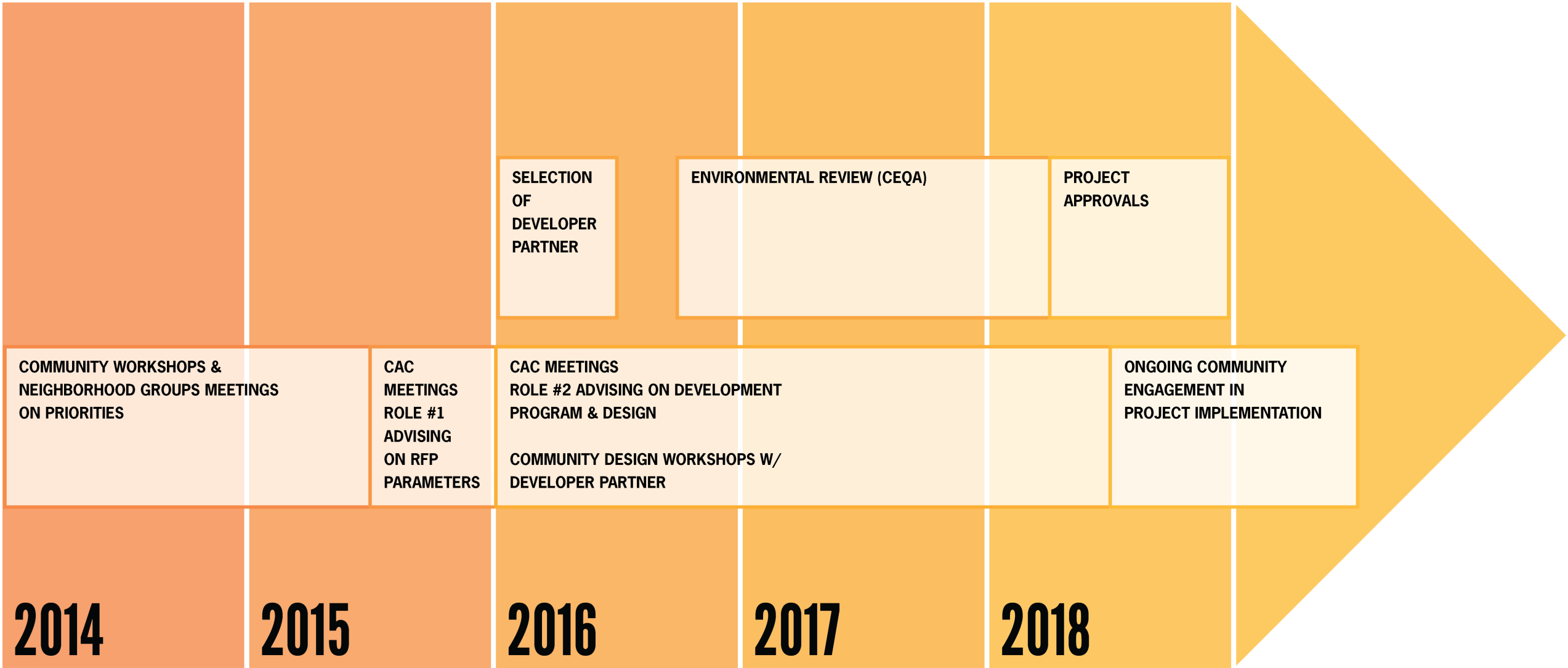




BALBOA RESERVOIR COMMUNITY ADVISORY COMMITTEE

REGULAR MEETING | MONDAY, SEPTEMBER 14, 2015

COMMUNITY OUTREACH & THE CAC



PUBLIC-PRIVATE DEVELOPMENT PROCESS

- Competitive solicitation**
 - RFQ and/or RFP
- Exclusive Negotiations with Selected Developer Partner**
- Community Engagement**
- Environmental Review**
- Board and Commission Approvals**
- Transaction Agreements**

