Public Land for Housing Program

Initial Public Sites

San Francisco Planning

Public Land for Housing – Balboa Reservoir CAC
February 8, 2016
Public Land for Housing Program

Policy Background

- Proposition K Goals (Approved by voters, November 2014)
  - 30,000 units by 2020
  - 33% affordable to low and moderate incomes

- Public Land for Housing Program Goals
  - 4,000 units on public land by 2020
  - 50% affordable to low and moderate incomes, program wide
    - 1950 Mission: 120 units / 100% affordable to low incomes
    - 4th and Folsom: 85 units / TBD (likely 100% affordable to low incomes)
    - Upper Yard, 90 units / 100% affordable to low incomes
Income Levels for a Family of Three

- Low (80% AMI)
- Moderate (120% AMI)
- Middle (150% AMI)

Annual Income

$-$ $20,000 $40,000 $60,000 $80,000 $100,000 $120,000 $140,000 $160,000

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Affordable Housing Financial Dynamics

- Low-income units require approximately $250,000 in subsidy
- Site infrastructure and parks require even more funding
- Best chance for funding requires parcels to pay property tax
  - Market rate units pay full property tax
  - Low-income units can (and typically do) apply for exemption
Proposition K of 2015

- Amends City Surplus Property Ordinance
- Proposition is non-binding for SFPUC
- But allows for the City to elect a mixed-income approach on sites of 200 units or more
  - Not less than 33% of units affordable for households earning up to 120% of AMI (i.e. low and moderate income)
  - At least 50% of units within financial reach of working middle class San Franciscans (i.e. middle income or up to 150% AMI), subject to financial feasibility
Balboa Reservoir Affordable Housing Strategy

- Have interested developers compete to provide best offer for a “self-financed” affordability package

- In other words, the “not less than 33%” affordable to low and moderate income households referenced in 2015 Prop K, PLUS additional below-market-rate middle income units up to a target of 50% total affordability

- Utilize Exclusive Negotiation Agreement (ENA) period to negotiate additional affordability

  - No more market rate units than necessary to satisfy funding need (for affordable housing, parks, site infrastructure)
  - While still achieving fair market value for SFPUC
Case Study: Mission Rock at Giants’ Lot A

- Exclusive Negotiation Agreement first executed September 2010

Affordability Level

<table>
<thead>
<tr>
<th>Event</th>
<th>Affordability Level</th>
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<tbody>
<tr>
<td>Term sheet (May 2013)</td>
<td>15%</td>
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<tr>
<td>Submission of Prop D (April 2015)</td>
<td>35%</td>
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<tr>
<td>Stakeholder Negotiation (June 2015)</td>
<td>45%</td>
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THANK YOU!

SIGN UP FOR FUTURE UPDATES:
sf-planning.org/brcac

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