ACKNOWLEDGMENTS

CITY PROJECT TEAM

Board of Supervisors District 5 Office
Vallie Brown, District 5 Supervisor
Juan Carlos Cancino, Legislative Aide

Office of Economic & Workforce Development
Joaquin Torres, Director
Ken Rich, Director of Development
Anne Taupier
Former Staff: Thomas Li

Planning Department
John Rahaim, Director
AnMarie Rodgers, Director of Citywide Planning
Joshua Switzky, Land Use & Planning Manager
Miriam Chion, Housing and Equity Manager
James Pappas, Project Manager
Audrey Harris
Andrea Nelson
Michael Webster
Amiel Leano Atanacio
Former Staff:
Pedro Peterson
Adrienne Hyder
Danielle Deruiter-Williams
Marlo Sandler

Mayor’s Office of Housing and Community Development
Dan Adams, Acting Director
Mara Blitzer, Director of Housing Development
Teresa Yanga, Director of Housing Research
Amy Chan, Director of Policy and Legislative Affairs
Joan McNamara
Former Staff: Sophie Hayward

Work on the District 5 Housing Opportunities Report began in 2016. The Report is a collaboration between Supervisor Vallie Brown’s Office, the San Francisco Planning Department, Office of Economic Workforce Development, and Mayor’s Office of Housing and Community Development.

Cover photo courtesy of The San Francisco Chronicle.
Dear District 5 residents and San Franciscans,

Building housing for all San Franciscans, and especially residents of District 5 has been my highest priority. We need affordable housing choices that match our needs at every stage in life, whether you’re a student, trying to get back on your feet, starting a new family, or retired and looking to downsize. For our community to be stable and grow, we have to preserve existing affordable housing as well as build new housing.

We also have to think carefully about what housing we preserve and build and for whom. Who’s here now and how are they housed? What are current housing needs and opportunities? How has the district grown and changed and how do we expect it to change in the future? What kind of district and City do we want? Our housing must reflect this.

I want to keep residents of District 5 housed here where they’ve built community and established support systems. At the same time, I don’t want anyone trapped in housing that doesn’t meet their needs. I also want this to be a District and a City that continues to be welcoming, open and diverse.

As your Supervisor, I have worked hard on many housing policy fronts: to enact the highest possible affordable housing requirements, to protect tenants individually and as a class, to expand the small sites acquisition program and acquire tenanted, rent-controlled buildings in District 5, to boost development of new affordable housing and accessory dwelling units (ADUs) by waiving fees, and to increase non-profit and legal services to promote housing stability and protection. I’ve also pushed hard to build new affordable housing and to identify and fast track affordable housing projects on publicly owned land all across District 5.

On November 5, 2019, San Franciscans voted to approve a $600 million affordable housing bond that I cosponsored, Proposition A, which provides critical funding to build more affordable housing now and in the future. Beyond funding, we also need to come together as a community to find new pathways to accommodate growth beyond what’s currently possible. We cannot end this housing crisis without community interest and support.

As someone who has experienced housing insecurity, I’m deeply committed to continuing to lead on this issue and to collaborating to set us on the road to ending this housing crisis. I have worked hard to be a leader that opens forums for us to have the hard discussions together, who has been at the table and who has always sought to find the common ground among us, but above all, to preserve and to build more housing in District 5.

Thank you for your interest in this Report. I look forward to working with you to build a more affordable and inclusive District 5.

Your neighbor, Vallie
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>ii</td>
</tr>
<tr>
<td>DISTRICT 5 NEIGHBORHOODS MAP</td>
<td>iii</td>
</tr>
<tr>
<td>LETTER FROM DISTRICT 5 SUPERVISOR VALLIE BROWN</td>
<td>IV</td>
</tr>
<tr>
<td><strong>INTRODUCTION</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>KEY FINDINGS</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>DISTRICT 5 PROFILE</strong></td>
<td>5</td>
</tr>
<tr>
<td>People</td>
<td>5</td>
</tr>
<tr>
<td>Housing and Housing Costs</td>
<td>9</td>
</tr>
<tr>
<td>Land Use</td>
<td>10</td>
</tr>
<tr>
<td><strong>DISTRICT 5 AFFORDABLE HOUSING PRESERVATION AND PROTECTION</strong></td>
<td>16</td>
</tr>
<tr>
<td>Citywide Planning Efforts</td>
<td>16</td>
</tr>
<tr>
<td>Rent Controlled Housing Preservation and Resident Stabilization</td>
<td>17</td>
</tr>
<tr>
<td>and Protection</td>
<td></td>
</tr>
<tr>
<td>Affordable Housing Preservation</td>
<td>20</td>
</tr>
<tr>
<td><strong>DISTRICT 5 HOUSING PRODUCTION</strong></td>
<td>24</td>
</tr>
<tr>
<td>The Housing Pipeline</td>
<td>25</td>
</tr>
<tr>
<td>Development Opportunity Sites</td>
<td>28</td>
</tr>
<tr>
<td><strong>CONCLUSION</strong></td>
<td>33</td>
</tr>
</tbody>
</table>
INTRODUCTION