DEVELOPER SELECTION CRITERIA

- **Skill and experience of development team**
- **How well proposal addresses the development parameters**
- **Compensation to SFPUC for the value of its land**

RFQ AND RFP EXAMPLES

- **Pier 70 “Waterfront Site”**

- Port of San Francisco

- <http://www.sfport.com/modules/ShowDocument.aspx?documentid=14>

- **Seawall Lot 337 & Pier 48 (“Mission Rock”)**

- Port of San Francisco

- http://www.sf-port.org/ftp/uploadedfiles/port_commission/SWL%20337%20RFP%20%20FINAL%205-27-08.pdf

- **Office of Community Investment & Infrastructure (formerly San Francisco Redevelopment Agency):**

- Transbay: <http://www.sfocii.org/index.aspx?page=234>

- **Palace of Fine Arts**

- Recreation and Parks Department

- <http://sfrecpark.org/wp-content/uploads/PFA-RFCP-FINAL-November-2014-eversion1.pdf>

ANTICIPATED DEVELOPMENT PARAMETERS

- **For Discussion Today**

- Housing: types and affordability considerations
- Urban design and compatibility with local character

- **For Discussion at Subsequent Meetings**

- Parks and open spaces
- Transportation, congestion management and parking strategy
- Relationship with City College (woven throughout relevant topics)
- Sustainability

HOUSING: BACKGROUND & PARAMETERS

AGENDA ITEM #7

Project Revenue \geq Project Cost

DEVELOPMENT COSTS

- **Land Cost**
- **“Hard Costs” – Materials and Labor**
 - “Horizontal” Development
 - Buildings (“Vertical” Development)
- **“Soft Costs”**
 - Design and engineering
 - Environmental review
 - Developer return
 - Financing

FACTORS IMPACTING DEVELOPMENT COSTS

- **Construction cost**
 - Labor and materials
 - Construction cost per square foot often increases above 6 stories
- **Time and energy required for approvals and development**
- **Delivery of community benefits**
- **Cost of capital – risk premium**

