


**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS**

BUDGET AND LEGISLATIVE ANALYST

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POLICY ANALYSIS REPORT

To: Supervisor Campos
From: Budget and Legislative Analyst 
Date: October 30, 2013
Re: Analysis of Tenant Displacement in San Francisco

SUMMARY OF REQUESTED ACTION

You requested that the Budget and Legislative Analyst analyze the level of housing displacement occurring in San Francisco. In addition to overall data about displacement, you asked that our office address: the rate of change in property values, rents, income, rent-burdened household and property transfer rates, by neighborhood, over the past few decades; trends in number of Ellis Act evictions, by neighborhood; details on Ellis Act evictions over the past few decades, including building size, household composition, and number of evictions of seniors and disabled tenants; a comparison with Statewide and other municipality Ellis Act eviction trends, number of evictions resulting in homelessness, number of “buyouts” that occur in lieu of Ellis Act evictions, number of “violation of lease” evictions and to identify any correlations between spikes in rent and property values and evictions.

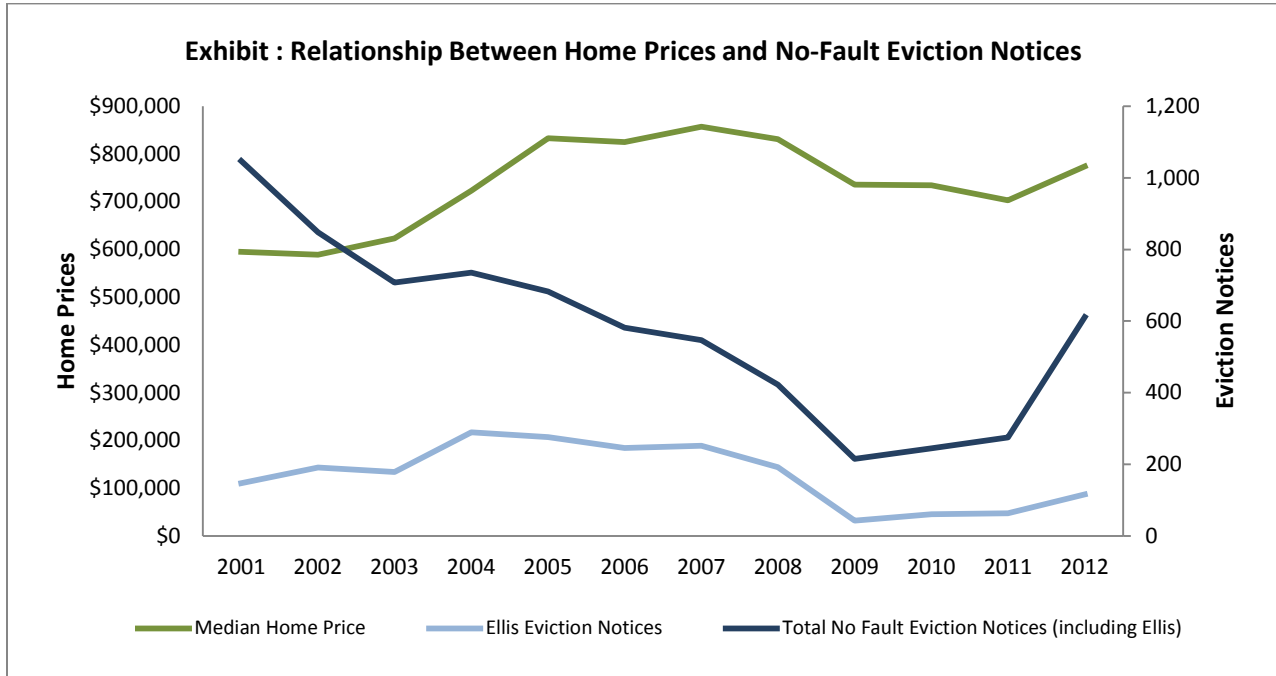
EXECUTIVE SUMMARY

- The City and County of San Francisco’s rent control laws restrict rent increases for most rental properties in San Francisco and limit allowable reasons for evictions for those units. Under the laws of the City and County (“the City”), evictions are classified as “For Cause” in situations such as non-payment of rent and breach of rental agreement and as “No-Fault” in situations such as owner move-ins, condominium conversion sales, demolition of rental units and “Ellis Act evictions”.
- Adopted by the California State Legislature in 1986, the Ellis Act allows evictions in instances when landlords elect to take their rental properties off the market. When this type of eviction occurs, the owner can return the units to the rental market at any time. However, if the owner returns the units to the market within five years of evicting the tenants, the owner must first offer the units to the evicted tenants and cannot charge any tenant more than the rent the evicted tenants paid prior to being evicted. If the owner returns the units to the market after the five-year period expires, the above restrictions do not apply.
- All types of evictions reported to the Rent Board increased each year between 2010 and 2013, but the highest rate of increase was for Ellis Act evictions. Using the Rent Board’s reporting year

Budget and Legislative Analyst

of March through the last day of February (“Rent Board Year”), all types of evictions increased from 1,242 in Rent Board Year 2010 to 1,716 in Rent Board Year 2013, an increase of 38.2 percent. Ellis Act evictions, however, increased by 169.8 percent from 43 in Rent Board Year 2010 to 116 in Rent Board year 2013.

- Separate from its annual report statistics ending in February 2013, more recent statistics from the Rent Board show that there were 162 Ellis Act evictions for the twelve month period ending September 2013, an increase of 145.5 percent from the 66 Ellis Act evictions for the prior twelve months.
- The increase in Ellis Act evictions between Rent Board Years 2010 and 2013 occurred simultaneous with significant increases in San Francisco property values and housing prices. Citywide, real property assessed values increased by approximately 15.9 percent between Fiscal Years 2008-09 and 2012-13 from \$142.3 billion to \$164.9 billion. Average home prices in San Francisco are reported to have increased by 21.9 percent between 2009 and 2013, from \$735,828 to \$897,338.
- The increase in the market value of residential properties in San Francisco could be one of the causes fueling the increase in Ellis Act evictions as the incentive for rental property owners to discontinue renting their properties and sell them rises. A similar relationship between increased property value and Ellis Action evictions was seen between 2004 and 2010 when the number of Ellis Act evictions increased along with home prices, particularly in 2004 and 2005, and declined as home prices decreased in 2008 and 2009 during the economic recession. Exhibit A presents a graphic depiction of the corresponding relationship between average home prices compared to Ellis Act and all categories of No-Fault evictions.
- It is likely that more tenants may be displaced than reported by the Rent Board. First, the City’s eviction control laws only apply to housing units built before June 13, 1979. Further, in some instances, landlords reportedly offer buyouts to their tenants for them to vacate their rental units in lieu of an Ellis Act eviction. If both parties agree to the buyout terms, the tenant leaving is not considered an eviction and vacating the property under these circumstances is not reported to the Rent Board. As a result, data on the number of such occurrences each year are not available.



Sources: San Francisco Rent Board and Zillow.com

Note: Graph lags the eviction data by two months from Rent Board Year to align with the calendar year rent data.

- While Ellis Act evictions have occurred in many neighborhoods over the last five years, approximately 64.1 percent of them occurred in the seven neighborhoods presented in Exhibit B between Rent Board Years 2009 and 2013. Increases in assessed property values and, more significant, home prices are also presented for those neighborhoods.

Exhibit B: Top Seven Neighborhoods for Ellis Act Evictions, 2009 2013			
Neighborhood	Ellis Act Eviction Notices	% Increase Assessed Values FY 2009 13	% Increase Home Prices 2009 2013
Inner Mission	71	+21.4%	+29.5%
Russian Hill/Polk Gulch	46	+15.8%	+17.4%
Castro/Eureka Valley	43	+20.1%	+36.6%
Outer Richmond	41	+15.0%	+11.5%
Inner Richmond	38	+14.2%	+22.3%
North Beach	37	+14.5%	+28.3%
Haight-Ashbury/Western Addition	29	+18.5%	29.1%
Total: Top Seven Neighborhoods	305	+17.8%	+25.3%
Citywide Total	476	+15.9%	+21.9%
% Total in Top Seven Neighborhoods	64.1%	-	-

Sources: San Francisco Rent Board, Assessor-Recorder's Office, and Zillow.com

- While these neighborhoods have many distinct characteristics, they all experienced significant increases in property values during the period of significant Ellis Act evictions, as follows:
 1. Three of the seven neighborhoods experienced increases in the assessed value of all properties greater than the 15.9 percent Citywide rate of increase between Fiscal Years 2008-09 and 2012-13. The rates of increase in the other four neighborhoods were slightly lower than the Citywide rate, but still ranged from 14.2 to 15.8 percent.
 2. More noteworthy than increases in assessed values for all properties, five of the seven neighborhoods experienced increases in home prices greater than the Citywide rate of increase of 21.9 percent between 2009 and 2013, ranging from increases of 22.3 to 36.6 percent. Though the Outer Richmond and Russian Hill/Polk Gulch neighborhood rates of increase were below the Citywide rate, those two neighborhoods rates were still 11.5 and 17.4 percent, respectively, for the five year period.
- Households evicted in San Francisco, particularly those that have been long-term tenants in rent-controlled units, are likely to face steep increases in housing costs as the Citywide median rental rate was \$3,414 as of June 2013 for all types of apartments, according to Zillow.com. The 2013 median rental rate represents an increase of 8.2 percent over the 2012 median rental rate of \$3,156.
- The Citywide rental vacancy rate has decreased from 6.4 percent in 2009 to 2.8 percent in 2012, contributing to the pressure on rental rates.
- Increased employment and population in San Francisco and minimal increases in new housing since 2010 has contributed to the upward pressure on rental rates. Many new housing units are now under construction or in the planning stages which should help temper some of the rental rate increase, though the impact of the new units could be offset if population growth outpaces the growth in housing.
- The impact of San Francisco's rents can be seen in the rates of "rent-burdened" households, or those paying 30 percent or more of their household income for rent. Overall, 42.9 percent of all San Francisco households were rent-burdened in calendar year 2011. The rates of rent burden varied by neighborhood, ranging from 39 percent in the Pacific Heights-Marina-North Beach neighborhoods to 57 percent in the Bayview-Excelsior-Visitacion Valley neighborhoods.
- The City's eviction protection laws require that for No-Fault evictions, including Ellis Act evictions, landlords must provide relocation cash assistance to tenants who have resided in the unit for at least one year. Additional cash assistance is required for tenants 60 years or older (owner move-in evictions) or 62 years of age or older (Ellis Act evictions), those with disabilities, and households with one or more minor children.
- The Rent Board is not required to maintain or report aggregated data with number of evicted seniors or disabled persons. However, four community-based organizations that provide services to tenants were surveyed by the Budget and Legislative Analyst and reported that of

2,208 clients served in 2012 who had been affected by evictions of all types, 921, or 41.7 percent, were persons with a disability and 280, or 12.7 percent, were persons aged 62 years or older. Other demographic information reported by the organizations about the 2,208 clients served includes the following:

- 49.3 percent of the clients were below the poverty line, as defined by the U.S. Department of Health and Human Services.
- 31.9 percent were White.
- 28.3 percent were Black/African American.
- 16.3 percent were Latino.
- 8.9 percent were Asian.
- The most common type of eviction reported was for non-payment or habitual late payment of rent, with 66.7 percent of the reported evictions.

BACKGROUND

DISPLACEMENT

According to the San Francisco Sustainable Communities Index (SCI)¹, displacement: (1) occurs when forces in the housing market force current residents out of an area, and (2) indicates a lack of affordable housing. Displacement is usually caused by sharp increases in rent or housing prices in areas where household incomes decline or remain flat; as homes and rental units become less affordable.

The US Department of Housing and Urban Development (HUD) recommends that individual consumers not spend more than 30 percent of gross (pre-tax) household income² on rent and utilities. HUD classifies any household that pays more than 30 percent of its income toward rent and utilities as “rent-burdened,” meaning that the household’s ability to pay for expenses like food, transportation, and other necessities is burdened or hindered by the large obligation to paying for housing. Rent-burdened populations should be considered at-risk populations that could find themselves facing significant financial challenges. The Budget and Legislative Analyst notes that rent-burdened households can and do exist at varying income levels. For example, a household with \$100,000 in total income that pays \$3,500 per month in rent (which translates to 42 percent of the gross income) is actually more rent-burdened than a household with \$30,000 in total income that pays \$800 per month in rent (which translates to 32 percent of gross income). It is for this reason that rent affordability and affordable housing are not necessarily discussed in the same context and why affordable housing is not the focus of this report.

SAN FRANCISCO HOUSING INVENTORY

The San Francisco Planning Department’s 2011 Housing Inventory reported that the City’s housing stock of approximately 372,830 dwelling units³ is roughly divided into low-, medium-, and higher-density structures in San Francisco: 33 percent are single-family homes, 31 percent are in buildings with two to nine units, and 36 percent are in buildings with 10 or more units. The U.S. Census Bureau (Census Bureau) 2012 One Year American Community Survey reports that the median housing price for San Francisco in 2012 was \$727,600.

According to the 2009 Housing Element of the San Francisco General Plan, the City’s housing stock is older than other West Coast cities, with over 50 percent of the City’s housing units constructed before World War II. In addition, housing in San Francisco tends to be smaller in size, with about 72 percent of

¹ Developed in San Francisco in 2007 by the Department of Public Health in partnership with various public and private organizations, the Sustainable Communities Index is a system of over 100 performance indicators for livable, equitable and prosperous urban cities. The website can be located at <http://www.sustainablesf.org/>.

² Household income includes all sources of revenue to all people over the age of 17 living in the home

³ The Planning Department explains that the number of units in San Francisco’s housing stock is derived by taking the total units from the decennial census count as baseline, then adding net unit change each subsequent year until the next census. Because the 2010 Census did not collect detailed housing characteristics, this 2011 Housing Inventory uses data from the 2010 Five Year American Community Survey (2010 ACS5) from the US Census Bureau.

all units containing two bedrooms or fewer, and San Francisco, like most large cities, is largely a city of renters who occupy 64 percent⁴ of the housing units in the City. The 2009 Housing Element reports that housing affordability is a major concern as San Francisco has one of the least affordable housing markets in the nation. Roughly 26 percent of new housing built since 2000 (through 2009) qualified as affordable to households making the area median income or less. The Budget and Legislative Analyst notes that this statement was made during the economic recession but is still applicable.

SAN FRANCISCO RENT ORDINANCE

San Francisco Rent Board

The San Francisco Rent Ordinance, Administrative Code, Chapter 37, was enacted effective June 13, 1979 as emergency legislation to alleviate the City's housing crisis at the time. The San Francisco Rent Ordinance created the Residential Rent Stabilization and Arbitration Board (Rent Board) "in order to safeguard tenants from excessive rent increases and, at the same time, to assure landlords fair and adequate rents consistent with Federal Anti-Inflation Guidelines."⁵ According to the Rent Board's website, the San Francisco Rent Ordinance applies to approximately 170,000 residential rental units in buildings that were constructed before June 13, 1979; and, among other things, places limits on (1) the amount of rent increases which can be charged by the landlord and on (2) the reasons for evicting a tenant.

The Rent Board has the authority to:

- Promulgate Rules and Regulations to effectuate the purposes of the Rent Ordinance;
- Hire staff, including administrative law judges; and
- Conduct rental arbitration hearings, mediations and investigatory hearings on Reports of Alleged Wrongful Eviction.

According to the Rent Board's website, its primary function is to conduct hearings and mediations of tenant and landlord petitions regarding the adjustment of rents under the City's rent control laws. The Rent Board also investigates Reports of Alleged Wrongful Eviction, but its authority in such matters is limited since only the courts can decide whether an eviction is legal. Additionally, the Rent Board cannot arbitrate matters that are not part of the Rent Ordinance.

The Rent Board reports on its website that most residential rental units in buildings that were constructed before June 13, 1979 are subject to both rent control and eviction protection under the San Francisco Rent Ordinance. Commercial units and residential units in buildings for which a certificate of occupancy was first issued after June 13, 1979 are exempt from both rent control and eviction control under the Rent Ordinance.

⁴ The Budget and Legislative Analyst revised this ratio to reflect data from the 2012 One Year American Community Survey, US Census Bureau.

⁵ The Rent Board is a special fund department, completely funded through the collection of rental unit fees and has no General fund contributions in its budget.

Rent Control

San Francisco's rent control law covers most rental property in San Francisco.⁶ Rent increases are strictly limited under guidelines published by the San Francisco Rent Board. In general, a tenant's rent may only be increased once each year by a percentage equal to 60 percent of the Bay Area Cost of Living Index. In 2013, the permitted annual increase is 1.9 percent.⁷ Rent may be established at full market value if the unit is turned over to new tenants⁸ and landlords may also petition the Rent Board to obtain rent increases based upon capital improvement expenses and increased operating and maintenance expenses. The Rent Board states that other pass-through surcharges are allowable, for example, increased property taxes from bond measures or increased utility costs.

The California Costa-Hawkins Rental Housing Act, which overrides any contrary provisions of San Francisco ordinances, holds that single-family dwellings, including most condominiums, are exempt from rent control if the tenancy commenced after 1995.⁹

Eviction protection

Most rental units in buildings built before June 13, 1979 are subject to eviction controls. A landlord may lawfully evict a tenant from a residential unit based upon one or more of 16 "just causes" enumerated in section 37.9(a) of the Rent Ordinance, which fall into two general categories: 1) tenant causes or "For Cause" evictions and, 2) landlord causes or "No-Fault" evictions". As seen in Exhibit 1 below, For Cause evictions include tenant defaults such as non-payment of rent and other breaches of the rental contract, and No-Fault evictions include owner occupancy, occupancy by the landlord's close relatives, and remodeling or demolishing the unit.

⁶ Major exceptions to San Francisco Rent Control include: 1) rental property in a building constructed after June 13, 1979, 2) subsidized housing, such as HUD housing projects, 3) dormitory, monastery, nunnery, etc., and 4) residential hotels with less than 32 days of continuous tenancy.

⁷ The annual allowable rent increase is valid for March 1, 2013 through February 28, 2014.

⁸ For rental units protected under the City's Rent Ordinance, landlords are unrestricted in the amount of rent they can charge once a change-over in tenants occurs (called vacancy decontrol), but must again follow the same regulations for annual rent increases and just cause for eviction for that new tenant.

⁹ Units that have been converted to condominiums are exempt from rent controls but remain subject to eviction controls if the tenancy began after 1995 and was sold by the subdivider to a bona fide purchaser for value or where all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or unit as his or her principal residence for at least one year after the subdivision occurred.

Exhibit 1: Summary of Just Cause for Evictions			
Ordinance Section	For Cause Evictions	Ordinance Section	No-Fault Evictions
37.9(a)(1)	Non-payment or habitual late payment of rent	37.9(a)(8)	Owner/relative move-in
37.9(a)(2)	Breach of rental agreement	37.9(a)(9)	Condominium conversion sale
37.9(a)(3)	Committing a nuisance	37.9(a)(10)	Demolish/remove from use
37.9(a)(4)	Illegal use of rental unit	37.9(a)(11)	Capital improvement work
37.9(a)(5)	Failure to renew agreement	37.9(a)(12)	Substantial rehabilitation
37.9(a)(6)	Failure to permit landlord access	37.9(a)(13)	Ellis (withdrawal of unit)
37.9(a)(7)	Unapproved sub-tenant	37.9(a)(14)	Lead remediation
37.9(a)(16)	Good Samaritan	37.9(a)(15)	Development agreement

Source: San Francisco Administrative Code

It should be noted that due to the relationship of the Costa-Hawkins Act and the San Francisco Rent Ordinance, single-family dwellings that were built before June 1979 with tenancies that commenced after 1995 are subject to eviction protection but exempt from rent control. Thus, the landlord can raise the rent to any level but must have just cause under the Rent Ordinance to evict a tenant.

Owner Move-in Evictions: Protected Status of Tenants

Under the City’s Rent Ordinance, certain tenants are granted additional protections from an owner move-in eviction based upon age, disability, or illness. A tenant's protected status is defined as someone who is either (1) a tenant for at-least 10 years and is 60 years or older; (2) a tenant for at-least 10 years, disabled, and qualified to receive Supplemental Security Income (SSI) payments; or (3) a tenant for at least 5 years, disabled with a life threatening illness. In addition, a tenant who has resided in the unit for at least one year, and has a child under the age of 18 who also resides in the unit, may not be evicted during the school year for an owner or relative move-in eviction, with the following two exceptions applying only to owner move-in not relative move-in: (1) an owner move-in eviction may proceed if there is only one unit owned by the landlord in the building or (2) if there are multiple units in the building, an owner move-in eviction may proceed if the owner will move into the unit with a minor child.

The fact that a tenant is "protected" is important because it may limit or prevent an owner from completing an owner/relative move-in eviction or can prolong the time the tenant has to relocate following an eviction. Also, the lawful eviction of a protected tenant disqualifies any condominium conversion rights a building may have had. The Budget and Legislative Analyst notes that this is not an exhaustive representation of all the statutorily protected tenants, but is intended to provide information pertaining to the subject request.

Relocation Payments Required for Certain No-Fault Evictions

If the cause for eviction is the tenant's fault, such as non-payment of rent, the eviction process may proceed notwithstanding the tenant's protected status based upon age, disability, or illness. In contrast, if the eviction is based upon the landlord's action or a No-Fault eviction, such as owner/relative move-in or to renovate the unit, the landlord must pay the tenant monetary relocation assistance.

For eviction notices served on or after August 10, 2006, landlords are required to pay relocation expenses to tenants who are being evicted for any of the following No-Fault reasons: owner/relative move-in; demolition or permanent removal of the rental unit from housing use; and temporary removal of the rental unit from housing use in order to do capital improvement work or substantial rehabilitation.

In 2013, each authorized occupant, regardless of age, who has resided in the unit for at least one year, is entitled to a payment of \$5,207 with a maximum payment of \$15,621 per unit. In addition, each elderly (60 years or older) or disabled tenant and each household with one or more minor children is entitled to an additional payment of \$3,472. On March 1st (of each year), the amount of these relocation payments is adjusted for inflation. Exhibit 2 summarizes these relocation payment provisions.¹⁰

Exhibit 2: Relocation Payments for Evictions for No Fault Evictions (Excluding Ellis Act Evictions)			
Date of Service of Notice to Terminate Tenancy("Eviction Notice")	Relocation Amount Due Per Tenant	Maximum Relocation Amount Due	PLUS Additional Amount Due for Each Elderly (60 years or older) or Disabled Tenant Per Unit
3/01/13 – 2/28/14	\$5,207	\$15,621	\$3,472

Source: San Francisco Rent Board

It should be noted that the intended sale of a rental unit, including a sale by trustee's sale (foreclosure) is not grounds for eviction and evictions based upon the owner's intent to sell a unit after a condominium conversion are subject to other rules under the Subdivision Code.¹¹

THE ELLIS ACT

The Ellis Act was enacted by the California State Legislature in 1986 to require municipalities to allow property owners to go out of the residential rental housing business.¹² Under the Ellis Act, a landlord may ask all of the tenants of a residential building to permanently vacate so that the landlord may exit the rental market and convert the building to owner-utilized housing or for other purposes. For example, property owners can use the Ellis Act to go out of the rental business and evict tenants in order to turn the housing units into tenancies-in-common (TIC)¹³ with the potential to convert the housing units to condominiums.

