to reduce overall housing costs and the long-range cost of maintenance.

Simple energy saving features such as site orientation and window placement can optimize passive solar heating and natural daylight at little or no additional cost. Often, features that add to the initial cost of a structure are highly cost-effective in terms of the life cycle or operating costs. For example, weatherization of existing housing can usually pay for itself in a short time, resulting in lower utility bills and housing costs. These approaches should be pursued.

IMPLEMENTATION 11.10

- The Department of Building Inspection, Pacific Gas and Electric Company (PG&E), and the Building Science industry will continue environmental education programs for the general public, project sponsors, and builders.
- The Mayor's Office of Housing will continue to provide funding for the physical and financial preservation of non-profit owned affordable rental housing that requires energy efficiency improvements in order to protect its affordability.
- The Department of Building Inspection will continue to enforce Title 24 energy code requirements. In addition to Title 24, residential buildings will be also required to comply with the Residential Energy Conservation Ordinance (RECO). RECO affects all residences at time of sale or at time of meter conversion, major improvement or condominium conversion.

REGIONAL AND STATE HOUSING NEEDS

OBJECTIVE 12

STRENGTHEN CITYWIDE AFFORDABLE HOUSING PROGRAMS THROUGH COORDINATED REGIONAL AND STATE EFFORTS.

Housing is a regional and state concern. Problems such as the inability of large numbers of people to afford decent housing, inequities and discrimination in the housing market, and the inadequacy of public resources cross the boundaries of local jurisdictions and cannot be addressed solely on a local level. Region-wide strategies are needed. Investment decisions made by the private sector are rarely confined to the limits of single governmental jurisdictions — broader housing market areas are considered. A strategy dealing with housing problems in the

Bay Area must therefore involve a regional approach. Effective solutions to housing problems in the Bay Area can be developed only if all local jurisdictions' agencies and organizations dealing with housing in the Bay Area coordinate their activities.

Although San Francisco will always maintain an overall jobs/housing imbalance because it has historically developed as an employment center, the City must undertake efforts to balance future employment growth and the supply of housing. In particular, City agencies should coordinate strategies to meet the housing goals set forth by the Association of Bay Area Governments (ABAG) and adopted as part of this Element, as well as to address housing needs already present even without job growth. To meet these goals, San Francisco will have to absorb a greater percentage of new workers and increase the housing opportunities for workers currently commuting to the City.

POLICY 12.1

Work with localities across the region to establish a better relationship between economic growth and increased housing needs.

San Francisco is part of the larger regional economy of the Bay Area and economic decisions made by one community often affect other communities in the region. Thus decisions made by some cities to limit commercial or residential growth impact other cities in the region. Efforts should be made to balance employment and housing growth within the region. Aggregated together, current local government development policies will not house the labor supply needed for jobs currently projected for the region. If these policies remain unchanged, housing must be provided outside the region. This would extend commutes, or regional job growth will be curtailed, or both.

The Association of Bay Area Governments has established a regional goal to house within the region up to 50% of the difference between the projected growth in Bay Area jobs and the growth in the region's labor supply. To reduce the jobs-housing imbalance in the region by that amount by 2006, almost 231,000 additional housing units are needed within the region.

IMPLEMENTATION 12.1

- The City will continue to work with the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to shape an implementation plan that meets regional housing, transportation, and job needs.
- The City will continue to support new state and federal funding for projects that coordinate the region's need for jobs and housing well served by the transportation system.
- The State should offer incentives in the form of a larger allocation of a regional property tax sharing pool in exchange for building mixed use affordable residential near transit hubs.

POLICY 12.2

Support the production of well-planned housing regionwide that address regional housing needs and improve the overall quality of life in the Bay Area.

New residential development and rehabilitation of existing housing should be planned to conserve open space and to take advantage of the availability of employment opportunities, efficient transportation systems, and community services. San Francisco should take an active role in promoting quality new housing development in the Bay Area in areas where adverse impacts on the environment will not be generated and the use of public transit will be enhanced. The City should also play a greater role in ensuring local and regional growth management strategies are coordinated and complementary.

IMPLEMENTATION 12.2

 The San Francisco Redevelopment Agency (SFRA) will continue to serve as the lead agency and administrator of the HOPWA Program on behalf of the San Francisco Eligible Metropolitan Statistical Area (EMSA), which includes San Francisco, San Mateo and Marin Counties.

- The City will continue to support the production of well planned affordable and market rate housing, improve the jobs/housing balance, and improve public transportation options.
- The City will continue to support efforts to make the California Environmental Quality
 Act (CEQA) more supportive of transit oriented and mixed use residential development.
- The City will continue to work with the Metropolitan Transportation Commission (MTC)
 to coordinate transportation information regionwide.
- The City will continue to support efforts for rail line extension funding based on zoning that requires regional mixed-use development and jobs/housing balance criterion.
- The City will continue to support Jobs-Housing Balance Incentive Grants awarded to cities that produce housing in areas with fast growing employment and support additional bonuses awarded for multi-family housing, affordable housing, and in-fill development.
- The City will continue to support congestion pricing bridge tolls during peak commute periods with additional fund generation allocated for public transportation improvements.
- The City will continue to support efforts to develop and improve transit to large surplus public land and redevelopment areas such as Treasure Island, Alameda Naval Air Station or Mare Island in Vallejo, where high-density housing and new jobs and services could be built.
- The City will continue to support efforts to use state or regional funds to give housing subsidies or income tax credits to employees who live close to their workplaces similar to subsidies for police and firefighters in some cities.