Located in the north-central part of San Francisco, Supervisorial District 5 is made up of some of San Francisco’s most distinctive neighborhoods: Alamo Square, Cole Valley, Fillmore/Western Addition, Haight-Ashbury, Hayes Valley, Inner Sunset, Japantown, Lower Haight, Lower Pacific Heights and North of the Panhandle (NoPa). These neighborhoods are home to diverse communities, including historic centers of the city’s Japanese and African American communities, and world-famous architecture, such as the “Painted Ladies” of Alamo Square. The District has been the home of important social and cultural movements that changed the city and the nation including the “Freeway Revolt” that halted freeway construction in San Francisco and the “Summer of Love,” a symbolic event of 1960s counterculture. The District and its people have also experienced great dislocation and loss, particularly with Japanese internment during World War II, and later urban renewal of the 1950s and 1960s that displaced thousands of African American residents and demolished thousands of homes.

Housing is central to any community but the past and present of District 5 makes housing production, preservation, and protection particularly important. District 5’s central location between the dense eastern neighborhoods and low-density west side of the city, as well as its higher concentration of renter households and of rent controlled and income-targeted affordable units, also magnify the importance of housing policy in the district.

This District 5 Housing Opportunities Report is meant to provide a basis for housing policy discussions, highlighting key characteristics and trends in the District relative to the city as a whole along with potential policies, both existing and new, that may help to address the challenges of the District and the city. District 5 has a distinctive housing landscape relative to the city as a whole, with higher concentrations of subsidized affordable housing for low- and moderate-income people, more housing subject to rent control, and a higher percentage of renters and multi-unit buildings. The District has been a microcosm of economic changes in the city and region, with growth in higher income households and growing income inequality. This Report offers a deeper analysis of the District’s housing issues and identifies some future housing policy opportunities that can be used to develop solutions with the community.

This Report is a collaboration between Supervisor Vallie Brown and the San Francisco Planning Department (Planning) along with the Office of Economic and Workforce Development (OEWD) and the Mayor’s Office of Housing and Community Development (MOHCD). The report provides key information related to housing affordability and stability in the District, presenting this information in four sections:

- The **Key Findings** provide a summary of the data and analysis from the report.
- The **District Profile** provides demographic information on District 5’s residents, along with information on the District’s existing housing stock and the District’s zoning, which regulates land use and the development of housing.
- The **Affordable Housing Preservation and Protection** section focuses on the District’s rent-controlled housing and subsidized affordable housing. It focuses on policies and programs to preserve these housing types, including protections and services for residents.
- The **Housing Production** section provides information on housing development to meet housing needs across all income levels. This information includes completed housing in the District from 2010-2018, the current pipeline of development, privately and publicly owned opportunity sites for housing development, and policy ideas and context on housing development.

With this shared information, the community and policymakers can better understand the needs as well as policy challenges and opportunities in the District and can work together to address the distinct housing issues of the District as well as those shared with the city and the region.
KEY FINDINGS

Demographics

- In 1980 the District had a lower median income than either the city or the state but by 2017 the District’s median income was higher than both due to increases in higher income households.
- Income inequality is dramatic in the District as in the city as a whole. 34% of District households earn more than $150,000 while another 30% earn less than $50,000 per year. Since 2010 the number of households earning over $150,000 has increased by over 5,000 while households earning less than $100,000 declined by 3,200.
- Long-term loss of the District’s Black population began in the 1970s in the wake of urban renewal but has continued in recent decades as income inequality has increased.
- Black and Asian households in District 5 have lower educational attainment and significantly lower incomes than white households in the District.
- The District has more single person households and people from 18-39 years old and fewer families with children than the city in general.

Housing and Land Use

- The District has higher concentrations of renters and multifamily apartments and a higher concentration of rent controlled housing and subsidized affordable housing than the city.
- Median rents are slightly lower than citywide rents, likely due to the presence of rent controlled and subsidized affordable housing.
- Home values are higher than the city as a whole in contrast to rents. Median homeowner income is over $150,000 while renters in the District have a median income below $85,000.
- Over 10,600 renters are estimated to be cost burdened spending 30% or more of income on rent (34% of all renters are cost burdened) and of these over 4,700 are severely cost burdened, spending more than 50% of income on rent. About 2,600 or 29% of all homeowners in the district are cost burdened, of whom 1,000 are severely cost burdened. The District’s cost burden is slightly less than the percentage in the city, possibly reflecting the concentration of rent controlled and affordable housing in the District.
- The District’s existing housing stock is overwhelmingly multi-unit buildings of three or more units (79%) and a majority of the housing was built before 1940.
- Just 3.4% of residential land in the District is zoned for single-family homes (RH-1) compared to 41.4% for the rest of the city. While the District’s zoning often allows multi-unit housing, the number of units is usually restricted either to a specific number of units or based on the square footage of the parcel (for example one unit allowed per 800 square feet of parcel).
- Most of the District’s housing was built before current zoning and height regulations were adopted and over 43% of the District’s existing housing units are in buildings that exceed the number of units permitted by current zoning.