Under the Ellis Act, , if any of the units are rented again during the five-year period immediately after the Ellis Act evictions, they must be offered back to the departed tenants at the same rent.¹⁴ If the tenants do not reoccupy, then the units may be rented to new tenants, but at the same rent that was

¹⁰ California Civil Code § 1947.9, effective January 1, 2013, established different relocation payments for temporary displacements of less than 20 days.

¹¹ Senior tenants are protected from eviction under a condo conversion. Other tenants evicted due to condo conversion are entitled to moving expenses of \$1,000.

¹² California Government Code Section 7060-7060.7.

¹³ A tenancy-in-common (TIC) is a shared ownership of a building.

¹⁴ Following an Ellis Act eviction, property owners must keep a property off the market for at least two years from the date of withdrawal or be subject to possible legal damages.

paid by the departed tenants at the time the units were first removed from the rental market, adjusted under the inflation guidelines. If the units are rented after the five-year period ends, they may be rented at full market value. Tenants are entitled to 120 day notice and monetary relocation assistance as shown in Exhibit 3 below. Additionally, if the tenant is protected, they are eligible for an additional eight-month extension (for a total of one year) having to vacate.

RELOCATION PAYMENTS REQUIRED FOR ELLIS ACT EVICTIONS

Relocation payments for Ellis Act evictions are similar but not identical to the relocation payments of other No-Fault evictions. In 2013, each authorized occupant, regardless of age, who has resided in the unit for at least one year and is evicted under the Ellis Act, is entitled to a payment of \$5,210.91, with a maximum payment of \$15,632.69 per unit. In addition, each elderly (60 years or older) or disabled tenant¹⁵, and each household with one or more minor children, is entitled to an additional payment of \$3,473.93. As with other No-Fault evictions discussed above, the amount of these relocation payments is adjusted for inflation on March 1st of each year.

Exhibit 3: Relocation Payments for Evictions Under the Ellis Act			
Date of Service of Notice to Terminate Tenancy("Eviction Notice")	Relocation Amount Due Per Tenant	Maximum Relocation Amount Due	PLUS Additional Amount Due for Each Elderly (62 years or older) or Disabled Tenant Per Unit ¹⁶
3/01/13 – 2/28/14	\$5,210.91	\$15,632.69	\$3,473.93

Source: San Francisco Rent Board

CONDOMINIUM CONVERSIONS

Much of the rental housing in San Francisco consists of older buildings comprised of 2 to 4 rental units. Such multi-unit buildings can be purchased by groups of property owners through tenancy-in-common (TIC) interests with the intent to owner-occupy each of the units and convert the units to condominiums through a legal subdivision. Under the City's Subdivision Code, condominium conversions are limited to buildings with no more than six units and subject to the City's lottery that selects 200 units a year.¹⁷ Two-unit buildings wherein both units have been owner-occupied for at least one year may be converted to condominiums without first entering and winning the lottery. Following lottery selection, tenants have a right to purchase a unit at a price established by the owner. Tenants who decline the right to purchase are entitled to remain at their current rent (with allowed increases based on the Consumer Price Index or Rent Control Ordinance) for one year after completion of the condominium conversion. Senior tenants are entitled to lifetime leases and tenants who elect to move within the first 120 days after conversion are entitled to up to \$1,000 in moving expenses.

¹⁵ Disabled as defined under California Government Code 12926.

¹⁶ The age eligibility for relocation payments under the Ellis Act use a different criteria under State law than the age eligibility for relocation payments for standard No-Fault evictions under City law.

¹⁷ For two- to four-unit buildings, at least one unit must be owner-occupied for three years; and for five- or six-unit buildings, at least three units must be owner-occupied for three years.

Buildings are disqualified from condominium conversion if the following has occurred since 1995, (1) two or more evictions from separate units that were not based upon tenant default under the rental contract or other tenant misconduct; or (2) if the eviction involves a protected tenant and the eviction was not based upon tenant default or misconduct. Evictions based on tenant fault, or For Cause evictions, and evictions that occurred before 1995 will not disqualify condominium-conversion applicants.

In June 2013, the San Francisco Board of Supervisors passed the Expedited Conversion Program, a 10-12 year moratorium on the City's condominium conversion lottery.¹⁸ Under the legislation about 2,200 TIC unit owners who are currently on the City's lottery waiting list are allowed to pay a \$20,000 conversion fee (per unit) to convert the TIC into condominiums. The \$20,000 per unit conversion fee would go toward an affordable housing fund and TIC unit owners who have lost the lottery several times will get priority to convert within a seven-year period. It should be noted that that the disqualification rules for condominium conversion under the Expedited Conversion Program are stricter than the existing disqualification rules.

EVICTIONS IN SAN FRANCISCO

As discussed in the Background section of this report, all rental units built before June 13, 1979 are subject to eviction controls which permit a landlord to lawfully evict a tenant from a residential unit based upon one or more of 16 "just causes" enumerated in Section 37.9(a) of the City's Rent Ordinance. The 16 "just cause" reasons are divided in to two general categories, tenant causes or "For Cause" evictions and landlord causes or "No-Fault" evictions. As seen in Exhibit 4 below, For Cause evictions include tenant defaults such as non-payment of rent and other breaches of the rental contract while No-Fault evictions include owner/relative move-in, Ellis Act evictions, and remodeling or demolishing the unit.

The San Francisco Rent Board reports that 28,571 eviction notices were issued between March 1, 1997 and February 28, 2013, as shown in Exhibit 4 below. Of the 28,571 eviction notices, 13,027 were No-Fault evictions and 15,544 were For Cause evictions. The Rent Board's annual eviction reports cover twelve-month periods between March 1st and the last day of February in the following year. Since they don't match the calendar year or the City's fiscal year, these reporting periods will be referred to as "Rent Board Years" in this report.

Of the 13,027 No-Fault evictions, the most common grounds for eviction was owner/relative move-in with 7,926 eviction notices between Rent Board Years 1997 and 2013, or 60.8 percent, of total No-Fault evictions. At 2,893, or 22.2 percent of total No-Fault evictions, Ellis Act eviction notices issued was the second most common type of No-Fault eviction.

¹⁸ The condominium conversion lottery will be suspended for 10-12 years, depending on how many buildings convert under the bypass system and how many new units are constructed with the money generated through bypass fees. When the City's condominium conversion lottery returns, only 2-4 unit buildings permitted to enter and buildings with five or more residential units will not be eligible.

Memo to Supervisor Campos
October 30, 2013

Of the 15,544 For Cause evictions, the most common grounds for eviction between Rent Board Years 1997 and 2003 were breach of agreement, committing a nuisance and non-payment of rent.

More recently, between Rent Board Years 2009 and 2013, many of the same patterns found between Rent Board Years 1997 and 2013 remained in place. The two most common grounds for No-Fault evictions between Rent Board Years 2009 and 2013 were still owner/relative move-in and Ellis Act evictions and, regarding For Cause evictions, breach of agreement, committing a nuisance and non-payment of rent were the leading reasons.

INCREASE IN ELLIS ACT EVICTIONS GREATER THAN FOR ALL OTHER EVICTION TYPES

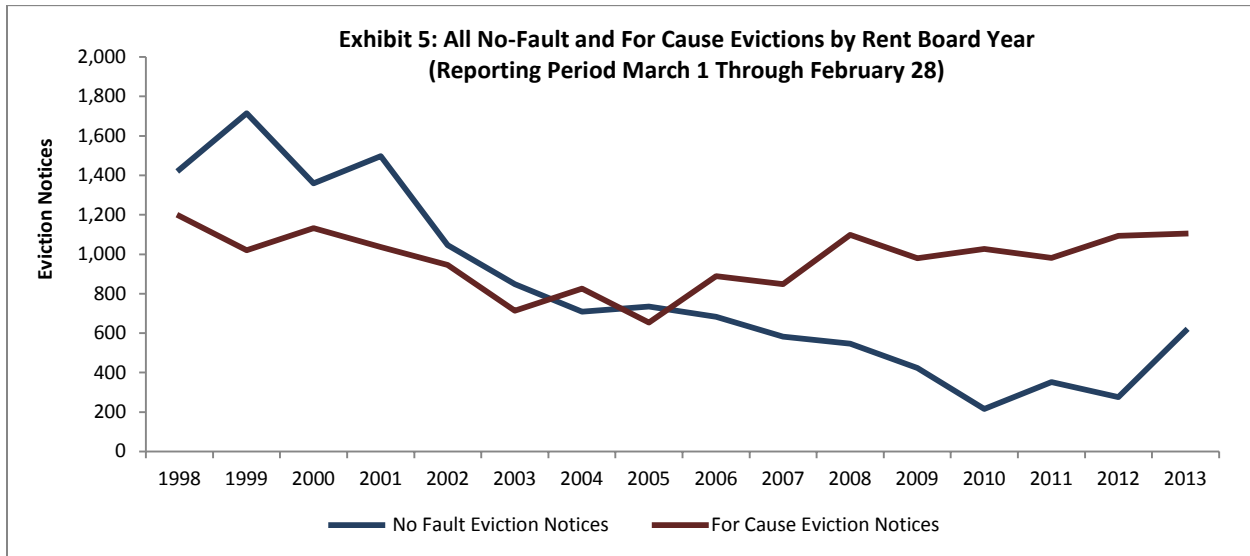
As shown in Exhibit 4, all types of evictions declined in Rent Board Year 2010 compared to prior years, perhaps related to the impact of the economic recession, but have increased every year since then from Rent Board Year 2010 through 2013. Total evictions of all types then increased by 38.2 percent between Rent Board Years 2010 and 2013, but Ellis Act evictions far outpaced this, increasing by 169.8 percent from 43 in Rent Board Years 2010 to 116 in Rent Board Year 2013. This was the largest rate of increase of all types of evictions reported by the Rent Board during that time period.

The Rent Board provided the Budget and Legislative Analyst with Ellis Act eviction data, some unpublished, for the 24 months ending in September 2013. That data shows that Ellis Act evictions for the twelve months ending September 2013 continued to increase beyond the level reported in the annual eviction report for Rent Board Year 2013 as of February 28, 2013. Specifically, the Rent Board reports 162 Ellis Act evictions for the twelve months ending September 2013 compared to 66 for the previous twelve months, an increase of 145.5 percent in just one year.

Exhibit 4: All Eviction Notices by Type and Rent Board Year																			
(Rent Board Year Reporting Period March 1 Through February 28)																			
Grounds for Eviction	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total	Total Percent Change	2010 2013 Percent Change
No Fault Evictions																			
Owner/relative move-in	1,253	1,480	869	1,018	726	516	363	322	259	220	183	159	116	130	127	185	7,926	(85.2%)	59.5%
Ellis Act (withdrawal of unit)	7	144	384	314	148	187	177	282	276	246	252	192	43	61	64	116	2,893	1,557.1%	169.8%
Demolish or remove from housing use	78	47	44	62	113	67	90	76	51	41	46	34	33	30	40	43	895	(44.9%)	30.3%
Capital improvement work	52	29	25	97	44	68	72	46	97	66	60	34	21	19	41	25	796	(51.9%)	19.0%
Development agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	106	-	232	338	-	-
Substantial rehabilitation	37	15	32	5	10	1	3	1	-	5	-	-	-	1	-	-	110	-	-
Condo conversion sale	2	-	6	1	6	9	3	8	-	4	3	3	-	4	3	10	62	400.0%	-
Lead remediation	-	-	-	1	-	-	-	-	-	-	3	1	2	-	-	-	7	-	-
No Fault Subtotal	1,429	1,715	1,360	1,498	1,047	848	708	735	683	582	547	423	215	351	275	611	13,027	(57.2%)	184.2%
For Cause																			
Breach of rental agreement	342	333	319	377	379	231	292	211	294	274	427	357	399	442	561	468	5,706	36.8%	17.3%
Committing a nuisance	277	237	252	276	280	251	291	227	342	285	325	311	287	271	254	352	4,518	27.1%	22.6%
Non-payment of rent	122	146	171	109	108	93	117	91	102	83	128	102	106	96	80	77	1,731	(36.9%)	(27.4%)
Habitual late payment of rent	105	101	93	94	64	75	54	49	59	66	88	83	72	50	53	59	1,165	(43.8%)	(18.1%)
Other or no reason given	208	78	78	107	45	22	35	37	41	50	43	48	74	63	58	67	1,054	(67.8%)	(9.5%)
Unapproved sub-tenant	90	95	180	22	20	10	10	15	14	23	17	18	23	12	26	15	590	(83.3%)	(34.8%)
Illegal use of rental unit	33	16	24	35	39	21	22	22	30	50	40	42	37	20	30	44	505	33.3%	18.9%
Failure to permit landlord access	15	12	11	11	9	10	4	2	7	17	21	16	16	26	25	16	218	6.7%	0.0%
Failure to renew agreement	2	2	4	6	2	-	1	-	-	-	9	2	13	2	7	6	56	200.0%	(53.8%)
Good Samaritan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-
For Cause Subtotal	1,194	1,020	1,132	1,037	946	713	826	654	889	848	1,098	979	1,027	982	1,094	1,105	15,544	(7.5%)	7.6%
TOTAL	2,623	2,735	2,492	2,535	1,993	1,561	1,534	1,389	1,572	1,430	1,645	1,402	1,242	1,333	1,369	1,716	28,571	(34.6%)	38.2%

Source: San Francisco Rent Board

Exhibit 5 below shows that, in 1998, No-Fault eviction notices issued were greater than For Cause eviction notices issued. However, over the sixteen year reporting period, the number of No-Fault evictions have decreased as compared to For Cause evictions, which stayed relatively constant and then increased slightly following a decrease between Rent Board Years 2003 and 2005. No-fault evictions increased in Rent Board Year 2010, mirroring an increase in home prices at that time, as discussed further below in this report.



Source: San Francisco Rent Board

Note: Graph lags the eviction data by two months from Rent Board Year to align with the calendar year rent data.

More recently, between Rent Board Years 2010 and 2013, many of the same patterns found between 1998 and 2013 have remained in place. Though For Cause evictions comprised a greater proportion of total evictions than No-Fault evictions, the most common grounds for evictions remained owner/relative move-in, Ellis Act evictions, and development agreements for No-Fault evictions and breach of agreement, committing a nuisance and non-payment of rent for For Cause evictions.

ELLIS ACT EVICTIONS BY NEIGHBORHOOD

The Rent Board provided the Budget and Legislative Analyst with Ellis Act eviction data by zip code, as presented in Exhibit 6, but the Rent Board dataset is compiled differently than the data in the Rent Board's Annual Eviction Report, which was used elsewhere in this report, and only covers the years between 2001 and 2013. As a result, Ellis Act eviction data by zip code and year may differ slightly from Ellis Act eviction data in Exhibit 4 above based on the Rent Board's annual eviction report.

As seen in Exhibit 6 below, the number of Ellis Act eviction notices varies considerably between the City's neighborhoods as shown for the period between March 1, 2000 through February 28, 2013. Of the 2,376 total Ellis Act eviction notices issued in the City, the largest number, 383, were issued in the Inner Mission (94110 zip code), followed by 262 Ellis Act eviction notices issued in the Castro/Eureka Valley

Memo to Supervisor Campos
October 30, 2013

neighborhood (94114 zip code) and 238 Ellis Eviction notices issued in the Haight-Ashbury/Western Addition (94117 zip code).

As shown in Exhibit 6 below, in the five years, between Rent Board Years 2009 and 2013, 476 Ellis Act evictions were reported by the Rent Board. Consistent with prior years, the Inner Mission, Castro/Eureka Valley, Russian Hill/Polk Gulch, Inner Richmond, the Haight-Ashbury/Western Addition and North Beach neighborhoods were consistently among the neighborhoods with the highest number of evictions. Unlike the total years reported, the Outer Richmond district became the seventh highest neighborhood in numbers of Ellis Act evictions between Rent Board Years 2009 and 2013, as shown in Exhibit 6.

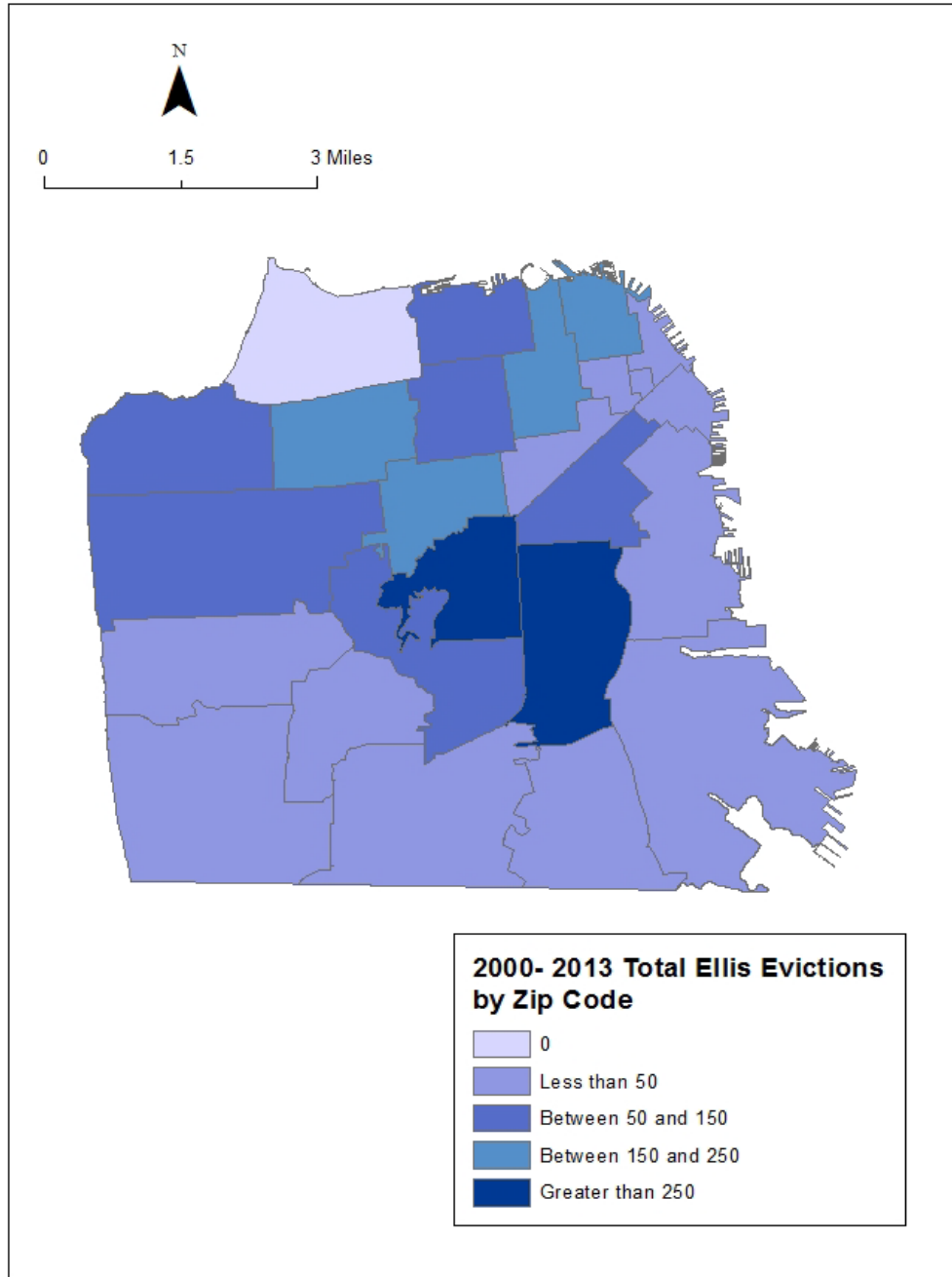
From Rent Board Year 2009 through 2013, no Ellis Act eviction notices were issued in the Mission Bay neighborhood (94158 zip code) and the Financial District (94104 zip code), Rincon Hill (94105 zip code), Telegraph Hill and Waterfront (94111 zip code) and Bayview/Hunter's Point (94124 zip code). The Lake Merced neighborhood (94132 zip code) had only one reported Ellis Act eviction notice issued.

Exhibit 6: Ellis Evictions By Zip Code																
(March 2001 February 2013)																
Zip Code	Neighborhood	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total	2009 13 Total
94102	Tenderloin/Union Square/ Hayes Valley	21	2	-	-	2	3	-	-	8	-	-	-	-	36	8
94103	SOMA	12	4	2	9	27	24	12	10	12	-	-	-	11	123	23
94104	Financial District	-	-	-	1	-	-	-	-	-	-	-	-	-	1	0
94105	Rincon Hill	1	-	-	-	-	-	-	-	-	-	-	-	-	1	0
94107	Potrero Hill/South Beach	15	1	5	-	-	1	-	2	6	2	-	5	1	38	14
94108	Chinatown	9	1	1	-	12	5	-	1	-	-	-	-	2	31	2
94109	Russian Hill/Polk Gulch	10	-	6	6	14	32	31	36	7	3	2	16	18	181	46
94110	Inner Mission	37	29	29	32	62	52	47	24	5	6	13	21	26	383	71
94111	Telegraph Hill/Waterfront	-	1	-	-	-	-	-	-	-	-	-	-	-	1	0
94112	Ingleside/Excelsior	8	1	2	2	-	4	-	2	14	1	5	1	3	43	24
94114	Castro/Eureka Valley	29	9	16	38	36	22	37	32	30	-	1	5	7	262	43
94115	Western Addition	28	5	8	5	13	14	16	2	10	-	8	2	4	115	24
94116	Parkside	5	6	2	2	2	4	1	2	-	1	1	-	-	26	2
94117	Haight-Ashbury/ Western Addition	37	13	34	10	20	38	17	40	22	-	1	2	4	238	29
94118	Inner Richmond	20	23	7	13	21	23	21	28	19	10	-	2	7	194	38
94121	Outer Richmond	20	3	13	9	16	13	7	4	24	8	1	5	3	126	41
94122	Sunset	13	10	5	9	10	9	12	18	10	1	4	1	12	114	28
94123	Marina/Cow Hollow	9	6	50	10	27	-	6	-	-	-	5	1	4	118	10
94124	Bayview/Hunter's Point	1	2	-	-	4	-	4	2	-	-	-	-	-	13	0
94127	Miraloma/Sunnyside	1	-	-	3	2	1	-	-	-	-	1	1	-	9	2
94129	Presidio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
94130	Treasure Island	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
94131	Twin Peaks/Glen Park	7	6	4	7	-	14	1	8	10	7	10	1	1	76	29
94132	Lake Merced	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
94133	North Beach	34	22	5	23	22	17	30	36	14	4	8	-	11	226	37
94134	Visitation Valley/ Portola	1	4	-	-	-	-	-	1	-	-	-	1	1	8	2
94158	Mission Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
	Blank	-	-	2	-	-	-	4	4	1	-	1	-	-	12	2
	Citywide Total	318	148	191	179	290	276	246	252	192	43	61	64	116	2,376	476

Source: San Francisco Rent Board

The map in Exhibit 7 below illustrates the data discussed and shown above.

