INCLUSIONARY HOUSING AND BEYOND:
MOVING TOWARDS MIXED INCOME DEVELOPMENT IN SAN FRANCISCO
Stagnant Supply and Rising Demand Have led San Francisco's Housing Prices to Rise 40% since 2011

Source: HUD, Census, BEA/Moody's, Zillow
NO WALL ON THE WATERFRONT
ON B&C!
Sierra Club
San Francisco Democratic Party
Coalition for San Francisco Neighborhoods
Affordable Housing Alliance
Harvey Milk LGBT Democratic Club
San Francisco Tenants Union
Housing Rights Committee
San Francisco Tomorrow

NO MONSTER in the Mission!
San Francisco Planning Department Permitting Process

Step 1: Visit or Call Us
- Permits are required in San Francisco to operate businesses and to perform construction activity. Depending upon the stage of your project, you may need to obtain permits from several City departments. The Planning Dept. is here to help guide you in this process.

Step 2: Understanding What's Allowed
- How can I use my land (property/parcel)?
  A. How-To Guides
  The Planning Dept. offers a list of how-to guides for many project types. The Planning Dept. is a great place to start if you're new to the permitting process.
  Visit permits.sfplanning.org to get started!

Step 3: Applying For Your Permit & Paying Fees
- Provide all required permit application materials and bring your application to the Dept. of Building Inspection (DBI) to begin the permitting intake process.
- After submitting to DBI, bring your application to planners at the PFC to determine if your project is in accordance with City Codes and the SF General Plan. If it is, you're almost there! You'll need to pay all required fees.

Environmental Review: Depending on its scope, your project you may be considered "exempt" from Environmental Review. Or you may need a more extensive Environmental Review process. This varies by your project's scale and potential environmental impact.

Step 4: Permit Submittal & Review
- A. Planning Dept. Review
- Permit application intake at the PFC for review

Step 5: Permit Approved
- Insights: Schedule an inspection with the Dept. of Building Inspection

Step 6: Follow-up
- Accept & determine notification?
- Yes
- Approve over the phone?
- No
- Return to step 3

No
- B. Other Agencies Review
- Yes
- Return to step 1

No
- B. Other Agencies Review
- Yes, need a Public Hearing

Yes, need a Public Hearing
- After Hearing, Eligible?
- Yes
- Proceed to step 5
- No
- Proceed to step 5

Return to step 1

(c) 2013 City & County of San Francisco. All rights reserved.
100% Affordable, Multi-family Rental
- Approximately 17,000 existing units up to 60% of AMI
- Housing Trust Fund invests $1.5 billion over next 30 yrs (9K more).

Public Housing
- HOPE SF: Approximately 5,265 units of mixed income housing.

Supportive Housing for Formerly Homeless

Inclusionary Housing Program – Rental & Ownership
- Privately-funded units
- Approximately 4,000 existing units from 60-120% of AMI
HOUSING PRESERVATION PROGRAMS

- Small Sites Program
  - On track to preserve the homes of 60 households by December 2015

- Eviction prevention programs

- Rental assistance programs

- Public Housing
  - HOPE SF: 1,904 units of existing housing (0-80% AMI)
  - RAD: 3,500 units of existing housing (0-80% AMI)
DOWNPAYMENT ASSISTANCE PROGRAMS

• Up to $200,000 of downpayment assistance for purchase of a market-rate unit;
• Up to $57,000 for purchase of BMR unit;
• Targeted programs for teachers and first responders;
• “Shared appreciation” loans – no payments due until sale, and then principal and share of appreciation is repaid.
• Revolving loan pool – repayments fund new loans

• SFERS to invest $125 million over ten years to recapitalize.
## San Francisco Inclusionary Program

<table>
<thead>
<tr>
<th></th>
<th>Fee</th>
<th>On-Site Units</th>
<th>Off-Site Units</th>
<th>On-Site Dial</th>
<th>Acquire Existing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rental</strong></td>
<td>20% at $270K*</td>
<td>12% at 55% AMI</td>
<td>20% at 55% AMI</td>
<td>Up to 16% at 90% AMI</td>
<td>Equiv to fee</td>
</tr>
<tr>
<td><strong>Owner</strong></td>
<td>20% at $270K*</td>
<td>12% at 90% AMI</td>
<td>20% at 70% AMI**</td>
<td>Up to 15% at 120% AMI</td>
<td>Equiv to fee</td>
</tr>
</tbody>
</table>

* 2 person household  
** Amendments underway
NEW PROGRAMS UNDERWAY

- **Public Lands for Housing**
  Development plans for multiple public sites with high or 100% affordability

- **Housing Accelerator Fund**
  A new fund leveraging City money with lenders and philanthropic investments to bring housing on-line faster

- **Middle-Income Rental Program**
  City financially partners with market-rate developers to increase on-site affordability to middle-income households

- **Affordable Housing Bonus Program**
DENSITY BONUS OVERVIEW

Building Envelope

MAX DEVELOPMENT POTENTIAL

Height Limit

Zoning Parcel

Affordable Units

DENSITY BONUS - WITHIN ENVELOPE

+ INCENTIVES

Affordable Units

DENSITY BONUS - HEIGHT

+ INCENTIVES

Bonus Height

Height Limit
PROGRAM OFFERS DEVELOPERS TWO NEW OPTIONS:

**STATE PROGRAM**
MAXIMUM 35% BONUS

**LOCAL PROGRAM**
DENSITY REGULATED BY FORM

**POTENTIALLY UP TO 2 STORIES**

**RENTAL**
12% INCLUSIONARY
- 5% AT 50% AMI

**OWNER**
12% INCLUSIONARY
- 15% AT 80% AMI

13% TOTAL PROJECT

**UP TO 2 STORIES**

**12% INCLUSIONARY**
- 18% OF TOTAL AT MIDDLE INCOME

30% TOTAL PROJECT
Market Rate and Affordable Production: Impact on Low Income Housing Affordability

Annual Production Affordability "Break-Even"
with Historic and Planned Affordable and Market-Rate Production

Any annual combination of market-rate and affordable production on this side of the line makes low-income affordability better.

Any point on this side makes it worse.

Source: Planning Department, Controller's Office calculations.
PRODUCTION GOALS

- Build and rehabilitate 30,000 homes by 2020
- 33% affordable in plan areas and major rezonings
- Review the ratio of affordable to market rate housing, to ensure we keep producing at all levels.

2020 GOALS

- 30,000 housing units
- 30% permanently affordable
- 50% middle income

In his State of the City Address, Mayor Lee set forth the goal of creating 30,000 new and rehabilitated homes for San Franciscans by 2020. He pledged at least one-third of those to be permanently affordable to low income families, and the majority of those within financial reach of working, middle income families. This meter counts housing projects as they are completed, so we can track our progress.

SAN FRANCISCO HOUSING METER

AUGUST 2015
- 5712 units completed
- 1441 units affordable
- 25% permanently affordable

JANUARY 2014
HERE’S TO A SAN FRANCISCO
FOR THE 100%