Affordable Housing Preservation and Protection

- There are an estimated 22,500 rent controlled units in District 5, just over half of all housing units in the District.
- Eviction notices in the District were at a 20-year low in 2018, and less than one-third of levels in the 1990s. Of the 106 eviction notices filed in 2018, 30 were no fault evictions. The most recent peak in eviction notices was in 2015 when over 200 eviction notices were filed that year.
- There are over 5,000 subsidized units affordable to low and moderate income people. About 680 of these units have affordability restrictions that could expire in the next five years.
In addition, there are over 700 units in buildings with affordability restrictions that have expired but where rents have not been converted to market.

Housing Production

From 2011-2018 there were 1,137 new housing units built in District 5, a 2.7% increase, lower than the city’s overall housing stock increase of about 5.8% but better than seven other supervisorial districts.

The housing produced in the District was 5% of all housing built in the city and 10% of the affordable housing built citywide. 46% of housing produced in the District was affordable at low or moderate incomes.

As of the 4th quarter of 2018, there were 2,176 net new housing units in development (submitted, approved, permitted, under construction) in the District.

Most of the District’s housing recently completed or under development is located on parcels in area plans such as the Van Ness Avenue Area Plan and Market and Octavia Area Plan, the result of planning with the community to allow additional housing development.¹

Most housing development is also in form-based density areas, where building size and number of units are controlled by design regulations including height, bulk, open space, and percentage of multi-bedroom units rather than limits on number of units.

There are at least 24 privately owned and 12 publicly owned “soft sites” in the District that are currently underutilized compared to existing zoning and that could yield significant amounts of housing, including affordable housing.

Strategies

One of the primary goals of this Report is to spur greater discussion and development of new, specific strategies to address housing affordability and community stabilization. Supervisor Brown is committed to working with the community and colleagues on the Board, the Mayor, and City staff to develop and implement these strategies.

Broadly, the City’s approach to improving housing affordability and stabilizing communities includes the following strategies:

- **Strengthen protections and provide services for residents** to keep low- and moderate- income tenants and homeowners in their homes and communities.
- **Expand nonprofit capacity** for affordable housing preservation, protection and production to achieve greater housing affordability and community stabilization.
- **Increase funding to buy and maintain affordable rental housing** to preserve affordable rental housing for low- and moderate- income people.
- **Increase funding for affordable housing development and services** to create new homes for low- and moderate- income people and to provide services to residents.
- **Increase housing production** for all income levels and household types, subject to the highest possible affordability requirements, to provide additional housing options, reduce pressure on existing housing, and provide additional affordable units through inclusionary housing.

Specific actions already taken to implement these strategies are discussed throughout this Report. MOHCD has provided some additional, specific but not yet implemented strategies to preserve subsidized affordable housing in the District which are described in more detail in the section on affordable housing, including: (1) Invoking Right to Purchase; (2) Creating Incentives for Long-Term Preservation; and (3) Providing Technical Assistance to Coop Boards.

This Report and the specific information and strategies it discusses are narrowly focused on housing, but it is important to acknowledge that housing affordability in District 5 and throughout the city is linked to a wide array of macro- and micro- economic, environmental and social changes including income inequality and the growing popularity of cities. Thus, to achieve housing affordability and community stabilization, we must also address a host of other critical challenges including educational and employment gaps for low- and moderate- income people.

¹ Note: for updated housing completes and pipeline data see data available on the DataSF webpage under housing data: https://datasf.org/opendata/
To address District 5’s housing needs we need to understand who lives in the district, trends affecting the population, and the characteristics of the housing residents live in. This section provides information on the District’s people and housing along with additional context for housing planning, including the land use regulations that currently control what can be built in the District and what can be done with existing property.

People

District 5 is home to 84,973 residents, compared to a 2017 citywide population of 864,263. While the overall population in San Francisco grew 27% between 1980 and 2017, District 5 grew at a slower rate of 22%. The housing stock in the district increased by 19%, somewhat below the rate of population growth. The median age of District 5 residents is 36 years, similar to the citywide median of 38. However, District 5 has a much higher concentration of 18-39 year-olds at 48% compared to 39% for the city.

The District has a smaller percentage of children under 18 than the city (10% compared to 13%) and a slightly smaller percentage of residents aged 60 and older, though this population is growing in both the District and the city. The District has a higher percentage of single person households (41% compared to 37%) and smaller household size than the city as a whole. It also has a lower vacancy rate than the city overall and significantly fewer crowded households (3.6% compared to 6.1%).