**Exhibit 7: Map of Total Ellis Evictions by Zip Code
(Reporting Period March 1, 2000 through February 28, 2013)**



Source: San Francisco Rent Board

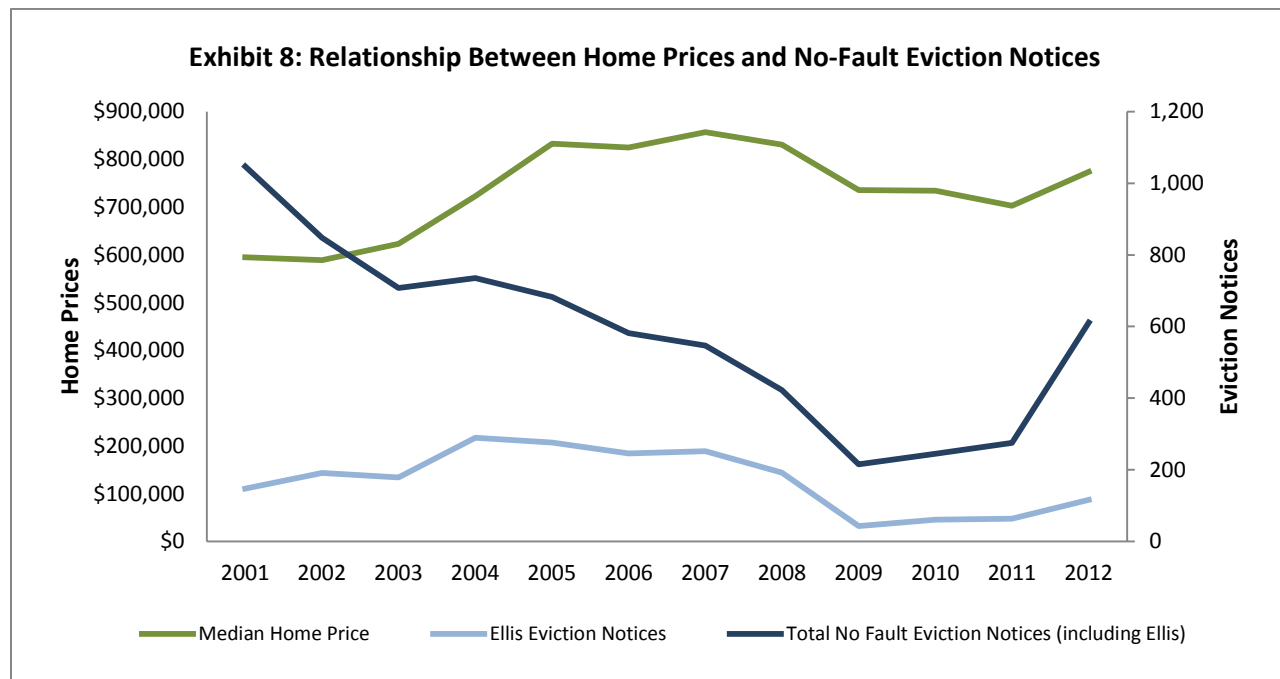
The Budget and Legislative Analyst prepared demographic profiles of the six neighborhoods that experienced the most Ellis Act evictions between Rent Board Years 2009 and 2013, which are included in Appendix A to this report. Other characteristics, such as changes in assessed value of the properties,

changes in home prices, rents and percentage of rent-burdened households by neighborhood are provided in subsequent sections of this report.

A review of the profiles and characteristics of the seven neighborhoods did not find common demographic characteristics across all the neighborhoods that might explain their higher rates of Ellis Act and/or other evictions other than higher proportions of renters in each neighborhood compared to the Citywide average. However, as discussed further below, five of the seven neighborhoods experienced increases in home sales prices greater than the 21.9 percent Citywide average rate between 2009 and 2013. More detail on changes in property values, assessed values and home prices is provided in subsequent sections of this report.

As shown in Exhibit 8 below, historically Citywide home prices and Ellis Act eviction notices issued follow the same pattern. However, when all No-Fault eviction notices, which include Ellis Act eviction notices, are considered, there does not appear to be a relationship between home prices and all No-Fault evictions notices issued from the time period of 2001 through 2012.

The Budget and Legislative Analyst notes that, unlike the previous exhibits reporting eviction information for the reporting period of March 1 through February 28 (“Rent Board Year”), Exhibit 14 below lags the eviction data by two months to align with the calendar year home value data.



Source(s): San Francisco Rent Board and Zillow.com

NO-FAULT EVICTIONS BY NEIGHBORHOOD

As with the Ellis Act evictions by neighborhood analysis above, total No-Fault eviction data may differ slightly due to different sources of information used by the Rent Board.

Memo to Supervisor Campos
October 30, 2013

As seen in Exhibit 9 below, the number of all No-Fault eviction notices (which includes Ellis Act evictions) varies considerably by City neighborhood, as reported by the Rent Board from March 1, 2000 through February 28, 2013. Of the 8,560 total No-Fault eviction notices issued in the City during that period, the greatest numbers were issued in the Inner Mission (94110 zip code), with 1,222 notices, the Sunset District (94112 zip code), with 682 No-Fault notices, and the Castro/Eureka Valley neighborhood (94114 zip code), with 678 notices. The Inner Mission and South of Market (94103 zip code) had the greatest number of No-Fault evictions just between Rent Board Years 2009 and 2013.

There were zero No-Fault eviction notices issued in the Mission Bay neighborhood in the 94158 zip code. The zip code of 94104 (Financial District neighborhood) only reported two No-Fault evictions. Five No-Fault evictions were reported in the Telegraph Hill and Waterfront neighborhoods (94111 zip code). It should be noted that the zip codes of 94129 and 94130 that include the Presidio and Treasure Island, respectively, did not report any No-Fault evictions. The Budget and Legislative Analyst assumes that is due to few if any rental properties existing prior to June 13, 1979 in either zip code.

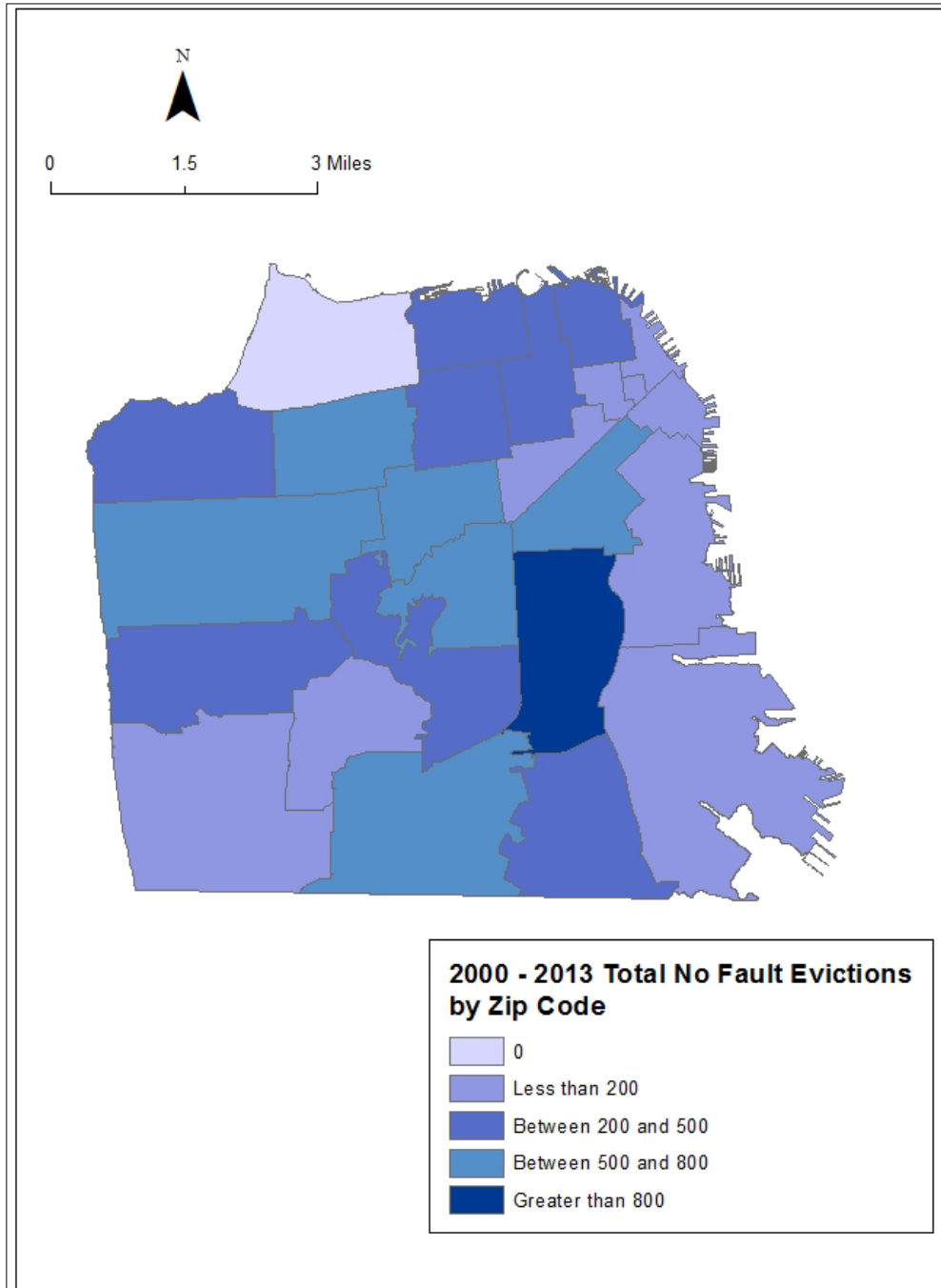
Memo to Supervisor Campos
 October 30, 2013

Exhibit 9: All No Fault Evictions by Zip Code																
Zip Code	Neighborhood	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total	2009 13 Total
94102	Tenderloin/Union Square/ Hayes Valley	62	19	4	38	8	8	4	6	11	3	5	1	6	175	26
94103	SOMA	37	27	18	18	36	34	20	19	20	3	108	7	246	593	384
94104	Financial District	0	0	0	1	1	0	0	0	0	0	0	0	0	2	0
94105	Rincon Hill	2	0	1	1	2	1	0	0	0	0	0	1	0	8	1
94107	Potrero Hill/South Beach	48	15	21	15	9	12	7	4	10	7	5	14	12	179	48
94108	Chinatown	24	11	3	2	15	6	2	2	7	0	3	0	3	78	13
94109	Russian Hill/Polk Gulch	62	33	18	14	30	49	57	59	16	11	8	24	34	415	93
94110	Inner Mission	191	125	122	109	146	134	94	68	33	37	49	52	62	1222	233
94111	Telegraph Hill/Waterfront	1	2	0	0	0	0	2	0	0	0	0	0	0	5	0
94112	Ingleside/Excelsior	129	93	66	49	29	36	20	24	39	13	18	21	18	555	109
94114	Castro/Eureka Valley	95	73	69	80	71	50	74	59	44	8	16	17	22	678	107
94115	Western Addition	76	38	33	24	41	26	32	13	21	4	15	11	18	352	69
94116	Parkside	73	37	32	27	20	22	18	11	7	9	14	9	12	291	51
94117	Haight-Ashbury/Western Addition	104	50	95	47	59	67	39	69	41	22	20	11	27	651	121
94118	Inner Richmond	105	106	64	40	39	46	46	43	41	18	6	8	25	587	98
94121	Outer Richmond	86	66	55	35	54	43	31	19	49	16	9	14	16	493	104
94122	Sunset	123	139	71	55	39	47	42	49	26	23	11	18	39	682	117
94123	Marina/Cow Hollow	37	29	67	33	50	8	17	13	5	11	13	11	17	311	57
94124	Bayview/Hunter's Point	37	37	22	17	13	2	11	5	2	1	6	4	8	165	21
94127	Miraloma/Sunnyside	15	7	10	13	5	7	6	5	6	2	4	4	3	87	19
94129	Presidio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
94130	Treasure Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
94131	Twin Peaks/Glen Park	52	32	28	22	12	26	7	20	17	13	17	11	5	262	63
94132	Lake Merced	16	9	6	5	10	9	2	3	2	1	0	2	6	71	11
94133	North Beach	74	44	24	40	35	31	41	42	22	8	20	29	24	434	103
94134	Visitacion Valley/Portola	57	55	28	18	21	18	8	7	4	4	3	5	8	236	24
94158	Mission Bay	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Blank	Miscellaneous	0	3	5	5	1	1	4	6	1	1	1	0	0	28	3
Citywide Total		1,506	1,050	862	708	746	683	584	546	424	215	351	274	611	8,560	1,875

Source: City and County of San Francisco Rent Board

The map in Exhibit 10 below illustrates the date discussed and shown above.

**Exhibit 10: Map of Total No-Fault Evictions
(Reporting Period March 1, 2000 through February 28, 2013)**



Source: San Francisco Rent Board

FOR CAUSE EVICTIONS BY NEIGHBORHOOD

As with the Ellis Act evictions and total No-Fault evictions by zip code analysis above, For Cause eviction data may differ slightly due to different sources provided by the Rent Board. The Budget and Legislative Analyst notes that the differences are slight.

As seen in Exhibit 11 below, the number of For Cause eviction notices varies considerably between the City's zip codes as reported from March 1, 2000 through February 28, 2013 by the Rent Board. Of the 10,636 total For Cause eviction notices issued in the City during that time period, 1,197 were issued in the 94102 zip code, which includes the Tenderloin, Union Square, and Hayes Valley neighborhoods. There were a high number of For Cause evictions in two neighborhoods that also experienced high numbers of Ellis Act and No-Fault evictions between Rent Board Years 2001 and 2013: the Inner Mission (94110 zip code) with 1,146 No-Fault evictions and the Russian Hill/Polk Gulch neighborhoods (94109 zip code) with 1,095.

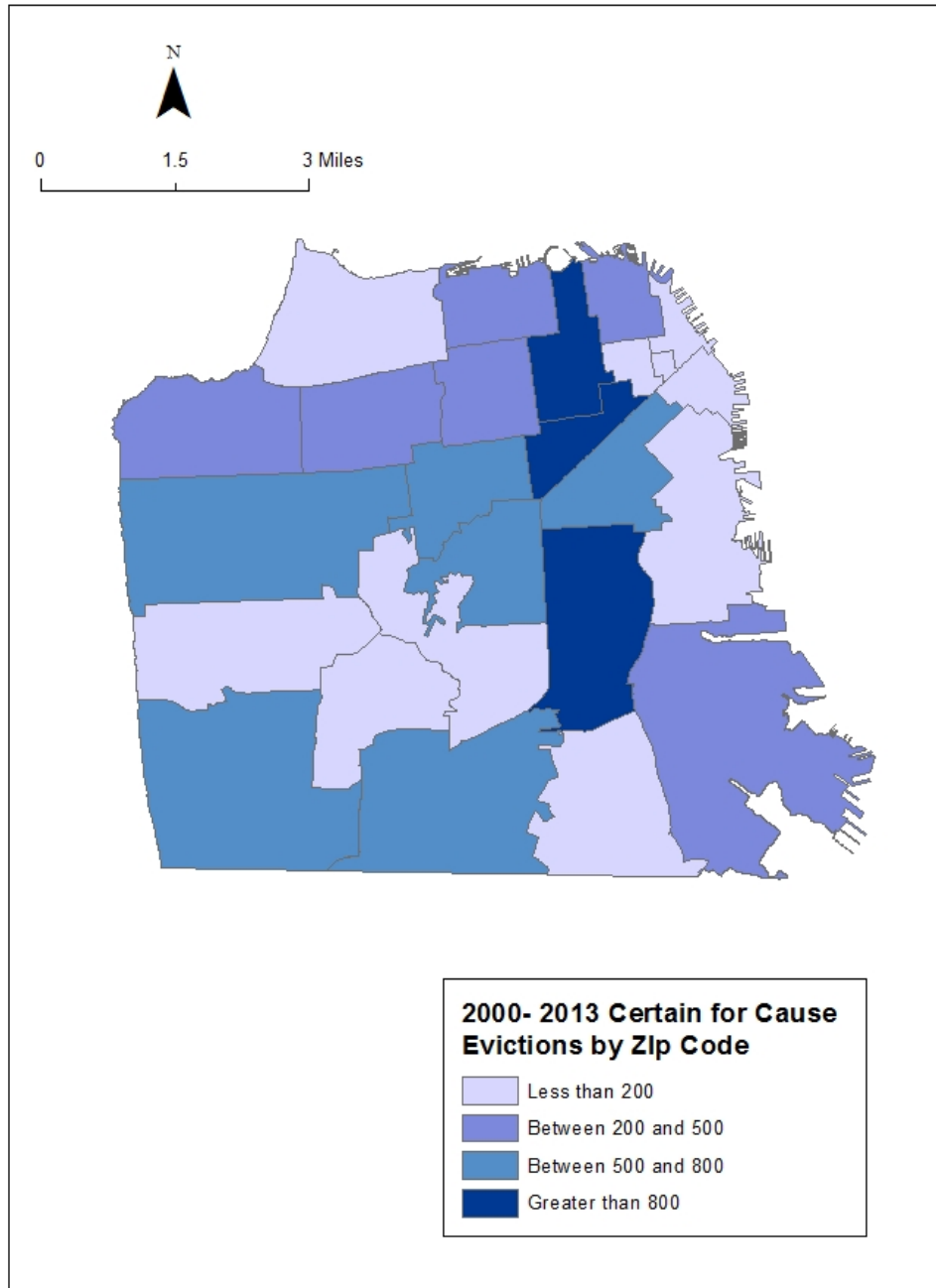
More recently between Rent Board Years 2009 and 2013, as shown in Exhibit 11, the highest number of For Cause evictions were in the Inner Mission (94110 zip code) with 440, the Tenderloin, Union Square and Hayes Valley neighborhoods (94102 zip code), with 405 For Cause evictions, and Russian Hill/Polk Gulch (94109 zip code) with 385 For Cause evictions. Both the Inner Mission and Russian Hill/Polk Gulch also had the highest number of Ellis Act evictions during the same time period.

There was only one For Cause eviction notice issued in the Mission Bay neighborhood(94158 zip code). The Presidio neighborhood (94129 zip code) only reported seven For Cause eviction notices and the Financial District neighborhood (94104 zip code) only reported 11 For Cause eviction notices.

Exhibit 11: Certain For Cause Evictions by Zip Code																
Includes: Breach of Lease, Habitual Late Payment of Rent, Non Payment of Rent, and Nuisance																
Zip Code	Neighborhood	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total	2009 13 Total
94102	Tenderloin/Union Square/ Hayes Valley	54	62	64	143	69	191	76	133	97	114	98	45	51	1,197	405
94103	SOMA	72	62	53	54	45	70	63	73	75	63	35	49	66	780	288
94104	Financial District	-	1	2	1	-	-	-	4	1	-	2	-	-	11	0
94105	Rincon Hill	-	-	2	1	-	3	1	-	4	8	-	2	1	22	15
94107	Potrero Hill/South Beach	13	12	10	10	8	9	6	11	9	19	17	7	16	147	68
94108	Chinatown	21	20	10	16	7	13	18	18	14	8	8	14	20	187	64
94109	Russian Hill/Polk Gulch	121	84	93	87	62	96	79	88	79	56	60	80	110	1,095	385
94110	Inner Mission	100	124	77	81	80	88	68	88	105	83	70	86	96	1,146	440
94111	Telegraph Hill/Waterfront	3	1	1	1	1	2	2	-	1	2	4	4	12	34	0
94112	Ingleside/Excelsior	42	53	35	42	35	26	44	66	58	76	36	41	35	589	246
94114	Castro/Eureka Valley	37	43	35	36	30	47	55	24	40	43	37	34	42	503	196
94115	Western Addition	36	42	43	22	18	23	26	30	25	47	17	26	45	400	160
94116	Parkside	20	15	14	17	15	10	7	25	28	15	13	20	22	221	98
94117	Haight-Ashbury/Western Addition	65	55	40	64	35	51	53	74	72	37	46	62	45	699	262
94118	Inner Richmond	37	39	19	20	16	21	19	58	28	16	20	30	53	376	147
94121	Outer Richmond	35	39	24	22	24	17	29	35	46	30	27	33	47	408	183
94122	Sunset	26	36	35	23	25	22	36	62	50	70	43	30	63	521	256
94123	Marina/Cow Hollow	44	18	18	17	19	17	14	41	14	12	36	35	40	325	137
94124	Bayview/Hunter's Point	26	24	18	22	10	12	20	26	31	30	35	30	28	312	154
94127	Miraloma/Sunnyside	3	7	5	7	3	10	11	3	8	3	3	9	13	85	36
94129	Presidio	-	4	2	-	-	-	-	1	-	-	-	-	-	7	0
94130	Treasure Island	-	-	-	9	28	8	3	4	1	20	2	-	-	75	0
94131	Twin Peaks/Glen Park	16	15	13	14	10	5	15	32	18	37	23	43	11	252	132
94132	Lake Merced	24	23	4	7	17	28	25	10	13	30	176	222	49	628	490
94133	North Beach	32	27	24	24	14	18	25	37	23	16	26	33	54	353	152
94134	Visitation Valley/Portola	19	24	12	8	9	9	15	26	13	29	25	13	34	236	114
94158	Mission Bay	-	-	-	-	-	-	-	-	-	-	-	1	-	1	0
Blank	Miscellaneous	8	3	1	6	2	1	-	-	-	-	-	2	3	26	5
Citywide Total		854	833	654	754	582	797	710	969	853	864	859	951	956	10,636	3,630

Source: City and County of San Francisco Rent Board

Exhibit 12: Map of Certain For-Cause Evictions
Includes: Breach of Lease, Habitual Late Payment of Rent, Non-Payment of Rent, and Nuisance
(Reporting Period March 1, 2000 through February 28, 2013)



The Budget and Legislative Analyst notes that the eviction data presented only reflects evictions notices filed with the San Francisco Rent Board and that this may not capture the total number of evictions that have occurred in San Francisco. A copy of all eviction notices except for three-day notices to vacate or pay are required by law to be filed with the San Francisco Rent Board when they involve rent-controlled units. There is no similar requirement to file eviction notices with the Rent Board for exempt units. San Francisco Superior Court adjudicates eviction actions (in the form of an Unlawful Detainer lawsuit) for both covered and exempt units.

PEOPLE EVICTED

The Rent Board does not collect demographic information about households that have been evicted. In an attempt to obtain such information, the Budget and Legislative Analyst surveyed seven community-based organizations that provide eviction-related services. Of the seven surveyed community-based organizations, four provided responses. The seven surveyed community-based organizations were:

1. AIDS Housing Alliance
2. Causa Justa :: Just Cause
3. Chinatown Community Development Center
4. Eviction Defense Collaborative
5. Housing Rights Committee of San Francisco
6. San Francisco Tenants Union
7. Tenderloin Housing Clinic

The four respondent community-based organizations reported serving a total of 2,916 clients in 2012 who had been affected by all types evictions tracked by the Rent Board. Through October 2013, the respondent community-based organizations reported serving 2,242 clients. . The Budget and Legislative Analyst's survey requested demographic information about the organizations' eviction clients including age, race, ethnicity, income level, and disability status. The survey responses included demographics for 2,208 of the total 2,916 clients served who had been affected by evictions in 2012. One of the respondent community-based organizations was able to provide eviction data but not client demographics.

According to the survey responses, out of 2,208 eviction clients, 12.7 percent were age 62 years or older and 87.3 percent were between the ages of 19 to 61 years old. Additionally, the survey responses reported that 921, or 41.7 percent, of the clients served who had been affected by an eviction were disabled.

