



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

INFORMATIONAL HEARING
HEARING DATE: JUNE 14, 2012

Date: June 7, 2012
Subject: Regional Housing Needs Allocation: Residential Pipeline Form
Staff Contact: Sarah Dennis Phillips – (415) 558-6314
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Recommendation: **None**

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BACKGROUND

State housing element law, enacted in 1969, mandates that local governments in California adequately plan to meet the existing and projected housing needs of all economic segments of the community by adopting housing elements as part of their general plans. The law acknowledges that, in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development.

The Regional Housing Need Assessment (RHNA) is the *minimum* projection of additional housing units estimated to accommodate projected household growth of all income levels by the end of the housing element's statutory planning period, and represents the amount of housing growth that a locality must plan for. Each locality's RHNA is distributed among four income categories to address the required provision for planning for all income levels. The current Regional Housing Needs Assessment for San Francisco is shown below:

Regional Housing Needs Assessment for San Francisco, 2007- June 2014

Household Income Category	No. of Units	% of Total	Annual Production Goal
Very Low (30 - 49% AMI)	6,590	21.2%	878
Low (50 - 80% AMI)	5,535	17.7%	738
Moderate (80 - 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

* Note: Area Median Income (AMI) is the average income of persons and families living in a defined geographical area, in this case the San Francisco-Oakland-Fremont, CA Metropolitan Statistical Area.

CURRENT PROPOSAL

One of the *Implementing Programs* included in the 2009 Housing Element Update adopted in March 2011 stated that Planning staff shall provide data to the Planning Commission on the expected unit type and income level of proposed projects if available, and should also include how such units would address the City's Regional Housing Needs.

To implement this directive, and as part of the Department's ongoing effort to provide Commissioners with desired information, a new attachment, the *Residential Pipeline*, will be included with all residential cases submitted to the Planning Commission on or after June 14th. This attachment summarizes the City's achievements in meeting housing needs as espoused by the Housing Element. Specifically, it illustrates the number of units entitled through the Planning Department according to income level since January 2007, the beginning of the current Housing Element period. The table will be updated quarterly.

It should be noted that this table collapses Low and Very Low units into one category to represent the level of information typically available at project entitlement. The income level of subsidized units may not be fixed at the time of planning entitlement; however, that information will be available at time of project completion and will be included in the Department's annual Housing Inventory Report.

It should also be noted that the moderate and low income units illustrated in this table are restricted to those units that are permanently subsidized through programs under the Mayor's Office of Housing or other public entities. While some new units may indeed be sold or rented at levels below market rate, the prices of such units are not deed-restricted, and as such cannot be counted on to be permanently available to individuals at those lower income levels. Of particular note are rental units – recent calculations by the Mayor's Office of Housing comparing fair market rent (the estimated rent that the average rental unit could command given market conditions) to affordable rents for a range of income levels found that the average rental unit was affordable to some households at 80% AMI, and most households at 100% AMI. However, as rents are subject to market fluctuation, and are not set at the time of project entitlement, they are not counted under the lower income categories.

Finally, it should be noted that this table provides information on planning entitlement only, and does not represent the full set of information provided annually to the State. Annual RHNA reporting requires the City to provide the number of permitted units (i.e. building permits) issued by the local government by household income level. Additionally, San Francisco and most other jurisdictions report the number of *completed* permitted units. Achievement of Housing Element goals is best measured across all three measures, so this table is not a full reflection of San Francisco's progress towards meeting its RHNA allocation goals.

REQUIRED COMMISSION ACTION

While no specific Commission action is requested, staff welcomes discussion of this procedural change to case documents regarding residential projects. It is hoped that provision of this information on a regular basis, in combination with provision of quarterly information as well as presentations on the annual Housing Inventory and annual Housing Element reporting,, will increase the Commissioner's knowledge of housing trends in San Francisco.

Attachments:

Residential Pipeline Form



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Residential Pipeline

ENTITLED HOUSING UNITS 2007 TO Q1 2012

State law requires each city and county to adopt a Housing Element as a part of its general plan. The State Department of Housing and Community Development (HCD) determines a Regional Housing Need Allocation (RHNA) that the Housing Element must address. The need is the minimum number of housing units that a region must plan for in each RHNA period.

This table represents all development projects adding residential units that have been entitled since January 2007. The total number of entitled units is tracked by the San Francisco Planning Department, and is updated quarterly in coordination with the Pipeline Report. Subsidized housing units, including moderate and low income units, are tracked by the Mayor's Office of Housing, and are also updated quarterly.

2012 - QUARTER 1	RHNA Allocation 2007-2014	Units Entitled To Date	Percent Entitled
Total Units Entitled¹	31,193	11,130	35.7%
Above Moderate (> 120% AMI)	12,315	7,457	60.6%
Moderate Income (80-120% AMI)	6,754	360	5.3%
Low Income (< 80% AMI)	12,124	3,313	27.3%

¹ Total does not include entitled major development projects such as Treasure Island,, Candlestick, and Park Merced. While entitled, these projects are not projected to be completed within the current RHNA reporting period (through June 2014).