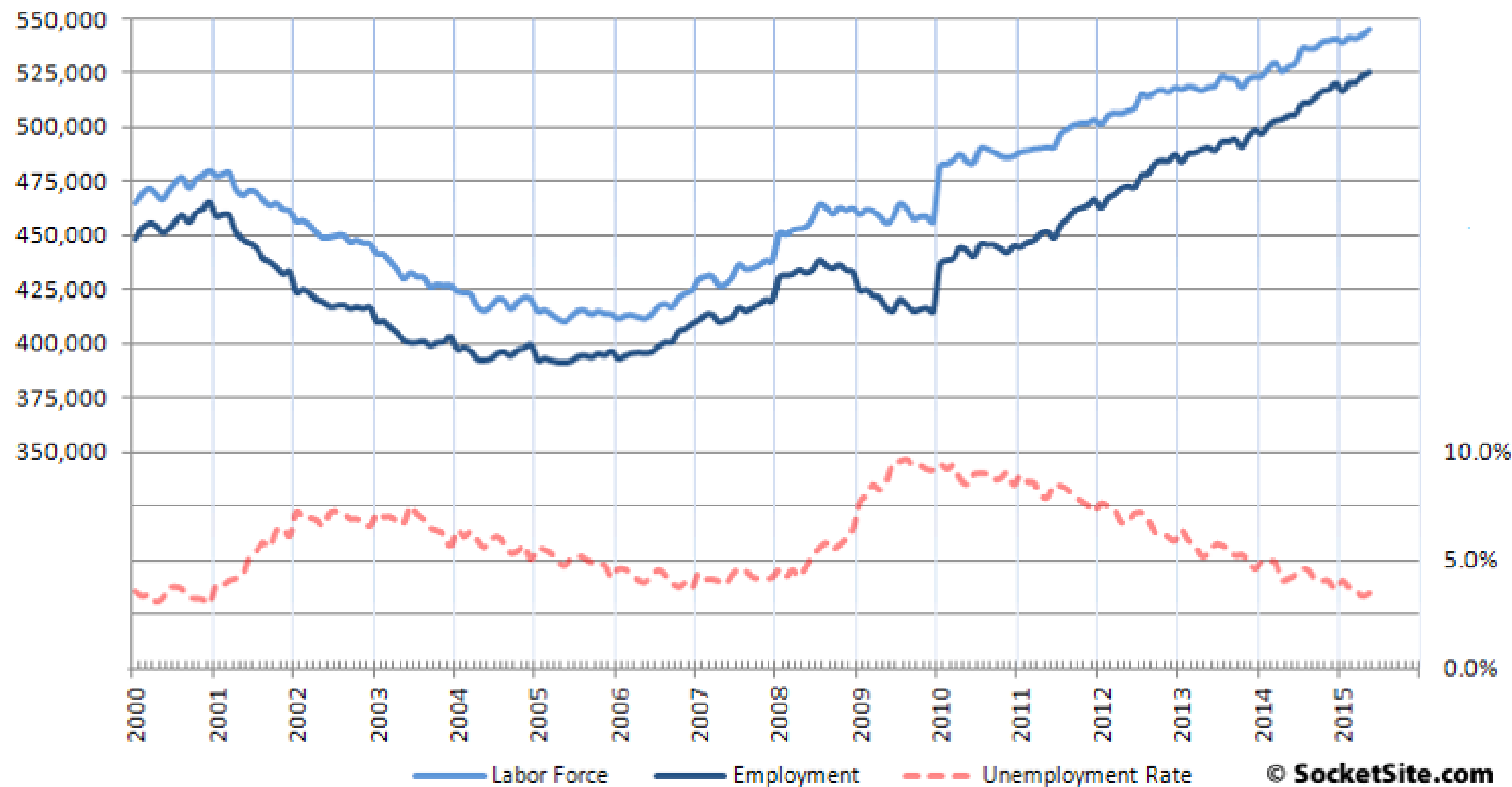
FACTORS IMPACTING AMOUNT OF REVENUE

- Amount of housing**
- Sale/rental price of housing, impacted by:**
 - Unit size and design
 - Local housing market conditions
- Amount and price of any commercial space**
- Ability to secure local, state and federal subsidies**

BACKGROUND ON AFFORDABLE HOUSING

ECONOMIC CONTEXT

San Francisco Labor Force and Employment



HOUSING CONTEXT



Sources: US Census Bureau American Community Survey 2005-2013; Census Population Estimates 2014; Analysis of Craigslist apartment listings for 2005-2008; 2010-2015 via Internet Archive (2009 data not available). Analysis: @michaelprhodes

HOUSING IN SF: PRODUCTION & NEED







	Actual Production 2007-2014*	Target Production 2007-2014	Percentage of Production Target Achieved*
Low Income (<80% AMI)	5,781	12,124	48%
Moderate Income (80-120% AMI)	1,283	6,754	19%
Market Rate (>120% AMI)	13,391	12,315	109%



















* As of 4th quarter 2014

For a family of four, 80% of AMI = \$81,500

For a family of four, 120% of AMI = \$122,300

WHO IS AFFORDABLE HOUSING FOR?

ANNUAL INCOME, BY HOUSEHOLD SIZE						
	1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	5 PEOPLE	6 PEOPLE
VERY LOW-INCOME HOUSEHOLDS <i>Earn up to 55% of Area Median Income</i>	\$39,250	\$44,850	\$50,450	\$56,050	\$60,550	\$65,000
LOW-INCOME HOUSEHOLDS <i>Earn up to 80% of Area Median Income</i>	\$57,100	\$65,200	\$73,350	\$81,500	\$88,050	\$94,550
MODERATE-INCOME HOUSEHOLDS <i>Earn up to 120% of Area Median Income</i>	\$85,600	\$97,800	\$110,050	\$122,300	\$132,050	\$141,850
MIDDLE INCOME HOUSEHOLDS <i>Earn up to 150% of Area Median Income</i>	\$107,000	\$122,250	\$137,600	\$152,900	\$165,100	\$177,300