Of the 2,208 clients served by the surveyed community-based organizations: 704, or 31.9 percent, were reported to be White; 625, or 28.3%, were reported Black/African American; 196, or 8.9 percent, were reported to be Asian, and 359, or 16.3 percent, were reported as Latino (reported as a separate category

and not as a subset similar to the U.S. Census data). According to the survey responses, 49.3 percent of the 2,208 clients had incomes below federal poverty guidelines.

According to the survey responses, the most common reason for eviction was non-payment or habitual late payment of rent, covering 66.7 percent of the reported evictions. This is notable because, according to Rent Board staff, this type of eviction is underreported to the Rent Board.

The second most common grounds for eviction was for breach of contract. As discussed in other parts of this report, breach of contract can include a wide variety of violations but all of the respondent community-based organizations reported subletting to be the most common reason for breach of contract evictions. Other reasons given included for a breach of contract evictions include: pets, improper recertification for subsidized housing, unauthorized guests, illegal occupation of parts of the premises, and criminal activity.

SAN FRANCISCO PROPERTY VALUES

REAL PROPERTY ASSESSMENT ROLL GROWTH

According to the San Francisco Assessor-Recorder's Office, increases in San Francisco's assessment rolls beyond the State allowed maximum growth rate in property values of two percent per year are driven by changes in ownership of existing properties and reassessments due to new construction. Property values in San Francisco have increased significantly between 1992 and 2012. As shown in Exhibit 13, the total assessed value of all taxable real property increased significantly from \$52.2 billion in Fiscal Year (FY) 1991-92 to \$168.9 billion in FY 2012, a 223.4 percent increase. Between FY 1991-92 and FY 2001-02, San Francisco real property values increased by 70.1 percent, from \$52.2 billion to \$88.9 billion. This rate of increase was exceeded in the subsequent ten year span between FY 2001-02 and FY 2011-12, when property values increased by 90.1 percent from \$88.9 billion to \$168.9 billion.

Exhibit 13: Assessed Value of all San Francisco Real Property				
	FY 1991-92	FY 2001-02	FY 2011-2012	Percent Change
Assessed Value (000s)	52,235,521	88,866,299	168,914,782	223.4%
Ten Year Percent Change		70.1%	90.1%	

Source: Comprehensive Annual Financial Report, City and County of San Francisco, for each fiscal year shown.

Exhibit 14 below includes all real property in the City, by neighborhood, which includes residential, commercial, industrial and other types of property. As seen in Exhibit 14, the total assessed value for all real property in the City was \$164,921,651,607¹⁹ in FY 2012-13, which is 15.9 percent or \$22,671,629,659 more than the total assessed value in FY 2008-09. The neighborhoods shown in Exhibit

¹⁹ This amount varies from the \$168,914,782,000 reported in the City's FY 2012 Comprehensive Annual Financial Report as the two amounts were calculated at different times and for different purposes.

14 have been defined by the Assessor-Recorder's Office for their reporting purposes and do not exactly match neighborhoods defined by zip code as presented in other tables in this report. The distribution of this information by neighborhood is only available from the Assessor-Recorder's Office since FY 2008-09.

Overall assessed value growth varies across neighborhood throughout the City. The neighborhood with the largest total assessed value in FY 2012-13 was South of Market, which increased more in dollar value than any other neighborhood from \$14,422,342,330 in FY 2008-09 to \$17,035,852,040 in FY 2012-13, an 18.1 percent increase. The relatively new Mission Bay neighborhood increased in assessed value by \$1,768,570,620 from \$4,070,566,921 in FY 2008-09 to \$5,839,137,541 in FY 2012-13, which is a 43.4 percent increase and the largest percentage increase of any neighborhood over that time period.

Two neighborhoods, Outer Parkside and Westwood Highlands, decreased in total assessed value by 3.0 percent and 17.6 percent, respectively. The Budget and Legislative Analyst notes that in both cases, each primarily residential neighborhood decreased in assessed value from FY 2008-09 to FY 2009-10, as did seven other neighborhoods. Both Outer Parkside and Westwood Highlands have been increasing steadily since the FY 2009-10 trough, with Outer Parkside growing by 9.3 percent from FY 2009-10 to FY 2012-13 and Westwood Highlands growing by 10.3 percent over the same time period.

Exhibit 14: Real Property Assessment Roll Growth By Neighborhoods
FY 2008 09 Through FY 2012 13

Neighborhood	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Growth Rate
SOMA	\$14,422,342,330	\$15,521,431,603	\$15,726,310,867	\$16,385,595,496	\$17,035,852,040	18.1%
Financial District	11,818,405,728	12,537,534,866	12,505,527,261	12,573,896,281	12,848,259,080	8.7%
Downtown Tenderloin	8,049,851,813	8,382,821,115	8,554,769,744	8,746,893,371	9,103,925,890	13.1%
Pacific Heights	6,929,797,430	7,038,817,697	7,238,720,612	7,680,617,571	8,180,606,739	18.0%
South Beach	5,991,142,043	7,045,829,579	6,494,427,202	6,694,194,536	6,890,587,690	15.0%
Mission Bay	4,070,566,921	4,945,655,471	4,956,429,792	5,421,703,659	5,839,137,541	43.4%
Inner Mission	3,976,510,898	4,086,580,044	4,226,286,794	4,501,804,945	4,827,526,159	21.4%
Noe Valley	3,545,696,140	3,669,938,778	3,813,073,533	3,997,032,894	4,248,534,839	19.8%
Russian Hill	3,553,112,809	3,650,489,225	3,765,323,446	3,917,714,576	4,113,503,179	15.8%
Potrero Hill	2,724,352,350	2,863,320,648	2,976,460,984	3,226,149,278	3,411,327,995	25.2%
Eureka Valley	2,659,049,017	2,748,364,506	2,835,828,482	3,016,383,968	3,192,241,325	20.1%
Van Ness/Civic Center	2,582,653,926	2,626,235,909	2,749,867,957	2,841,303,667	3,013,253,211	16.7%
Marina	2,637,903,895	2,684,174,438	2,744,399,549	2,873,165,356	3,008,240,435	14.0%
Central Richmond	2,533,531,542	2,612,727,204	2,670,356,776	2,773,235,439	2,888,991,541	14.0%
Nob Hill	2,336,722,939	2,439,398,572	2,486,864,476	2,619,928,629	2,767,639,696	18.4%
Central Sunset	2,428,219,716	2,490,566,375	2,544,001,600	2,634,937,557	2,742,754,773	13.0%
Cow Hollow	2,304,054,689	2,378,603,168	2,436,219,785	2,591,224,035	2,741,565,638	19.0%
Presidio Heights	2,083,954,880	2,127,508,965	2,213,329,474	2,320,847,471	2,500,392,472	20.0%
Lower Pacific Heights	2,086,012,851	2,119,015,619	2,153,979,822	2,260,502,596	2,385,242,242	14.3%
Parkside	1,861,967,320	2,138,570,269	2,180,219,596	2,272,310,835	2,353,398,899	26.4%
Inner Sunset	1,962,220,242	2,001,109,073	2,043,638,309	2,145,045,466	2,258,118,625	15.1%
Inner Richmond	1,922,110,055	1,975,325,982	2,030,319,755	2,112,274,782	2,195,382,471	14.2%
Outer Richmond	1,897,994,344	1,948,482,680	2,012,308,599	2,086,282,945	2,182,240,061	15.0%
Bayview	1,780,124,500	1,800,363,210	1,903,826,984	1,998,971,800	2,059,528,681	15.7%
Excelsior	1,680,239,365	1,685,183,140	1,738,275,837	1,755,957,438	1,834,530,095	9.2%
Haight-Ashbury	1,463,128,426	1,530,993,101	1,585,722,771	1,642,072,571	1,733,251,448	18.5%
Outer Sunset	1,568,039,134	1,594,686,438	1,625,676,109	1,659,922,481	1,732,995,616	10.5%
Bernal Heights South	1,445,948,945	1,512,681,675	1,562,178,559	1,626,210,426	1,725,985,144	19.4%
Outer Parkside	1,737,066,333	1,541,645,913	1,583,804,184	1,638,606,274	1,684,271,876	-3.0%
North Waterfront	1,397,728,231	1,483,601,662	1,533,191,299	1,571,993,842	1,646,537,496	17.8%
Hayes Valley	1,377,949,226	1,418,102,724	1,470,631,216	1,498,827,272	1,598,007,922	16.0%
North Panhandle	1,343,541,206	1,412,068,668	1,445,621,283	1,507,597,433	1,589,034,375	18.3%
Richmond Lake	1,387,545,401	1,405,269,374	1,440,822,060	1,493,609,371	1,568,547,597	13.0%
Telegraph Hill	1,315,005,858	1,362,642,280	1,398,556,219	1,456,124,208	1,513,234,692	15.1%
Glen Park	1,217,136,068	1,254,185,750	1,292,839,770	1,345,473,724	1,410,913,343	15.9%
Stonestown	1,322,560,208	1,320,736,642	1,338,235,339	1,362,108,552	1,399,330,316	5.8%
Mission Dolores	1,183,634,721	1,213,501,858	1,255,471,243	1,312,721,353	1,376,847,262	16.3%
Parnassus Heights	1,149,797,984	1,178,281,303	1,231,337,345	1,298,156,540	1,361,384,180	18.4%
Portola	1,179,121,589	1,190,564,987	1,234,312,032	1,269,167,762	1,318,112,474	11.8%
Bernal Heights	1,115,638,098	1,131,418,989	1,164,003,204	1,222,650,548	1,278,140,804	14.6%
Visitation Valley	1,036,634,762	1,036,229,557	1,050,592,094	1,080,716,464	1,123,781,731	8.4%
Lone Mountain	865,708,646	889,560,194	914,211,431	1,032,459,805	1,082,151,159	25.0%
Miraloma Park	795,713,761	904,311,710	916,336,586	957,698,201	998,528,445	25.5%

Exhibit 14: Real Property Assessment Roll Growth By Neighborhoods (Continued)

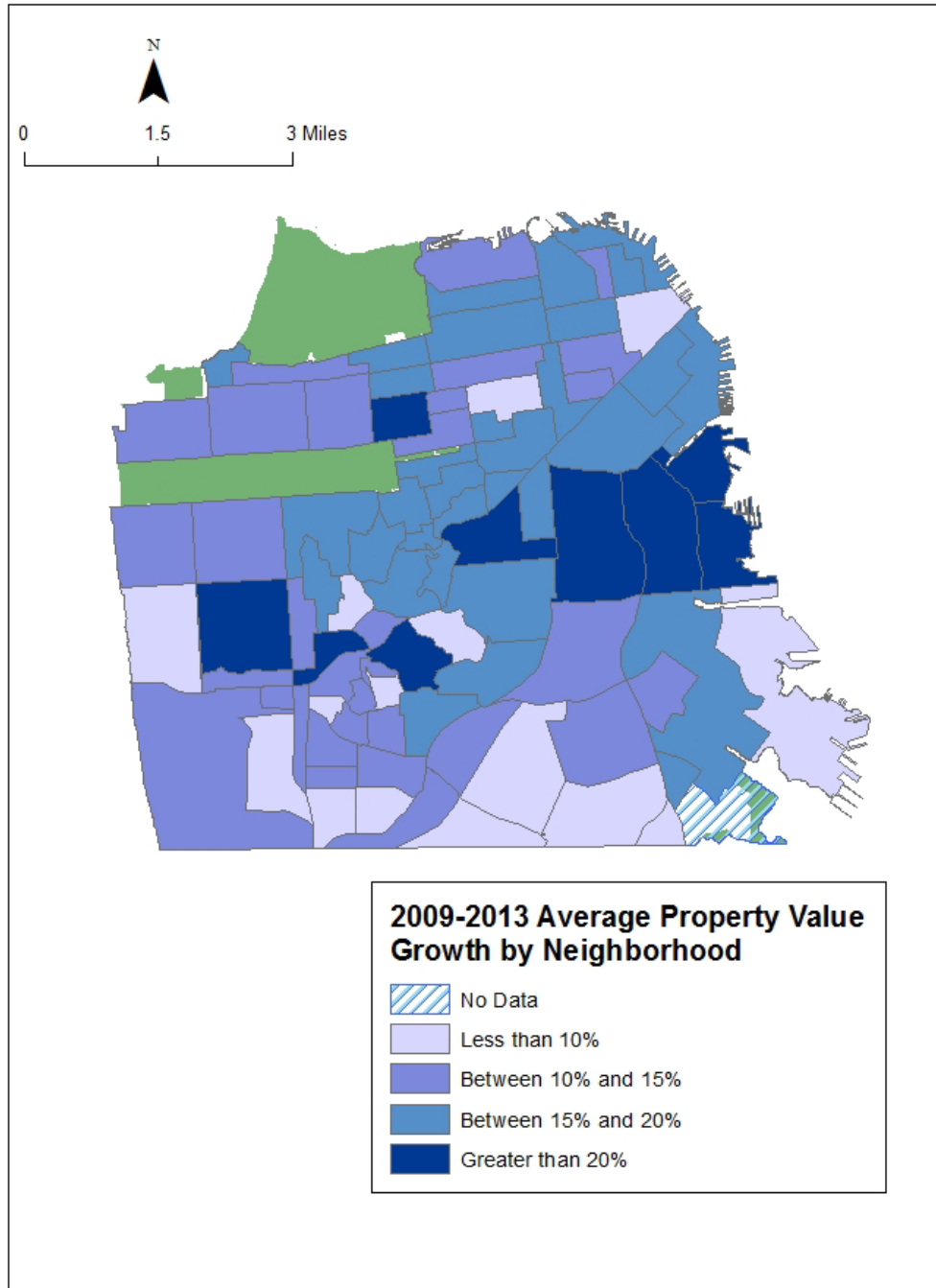
FY 2008 09 Through FY 2012 13

Neighborhood	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total Growth Rate
Crocker Amazon	\$899,784,103	\$901,701,114	\$921,167,612	\$948,758,524	\$979,157,371	8.8%
Western Addition	907,376,011	906,613,189	908,645,791	949,324,564	974,496,827	7.4%
Mission Terrace	825,576,648	843,737,486	863,179,343	907,571,777	938,144,516	13.6%
Sea Cliff	787,188,247	806,585,169	840,550,929	876,443,175	934,665,467	18.7%
Jordan Park/Laurel Heights	753,797,345	768,873,592	785,906,875	823,450,498	878,483,204	16.5%
Outer Mission	794,831,535	807,762,114	810,320,796	856,104,654	878,152,075	10.5%
Sunnyside	748,585,564	762,955,680	772,690,647	845,769,070	871,865,821	16.5%
Corona Heights	679,037,994	697,768,972	710,169,633	738,296,548	784,283,782	15.5%
Diamond Heights	711,328,248	714,261,467	727,224,535	751,245,230	778,593,177	9.5%
Lakeshore	654,497,369	680,106,815	691,038,058	730,325,407	749,568,821	14.5%
Forest Hill	706,773,790	695,249,223	710,053,128	735,994,187	748,818,524	5.9%
Hunters Point	686,069,420	688,658,101	692,835,219	686,918,603	731,893,689	6.7%
Inner Parkside	629,051,721	640,785,150	657,340,554	690,151,060	713,569,494	13.4%
North Beach	621,729,726	630,051,631	631,418,617	660,469,666	711,951,821	14.5%
Golden Gate Heights	583,142,642	599,135,572	615,470,940	641,755,472	674,311,963	15.6%
West Portal	533,221,852	588,219,748	605,987,110	637,235,319	658,939,345	23.6%
Silver Terrace	576,219,603	594,198,477	603,288,878	618,629,490	646,486,866	12.2%
Buena Vista	545,399,383	556,832,591	578,975,485	598,250,174	640,098,388	17.4%
Duboce Triangle	534,671,048	559,791,423	582,017,139	616,331,749	637,139,186	19.2%
Ingleside	557,637,712	573,893,194	578,637,943	605,260,413	635,507,157	14.0%
Ingleside Heights	579,965,562	590,571,902	588,485,489	594,548,715	604,718,645	4.3%
St. Francis Woods	523,922,112	532,225,773	543,420,482	562,493,475	592,691,263	13.1%
Alamo Square	474,320,920	489,955,919	505,177,908	525,132,244	552,413,663	16.5%
Clarendon Heights	460,136,920	467,816,659	488,650,207	517,132,479	546,929,457	18.9%
Ocean View	475,667,411	487,217,622	478,583,148	498,719,253	514,160,738	8.1%
Twin Peaks	435,417,729	434,164,381	445,059,433	468,581,303	509,362,845	17.0%
Anza Vista	444,387,398	458,424,814	467,205,476	479,138,312	506,934,456	14.1%
Bayview Heights	401,013,925	405,454,172	403,157,512	438,960,069	467,974,481	16.7%
Midtown Terrace	365,643,689	372,609,086	386,997,593	398,923,716	424,958,463	16.2%
Ingleside Terrace	350,611,758	355,276,630	362,602,879	374,838,541	396,576,931	13.1%
Forest Hill Extension	349,790,702	350,689,388	358,317,629	373,516,698	393,370,652	12.5%
Mount Davidson Manor	351,716,371	356,301,342	362,216,856	370,911,958	387,568,737	10.2%
Forest Knolls	303,804,511	313,206,658	323,218,323	339,545,807	355,555,882	17.0%
Lakeside	298,431,554	302,526,061	311,236,076	328,772,692	339,691,023	13.8%
Merced Heights	281,455,552	289,044,840	285,632,417	309,002,851	321,253,649	14.1%
Westwood Highlands	363,308,327	271,479,096	279,482,159	289,068,386	299,405,826	-17.6%
Westwood Park	252,896,510	252,163,217	254,404,722	270,906,093	280,177,032	10.8%
Monterey Heights	228,413,877	231,264,717	233,878,187	239,980,348	254,455,642	11.4%
Sherwood Forest	198,318,984	201,520,202	203,657,135	209,224,684	219,175,420	10.5%
Merced Manor	186,281,397	187,334,403	190,626,956	204,980,160	210,328,670	12.9%
Pine Lake	184,800,290	182,737,406	189,424,942	201,913,841	208,652,792	12.9%
Balboa Terrace	188,926,719	189,491,956	195,533,668	198,930,859	205,330,649	8.7%
Non-Attributed	74,433,429	766,429	2,996,822	1,846,463	0	n/a
Citywide Total	\$142,250,021,948	\$148,637,954,342	\$151,191,195,231	\$157,539,445,945	\$164,921,651,607	15.9%

Source: San Francisco Assessor-Recorder

The map in Exhibit 15 below illustrates the same information as discussed and shown above.

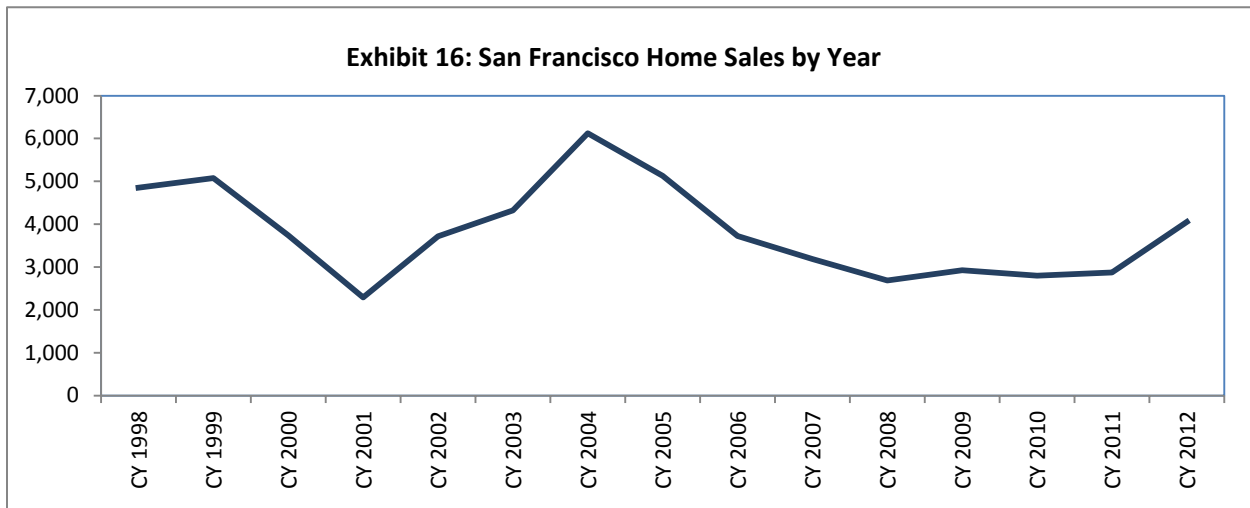
**Exhibit 15: Map of Real Property Assessment Roll Growth by Neighborhood
FY 2008-09 through FY 2012-13**



Source: San Francisco Assessor-Recorder

HOME PRICES

Exhibit 16 below includes data from Zillow.com and shows the number of transactions for all home sales in San Francisco from calendar year 2000 through 2012. As shown in Exhibit 16, the number of homes sold declined by 55 percent from 1999 through 2001, a period generally recognized as the “dotcom bust”. From 2001 through 2004 the number of transaction increased by 167.5 percent until 2004-2008 when the number of home sales decreased by 56.2 percent. Beginning in 2008, the San Francisco housing market was somewhat stagnant until 2012 when the number of home sales increased by 40.9 percent in one year.



Source: Zillow.com

Exhibit 17 below shows market home value data collected and reported by Zillow.com. The data in Exhibit 17 reflect the estimated median home value by zip code from calendar year 2000 through June 2013. Zillow data differ from the previously reported assessed value data produced by the Assessor-Recorder’s Office. Both data sets address the value of property in the City but are used for different purposes. The assessed value of property is primarily used to calculate owed property taxes. The State of California limits the amount that a specific property can increase in assessed value in any year. Limiting the amount of growth for assessed value prevents significant increases in property taxes during those years when the property market is particularly active.

The Zillow data are based on the price of recently sold residential properties, which is usually higher than the assessed value of the property. The Zillow data are more reflective of what a residential property owner could expect to receive for a home sold under current market conditions.

As shown in Exhibit 17, the median home value in the City increased by 52.9 percent over the period from 2000 through 2013 from a median of \$587,020 in 2000 to a median value of \$897,338 in 2013. This same 52.9 percent rate of increase is also the approximate midpoint of the growth that any individual neighborhood in San Francisco experienced. Thirteen San Francisco zip codes grew by less than 52.9 percent while ten zip codes grew at a rate greater than 52.9 percent. The zip code with the single largest

total growth rate between 2000 and 2013 was 94.1 percent, which is primarily composed of the Inner Mission District, with a growth rate of 83.5 percent from a median home value of \$486,233 in 2000 to a median home value of \$892,217 in 2013.

Between just 2009 and 2013, the Inner Mission experienced a 29.5 percent rate of increase in home values, the third highest rate in the City, behind Castro/Eureka Valley (94114 zip code), with a 36.6 percent rate of increase, and Rincon Hill (94105 zip code), with a 32.5 percent rate of increase. As discussed earlier and presented in Exhibit 4 of this report, the Inner Mission neighborhood had the largest concentration of Ellis Act evictions during the same time period and the Castro/Eureka Valley was third highest. Combined, the Castro/Eureka Valley and Inner Mission neighborhoods were the location of 114 of the 476, or 23.9 percent, of the Ellis Act evictions in the City between 2009 and 2013.