District 5 has historically had a larger concentration of Black residents than the City overall. As of 2017, Black residents comprised 8% of District

### TABLE 1. General Demographics of San Francisco and District 5

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Total Households</th>
<th>% Family / Non-Family Households</th>
<th>Average Household Size</th>
<th>% Households with Children</th>
<th>% Households with someone 60 Years or older</th>
<th>% Single Person Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>864,263</td>
<td>358,772</td>
<td>47% / 53%</td>
<td>2.35</td>
<td>18.5%</td>
<td>34.4%</td>
<td>36.7%</td>
</tr>
<tr>
<td>D5</td>
<td>84,973</td>
<td>40,547</td>
<td>36% / 64%</td>
<td>2.1</td>
<td>12.3%</td>
<td>29.4%</td>
<td>41.3%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2017 5-Year data
of the Black population made up 42% of the population. Over this time period, the White population increased by about a third and the Asian population more than doubled but remains below the citywide percentage. The loss of the Black population began in the 1970s in the aftermath of urban renewal, but declines since then have coincided with large increases in household income in the district and a population that is highly educated and more likely to work in professional careers.

Median household income in the District has soared since 1980 by an estimated 189%, from $34,269 to $99,049, accounting for inflation. Median income in San Francisco has also dramatically increased over this period by 114% from $45,043 to $96,265. In contrast, median income in California has only increased by 17% since 1980 from $57,568 to $67,169, accounting for inflation. District 5 went from being relatively poor compared to the rest of the state to being considerably higher income, a dramatic example of citywide trends. The District also demonstrates the extremes of income present in the city. Thirty-four percent (34%) of the District’s households earn more than $150,000 while another 30% of households earn less than $50,000. From 2010 to 2017 the number of households earning over $150,000 increased by more than 5,000 with the majority of these earning more than $200,000. Over the same period households earning less than $100,000 declined by 3,200.

Educational attainment among District 5 residents is higher than it is citywide, with 67% of District 5’s adult residents having earned either a 4-year college degree or a graduate/professional degree compared to 53% in the city. Differences in income by race and ethnicity likely reflect differences in educational attainment in District 5: 79% of White adults have a 4 year college degree or graduate degree compared to just 22% of Black adults, 53% of Latino adults, and 62% of Asian adults. As of 2017, the unemployment rate for District 5 was 4%, compared to 5% for the City overall.

The Black population in the District and citywide has a significantly higher unemployment rate estimated at 14%. The distribution of working residents in the District by field of work is similar to the city; however, the District has more residents that work in management and professional fields and fewer residents working in service occupations or fields focusing on production, transportation, construction, and maintenance.

Household incomes climb in the predominantly White census tracts in Cole Valley, Haight-Ashbury, and Lower Haight and are highest around Buena Vista Park. Median household income drops to $24,000 in the Western Addition where affordable housing developments are concentrated and the population is more racially diverse. White householders’ median income is $119,335. Asian householders’ median income is just 65% of White householders’ and Black householders’ median income is less than 25% of White householders. “Householders” are the primary persons who answered Census questions about the household.
MAP 1. District 5 Median Household Income and Race/Ethnicity per Census Tract

For Census tracts where the percentage of particular communities of color is 25% or more, the population percentage is displayed in the tract.

**TABLE 2. Housing Demographics of San Francisco and District 5**

<table>
<thead>
<tr>
<th></th>
<th>Total Housing Units</th>
<th>Renter Occupied</th>
<th>Owner Occupied</th>
<th>Vacancy</th>
<th>Estimated Rent Controlled*</th>
<th>Affordable Units*</th>
<th>Crowded (&gt; 1 person per room)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF</td>
<td>389,574</td>
<td>63%</td>
<td>37%</td>
<td>8.1%</td>
<td>40%</td>
<td>9%</td>
<td>6.1%</td>
</tr>
<tr>
<td>D5</td>
<td>43,779</td>
<td>77%</td>
<td>23%</td>
<td>7.6%</td>
<td>52%</td>
<td>14%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

*The majority of District 5’s affordable housing would be subject to rent control should affordability requirements lapse. With these units included the total rent controlled stock is estimated at nearly 63% of all housing in District 5.

Source: American Community Survey 2017 5-Year data, San Francisco Parcel Data, State and federal data provided by California Housing Partnership Corporation (CHPC). Local funding data provided by MOHCD. Public Housing data provided by HUD eGIS.

**TABLE 3. Zillow Median List Rent and Home Value by Zip Code as of January 2019**

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>1-Bedroom Median List Rent</th>
<th>2-Bedroom Median List Rent</th>
<th>Home Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>94115</td>
<td>$3,295</td>
<td>$4,400</td>
<td>$1,549,800</td>
</tr>
<tr>
<td>94117</td>
<td>$3,200</td>
<td>$3,995</td>
<td>$1,620,300</td>
</tr>
<tr>
<td>94122</td>
<td>$2,850</td>
<td>$3,350</td>
<td>$1,428,200</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$3,500</td>
<td>$4,500</td>
<td>$1,353,500</td>
</tr>
</tbody>
</table>

Source: Zillow

**EVICTION NOTICES District 5**

- Studio (no separate bedroom)
- 1 bedroom
- 2 bedrooms
- 3 bedrooms
- 4 or more bedrooms