ANNUAL INCOME, BY PROFESSION									
									
Occupation DISHWASHER	Occupation HOUSEKEEPING CLEANER	Occupation CONSTRUCTION WORKER	Occupation POSTAL CLERK	Occupation ELEMENTARY/ SECONDARY SCHOOL TEACHER	Occupation POST SECONDARY TEACHER	Occupation POLICE, FIRE, AMBULANCE DISPATCH	Occupation ELECTRICIAN	Occupation ELECTRICAL ENGINEER	
Annual Income (Median) \$22,000	Annual Income (Median) \$34,000	Annual Income (Median) \$48,000	Annual Income (Median) \$54,000	Annual Income (Median) \$61,000	Annual Income (Median) \$68,000	Annual Income (Median) \$75,000	Annual Income (Median) \$82,000	Annual Income (Median) \$95,000	
AMI (Area Median Income) Category 30%	AMI (Area Median Income) Category 50%	AMI (Area Median Income) Category 70%	AMI (Area Median Income) Category 80%	AMI (Area Median Income) Category 90%	AMI (Area Median Income) Category 100%	AMI (Area Median Income) Category 110%	AMI (Area Median Income) Category 120%	AMI (Area Median Income) Category 140%	
									

SAN FRANCISCO AFFORDABLE HOUSING POLICIES

- **Inclusionary housing policy (Planning Code Section 415)**
 - Applies to 15% of total units (12% if City has no proprietary interest)
 - Maximum household income is 55% AMI (if rental) or 90% AMI (if for-sale)
 - Fee-out and off-site options (higher % of units)
- **MOHCD also oversees production of 100% affordable housing developments that are financed with a combination of local, state and federal funds (e.g. 1100 Ocean Ave)**
- **“Special Populations” targeted by MOHCD**
 - Seniors
 - Disabled
 - Large families
 - Formerly homeless
 - Transition-age youth (“TAY”)