At the other end of the spectrum, the South of Market neighborhood (94103 zip code) experienced the lowest total growth rate in home prices of 29.9 percent from a median home value of \$535,360 in 2000 to a median home value of \$695,667 in 2013. However, in more recent years, home prices have increased in the South of Market more consistent with Citywide rates. , As shown in Exhibit 17, in just the five years between 2009 and 2013, median home prices in South of Market increased by 23.7 percent, slightly higher than the 21.9 percent Citywide rate, and by 16.6 percent in just the one year between 2012 and 2013, again slightly above the 15.9 percent Citywide rate of increase.

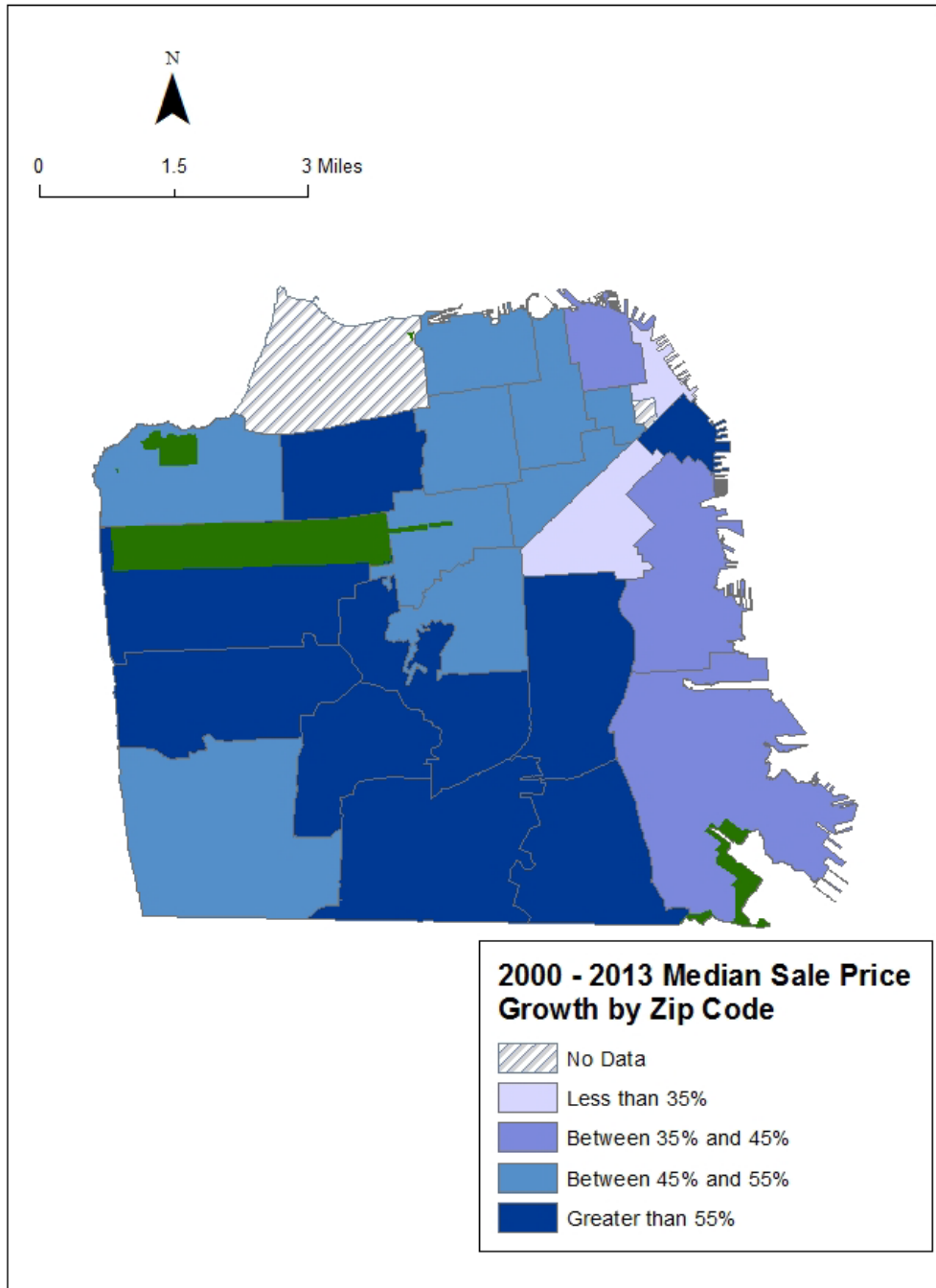
Exhibit 17: Median Sales Price for All Homes by Zip Code by Year

Zip Code	Neighborhood	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total Growth Rate	2009-13 Growth Rate
94123	Marina/Cow Hollow	1,115,042	1,203,650	1,183,025	1,181,383	1,353,867	1,552,492	1,519,775	1,570,017	1,564,400	1,332,425	1,351,175	1,253,858	1,435,092	1,720,700	54.3%	29.1%
94118	Inner Richmond	806,608	822,242	823,175	866,200	1,025,492	1,233,275	1,211,325	1,198,642	1,216,217	1,118,700	1,071,833	1,046,850	1,147,733	1,367,683	69.6%	22.3%
94114	Castro/Eureka Valley	894,240	807,000	799,258	814,692	950,233	1,104,408	1,103,458	1,161,158	1,133,983	977,908	974,650	991,833	1,162,142	1,335,617	49.4%	36.6%
94117	Haight-Ashbury/ Western Addition	712,950	711,508	672,958	722,292	820,200	933,725	915,942	942,925	967,250	843,042	833,958	819,983	939,408	1,088,750	52.7%	29.1%
94127	Miraloma/Sunnyside	691,517	701,067	708,483	740,933	856,150	989,925	973,100	1,034,250	1,005,425	890,242	890,892	852,525	930,467	1,079,000	56.0%	21.2%
94131	Twin Peaks/Glen Park	604,883	607,600	611,542	650,983	767,858	883,258	851,483	895,617	865,092	788,433	795,025	769,742	866,558	1,021,117	68.8%	29.5%
94115	Western Addition	688,875	693,142	667,600	700,600	797,500	887,608	891,008	933,242	915,017	799,450	822,033	804,958	884,050	1,016,833	47.6%	27.2%
94133	North Beach	671,417	669,383	645,908	725,500	772,858	904,017	857,233	913,958	902,558	755,742	799,650	758,000	832,258	969,483	44.4%	28.3%
94110	Inner Mission	486,233	508,567	515,717	555,700	665,775	789,275	774,317	815,575	795,908	688,808	709,442	697,717	768,958	892,217	83.5%	29.5%
94121	Outer Richmond	587,333	592,975	610,475	671,750	805,575	897,033	838,408	904,167	878,175	799,383	775,033	742,317	798,967	891,300	51.8%	11.5%
94105	Rincon Hill	545,167	558,733	462,592	490,317	576,992	687,208	728,983	778,867	767,392	651,325	651,333	645,958	714,625	862,700	58.2%	32.5%
94111	Telegraph Hill/Waterfront	636,117	634,958	598,483	614,083	679,117	754,767	735,283	772,425	837,125	779,592	751,383	675,050	712,975	834,000	31.1%	7.0%
94122	Sunset	513,775	520,942	560,467	600,800	715,283	814,850	773,842	809,242	775,875	716,017	724,258	680,142	726,258	832,467	62.0%	16.3%
94107	Potrero Hill/South Beach	594,792	627,817	566,133	583,958	658,700	753,067	748,100	756,083	729,208	647,050	638,425	632,933	718,983	828,333	39.3%	28.0%
94116	Parkside	497,267	506,867	543,775	582,333	699,942	783,275	764,800	793,833	760,017	689,225	712,600	673,458	719,742	808,867	62.7%	17.4%
94109	Russian Hill/ Polk Gulch	509,442	535,242	526,792	554,733	625,533	695,850	700,867	736,367	707,675	655,483	650,458	617,217	670,858	769,333	51.0%	17.4%
94108	Chinatown	480,167	514,125	506,058	528,392	588,133	664,883	714,808	736,058	692,208	646,350	592,158	546,100	630,200	713,217	48.5%	10.3%
94132	Lake Merced	471,792	490,142	489,733	532,825	644,883	726,058	722,133	742,300	669,392	596,142	606,200	579,525	629,725	709,750	50.4%	19.1%
94103	SOMA	535,360	519,683	467,033	471,208	559,242	656,933	656,592	674,467	639,667	562,258	569,675	553,492	596,683	695,667	29.9%	23.7%
94112	Ingliside/ Excelsior	390,050	400,200	434,050	481,167	589,233	679,542	685,683	701,133	630,933	539,642	536,567	511,467	542,725	611,417	56.8%	13.3%
94102	Tenderloin/Union Square/ Hayes Valley	397,580	362,925	374,092	391,917	442,183	539,983	559,192	566,467	548,875	505,883	506,658	466,042	494,550	589,417	48.3%	16.5%
94134	Visitacion Valley/Portola	355,492	368,725	404,742	449,967	540,383	638,733	644,717	656,050	581,667	508,558	510,967	462,975	488,050	560,267	57.6%	10.2%
94124	Bayview/Hunter's Point	315,358	335,133	369,892	420,475	492,325	580,167	603,550	617,775	520,058	432,375	422,450	386,625	389,750	440,633	39.7%	1.9%
	Citywide Average	587,020	595,332	588,782	623,139	722,933	832,623	824,983	856,983	830,614	735,828	734,645	702,990	773,946	897,338	52.9%	21.9%

Source: Zillow.com

The map in Exhibit 18 below illustrates that same data as discussed and shown above.

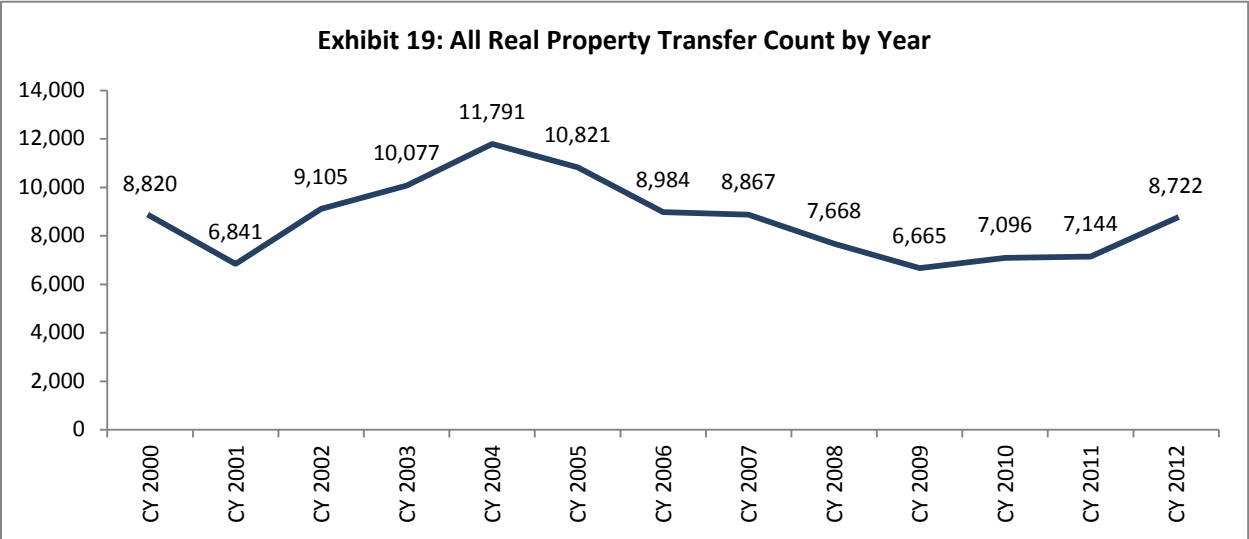
**Exhibit 18: Map of Median Home Sales Price Growth Rate by Zip Code
2000 through 2013**



Source: Zillow.com

REAL PROPERTY TRANSFERS

Exhibit 19 below shows the real property transfers for all properties including residential, commercial, industrial and other types of property throughout the City. As shown in Exhibit 19, and consistent with information presented above regarding home sales, total real property transfers in the City peaked in 2004 with a subsequent trough in 2009. This Citywide trend appears to be consistent with the national trend in housing activity during the recent recession. Since the 2009 trough, the number of transactions has increased by 9.4 percent annually.²⁰ The pattern shown in Exhibit 19 mirrors the changes in home prices during that same timeframe, as presented in Exhibits 17 and 18, above.



Source: San Francisco Assessor-Recorder

Exhibit 20 below shows the real property transfers for all properties in the City by zip code and year. As shown in Exhibit 20, zip code 94102, the Hayes Valley/Tenderloin/Union Square areas, had the highest number of transfers in 2012, with 885. These areas consistently had the highest number of transfers each year and had the highest total number of transfers from 2000 through 2012 with 11,374 incidents of property transfers. The next most active zip code was 94107, Portrero Hill/South Beach, with 8,432 incidences of property transfers.

The incidents of property transfers are a function of (1) the number and type of properties in a given zip code as well as (2) the market demand for those properties and (3) the availability of capital and the economy overall, each of which imposes a limit on the number of transactions. There are other factors that might affect the number of property transfers in a neighborhood or zip code area in one year, but the listed factors above should, by and large, explain the general trend of transactions over time. For example, zip code 94104 is the smallest zip code in the City comprising approximately 14 city blocks in the Financial District. By virtue of its size, there is a limit to the number of transactions that can happen in a year within that zip code and that number is small relative to the other zip codes in the City.

²⁰ Annual growth is calculated on a compounded basis, which smoothes out peaks and troughs in the data to create a single annual growth factor.

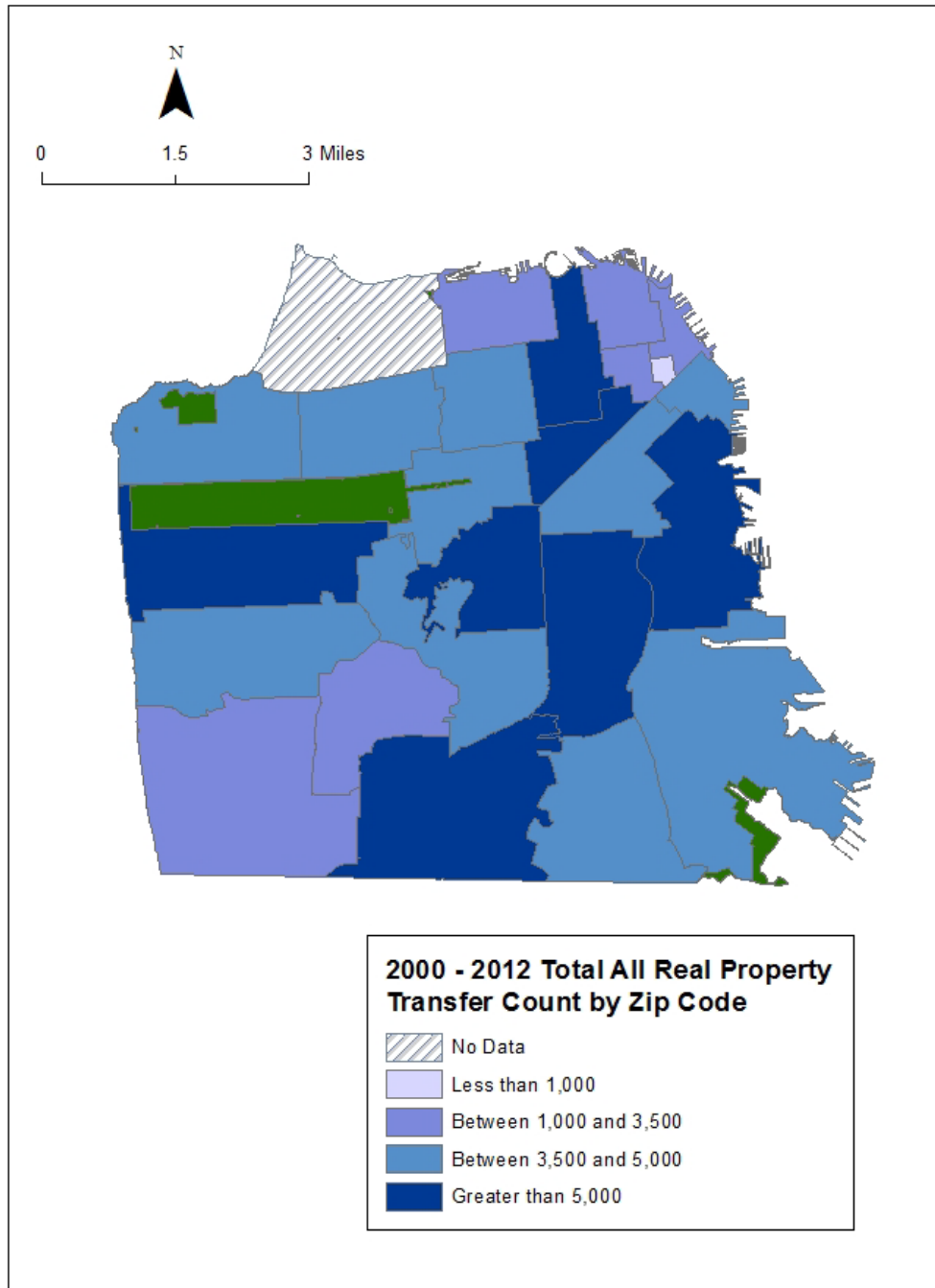
The overall trend is best shown in Exhibit 19 above, which shows that property transfers slowed from 2004 to 2009 but have been increasing steadily since. This is similar to the pattern discussed above for home prices during that time period and for Ellis Act evictions.

Exhibit 20: All Real Property Transfers by Zip Code															
Calendar Year 2000 2012															
Zip Code	Neighborhood	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
94102	Tenderloin/Union Square/ Hayes Valley	702	550	750	1,099	1,407	1,268	898	903	709	722	805	676	885	11,374
94103	SOMA	222	185	283	293	467	398	289	343	302	214	195	242	340	3,773
94104	Financial District	41	19	27	30	39	52	70	66	34	10	24	35	48	495
94105	Rincon Hill	194	80	189	163	518	414	411	196	441	473	243	301	279	3,902
94107	Portero Hill/ South Beach	491	376	595	574	945	763	690	826	862	466	463	420	961	8,432
94108	Chinatown	116	70	112	117	173	119	109	131	77	74	93	83	127	1,401
94109	Russian Hill/ Polk Gulch	571	424	612	599	729	696	551	562	682	410	516	497	617	7,466
94110	Inner Mission	620	476	575	802	792	733	618	610	435	482	615	491	540	7,789
94111	Telegraph Hill/Waterfront	91	64	77	88	105	98	74	114	70	33	60	71	75	1,020
94112	Ingleside/Excelsior	798	635	712	771	803	753	588	448	440	454	462	494	555	7,913
94114	Castro/Eureka Valley	498	393	506	571	547	548	498	485	405	366	336	414	438	6,005
94115	Western Addition	386	264	390	438	468	484	364	382	277	225	288	268	358	4,592
94116	Parkside	441	386	493	476	477	447	410	344	283	261	266	319	284	4,887
94117	Haight-Ashbury/ Western Addition	354	291	410	427	479	492	471	484	340	277	276	278	316	4,895
94118	Inner Richmond	316	271	362	450	388	396	332	364	273	212	269	274	312	4,219
94121	Outer Richmond	345	279	351	385	399	331	291	298	222	180	245	247	309	3,882
94122	Sunset	497	402	534	543	573	520	395	370	308	268	279	311	361	5,361
94123	Marina/Cow Hollow	263	231	288	298	370	338	277	299	212	180	198	239	237	3,430
94124	Bayview/Hunter's Point	336	246	263	298	343	388	316	303	213	226	310	350	369	3,961
94127	Miraloma/Sunnyside	333	253	300	343	327	274	263	244	187	156	190	218	232	3,320
94131	Twin Peaks/Glen Park	420	354	442	479	484	470	395	381	296	301	297	274	400	4,993
94132	Lake Merced	201	151	238	255	263	254	184	139	114	163	154	148	152	2,416
94133	North Beach	189	152	248	221	241	235	181	247	156	130	117	162	181	2,460
94134	Visitation Valley/ Portola	388	286	345	355	443	344	304	284	208	259	299	291	322	4,128
94158	Mission Bay	-	-	-	1	3	1	3	43	120	122	96	39	24	452
Blank	Miscellaneous	7	3	3	1	8	5	2	1	2	1	-	2	-	35
Citywide Total		8,820	6,841	9,105	10,077	11,791	10,821	8,984	8,867	7,668	6,665	7,096	7,144	8,722	112,601

Source: San Francisco Assessor-Recorder

The map in Exhibit 21 below illustrates the data discussed and shown above.

**Exhibit 21: Map of Total Real Property Transfers by Zip Code
2000 through 2012**



Source: San Francisco Assessor-Recorder

SAN FRANCISCO RENT AND INCOME PROFILE

RENT

U.S. Census Data by Neighborhood

Exhibit 22 below includes the average rent by housing unit bedroom count (one-bedroom rental, two-bedroom rental, three-bedroom rental) across the City by U.S. Census Bureau Public-Use Micro Areas (PUMA), or aggregations of neighborhoods, from 2005 through 2011, the most recent year available by neighborhood. PUMA data are maintained by the U.S. Census Bureau and represent the best continuous data set to analyze rent year over year by neighborhood and thus were used by the Budget and Legislative Analyst to assess differences in rents and possible relationships between rental rates and evictions trends by neighborhood. Unfortunately, because the City's neighborhoods are aggregated by the Census Bureau into only seven areas, or PUMAs, many of the differences between neighborhoods as they are more commonly known in San Francisco are obscured in these datasets.

As seen in Exhibit 22, rent across the City increased for each bedroom size of housing unit from 2005 through 2011; however, two-bedroom housing units increased significantly more at 28.1 percent compared to the increases for either one-bedroom housing units, at 18.6 percent, or three-bedroom housing units, at 12.8 percent.

According to the Census Data, the most expensive neighborhoods for a one-bedroom housing unit in 2011 were in the Haight-Ashbury, Noe Valley and Bernal Heights neighborhoods (PUMA 2204). The average one-bedroom unit in those neighborhoods was \$1,581 per month, which is \$618, or 64.1 percent, more than the \$963 rent in the least expensive neighborhoods: the Bayview, Excelsior and Visitacion Valley (aggregated as PUMA 2207 by the Census Bureau).

The most expensive neighborhoods for a two-bedroom or a three-bedroom housing unit in 2011 was the Financial District, SOMA, Potrero Hill, and Mission District neighborhoods (PUMA 2203). The average two-bedroom unit in that collection of neighborhoods was \$2,457 per month, which is \$1,422 or 155 percent more than the \$963 monthly rent in the least expensive neighborhoods identified above. The highest average three-bedroom unit rent was also in the Financial District, SOMA, Potrero Hill, and Mission District neighborhoods at \$2,713 per month, which is \$1,043, or 62.5 percent, more than in the least expensive neighborhoods.

As shown in Exhibit 22, rents declined for most housing types and most neighborhoods between calendar year 2009 and 2011, the most recent year for which this data is available by neighborhood. This reflects conditions during the economic recession and represents a change from prior years when rents generally were increasing every year. However, more current market data assembled by Zillow.com and presented below show dramatic increases in rents between 2011 and 2013.