Source: SF Open Data
**Housing and Housing Costs**

Based on a 2017 count, there were 43,779 residential units in District 5. While 63% of San Francisco households are renters, the percentage is even higher in District 5 at 77% of households. Just 11% of the District’s housing is single-family homes compared to 31% citywide. The District has more multifamily homes of all sizes than the city, from 3-4 unit buildings to buildings of 20 units or more, and a higher percentage of 1-bedroom units and fewer multi-bedroom units than the city. **Most of the residential density is concentrated in the Fillmore, Western Addition, and Hayes Valley neighborhoods.** The age of housing in the District is very similar to housing throughout the city, with just over 80% built before 1980. However, more than half of the District’s housing was built before 1939 compared to slightly less than half in the city.

The District has a higher percentage of units estimated to be rent controlled than the city (52% compared to 40%) and a higher percentage of units subsidized to be affordable at low and moderate incomes (14% compared to 9%).

**Length of tenure** in The District reflects trends similar to the rest of the city: owners tend to have been in their homes longer while renters have been in their homes for less time. However, District 5 shows more recent turnover among owners than in the city as a whole. **While renters tend to have moved into their units more recently than owners, over 44% of renters in both the District and the city have been in their homes 8 years or more.** In addition, renter households in the District as well as the city are more numerous than owners, so residents who have lived in the District for decades are actually more likely to be renters than owners. Of households who moved into the District in 1999 or before, about 3,500 are owners while over 5,800 are renters.

According to Zillow, median list rents in zip codes covering the District were $2,850-$3,295 for 1-bedroom units compared to $3,500 citywide. The list rent is the rent asked by property owners with units available for rent who provided data to Zillow. 2-bedroom unit rents ranged from $3,350-$4,400 compared to $4,500 citywide. Census data shows that rents of current residents are significantly below the Zillow asking rents, likely reflecting that many renters live in rent controlled units or subsidized affordable housing with rents below market rate. District 5 has
higher home values than the city, in contrast to the slightly less expensive rental stock. Along the same lines, incomes of renters and owners are also drastically different: the estimated median income of owner households in the District is over $150,000 while the median income of renter households is estimated at $84,834.

More than one-third of renters are considered rent burdened, spending more than 30% of income on rent, but the district’s rate of rent burden is below the rate in the city likely due to the District’s concentration of affordable and rent controlled housing. This figure means that over 5,800 renters are cost burdened and another 4,700 are severely cost burdened, spending more than 50% of income on rent. About 29% of owners are cost burdened or about 2,600 owners of whom 1,000 are severely cost burdened. The District’s rate of owner cost burden is lower than the city as a whole.

Eviction notices have exceeded 100 per year for over 20 years, however, eviction notices of all types reached a low in 2017 and 2018. Since the 1990s, no-fault eviction notices including owner move-in and Ellis act evictions have declined significantly as a percentage of evictions. Eviction notices in District 5 were 8-9% of all eviction notices filed Citywide in 2017 and 2018, substantially lower than the late 1990s and early 2000s when eviction notices in the District ranged between 12-15% of all eviction notices citywide.

### Land Use

**Zoning** controls how the city’s land and buildings can be used, and affects new buildings and alterations, expansions, and changes of use to existing buildings. Map 2 shows zoning in District 5. The District is overwhelmingly residential but includes diverse building types, from single-family homes and small neighborhood-serving businesses to high-density apartment buildings in busy neighborhood commercial districts along well-traveled transit corridors. Most buildings in the District predate current zoning.

Land zoned for **open space** accounts for nearly 23% of all the land in District 5, almost the same as the city. Open space includes the portion of Golden Gate Park within the District, the Panhandle, and all or portions of other significant parks and playgrounds. Land zoned for **public facilities**, such as schools, makes up 4% of land in the District. Most of the remainder of the district is zoned for residential use or mixed-use areas that allow neighborhood commercial businesses along with residential on upper stories. Overall, zoning in District 5 allows more multifamily housing than the city in general, reflecting the longstanding concentration of multifamily housing in the District.

Just 3.4% of residential land in District 5 is zoned RH-1, limiting a parcel to a single family home. In contrast, over 41% of the city’s residential land is RH-1. Another 18% of residential land in District 5 is RH-2, about the same as the city as a whole. RH-2 allows two units per parcel. Over 33% of the residential land in the District is zoned RH-3 or RM-1, typically allowing 3 units per parcel. Only about 11% of the city’s residential land is RH-3 or RM-1. Another 45% of the District is zoned for multifamily residential buildings with more than three units on a typical parcel; however, more than three-quarters of this is in districts with zoning that restricts the number of homes that can be built using a ratio of units to the square footage of the parcel. RM districts (Residential Mixed) offer useful examples with RM-1 districts limiting housing to one unit per 800 square feet of parcel area while in RM-3 the limit is one unit for every 400 square feet of parcel area. In contrast, other multifamily housing zoning instead defines the form and number of housing units through “form-based” controls including height, bulk, open space, and unit mix requirements that call for a certain percentage of multi-bedroom units. Form-based density districts cover about 10% of District 5 or roughly a quarter of all land in the district that is zoned for multifamily residential.

