

**Supervisor Norman Yee's**  
**Proposed Clarifications and Modifications to**  
**Balboa Reservoir Housing Parameters, Principle #1**

*Supervisor Norman Yee has proposed that the Balboa Reservoir CAC consider making the following clarifications and minor adjustments to the Housing Parameters, Principle #1. This revised language seeks to maintain the intent of previous version of the housing parameters, around which the CAC achieved consensus, while adding nuance around the overall goal of maximizing affordable housing for households at a range of incomes.*

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***Principle #1: Build new housing for people at a range of income levels.***

- a. Make at least 50% of total housing units permanently affordable in perpetuity to low (up to 55% of Area Median Income (AMI)), moderate (up to 120% of AMI), and middle-income (up to 150% AMI) households, provided that this can be achieved while also ensuring project feasibility and providing the economic return to SFPUC ratepayers that is required by law.
  1. Make at least 33% of total housing units permanently affordable in perpetuity to low or moderate-income households, consistent with Proposition K (2014).
    - A. Make at least 18% of total housing units affordable to low-income households (up to 55% of AMI).
    - B. Make an additional 15% (or more) of total housing units affordable to low or moderate-income households (serving a range of households up to 120% of AMI, with emphasis on households earning 80% to 120% of AMI).
  2. To ensure that the project's overall affordable housing serves a diverse group of households ranging from low-income to middle-income, make an additional 17% of total housing units permanently affordable in perpetuity at a range of affordability levels. The maximum AMI levels for middle-income households may not exceed 150% AMI and must correspond with housing prices that are at least 15% below local market rate housing prices at the time of project approval.
  3. Developers should assume that SFPUC will receive a "fair market value" land price based on the 33% affordability scenario described in (1) and should propose additional public financing strategies that would enable the project to reach the 50% or higher affordability level.

- b. Maximize the amount of affordable housing, provided that all other development parameters are also met; do not exceed the minimum number of market-rate units that are necessary to achieve these objectives.
- c. Target middle-income housing to the qualifying households that have the greatest affordability challenges, such families with children that require larger, family-sized, multi-bedroom units.
- d. Provide a mix of rental and ownership units.