Exhibit 22: Average Rent by Public Use Micro Area (PUMA) Calendar Year 2005 2011									
PUMA	Neighborhoods	2005	2006	2007	2008	2009	2010	2011	Total Growth Rate
One Bedroom									
2201	Seacliff-Richmond-Western Addition	\$1,220	\$1,232	\$1,288	\$1,426	\$1,470	\$1,536	\$1,514	24.1%
2202	Pacific Heights-Marina-North Beach	1,323	1,417	1,456	1,549	1,639	1,601	1,493	12.9%
2203	Financial District-SOMA-Potrero Hill-Mission District	1,031	1,034	1,170	1,469	1,400	1,409	1,343	30.3%
2204	Haight-Ashbury-Noe Valley-Bernal Heights	1,306	1,341	1,248	1,531	1,640	1,639	1,581	21.0%
2205	Sunset-Parkside-Twin Peaks	1,242	1,359	1,341	1,467	1,442	1,435	1,431	15.2%
2206	Lakeshore-Ocean View-Glen Park	1,169	1,252	1,477	1,358	1,555	1,488	1,374	17.5%
2207	Bayview-Excelsior-Visitation Valley	897	628	1,079	1,750	1,100	690	963	7.4%
Citywide Average		\$1,210	\$1,246	\$1,296	\$1,492	\$1,510	\$1,502	\$1,435	18.6%
Two Bedroom									
2201	Seacliff-Richmond-Western Addition	\$1,472	\$1,751	\$1,848	\$1,842	\$1,970	\$1,898	\$2,239	52.1%
2202	Pacific Heights-Marina-North Beach	1,883	2,098	2,091	2,444	2,251	2,279	2,214	17.6%
2203	Financial District-SOMA-Potrero Hill-Mission District	1,739	1,957	1,920	2,244	2,491	2,141	2,457	41.3%
2204	Haight-Ashbury-Noe Valley-Bernal Heights	1,883	2,123	1,909	2,090	2,133	1,920	2,237	18.8%
2205	Sunset-Parkside-Twin Peaks	1,575	1,703	1,824	1,944	1,935	2,076	1,745	10.8%
2206	Lakeshore-Ocean View-Glen Park	1,621	1,657	1,682	1,594	1,950	1,886	2,119	30.7%
2207	Bayview-Excelsior-Visitation Valley	925	814	1,105	1,550	1,096	1,238	1,035	11.9%
Citywide Average		\$1,646	\$1,836	\$1,833	\$2,027	\$2,065	\$1,983	\$2,107	28.1%
Three Bedroom									
2201	Seacliff-Richmond-Western Addition	\$1,861	\$1,854	\$2,224	\$2,533	\$2,292	\$2,268	\$2,226	19.7%
2202	Pacific Heights-Marina-North Beach	2,183	2,250	2,356	1,558	2,256	2,200	2,521	15.5%
2203	Financial District-SOMA-Potrero Hill-Mission District	1,996	1,933	2,420	2,359	2,033	1,770	2,713	35.9%
2204	Haight-Ashbury-Noe Valley-Bernal Heights	2,390	1,750	1,755	2,724	2,869	2,580	2,299	-3.8%
2205	Sunset-Parkside-Twin Peaks	1,844	2,414	2,513	2,082	1,950	2,122	2,520	36.6%
2206	Lakeshore-Ocean View-Glen Park	2,125	1,867	2,700	1,727	1,800	1,938	1,930	-9.2%
2207	Bayview-Excelsior-Visitation Valley	1,133	477	1,686	950	976	1,129	1,670	47.4%
Citywide Average		\$1,991	\$1,815	\$2,175	\$2,198	\$2,063	\$2,022	\$2,246	12.8%

Source: American Community Survey, US Census

Current Market Rent

To obtain more current market rents than available from the U.S. Census Bureau, the Budget and Legislative Analyst collected rental rate information from Zillow.com., a private company that tracks contract rental prices, advertised rental prices, and also creates an aggregate index. Exhibit 23 below shows the average monthly median rent for all rental housing in the City for calendar years 2010-2013 based on Zillow.com data.²¹ Zillow data is different from U.S. Census Bureau American Community Survey-PUMA data in that it is not only more current, but the company has access to both public records and proprietary data, data systems, and algorithms to report and project what will happen in the housing and rental markets. Both datasets are relevant and provide different insights into the San Francisco rental market.

Exhibit 23: Annualized Median Rent in San Francisco, 2010 2013 (Zillow Rental Index Through June 2013)					
	2010	2011	2012	2013	Total Growth Rate
Rent for All Apartments	\$2,968	\$2,726	\$3,156	\$3,414	15.1%
Percent Growth	-	-8.2%	15.8%	8.2%	

Source: Zillow.com

As shown in Exhibit 23 above, the average monthly median rent declined by 8.2 percent from 2010 to 2011, consistent with rental rates reported by the U.S. Census Bureau American Community Survey for that period, but grew by 15.8 percent in 2012 and 8.2 percent in 2013 through June. Between just 2011 and 2013, median rents for all apartments increased by 25.2 percent, from \$2,726 to \$3,414. The total growth from 2010 through June 2013 was 15.1 percent despite the decline in 2011. Zillow.com rental market data was not available for all San Francisco zip codes for years prior to 2010.

INCOME

Exhibit 24 below shows annual household income by neighborhood groups, or PUMAs, in the City.²² The income values have been inflated to reflect the current (2013) value of money.²³ As shown in Exhibit 24, average inflation-adjusted household income in the City increased by 15.5 percent from \$101,023 to \$116,832 between 2005 and 2008 but has been in steady decline since then. The average household income increased by a total of 15.6 percent from 2005 through 2008 and declined by a total of 8.3

²¹ Zillow data include median rent for all rental housing by month. The BLA averaged the monthly median values in order to create an annualized value.

²² Household income data came from the American Community Survey (ACS) and count all income to a household including salaries and wages, investments, social security and other government support, and any other sources.

²³ Income values were inflated using the Consumer Price Index (CPI) for all goods in San Francisco as calculated by the Bureau of Labor Statistics (BLS).

percent from 2008 through 2011. Since the decline was not as significant as the initial growth, over the entire period from 2005 through 2011, average income grew by a total of 6.1 percent.

As shown in Exhibit 24, the highest average incomes in 2011 are found in the Census Bureau's neighborhood grouping that includes the Haight-Ashbury, Noe Valley and Bernal Heights (PUMA 2204). The lowest average incomes in the City are found in the neighborhood grouping that includes the Bayview, Excelsior and Visitacion Valley neighborhoods (PUMA 2207).

Exhibit 24: Annual Household Income by Neighborhood (in 2013 Dollars)										
PUMA*	Neighborhood	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	Total Growth Rate	2009 11 Growth Rate
2201	Seacliff-Richmond-Western Addition	\$97,251	\$103,429	\$118,050	\$116,342	\$114,608	\$106,903	\$107,729	10.8%	6.0%
2202	Pacific Heights-Marina-North Beach	118,727	127,926	124,495	129,365	132,396	124,117	115,750	-2.5%	-12.6%
2203	Financial District-SOMA-Potrero Hill-Mission District	85,886	88,005	87,521	94,109	92,655	102,827	96,024	11.8%	3.6%
2204	Haight-Ashbury-Noe Valley-Bernal Heights	120,054	120,816	130,837	141,107	131,464	133,884	122,921	2.4%	-6.5%
2205	Sunset-Parkside-Twin Peaks	101,330	111,133	115,196	121,235	112,529	108,121	110,947	9.5%	-1.4%
2206	Lakeshore-Ocean View- Glen Park	114,130	114,125	126,251	133,033	123,349	112,131	118,037	3.4%	-4.3%
2207	Bayview-Excelsior-Visitacion Valley	69,780	76,730	78,683	82,636	80,188	79,766	78,576	12.6%	-2.0%
Citywide	Average	\$101,023	\$106,024	\$111,576	\$116,832	\$112,456	\$109,678	\$107,141	6.1%	-4.7%

Source: American Community Survey, US Census Bureau

*PUMA = Public-Use Micro Area, a U.S. Census Bureau American Community Survey statistical reporting unit for groups of neighborhoods.

The Budget and Legislative Analyst notes that while the neighborhoods in the Haight-Ashbury, Noe Valley and Bernal Heights neighborhood grouping (PUMA 2204) had the highest average household income, the growth rates in those neighborhoods are among the lowest in the City. Comparatively, the growth rate in Bayview, Excelsior, and Visitacion Valley (PUMA 2207), the neighborhoods that had the lowest average household income in the City, had the highest growth rate over the period of time from 2005 through 2011. The higher growth rate in the PUMA 2207 neighborhoods is attributable not to the “boom” period from 2005 through 2008, but rather to a slower decline during the recession years from 2008 through 2011. All of the neighborhoods in PUMAs 2204 and 2207 experienced significant growth during the boom years at 17.5 percent and 18.4 percent, respectively. However, during the “bust” period, the neighborhoods in PUMA 2204 declined by 12.9 percent while the PUMA 2207 neighborhoods only declined by 4.9 percent.

As shown in Exhibit 24 above, the Pacific Heights, Marina, and North Beach neighborhoods (PUMA 2202), is the only PUMA with a negative total growth rate. These neighborhoods experienced a

relatively small growth rate during the boom period at approximately 9.0 percent, but declined by 10.4 percent during the bust period from 2008 through 2011.

The Budget and Legislative Analyst notes that the household income included in Exhibit 24 above, reflects the effects of the recent nationwide economic recession; however, household income data for years 2012 and 2013 would be expected to show increases as the economy recovers.

CHANGES IN POPULATION, JOBS AND HOUSING

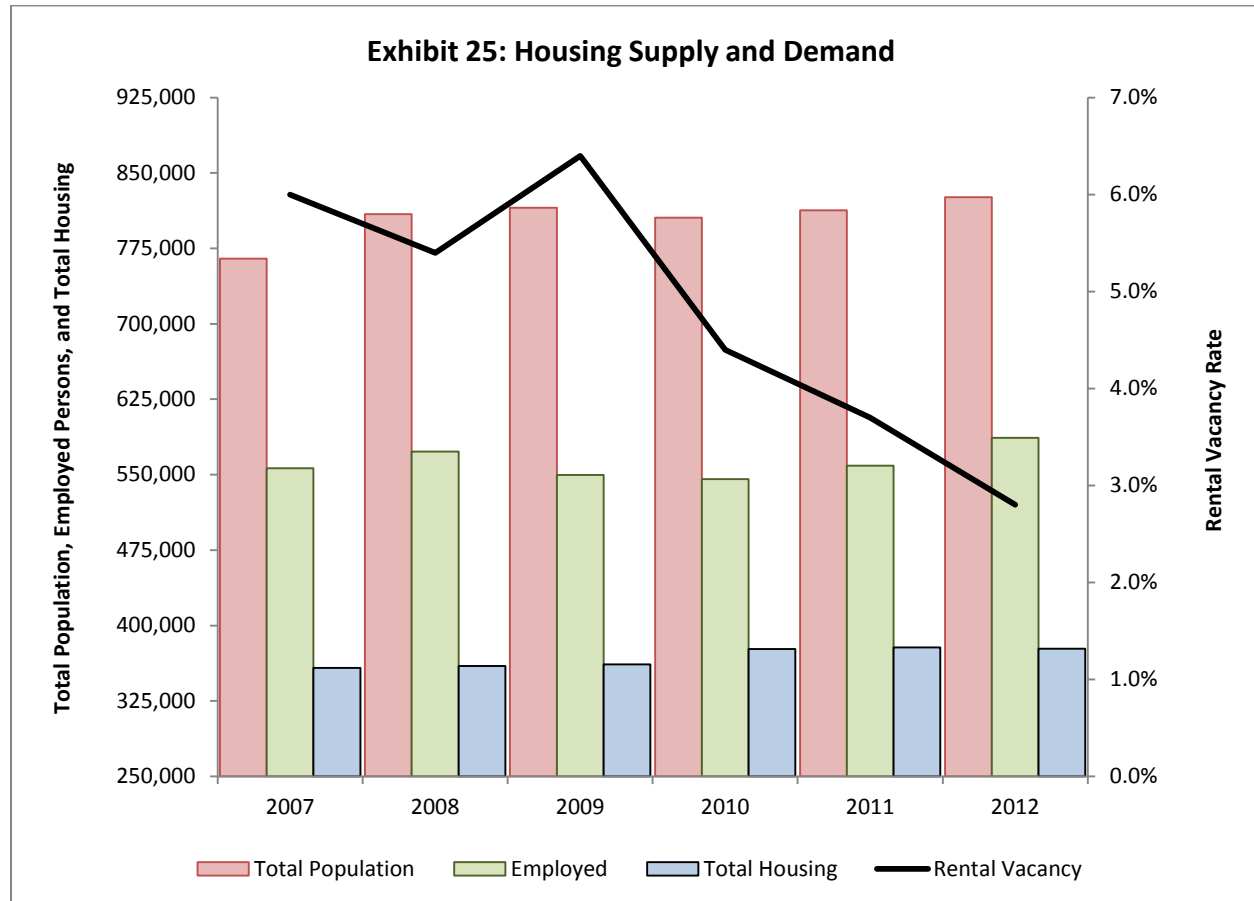
Exhibit 25 below shows the number of employed persons in San Francisco, available housing, and the residential rental vacancy rate. As shown in Exhibit 25, since 2007, the population of San Francisco has increased almost every year, the number of employed persons in San Francisco varies from year to year but is currently increasing and the amount of housing available changed little between 2010 and 2012. The number of employed persons was at a low point in 2010, as was seen nationally during the recent recession, which slowed employment growth over the six-year period but is not reflective of the current situation. From 2007 through 2012, the number of employed persons increased by 5.4 percent but employment growth increased more dramatically in just the two years between 2010 and 2012, when the growth rate was 7.5 percent.

In contrast to the population and the number of employed persons, the amount of total housing available has stayed very stable. With the exception of a significant increase from 2009 to 2010, the number of available housing units has stayed virtually flat. As shown in Exhibit 25:

- From 2007 through 2009, the number of total housing units increased by approximately 0.95 percent, adding 3,409 units total,
- From 2009 through 2010, the number of available housing units increased by 4.3 percent, adding 15,535 units, and
- From 2010 through 2012, the number of available units has increased by only 0.03 percent, adding a net of 120 units total.

Overall, with the exception of 2009, the residential rental vacancy rate has been declining. From 2009 through 2012, the rental vacancy rate declined from 6.4 percent to 2.8 percent, which is a likely result of increased demand (employed persons wishing to live in the City) with fixed or slowly increasing supply (total housing growth of 0.03 percent over three years).

For evictees, particularly long-time residents of rent-controlled units, San Francisco's already low rental vacancy rate, recent increases in jobs and population, and the resulting upward pressure on rents can mean significant increases in housing costs. While thousands of new housing units are presently under construction or in the planning stages that may help stem the increase in rental rates in future years, rents are starting at a high level and if growth in population and employment continues, increased demand for those units will be maintaining at least some of the upward pressure on rents.



Sources: Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics; American Communities Survey program, U.S. Census Bureau.

Exhibit 26 below shows the same data as illustrated in Exhibit 25 above. As seen in the table, since 2010, the total population and the number of employed persons in the City have increased by 2.5 percent and 7.5 percent respectively, while the number of housing units has remained virtually unchanged.

Exhibit 26: San Francisco Population, Employed, Housing, and Rental Vacancy						
	2007	2008	2009	2010	2011	2012
Total Population	764,976	808,976	815,358	805,463	812,826	825,863
Employed	556,401	573,011	549,716	545,721	558,990	586,538
Total Housing	357,833	359,905	361,242	376,777	378,261	376,899
Rental Vacancy	6.0%	5.4%	6.4%	4.4%	3.7%	2.8%

Sources: U.S. Census Bureau American Communities Survey, U.S. Bureau of Labor Statistics

RENT BURDEN

A household is deemed “rent-burdened” by the U.S. Department of Housing and Urban Development if it pays 30 percent or more of gross household income toward rent. The U.S. Census Bureau reports a 42.9 percent Citywide rent burden rate for San Francisco. Exhibit 27 below shows the percentage of the households in each PUMA (group of neighborhoods) that identify as rent-burdened.

Exhibit 27: Percent Rent Burdened Households (Rent > 30 Percent of Household Income)								
PUMA	Neighborhood	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
2201	Seacliff-Richmond-Western Addition	42%	44%	41%	45%	50%	44%	44%
2202	Pacific Heights-Marina-North Beach	41%	34%	36%	36%	41%	41%	39%
2203	Financial District-SOMA-Potrero Hill-Mission District	48%	49%	51%	51%	49%	50%	54%
2204	Haight-Ashbury-Noe Valley-Bernal Heights	34%	40%	39%	35%	39%	36%	42%
2205	Sunset-Parkside-Twin Peaks	42%	41%	42%	39%	41%	46%	47%
2206	Lakeshore-Ocean View-Glen Park	51%	50%	46%	48%	47%	58%	47%
2207	Bayview-Excelsior-Visitacion Valley	55%	48%	53%	57%	53%	64%	57%

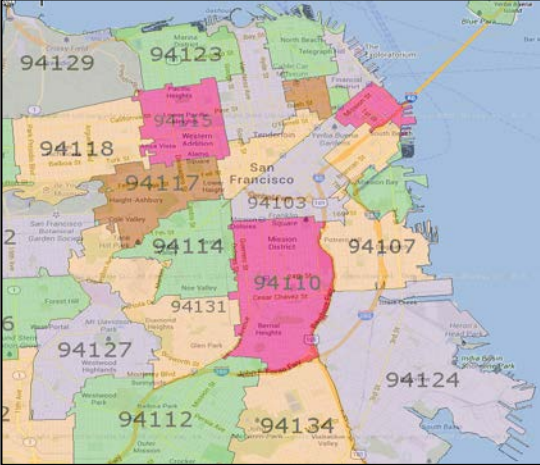
Source: American Community Survey, US Census Bureau

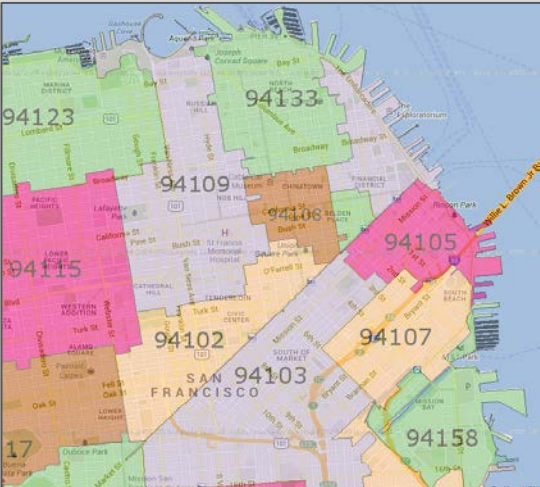
The data in Exhibit 27 above show that all neighborhoods in the City have a significant number of rent-burdened households. The neighborhoods with the largest population of households that are rent-burdened is are the Bayview, Excelsior and Visitacion Valley (PUMA 2207). These neighborhoods consistently have had the highest percent of households that are rent-burdened. Rent-burden is a ratio of two variables: income and rent. As seen in previous sections of this analysis, both rent and income have increased and decreased over the 2005 through 2011 period. This explains why none of the neighborhoods have experienced significant fluctuation in the percentage of households that are rent-burdened.

As discussed in the Background section, the Budget and Legislative Analyst notes that affordability for housing, be it rent or in relation to home prices, depends on individual circumstances as the amount of money a household can afford to spend on housing depends on total financial resources relative to other costs. For example, households with low incomes may be challenged to afford even 30 percent of their income on housing, while households with high incomes might afford more than that amount on housing with little difficulty.

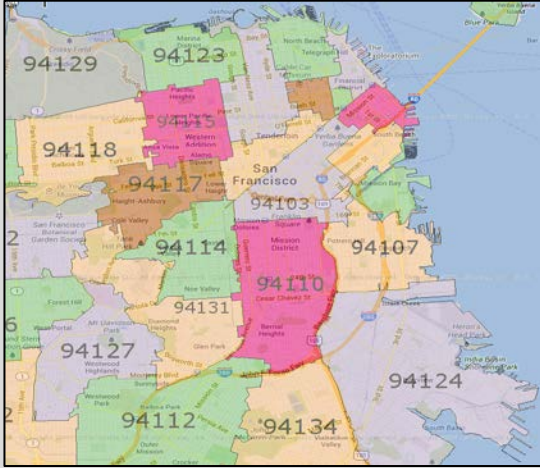
APPENDIX A: NEIGHBORHOOD PROFILES

Demographic profiles of the six neighborhoods that experienced the most Ellis Act evictions between Rent Board Years 2009 and 2013.