For comparison, the city as a whole has about 12% of its residential land area zoned using a formula based on units per square foot of parcel areas for density controls and a slightly larger percentage of the city uses form-based controls, though in the city as a whole this zoning includes commercial and mixed-use districts where office, hotels, and other commercial uses are also allowed.

Most form-based areas in District 5 are located in neighborhoods or corridors where there have been area plans developed with the community including the **Van Ness Avenue Area Plan**, **Market and Octavia Area Plan**, and forthcoming **Market Octavia Plan Amendment (formerly the Hub)**. Area plans offer a future vision of a neighborhood including housing, jobs, services, public facilities, parks, streets, and transportation among
other elements. Area plans can take years to develop working with the community and elected officials and typically include legislative updates to zoning and other policies.

Housing development in the city and the District, including affordable housing development, occurs mostly in form-based areas due at least in part to the fact that buildings with more units are more often allowed in these areas. Affordable housing development is more common in form-based districts for two reasons: (1) large multi-family developments that would be subject to the city’s inclusionary program (buildings of 10 or more units and a higher rate for buildings of 25 units or more) are more common in form-based areas. In addition, when area plans have implemented form-based zoning to allow more housing, special inclusionary rates have often been adopted to capture more affordable housing from the increase in housing permitted. (2) Developers of 100% affordable housing typically prefer sites where they can build 50-100 units or more because these buildings are more efficient to finance, construct, and manage than smaller buildings, and form-based districts have been more likely to permit these larger housing developments.

**TABLE 4.** Zoning of Residential Land in District 5 and San Francisco

<table>
<thead>
<tr>
<th>Zoning District</th>
<th>D5</th>
<th>SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>RH-1 (one unit)</td>
<td>3.4%</td>
<td>41.4%</td>
</tr>
<tr>
<td>RH-2 (two units)</td>
<td>18.0%</td>
<td>18.0%</td>
</tr>
<tr>
<td>RH-3/ RM-1 (typically three units)</td>
<td>33.7%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Multi unit limited by parcel area ratio</td>
<td>34.7%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Multi unit “Form-based”*</td>
<td>9.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Commercial*</td>
<td>0.7%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Redevelopment Plan Area*</td>
<td></td>
<td>5.40%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

* Parcels with Commercial zoning may be used for housing, however, can also be used for office, hotels, and other commercial uses so housing may not always be likely. Redevelopment Plan areas for Mission Bay and Candlestick Point have their own zoning, which allows significant amounts of housing, however, the plan areas also include open space and public and commercial uses.

Source: SF Planning Land Use Database

While zoning regulates what property can be used for, height and bulk are also regulated to determine how large a building can be. Excluding open space that has no height district, nearly 69% of District 5 has height controls of 40 feet or less, or about 4 stories. About 76% of the city has a height limit up to 4 stories. About 15% of District 5 allows height of 5 stories (50-55 feet) and over 5% of the District allows up to 6 stories (60-65 feet), mostly on major streets on the District’s east side. Just 3% of the city’s land is zoned for heights up to 5 stories and another 7.6% for 6 stories. Four percent of District 5 allows 8-10 story buildings (80-105 feet). A similar percentage of the city allows these heights. Over 6% of District 5 allows more than 10 stories, mostly on Van Ness, Geary, and Fillmore. A few parcels at Geary and Gough and Market and Van Ness allow more than 20 stories. Only about 4% of the city allows buildings taller than 10 stories.

San Francisco and the State of California both have adopted affordable housing bonus programs meant to encourage more affordable housing for low and moderate income households. San Francisco’s local programs include the Affordable Housing Bonus Program for 100% affordable projects and HOME-SF for projects that exceed inclusionary affordable housing requirements. Both programs only apply in districts where at least three units are allowed on a parcel so RH-1 and RH-2 are excluded from both. The 100% affordable housing bonus offers up to three additional floors and a shift to form-based density if applicable. In exchange for an increased percentage of affordable units, HOME-SF allows more housing units by applying form-based zoning. HOME-SF allows one to two stories of additional height also in exchange for additional affordability. The State Density Bonus law offers increased density up to a maximum of 35% as well as incentives, concessions, and waivers from the Planning Code in exchange for specified amounts of affordable housing. Because the State bonus is only available for projects providing affordable units on site it is most likely to be used by developers of buildings of 10 units or more that are required to provide affordable units under San Francisco’s Inclusionary Housing regulations. Smaller projects that are not required to provide affordable units are highly unlikely to add the affordable housing required to use this bonus. The State bonus can take the form of additional height or units though the exact request from a developer depends on the size and shape of the “base project” allowed by the existing zoning and the amount of affordable housing included.
Residential Zoning like RH-3.

