



**SUPERVISOR NORMAN YEE'S  
BALBOA RESERVOIR  
PROPOSED HOUSING PARAMETERS**

# BACKGROUND

- March 14, 2016 Meeting – Balboa Reservoir CAC reached initial consensus on Housing Parameters
- April 13, 2016 Supervisor Yee requested the Balboa Reservoir CAC to review some minor revisions to fully capture the intent of the housing parameters and the collective goal to achieve maximum affordability for a wide range of income levels

# OVERVIEW OF REVISIONS

- Clarifies goal for maximum affordability (from 33% to 50%)
- Encourages a wide range of affordability levels for all incomes (low to middle-income)
- Ensures that the affordable housing for middle-income households must be priced below market-rate at the time of the project.

# PROPOSED HOUSING PARAMETERS

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

a. Make at least 33% of total housing units permanently affordable in perpetuity to low or moderate -income households, consistent with Proposition K (2014).

1. Make at least 15% of total housing units affordable to low- income households (up to 55% of Area Median Income (AMI)).

2. Make an additional 18% (or more) of total housing units affordable to low or moderate-income (up to 120% of AMI).

b. Maximize the number of affordable units for low (up to 55% of AMI), moderate (up to 120% of AMI), and middle-income (up to 150% AMI); propose financial strategies and mechanisms to achieve at least 50% of affordable to low, moderate, and middle-income households. Additionally, proposals should strive to exceed this 50% target.

c. Produce sufficient market rate housing to cover costs, provide an economic return to the SFPUC ratepayers, and ensure project feasibility. Do not exceed the minimum number of market-rate units that are necessary to achieve these objectives.

d. Maximize the amount of affordable housing by exceeding these minimum affordable housing percentages to the greatest extent possible, provided that all other development parameters are also met.

e. Provide a mix of rental and ownership units.

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

a. Make at least ~~33%-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. ~~or moderate -income households, consistent with Proposition K (2014).~~

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 ~~15%~~ 18% of total housing units affordable to low- income households (up to 55% of Area Median Income (AMI)).

B. Make an additional ~~18%-15%~~ (or more) of total housing units affordable to low or moderate-income households ~~(up to 120% of AMI)~~ (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.

~~b.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 maximize the number of affordable units for low (up to 55% of AMI), moderate (up to 120% of AMI), and middle income (up to 150% of AMI); propose additional public financing strategies that would enable the project to reach the 50% or higher affordability level financial strategies and mechanisms to achieve at least 50% of low, moderate, and middle-income households. Additionally, proposals should strive to exceed this 50% target.~~

~~c. Produce sufficient market rate housing to cover costs, provide an economic return to the SFPUC ratepayers, and ensure project feasibility. Do not exceed the minimum number of market-rate units that are necessary to achieve these objectives.~~

~~d. a. Maximize the amount of affordable housing by exceeding these minimum affordable housing percentages to the greatest extent possible, provided that all other development parameters are also met.~~

b. 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.

~~e. c. Provide a mix of rental and ownership units.~~

# PROPOSED HOUSING PARAMETERS [CLEAN COPY]

## 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 and should propose additional public financing strategies that would enable the project to reach the 50% or higher affordability level.

a. 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.

b. Target middle-income housing to the qualifying households that have the greatest affordability challenges, such as families with children that require larger, family-sized, multi-bedroom units.

c. Provide a mix of rental and ownership units.