HOUSING PARAMETERS

OVERVIEW OF COMMENTS, RESPONSES AND REVISIONS

BALBOA RESERVOIR COMMUNITY ADVISORY COMMITTEE

REGULAR MEETING | MONDAY, OCTOBER 19, 2015

SOURCES OF QUESTIONS AND COMMENTS

- – Verbal comments by CAC members and the public during CAC meeting

- – Documents handed to City staff during CAC meeting

- – Comment emails sent to BRCAC@sfgov.org

- – Consolidated comment documents from neighborhood associations

SOURCES OF CITY RESPONSES

- Revised housing parameters

  - Provided in 10/9/2015 memo to BRCAC

  - http://www.sf-planning.org/ftp/files/plans-and-programs/planning-for-the-city/public-sites/balboareservoir/balboareservoir_CAC_Meeting_Housing_Revisions_Memo-10.19.2015_FINAL.pdf

- Presentation of selected comments and responses

- Matrix of all comments and responses

  - Printed handout

  - At end of this presentation

SELECTED COMMENTS AND RESPONSES

COMMENT

Desire for a higher minimum percentage of affordable housing or 100% affordable to low-income households

– Added a parameter: "Exceed these minimum affordable housing percentages to the greatest extent possible, provided that all other development parameters are also met."

– Goal is to create competition to provide greatest possible affordable percentage.

– Also want to acknowledge that Balboa Reservoir is a great opportunity for moderate and middle-income.

– A 100% below market rate project will be challenged in paying for legally required land value and buildout of needed infrastructure serving the development while also satisfying other public benefit requirements established by the community.

COMMENT

Housing should prioritize special populations such as the elderly, public servants, disabled, adults with developmental disabilities, veterans.

– Added a parameter: "Consider targeting affordable housing to special populations such as seniors, physically and developmentally disabled adults, veterans, and/or public servants, subject to fair housing law, ability to secure required subsidy, and related City housing policies."

QUESTION

How can the City ensure that affordable housing stays affordable in perpetuity?

– Under City law, affordable housing produced by a developer must stay affordable for the life of the building.

– This requirement is included in the building's Conditions of Approval and enforced by a Notice of Special Restriction that is recorded against the property.

– Applies to affordable housing in mixed-income and 100%-affordable buildings.

– Applies to rental and for-sale units.

– When affordable condos are resold, City has the right to assign the next buyer; price may only appreciate at the same rate that area median income has increased.

Principle #1: Build new housing for people at a range of income levels.	
Support for middle- and moderate-income housing	• Current parameters call for middle and moderate-income housing: "Maximize the number of affordable units for low (55% of AMI), moderate (120% of AMI), and middle-income (up to 150% AMI); aim to include at least 50% of affordable to low, moderate, and middle-income households."
Desire for a higher minimum percentage of affordable housing	• Added a parameter: "<u>Exceed these minimum affordable housing percentages to the greatest extent possible, provided that all other development parameters are also met.</u>" • Goal is to create competition to provide greatest possible affordable percentage. • Also want to acknowledge that Balboa Reservoir is a great opportunity for moderate and middle-income.
All housing units should be built by non-profit developers	• Project should be consistent with Prop K (2015), which does not require that a non-profit developer serve as master developer. • Allowing for-profit developers allows affordable housing to be put within mixed-income buildings, which may be most cost-effective. • Any 100% below market rate building would likely be built by a non-profit developer.
100% of housing should be for households earning 30%, 40%, or 50% of Area Median Income (AMI)	• A broader AMI mix would allow this project to target all San Franciscans. • A 100% below market rate project will be challenged in paying for legally required land value and buildout of needed infrastructure serving the development while also satisfying other public benefit requirements established by the community • City is open to a mission-driven master developer that could maximize affordability while still providing fair market value to SFPUC.
If housing measures don't pass in the November 2015 election, will the 33% affordability minimum be impacted?	• This 33% figure is based on City Policy under Proposition K (2014), which has already been passed by voters, so it will not be impacted by the 2015 election. • The corresponding parameter has been updated for clarification: "Make at least 33% of total housing units permanently affordable to low or moderate -income households<u>, consistent with</u> Proposition K (2014). ~~(Note: This is consistent with Proposition K (2014), which is described above.)~~"
How can the City ensure that affordable housing stays affordable in perpetuity?	• Under City law, affordable housing produced by a developer must stay affordable for the life of the building. • This requirement is included in the building's Conditions of Approval and enforced by a Notice of Special Restriction that is recorded against the property. • Applies to affordable housing in mixed-income and 100%-affordable buildings. • Applies to rental and for-sale units. • When affordable condos are resold, City has the right to assign the next buyer; price may only appreciate at the same rate that area median income has increased.