* RM-1 allows one unit for every 800 square feet of lot area. On a typical San Francisco parcel of 25 feet by 100 feet (2500 square feet), three units would be allowed much like RH-3.
DISTRICT 5 HOUSING OPPORTUNITIES REPORT

MAP 4. District 5 Building Height Allowed

Source: San Francisco Planning Department
Because most of the District was built before adoption of the current zoning, height, and bulk controls, many existing residential buildings would not be allowed under current zoning and height or bulk controls (for example the white apartment building next to the “Painted Ladies” in the cover image for this Report). In fact, according to a recent Planning Department analysis, over 43% of the District’s units (more than 19,000 units) are in buildings that have more units than would be allowed by the current zoning for the site. These non-conforming buildings are not only a large percentage of the District’s housing stock; they are often fixtures in the neighborhood that help to define its look and feel.

Recent area plans in the District like the Market and Octavia Area Plan and Market Octavia Plan Amendment and re-zonings like the Divisadero Neighborhood Commercial Transit district have shifted to “form-based” zoning controls that allow buildings more similar to those that were historically built in the District. Form-based controls use regulations on height, bulk, open space, and number of multi-bedroom units to determine the form of a building and the number of units in the building rather than flat restrictions on the number of units based on parcel size that are found in density controlled areas.
DISTRICT 5 AFFORDABLE HOUSING PRESERVATION AND PROTECTION

This section discusses current affordable housing preservation and protection efforts citywide and in District 5. District 5’s higher concentration of renter households and a higher concentration of rent controlled and income-targeted affordable units make preservation and protection of existing affordable housing especially important in the district. District 5 is home to over 43,700 residential units, of which more than half, or over 22,500 units in 4,100 buildings, are estimated to be subject to rent control based on building age, size, and ownership type. Another 5,031 units are subsidized, income-targeted units affordable to low- and moderate-income households. The majority of income-targeted units are also subject to rent control due to building age and size. District 5 has a higher percentage of units estimated to be rent controlled than the city (more than 52% compared to 40%) and a higher percentage of units subsidized to be affordable at low and moderate incomes than the city (14% compared to 9%). Housing that is estimated to be rent controlled is found in nearly every part of the District (as shown in Map 5) while income-targeted affordable housing is almost exclusively located in the eastern part of the District in the Fillmore/Western Addition, east of Broderick.

Housing preservation takes on even greater significance in light of the District’s disastrous history with urban renewal. California passed the Community Redevelopment Act in 1945 allowing cities and counties to create redevelopment agencies to address physical and economic blight. The San Francisco Redevelopment Agency (SFRA) was created to carry out urban renewal here in San Francisco, with the power to assemble and sell property, including use of eminent domain, and the ability to issue bonds funded by property tax increment.

Before urban renewal, redlining and other exclusionary housing practices including widespread single-family zoning, had left African Americans with few choices of where to live and work, resulting in de-facto segregation. Despite these challenges, the Western Addition grew into a thriving African American neighborhood, dubbed the Harlem of the West.

Nevertheless, SFRA targeted the Western Addition for redevelopment following the rise of the African American population, pointing to overcrowded housing conditions as “blight.” Urban renewal resulted in thousands of housing units being demolished in the Western Addition during the 1950s and 1960s, as well as the destruction of thriving community businesses and institutions, and began the displacement of the African American community. Community activism in the 1960s and 1970s stemmed mass demolition in the District and shifted the SFRA’s focus to production of housing. However, by that point, thousands of people had been uprooted and thousands of buildings destroyed, forever harming the African American community and neighborhood.

Citywide Planning Efforts

Appropriate public policies, regulations, and investments can help to keep existing residents in place and preserve housing that is affordable at low and moderate incomes. Efforts to preserve housing and improve affordability in District 5 build upon citywide efforts that include two current projects.

The Planning Department’s Community Stabilization Strategy (CSS), focuses on keeping residents, especially people with low and moderate incomes and people of color, in their homes and communities. The CSS inventories and analyzes current preservation and protection strategies and affordable housing programs with the goal of promoting opportunities to expand or improve these programs.

The Planning Department’s Housing Affordability Strategies (HAS) project, to be completed in early 2020, will focus on how to improve affordability in San Francisco, especially for low- and moderate-income people. The HAS will provide analysis of housing production, specifically affordable housing funding, preservation, and production and will build upon the preservation and protection analysis prepared in the CSS.
Broadly, the approach to improving affordability and stability includes the following actions:

- **Strengthen protections and provide services for residents** to keep low- and moderate-income tenants and homeowners in their homes and communities.

- **Expand nonprofit capacity** for affordable housing preservation, protection and production to achieve greater housing affordability and community stabilization.

- **Increase funding to buy and maintain affordable rental housing** to preserve such housing for low- and moderate-income people.

- **Increase funding for affordable housing development and services** to create new homes for low- and moderate-income people and to provide services to residents.