Inner Mission (94110)		Inner Mission	City
	Ellis Evictions 2001-13	383	2,376
	Population	70,174	798,014
	Children	14.3%	13.4%
	Seniors (Over 62)	11.2%	16.8%
	Number of Households	26,912	338,366
	Average Household Size	2.56	2.36
	Single-Person Households	55.1%	55.3%
	Households with Children	22.7%	18.6%
	Race		
	Black / African American	3.9%	6.4%
	Asian	15.2%	34.8%
	White	71.8%	53.2%
	Other	9.1%	5.5%
	Latino (Subgroup of races above)	35.7%	14.9%
	Median Household Income	76,963	72,947
	Impoverished Households	7.8%	12.3%
	Unemployment	4.9%	7.5%
	Rent Burdened	44.0%	44.9%
	Housing Units	28,565	374,919
	Most Common Building Type	Single Attached	20+ Unit
	Most Common Building Type	21.5%	25.2%
	Rent Controlled Units	89.0%	84.4%
	Owners	35.9%	37.1%
	Renters	64.1%	62.9%
	Rental Vacancy Rate	2.5%	4.9%

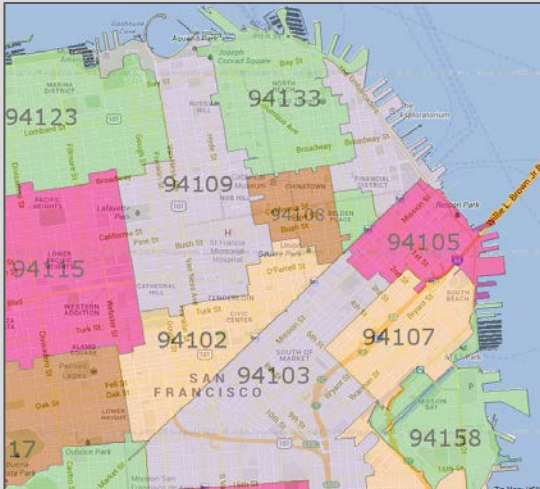
Russian Hill, Polk Gulch (94109)		Russian Hill Polk Gulch	City
	Ellis Evictions 2001-13	181	2,376
	Population	53,809	798,014
	Children	6.4%	13.4%
	Seniors (Over 62)	20.1%	16.8%
	Number of Households	32,139	338,366
	Average Household Size	1.63	2.36
	Single-Person Households	75.1%	55.3%
	Households with Children	7.2%	18.6%
	Race		
	Black / African American	3.9%	6.4%
	Asian	31.1%	34.8%
	White	61.5%	53.2%
	Other	3.5%	5.5%
	Latino (Subgroup of races above)	9.7%	14.9%
	Median Household Income	58,106	72,947
	Impoverished Households	10.9%	12.3%
	Unemployment	4.8%	7.5%
	Rent Burdened	44.0%	44.9%
	Housing Units	36,547	374,919
	Most Common Building Type	20+ Units	20+ Unit
	Most Common Building Type	59.4%	25.2%
	Rent Controlled Units	88.0%	84.4%
	Owners	15.8%	37.1%
	Renters	84.2%	62.9%
	Rental Vacancy Rate	6.8%	4.9%

Castro/Eureka Valley (94114)



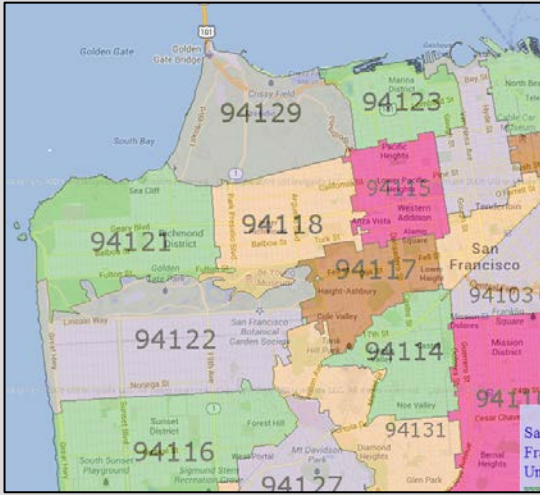
	Castro/Eureka Valley	City
Ellis Evictions 2001-13	262	2,376
Population	32,175	798,014
Children	9.7%	13.4%
Seniors (Over 62)	11.1%	16.8%
Number of Households	16,733	338,366
Average Household Size	1.92	2.36
Single-Person Households	69.7%	55.3%
Households with Children	12.3%	18.6%
Race		
Black / African American	2.1%	6.4%
Asian	8.7%	34.8%
White	86.3%	53.2%
Other	2.9%	5.5%
Latino (Subgroup of races above)	9.7%	14.9%
Median Household Income	111,815	72,947
Impoverished Households	4.4%	12.3%
Unemployment	4.4%	7.5%
Rent Burdened	33.6%	44.9%
Housing Units	18,018	374,919
Most Common Building Type	2 Unit	20+ Unit
Most Common Building Type	19.8%	25.2%
Rent Controlled Units	92.8%	84.4%
Owners	44.3%	37.1%
Renters	55.7%	62.9%
Rental Vacancy Rate	3.4%	4.9%

Outer Richmond (94121)



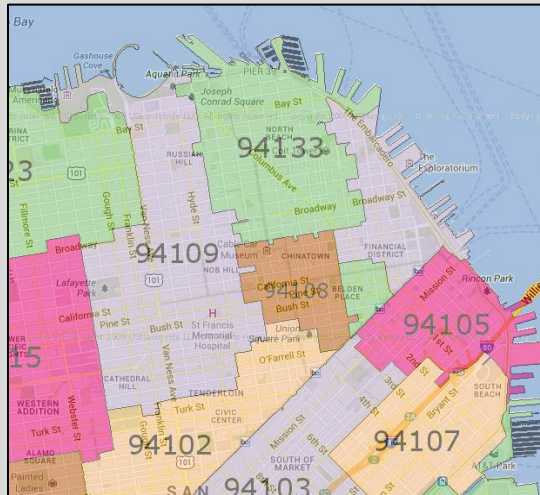
	Outer Richmond	City
Ellis Evictions 2001-13	41	476
Population	44,169	798,014
Children	15.0%	13.4%
Seniors (Over 62)	18.4%	16.8%
Number of Households	17,463	338,366
Average Household Size	2.51	2.36
Single-Person Households	42.8%	55.3%
Households with Children	23.4%	18.6%
Race		
Black / African American	1.5%	6.4%
Asian	48.8%	34.8%
White	46.2%	53.2%
Other	3.6%	5.5%
Latino (Subgroup of races above)	9.6%	14.9%
Median Household Income	77,612	72,947
Impoverished Households	4.7%	12.3%
Unemployment	5.7%	7.5%
Rent Burdened	44.0%	44.9%
Housing Units	18,877	374,919
Most Common Building Type	3 or 4 Unit	20+ Unit
Most Common Building Type	22.1%	25.2%
Rent Controlled Units	89.5%	84.4%
Owners	42.0%	37.1%
Renters	58.0%	62.9%
Rental Vacancy Rate	3.0%	4.9%

Inner Richmond (94118)



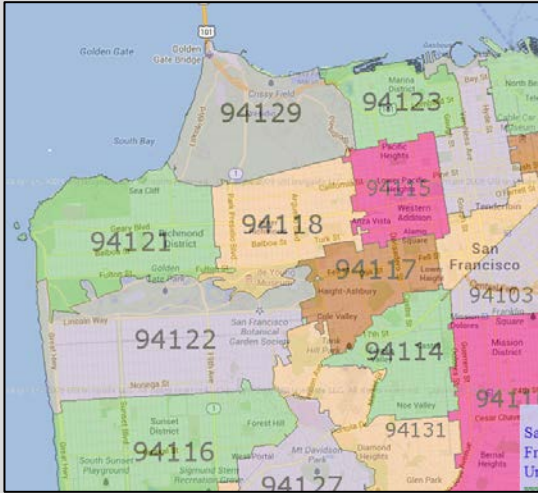
	Inner Richmond	City
Ellis Evictions 2001-13	194	2,376
Population	38,529	798,014
Children	13.9%	13.4%
Seniors (Over 62)	17.6%	16.8%
Number of Households	17,010	338,366
Average Household Size	2.24	2.36
Single-Person Households	55.9%	55.3%
Households with Children	19.3%	18.6%
Race		
Black / African American	2.6%	6.4%
Asian	39.1%	34.8%
White	55.4%	53.2%
Other	2.9%	5.5%
Latino (Subgroup of races above)	5.9%	14.9%
Median Household Income	74,967	72,947
Impoverished Households	9.7%	12.3%
Unemployment	5.7%	7.5%
Rent Burdened	44.3%	44.9%
Housing Units	18,579	374,919
Most Common Building Type	3 or 4 Unit	20+ Unit
Most Common Building Type	23.5%	25.2%
Rent Controlled Units	90.8%	84.4%
Owners	32.7%	37.1%
Renters	67.3%	62.9%
Rental Vacancy Rate	2.0%	4.9%

North Beach (94133)



	North Beach	City
Ellis Evictions 2001-13	226	2,376
Population	27,357	798,014
Children	9.4%	13.4%
Seniors (Over 62)	23.2%	16.8%
Number of Households	13,444	338,366
Average Household Size	2.03	2.36
Single-Person Households	60.0%	55.3%
Households with Children	12.5%	18.6%
Race		
Black / African American	2.7%	6.4%
Asian	55.4%	34.8%
White	40.7%	53.2%
Other	1.2%	5.5%
Latino (Subgroup of races above)	5.7%	14.9%
Median Household Income	50,378	72,947
Impoverished Households	18.6%	12.3%
Unemployment	9.7%	7.5%
Rent Burdened	47.0%	44.9%
Housing Units	15,239	374,919
Most Common Building Type	20+ Unit	20+ Unit
Most Common Building Type	34.8%	25.2%
Rent Controlled Units	89.4%	84.4%
Owners	18.3%	37.1%
Renters	81.7%	62.9%
Rental Vacancy Rate	6.2%	4.9%

Haight Ashbury/Western Addition (94117)



	Haight Ashbury / Western Addition	City
Ellis Evictions 2001-13	238	2,376
Population	41,214	798,014
Children	7.6%	13.4%
Seniors (Over 62)	9.1%	16.8%
Number of Households	18,468	338,366
Average Household Size	2.05	2.36
Single-Person Households	71.0%	55.3%
Households with Children	11.1%	18.6%
Race		
Black / African American	10.3%	6.4%
Asian	10.8%	34.8%
White	74.0%	53.2%
Other	4.9%	5.5%
Latino (Subgroup of races above)	12.0%	14.9%
Median Household Income	85,151	72,947
Impoverished Households	12.3%	12.3%
Unemployment	5.5%	7.5%
Rent Burdened	38.3%	44.9%
Housing Units	19,934	374,919
Most Common Building Type	3 or 4 Units	20+ Unit
Most Common Building Type	22.1%	25.2%
Rent Controlled Units	90.7%	84.4%
Owners	29.1%	37.1%
Renters	70.9%	62.9%
Rental Vacancy Rate	1.6%	4.9%

Source: U.S. Census Department, American Communities Survey, 2011 5-Year Average by Zip Code Tabulation Area

APPENDIX B: PUMA TABLES

The tables and graphs below show the rent and increases for each PUMA in San Francisco. For each PUMA, there are:

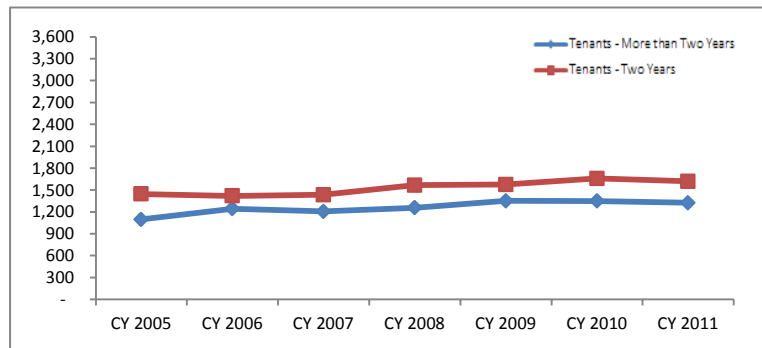
- Two summary tables,
- Three apartment type tables and
- Three graphs.

Each of the tables and graphs shows data for the PUMA over time that has been inflated using the data and method discussed in the Methodology Appendix. For these tables and graphs, the Budget and Legislative Analyst split the data by tenancy. One set of data show the median rent by apartment type by year for all renters in San Francisco while the other data show only the median rent for people who moved into their housing unit within the last two years. The latter data better show what a renter in the current market would pay. The values in the data that include all tenancies are lower since those values include rent controlled units.

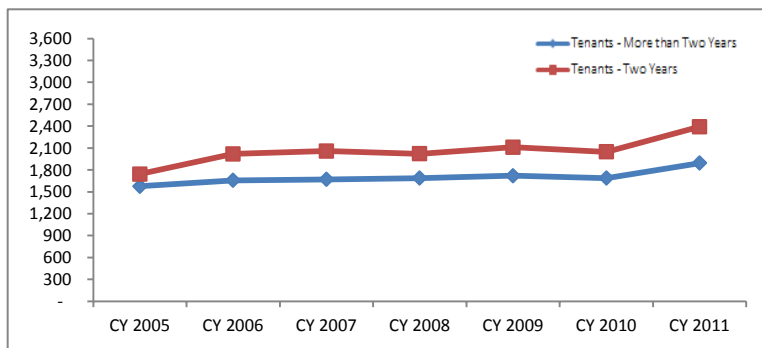
Number of Bedrooms	Seacliff Richmond Western Addition All Tenancy						
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,096	\$1,243	\$1,205	\$1,258	\$1,351	\$1,350	\$1,324
2 Bedroom	1,577	1,658	1,669	1,688	1,720	1,688	1,893
3 Bedroom	1,704	1,849	2,012	1,882	1,964	1,915	1,881
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284

Number of Bedrooms	Seacliff Richmond Western Addition Last Two Years						
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,444	\$1,420	\$1,435	\$1,565	\$1,575	\$1,658	\$1,618
2 Bedroom	1,743	2,019	2,058	2,022	2,111	2,048	2,392
3 Bedroom	2,203	2,137	2,561	2,554	2,321	2,397	2,542
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533

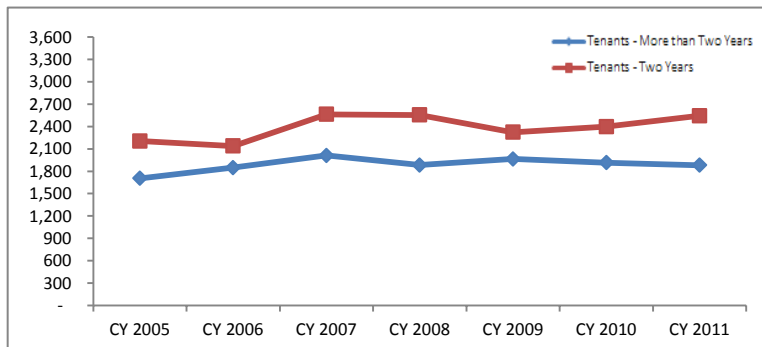
One Bedroom		
CY 2005	\$1,096	\$1,444
CY 2006	1,243	1,420
CY 2007	1,205	1,435
CY 2008	1,258	1,565
CY 2009	1,351	1,575
CY 2010	1,350	1,658
CY 2011	\$1,324	\$1,618



Two Bedroom		
CY 2005	\$1,577	\$1,743
CY 2006	1,658	2,019
CY 2007	1,669	2,058
CY 2008	1,688	2,022
CY 2009	1,720	2,111
CY 2010	1,688	2,048
CY 2011	\$1,893	\$2,392



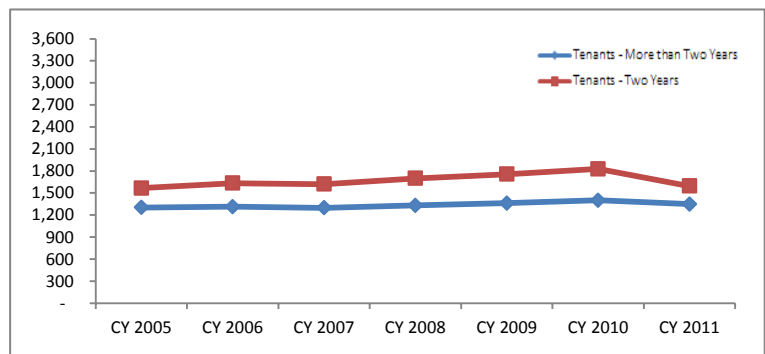
Three Bedroom		
CY 2005	\$1,704	\$2,203
CY 2006	1,849	2,137
CY 2007	2,012	2,561
CY 2008	1,882	2,554
CY 2009	1,964	2,321
CY 2010	1,915	2,397
CY 2011	\$1,881	\$2,542



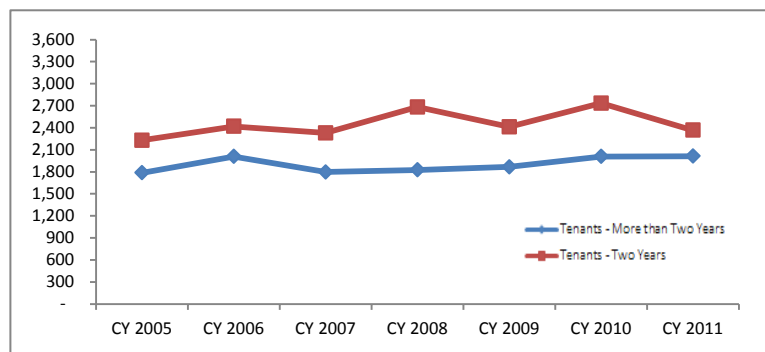
Number of Bedrooms	Pacific Heights		Marina	North Beach	All Tenancy		
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,309	\$1,314	\$1,298	\$1,330	\$1,361	\$1,401	\$1,349
2 Bedroom	1,786	2,008	1,798	1,826	1,866	2,008	2,013
3 Bedroom	1,793	2,071	2,005	1,909	1,724	2,000	1,996
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284

Number of Bedrooms	Pacific Heights		Marina	North Beach	Last Two Years		
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,566	\$1,633	\$1,622	\$1,700	\$1,756	\$1,828	\$1,595
2 Bedroom	2,229	2,418	2,329	2,682	2,411	2,735	2,366
3 Bedroom	2,585	2,593	2,625	1,976	2,417	2,990	2,684
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533

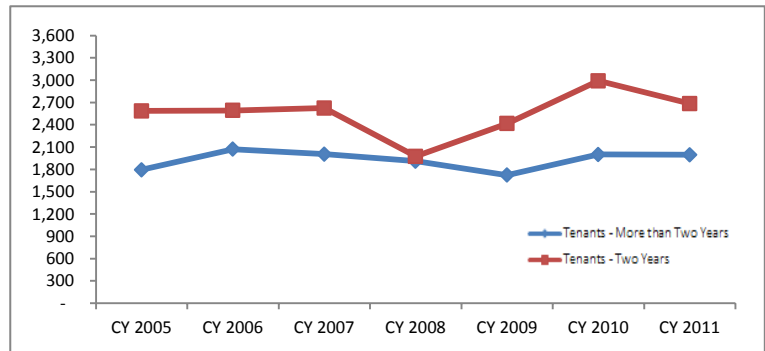
One Bedroom		
CY 2005	\$1,303	\$1,566
CY 2006	1,314	1,633
CY 2007	1,298	1,622
CY 2008	1,330	1,700
CY 2009	1,361	1,756
CY 2010	1,401	1,828
CY 2011	\$1,349	\$1,595



Two Bedroom		
CY 2005	\$1,786	\$2,229
CY 2006	2,008	2,418
CY 2007	1,798	2,329
CY 2008	1,826	2,682
CY 2009	1,866	2,411
CY 2010	2,008	2,735
CY 2011	\$2,013	\$2,366



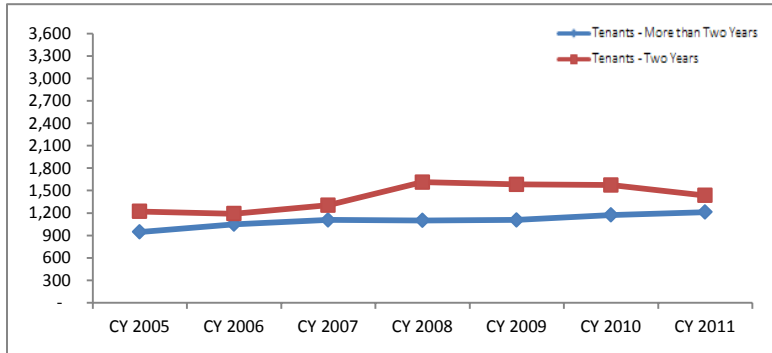
Three Bedroom		
CY 2005	\$1,793	\$2,585
CY 2006	2,071	2,593
CY 2007	2,005	2,625
CY 2008	1,909	1,976
CY 2009	1,724	2,417
CY 2010	2,000	2,990
CY 2011	\$1,996	\$2,684



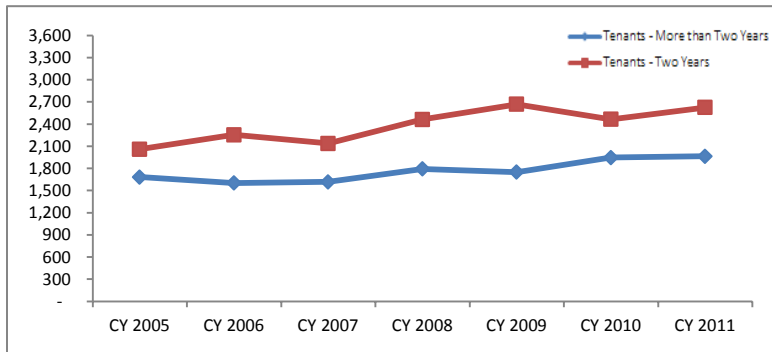
Number of Bedrooms	Financial District		SOMA	Potrero Hill	Mission	All Tenancies	
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,047	\$1,049	\$1,108	\$1,100	\$1,108	\$1,173	\$1,213
2 Bedroom	1,683	1,602	1,617	1,794	1,750	1,947	1,965
3 Bedroom	1,813	1,603	1,908	1,886	2,061	1,876	1,868
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284

Number of Bedrooms	Financial District		SOMA	Potrero Hill	Mission	Last Two Years	
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,221	\$1,191	\$1,303	\$1,613	\$1,582	\$1,573	\$1,436
2 Bedroom	2,059	2,255	2,138	2,463	2,669	2,463	2,626
3 Bedroom +	2,364	2,228	2,696	2,589	3,054	2,347	2,992
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533

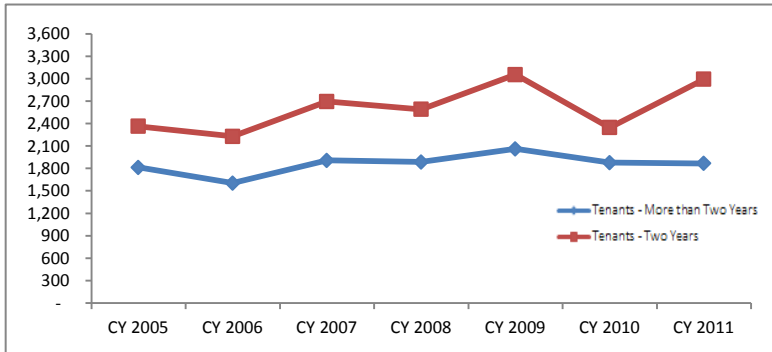
One Bedroom		
CY 2005	\$947	\$1,221
CY 2006	1,049	1,191
CY 2007	1,108	1,303
CY 2008	1,100	1,613
CY 2009	1,108	1,582
CY 2010	1,173	1,573
CY 2011	\$1,213	\$1,436



Two Bedroom		
CY 2005	\$1,683	\$2,059
CY 2006	1,602	2,255
CY 2007	1,617	2,138
CY 2008	1,794	2,463
CY 2009	1,750	2,669
CY 2010	1,947	2,463
CY 2011	\$1,965	\$2,626



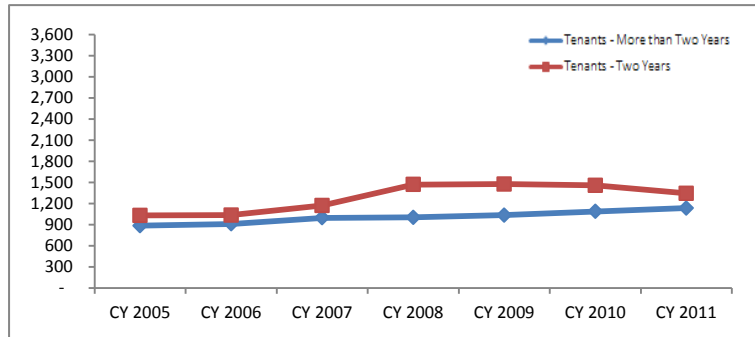
Three Bedroom		
CY 2005	\$1,813	\$2,364
CY 2006	1,603	2,228
CY 2007	1,908	2,696
CY 2008	1,886	2,589
CY 2009	2,061	3,054
CY 2010	1,876	2,347
CY 2011	\$1,868	\$2,992



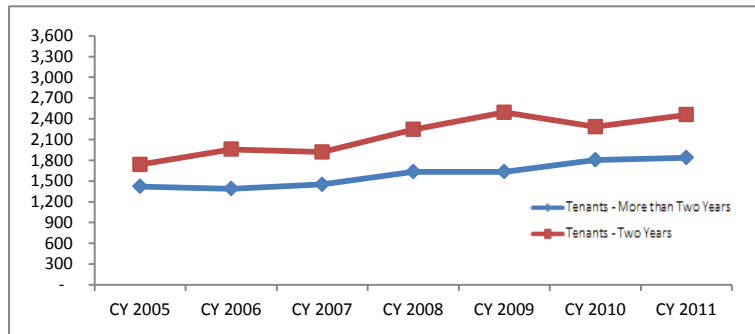
Number of Bedrooms	Haight Ashbury		Noe Valley	Bernal Heights	All Tenancies		
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,286	\$1,299	\$1,286	\$1,448	\$1,327	\$1,463	\$1,314
2 Bedroom	1,798	1,802	1,696	1,906	1,879	1,872	1,988
3 Bedroom	2,199	1,760	2,107	2,248	2,231	2,148	2,319
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284