Principle #2: Create housing that can serve a diverse group of household types.	
Will housing units be ownership or rental	• Parameter added: "Provide a mix of rental and ownership units."
Majority of units should have multiple bedrooms.	• "Parameter revised to underscore the importance of units with two or more bedrooms: "Design a substantial proportion of housing units, common spaces within residential buildings, and public amenities to be suitable for families with children. A key characteristic of "family-friendly" units is that they have at least two bedrooms."
Housing should prioritize special populations such as the elderly, public servants, disabled, adults with developmental disabilities, veterans.	• Parameter added: "Consider targeting affordable housing to special populations such as seniors, physically and developmentally disabled adults, veterans, and/or public servants, subject to fair housing law, ability to secure required subsidy, and related City housing policies."
Look at alternative housing ownership models, such as co-operatives.	• Parameter added: "Consider including alternative housing ownership models, such as co-operative housing." • Note that co-operatives have the same land costs and construction costs as other types of housing development.
Is student housing is appropriate and/or desirable at this location?; Student housing should target CCSF Guardian scholars and veterans program.	• In light of concerns about traffic congestion impacting educational institutions, building housing for these institutions' user group(s) would be a win-win for the project and neighborhood. • If an educational institution were to take on a housing parcel, that institution would own, manage, and decide how to populate the housing (i.e. with students, faculty, and/or staff). • After a winning RFP proposal is selected, details would be negotiated between the SFPUC and the proposing educational institution or developer.

Support for on-site housing but belief that the that City's offsite/in-lieu fee options lead to concentrating affordable housing in outer neighborhoods	• Parameter revised to clarify that on-site affordable housing is required: "~~Maximize the proportion of~~ Provide all affordable housing ~~that is provided~~ on-site (as opposed to off-site or through paying an in-lieu fee)."
	• Clarification on citywide affordable housing policy
	  • Off-site affordable housing must be built within 1 mile of principal project
	  • Map of off-site/in-lieu housing since 2006 shows that it is spread throughout the City and largely located in the core (see attached map).

Neighborhood residents should get priority in affordable housing placement.	• City staff expects that the "neighborhood preference" legislation (currently under consideration by the Board of Supervisors) would apply.
Legal residency should not be required for affordable housing placement	• This project will adhere to MOHCD's citywide policy, which requires identification but not US legal residency to apply for affordable housing

Principle #3: Help to alleviate City's undersupply of housing.	
Balance housing with quality of life, including transportation, neighborhood character, and City College impacts	• Current parameters already incorporate this goal at a high level, have been slightly revised to call out City College: • "Within the confines of other relevant parameters (e.g. neighborhood character, open space, transportation, <u>City College</u>), and subject to the desired unit sizes and family-oriented units cited above, maximize the amount of new housing created to address the current and projected affordability challenges faced by the neighborhood and the City." • "Maximize the pace of housing creation without compromising the quality of design or construction or outpacing needed transportation infrastructure." • Will be addressed in detail within the parameters that focus on open space, neighborhood character, transportation, and City College
General housing questions and comments	
What is developer's assumed profit margin, and can it be reduced?	• Developers typically require a return that justifies the risk of pursuing the project. • RFP will not set a rate of return. • By creating competition through the RFP, we incentivize developers to reduce their return expectations to win the competition.
Who will own the land?	• Land will be transferred to the master developer selected through the RFP process. • Land will most likely be sold, although a long-term (e.g. 99-year) lease is also allowable.

AFFORDABLE HOUSING MAP

Legend:
- 🔵 Affordable Buildings Built with Fees
- 🟠 Off-site Affordable Housing