SAN FRANCISCO AFFORDABLE HOUSING POLICIES

Monitoring and Enforcement

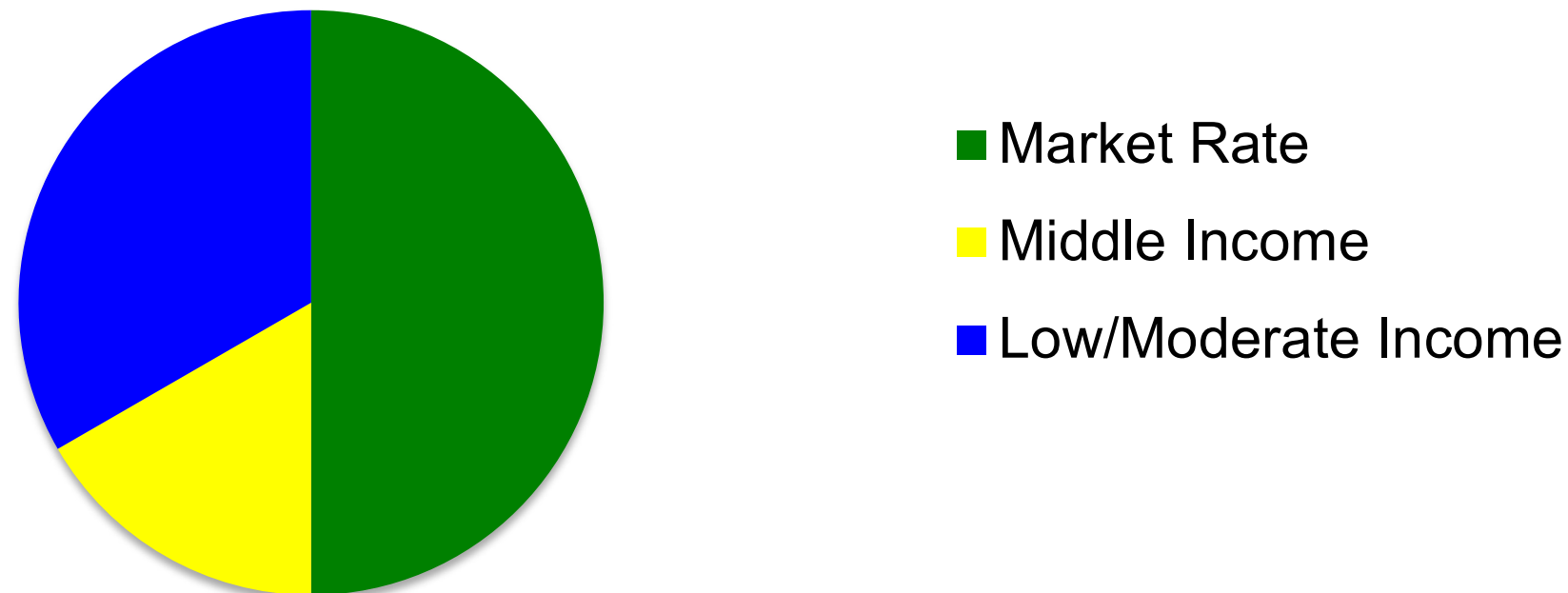
- **All households occupying affordable housing must be income-eligible, and incomes are thoroughly vetted**
- **Annual monitoring of occupants' incomes**
 - Inclusionary Units: If tenant income exceeds 200% of original target income, then tenant is no longer qualified, and owner must bring project into compliance
 - 100% Affordable Units: MOHCD monitors projects annually to ensure compliance with rental restrictions and funding requirements
- **Condo resale rules restrict sellers' profit and ensure that subsequent owner is also income-qualified**
- **Mayor's Office of Housing's full procedures manual for inclusionary housing can be accessed at *<http://sf-moh.org/modules/showdocument.aspx?documentid=6983>***

SAN FRANCISCO AFFORDABLE HOUSING POLICIES

– Proposition K of 2014

- Sets City policy to construct or rehabilitate 30,000 units by 2020
 - 33% affordable to low/moderate incomes
 - 50% affordable to middle incomes

30,000 Units



SAN FRANCISCO AFFORDABLE HOUSING PROGRAMS USING PUBLICLY-OWNED PROPERTY

- **Public Land for Housing Program (Enterprise Department properties)**
 - Goals:
 - 4,000 units on Public Land by 2020
 - 50% affordable to low and moderate incomes, program-wide
- **Proposed Ballot Measure Amending Surplus Property Ordinance**
 - Prioritizes development of 100% below-market-rate housing on surplus General Fund properties
 - Measure assigns increased surplus land reporting requirements to Enterprise Departments but does not amend Charter-based authority over property
 - Encourages non-General Fund public agencies to assume 33% below-market-rate units in determining fair market value of real property

PRINCIPLE #1:

Build new housing for people at a range of income levels

– Draft Parameters:

- Make at least 33% of total housing units permanently affordable to low or moderate-income households
 - At least 15% low-income (55% of Area Median Income (AMI))
 - At least 18% low-income or middle-income (120% AMI)
- **Maximize number of affordable units for low, moderate, and middle-income (150% AMI) households; aim to include at least 50% of affordable housing**
- **Produce sufficient market rate housing to ensure project feasibility**

PRINCIPLE #2

Create housing that can serve a diverse group of household types

– Draft Parameters:

- Maximize on-site affordable housing
- Include a substantial proportion of family-friendly housing
- Ensure that family-friendly housing is accessible to a range of incomes
- Consider partnering with City College and/or area schools on housing for their students, faculty, and/or staff

PRINCIPLE #3

Help to alleviate City's undersupply of housing

- Within the confines of other relevant parameters (e.g. neighborhood character, open space, transportation), maximize the amount of new housing created**
- Maximize pace of housing creation without compromising quality or outpacing needed transportation infrastructure**

CONTACT INFORMATION

**For comments or additional information please
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