- The City will continue to support the use of State or regional funds for transit passes or to increase transit-related income tax credits to encourage employees to commute to work via transit.
- The City will continue to support efforts to charge consumers the full cost of parking to promote transit use. Additional funds, generated by employee parking fees, could be used to improve public transportation and fund incentive programs for non-driving employees.
- The City will continue to support the Metropolitan Transportation Commission's (MTC) Transportation for Livable Communities (TLC) program, which provides funding for planning and construction of projects that help create walkable, transit-oriented and livable communities.

POLICY 12.3

Encourage jurisdictions throughout the Bay Area to recognize their share in the responsibility to confront the regional affordable housing crisis.

Local communities throughout the Bay Area should accept responsibility for housing families of all income levels. At the present time, most of the region's subsidized housing for low- and moderate-income households is concentrated in the central cities, including San Francisco. Housing opportunities for low- and moderate-income households should be available throughout the region, and all localities in the Bay Area should provide their fair share of such housing. The public and the private sector should share responsibility.

State law allows joint exercise of powers between jurisdictions that enable entrepreneurial action at a larger-than-local scale. Cooperative efforts among localities, as well as joint efforts with state agencies, extend resources available for affordable housing.

IMPLEMENTATION 12.3

- The City will continue to support the following efforts: State and Federal funding allocations tied to individual communities' commitment to provide their fair share of affordable housing production, particularly in transit rich areas; linking State funds to a community's fulfillment of their fair share of regional affordable housing needs; and reducing fiscal incentives to produce uses other than housing by regional sales and property tax sharing.
- To take advantage of a city's ability to use Joint Power and other collective and cooperative arrangements to make more effective use of financial resources for housing production, the City will encourage joint powers approaches to housing finance where joint powers agreements will enhance the production of affordable housing.

POLICY 12.4

Foster educational programs across the region that increase public understanding of the need for affordable housing and generate support for quality housing projects.

The City should help develop and conduct region wide public awareness programs to generate greater public support for affordable housing production. Workshop modules could also be crafted to explain regional land use patterns and its impacts on livability and help demystify urban densities.

IMPLEMENTATION 12.4

The City will continue to support the efforts of non-profits like Non-Profit Housing Association, Urban Ecology, Greenbelt Alliance, and Architects, Designers, and Planners for Social Responsibility, as well as regional government organization such as the Association of Bay Area Governments and the Metropolitan Transportation Commission to conduct community workshops, and research and publish information that promotes understanding of relationships between economic growth and increased housing needs.

The City will continue to support public awareness programs of professional associations such as the Urban Land Institute, American Planning Association, the American Institute of Architects, and the American Society of Landscape Architects, in their efforts to underscore the importance of linking jobs, housing and other uses by efficient transportation throughout the region.

POLICY 12.5

Support the State of California in developing and implementing state affordable housing plans and programs.

With the decreasing level of Federal support for housing programs, the administrative and financial powers of the State become especially critical. The state legislature has placed an affordable housing bond proposal on the statewide ballot in 2002, but there also needs to be a long-range plan for affordable housing and a clearer articulation of the State's role in funding and facilitation of affordable housing programs.

IMPLEMENTATION 12.5

- The City will continue to support State and regional efforts to establish additional grant programs to aid in the preparation of plans and environmental documents for mixed-use residential and transit oriented projects responding to regional needs.
- The City will advocate for increased and equitable State and Federal fund allocations for affordable housing production.

Appendix B-5

2009 Housing Element-Intensified

Alternative C: Additional Housing Element Concepts

Alternative C includes concepts for housing strategies that more aggressively encourage attainment of the 2007-2014 RHNA. These concepts are intended to encourage housing by:

- Allowing for limited expansion of allowable building envelope for developments meeting the City's affordable housing requirement on site with units of two or more bedrooms;
- 2. Requiring development to the full allowable building envelope in locations that are directly on Transportation Effectiveness Project (TEP) rapid transit network lines;
- 3. Giving height and/or density bonuses for development that exceeds affordable housing requirements in locations that are directly on TEP rapid transit network lines;
- Allowing height and/or density bonus for 100 percent affordable housing in all areas of the City except in RH-1 and RH-2 zones; and
- 5. Granting of administrative variances (i.e. over the counter) for reduced parking spaces if the development is:
 - a. In an RH-2 zoning district (allows for greater residential density);
 - In an area where additional curb cuts would restrict parking in areas with parking shortages; or
 - c. On a Transit Preferential Street.