Number of Bedrooms	Haight Ashbury		Noe Valley	Bernal Heights	Last Two Years		
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,547	\$1,545	\$1,390	\$1,680	\$1,757	\$1,768	\$1,690
2 Bedroom	2,229	2,447	2,127	2,294	2,286	2,071	2,390
3 Bedroom +	2,830	2,017	1,955	2,990	3,073	2,805	2,853
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533

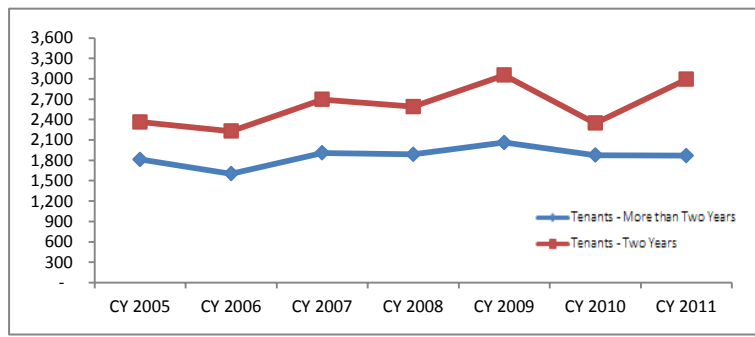
One Bedroom		
CY 2005	\$1,243	\$1,547
CY 2006	1,299	1,545
CY 2007	1,286	1,390
CY 2008	1,448	1,680
CY 2009	1,327	1,757
CY 2010	1,463	1,768
CY 2011	\$1,314	\$1,690



Two Bedroom		
CY 2005	\$1,798	\$2,229
CY 2006	1,802	2,447
CY 2007	1,696	2,127
CY 2008	1,906	2,294
CY 2009	1,879	2,286
CY 2010	1,872	2,071
CY 2011	\$1,988	\$2,390



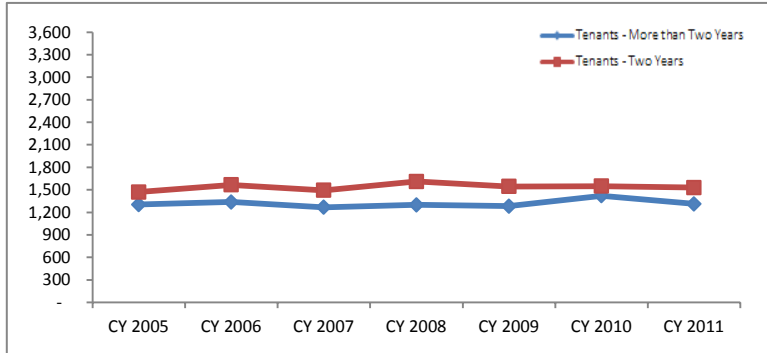
Three Bedroom		
CY 2005	\$2,199	\$2,830
CY 2006	1,760	2,017
CY 2007	2,107	1,955
CY 2008	2,248	2,990
CY 2009	2,231	3,073
CY 2010	2,148	2,805
CY 2011	\$2,319	\$2,853



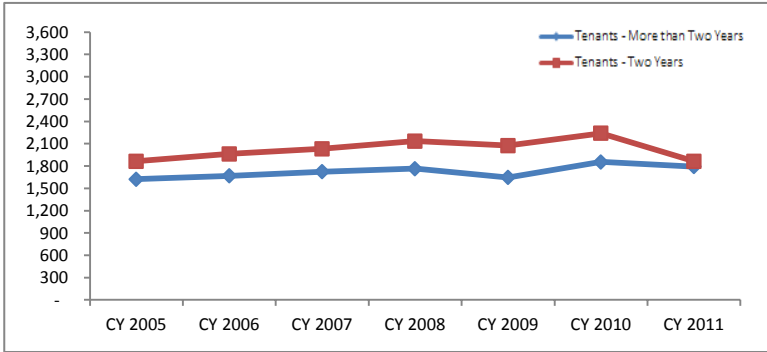
Number of Bedrooms	Sunset Parkside Twin Peaks All Tenancies						
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,262	\$1,337	\$1,267	\$1,299	\$1,283	\$1,420	\$1,313
2 Bedroom	1,622	1,668	1,724	1,764	1,647	1,854	1,793
3 Bedroom +	1,760	2,341	2,316	2,140	2,064	2,046	2,176
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284

Number of Bedrooms	Sunset Parkside Twin Peaks Last Two Years						
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011
1 Bedroom	\$1,471	\$1,566	\$1,494	\$1,610	\$1,545	\$1,548	\$1,529
2 Bedroom	1,864	1,962	2,031	2,134	2,074	2,240	1,864
3 Bedroom +	2,184	2,783	2,799	2,285	2,089	2,327	2,458
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533

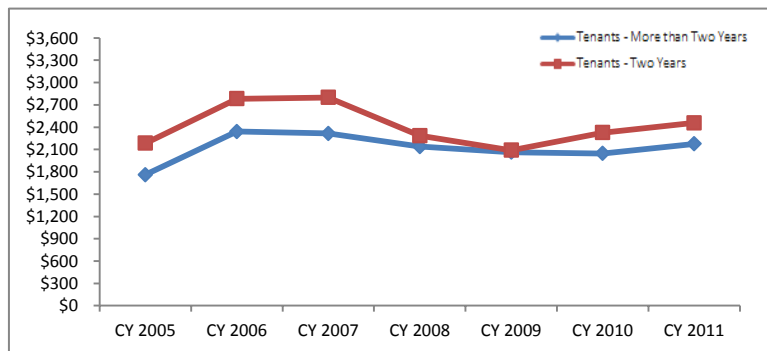
One Bedroom		
CY 2005	\$1,303	\$1,471
CY 2006	1,337	1,566
CY 2007	1,267	1,494
CY 2008	1,299	1,610
CY 2009	1,283	1,545
CY 2010	1,420	1,548
CY 2011	\$1,313	\$1,529



Two Bedroom		
CY 2005	\$1,622	\$1,864
CY 2006	1,668	1,962
CY 2007	1,724	2,031
CY 2008	1,764	2,134
CY 2009	1,647	2,074
CY 2010	1,854	2,240
CY 2011	\$1,793	\$1,864



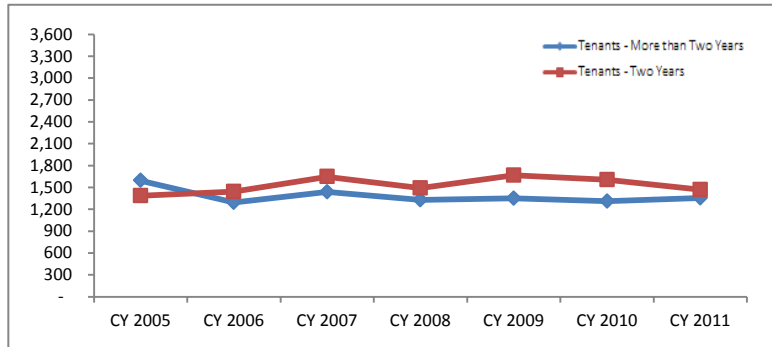
Three Bedroom		
CY 2005	\$1,760	\$2,184
CY 2006	2,341	2,783
CY 2007	2,316	2,799
CY 2008	2,140	2,285
CY 2009	2,064	2,089
CY 2010	2,046	2,327
CY 2011	\$2,176	\$2,458



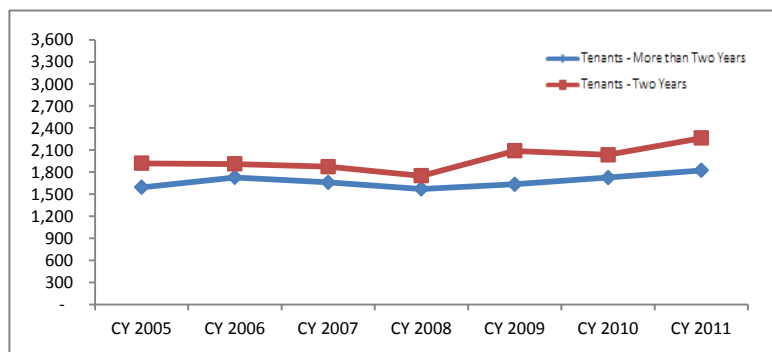
Number of Bedrooms	Lakeshore		Ocean View		Glen Park		All Tenancies	
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	
1 Bedroom	\$1,248	\$1,294	\$1,437	\$1,327	\$1,350	\$1,311	\$1,354	
2 Bedroom	1,594	1,729	1,661	1,572	1,635	1,725	1,824	
3 Bedroom +	1,995	1,920	2,285	1,821	1,873	2,097	2,080	
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284	

Number of Bedrooms	Lakeshore		Ocean View		Glen Park		Last Two Years	
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	
1 Bedroom	\$1,385	\$1,443	\$1,645	\$1,491	\$1,666	\$1,605	\$1,468	
2 Bedroom	1,920	1,910	1,873	1,750	2,089	2,034	2,264	
3 Bedroom +	2,516	2,152	3,008	1,896	1,929	2,010	2,037	
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533	

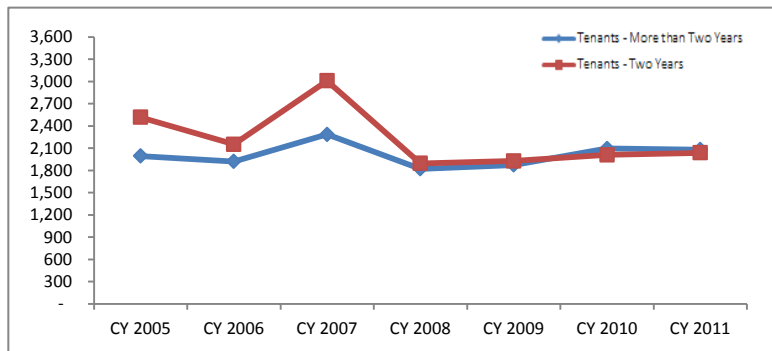
One Bedroom		
CY 2005	\$1,594	\$1,385
CY 2006	1,294	1,443
CY 2007	1,437	1,645
CY 2008	1,327	1,491
CY 2009	1,350	1,666
CY 2010	1,311	1,605
CY 2011	\$1,354	\$1,468



Two Bedroom		
CY 2005	\$1,594	\$1,920
CY 2006	1,729	1,910
CY 2007	1,661	1,873
CY 2008	1,572	1,750
CY 2009	1,635	2,089
CY 2010	1,725	2,034
CY 2011	\$1,824	\$2,264



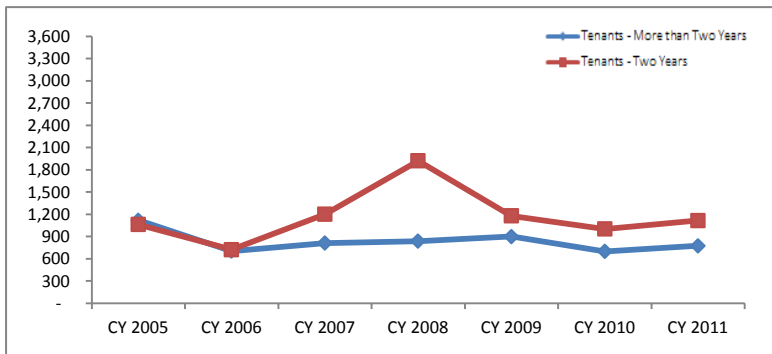
Three Bedroom		
CY 2005	\$1,995	\$2,516
CY 2006	1,920	2,152
CY 2007	2,285	3,008
CY 2008	1,821	1,896
CY 2009	1,873	1,929
CY 2010	2,097	2,010
CY 2011	\$2,080	\$2,037



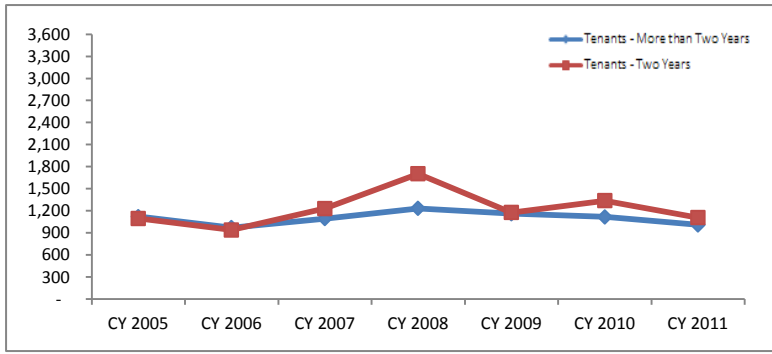
Number of Bedrooms	Bayview		Excelsior		Visitacion Valley		All Tenancies	
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	
1 Bedroom	\$798	\$705	\$812	\$838	\$900	\$700	\$776	
2 Bedroom	1,121	972	1,092	1,233	1,161	1,116	1,008	
3 Bedroom +	1,315	1,048	1,457	1,132	951	1,395	1,250	
Citywide	\$1,392	\$1,431	\$1,423	\$1,471	\$1,464	\$1,533	\$1,284	

Number of Bedrooms	Bayview		Excelsior		Visitacion Valley		Last Two Years	
	CY 2005	CY 2006	CY 2007	CY 2008	CY 2009	CY 2010	CY 2011	
1 Bedroom	\$1,062	\$724	\$1,201	\$1,921	\$1,179	\$1,001	\$1,116	
2 Bedroom	1,095	938	1,230	1,701	1,175	1,336	1,106	
3 Bedroom	1,342	549	1,878	1,043	1,045	1,327	1,606	
Citywide	\$1,651	\$1,702	\$1,696	\$1,870	\$1,846	\$1,830	\$1,533	

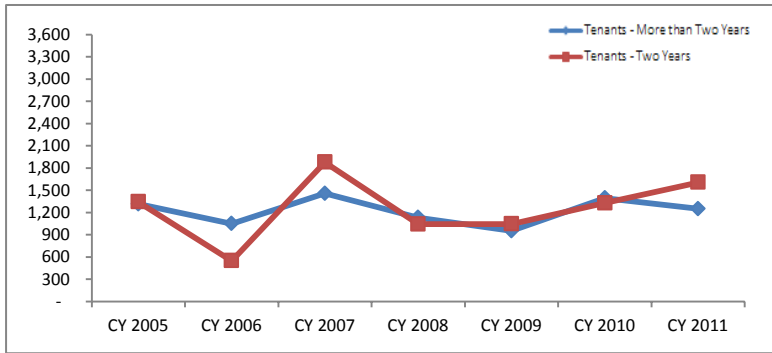
One Bedroom		
CY 2005	\$1,121	\$1,062
CY 2006	705	724
CY 2007	812	1,201
CY 2008	838	1,921
CY 2009	900	1,179
CY 2010	700	1,001
CY 2011	\$776	\$1,116



Two Bedroom		
CY 2005	\$1,121	\$1,095
CY 2006	972	938
CY 2007	1,092	1,230
CY 2008	1,233	1,701
CY 2009	1,161	1,175
CY 2010	1,116	1,336
CY 2011	\$1,008	\$1,106



Three Bedroom		
CY 2005	\$1,315	\$1,342
CY 2006	1,048	549
CY 2007	1,457	1,878
CY 2008	1,132	1,043
CY 2009	951	1,045
CY 2010	1,395	1,327
CY 2011	\$1,250	\$1,606



APPENDIX C: METHODOLOGY

The Budget and Legislative Analyst used several different data sources for this report. Unfortunately, there was not one comprehensive data source that would have allowed for quick and simple comparisons. For this report, the Budget and Legislative Analyst used:

1. Data from the American Community Survey Public-Use Micro Area (PUMA) 1-Year sample for demographics and questions related to income, rent, and rent-burden;
2. Data from the City and County of San Francisco Rent Board for questions about evictions;
3. Data from the City and County of San Francisco Assessor-Recorder about property assessed values, parcel counts, and transfer rates;
4. Data from Zillow.com about market rents and home sales in the San Francisco.

The Budget and Legislative Analyst reviewed the data sources above and adjusted them as necessary to allow for analysis. Each subsection below will discuss the data source, its use, and any adjustments the Budget and Legislative Analyst made.

AMERICAN COMMUNITY SURVEY PUBLIC-USE MICRO AREA (PUMA)

PUMAs are a product of the US Census Bureau for use in the decennial census. They are used to further break down large tracts of land into more digestible data. PUMA boundaries change every ten years but rarely significantly. PUMAs were first introduced at a high level in the late 1990s but were not expanded in a meaningful way until 2005. Since, the US Census Bureau data releases take several months, the data used in this report are for calendar years 2005-2011.

There are seven PUMAs the cover San Francisco (PUMAs 02201 through 02207). Since the State of California provides input to the Federal government about appropriate borders, these seven PUMAs align at their outside borders with the borders of the City and County of San Francisco; all parts of San Francisco are included and no parts of other cities are included.

The Budget and Legislative Analyst notes that American Community Survey summary data could have been used for this report, but that the PUMA data were more appropriate and demonstrative. Exhibit 26 below summarizes the difference between the two data sources.

Exhibit 26: American Community Survey Data			
Summary Data		PUMA Data	
Strengths	Weaknesses	Strengths	Weaknesses
<ul style="list-style-type: none"> • Large data set • Longitudinal • Very detailed 	<ul style="list-style-type: none"> • Geographic detail down to the census tract available over a five-year average • Range of rent and income data capped at \$2,000+, which is too low for our specific analysis 	<ul style="list-style-type: none"> • Geographic detail on an annual basis • Higher range of rental rates • Sample of actual responses, not summarized 	<ul style="list-style-type: none"> • Unique geographic boundaries • Only available in San Francisco from 2005-2011 • Not comparable to the 2000 Decennial Census • Yielded small data sets for certain, specific questions

“What is the median rent by year by neighborhood for a one-bedroom or studio apartment?”

As discussed in the table above, the PUMA data are more relevant to the stated inquiry in this report but do have limitations. PUMA data are a sample of actual responses about housing and personal data from respondents. They allow for more specific detail questions like, for example, “What is the median rent by year by neighborhood for a one-bedroom or studio apartment?”

If the Budget and Legislative Analyst had used ACS summary data for the question above, the response would have used data that combined census tract data on a rolling five-year average for a one-bedroom or studio apartment. The strength of that data is that the data would closer approximate the rent of specific neighborhoods but that it would show a slower than actual growth in rent because a five-year average would smooth out last year’s increase by including the previous four years.

Using the PUMA data, the response to the question above combines neighborhoods but better reflects the current market rent and increases. The two constraints of the PUMA data are that (1) for questions as specific as the example above, there were some instances with very small response groups, which allow for unusually high or low responses to skew the data and (2) since PUMA data are a sample of actual responses, there were instances where respondents provided unusually low responses. Given the volume of data and that there were unusually low data in each set, the Budget and Legislative Analyst did not exclude or impute values.

Adjusting for Inflation

The Budget and Legislative Analyst did inflate the rent data from 2005 through 2011 to reflect inflation through 2013. The resulting values are in current (2013) dollars and the changes seen in the data reflect the increase driven by the demand for housing in San Francisco as opposed to inflation.

To inflate the housing values, the Budget and Legislative Analyst used the half year inflation data from the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) for housing in the San Francisco market (not seasonally adjusted). Exhibit 27 below shows the CPI table used for the calculation.

Exhibit 27: Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) 2005-2013	
Year	Index Value
2005	222.900
2006	229.000
2007	236.954
2008	240.469
2009	246.353
2010	244.648
2011	247.002
2012	254.643
2013	263.948

For example, if a renter paid \$1,600 for a housing unit in 2005, that rent is inflated as shown below:

$$\text{Destination Year Inflated Rent} = \text{Initial Rent} * \text{Destination Year Index Value} / \text{Destination Year Index Value}$$

$$2013 \text{ Rent} = \$1,600 * 263.948 \text{ (2013 Index Value)} / 222.900 \text{ (2005 Index Value)} = \$1,894.65$$

The Budget and Legislative Analyst notes that PUMA income data were also adjusted to reflect the effect of inflation through 2013. The Budget and Legislative used the same equation as above to inflate the data but used the CPI for all goods and services as opposed to the housing only inflation used above. Exhibit 28 below shows the inflation factors for all goods and services.

Exhibit 28: Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) 2005-2013	
Year	Index Value
2005	201.500
2006	207.900
2007	214.736
2008	221.730
2009	223.305
2010	226.994
2011	232.082
2012	238.099
2013	243.894

CITY AND COUNTY OF SAN FRANCISCO RENT BOARD DATA

The Budget and Legislative Analyst surveyed the available information from the Rent Board for data about the number and location of eviction petitions and eviction notices in San Francisco. The survey included data from the Rent Board Annual Reports as well as directly pulling data from the Rent Board's data systems. Unfortunately, the electronic Rent Board data does not include demographic or detailed information about each petition or notice, which made answering questions about the demographics of people being evicted impossible.

Eviction data are reported on from March 1st through the last day in February the following year with the latter date being the reporting year. For example: March 1st, 2012 through February 28th, 2013 comprise the 2013 reporting year. In order to better align eviction data with rent for analytic purposes, the Budget and Legislative Analyst lagged the eviction data by one year, using the 2013 reporting year with 2012 rental information.

CITY AND COUNTY OF SAN FRANCISCO ASSESSOR-RECORDER DATA

The Budget and Legislative Analyst surveyed the available information from the Assessor-Recorder about the increase in property values in the City as well as about transfer rates in the City. While many of these data are reflected in the report, the limitations of the data only allowed for limited application to the question of inquiry.

ZILLOW.COM DATA

Zillow Median Sale Price of All Homes Sold

The Budget and Legislative Analyst used data from the Zillow.com research page in order to include a market-based value for homes in San Francisco. Specifically, the Budget and Legislative Analyst used the median price over time for all homes sold in the San Francisco market, which reflects the trend in the housing market.

The median sale price for all homes data differ from the Zillow Home Value Index (ZHVI), which uses statistics and algorithms to create a “market basket” of homes to compare over time. The benefit of the ZHVI is that it is less susceptible to skew in the market. For example, if the demand for two-bedroom homes in the Mission District increases and more homes sell consequently, then the traditional median data would show an increase for all homes, which may not actually apply to one-bedroom homes or three-bedroom homes. While the ZHVI is more impervious to skew, the Budget and Legislative Analyst chose to use the more traditional median sale price data because it was more applicable to the question for this inquiry. The decision to evict tenants, as well as the decision to sell a home, are made by owners who are more likely to consider the median price reported last month than they are to consider the corrected index.

Zillow Rent Estimate

The Zillow Rent Estimate (ZRI) applies a similar methodology as the ZHVI above to the rental market. While median list rental prices were also available, the Budget and Legislative Analyst used the ZRI because it was more applicable to the question of what was actually happening with rental prices across the entire rental market.