- **Increase housing production** for all income levels and household types, subject to the highest possible affordability requirements, to provide additional housing options, reduce pressure on existing housing, and maximize additional affordable units through inclusionary housing.

The Planning Department’s CSS and HAS projects will provide broadly applicable strategies for the city. In the sections below, some of these strategies are reviewed as well as specific efforts in D5.

**Rent Controlled Housing Preservation and Resident Stabilization and Protection**

The majority of rental housing in San Francisco is subject to rent control, providing relative affordability and rent stability to a large share of the city’s low and moderate income households according to the Planning Department’s 2018 Housing Needs and Trends Report. However, rent control does not depend on the income of the household and, over time, higher income households are occupying a greater share of rent controlled units.

The city’s Rent Control Ordinance applies to buildings that have two or more units and were certified for occupancy prior to June 13th, 1979. Rent control provides stability for current tenants by limiting how much rent can rise annually to a percentage of inflation, with additional allowances for maintenance and capital improvements. Some tenant and tenant advocates have noted that rent increases for capital improvements can create hardship and may even result in displacement. In response, the City has developed a hardship waiver program and the District 5 Office has advocated strongly for greater protections in this area. San Francisco also has a Just Cause Eviction Ordinance that limits evictions to specified causes and applies to all tenants, providing additional protection.

San Francisco’s rent control rules are heavily dictated by Costa-Hawkins, a state law that prohibits rent control on newly constructed buildings. Costa Hawkins also requires vacancy decontrol of rent when a unit becomes vacant and is rented to a new tenant, though subsequent increases in rent for the new tenant are limited if the building is subject to rent control. Costa-Hawkins also exempts single-family homes and condominiums from rent control unless a tenant has occupied the home since before 1996.

District 5’s higher concentrations of rent controlled housing and renter households make preservation and protection strategies all the more important in the District because they are an important resource for low and moderate income tenants. In addition to rent control and just cause eviction ordinances, San Francisco has a number of policies in place to preserve rent controlled housing and protect current residents. Some of the housing preservation programs reviewed in more detail in the CSS include:

- **Demolition controls**: Any proposal to remove, demolish, or merge a unit requires a Conditional Use Authorization (CUA) from the San Francisco Planning Commission that must be approved at a public hearing. The City’s general plan includes the priority policy “that the City’s supply of affordable housing be preserved and enhanced,” which is generally not consistent with the demolition or removal of rent controlled housing, and therefore approval of demolition of
MAP 5. District 5 Affordable and Estimated Rent Control Parcels

Source: San Francisco Land Use data, Assessor data, State and federal data provided by California Housing Partnership Corporation (CHPC). Local funding data provided by MOHCD. Public Housing data provided by HUD eGIS.
rent-controlled units or affordable housing is very rare. The 2018 Housing Balance Report from the Planning Department found 16 demolished units in District 5 from 2008 to 2018 and 413 citywide.

- **Condominium Conversion Controls:** San Francisco limits condominium conversions of rental apartment buildings by prohibiting conversion of buildings of more than 6 units. For rental buildings of 6 units or fewer, 200 units per year are allowed to convert to condominiums through a lottery process; however, owner-occupied buildings of 2 units may skip the lottery for conversion.

- **Short-Term Rental Regulation and Enforcement:** San Francisco requires registration of any homes used for short-term rentals with the Office of Short-Term Rentals, which also enforces on illegal use of homes as short-term rentals. While permanent residents of a home can rent a room regularly as short-term rentals (in multi-unit buildings, the landlord or homeowners association may also have their own, more restrictive rules), entire units without a permanent resident host present can only be used as a short-term rental up to 90 days per year.

- **SRO Protections:** Single-Room Occupancy (SRO) hotels in San Francisco contain approximately 19,000 units that have historically served low-income renters with few housing alternatives including immigrants and seniors or people with disabilities. The City has a Residential Hotel Conversion and Demolition Ordinance that prohibits conversion of SRO rooms to tourist use, prohibits demolition, and provides for monitoring of SROs.

- **Unauthorized Dwelling Unit Preservation and Legalization Program:** Census data indicates that thousands of people in San Francisco live in unauthorized dwelling units (UDUs) added to existing apartment buildings and single-family homes without official permits. Recognizing that preserving these UDUs is important to the stability of residents and affordability of rental housing, the City has made it possible to legalize UDUs and has protected them from removal except where it is financially infeasible to bring units in line with building codes.

- **Small Sites Acquisition Program:** Because many of San Francisco’s low- and moderate-income renters live in privately owned, rent-controlled housing, the City has created a Small Sites Program (SSP) to help nonprofit organizations acquire rent-controlled buildings of 5-25 units. Buildings are candidates for SSP if at least two thirds of renters have income at 80% of the area median and the building does not need major renovation.

While tenants in rental housing enjoy just cause eviction protections and the majority of renters in District 5 are in rent-controlled housing or subsidized affordable housing which helps to stabilize rents, tenants may still be vulnerable to “no-fault” eviction such as owner move-ins or “at-fault” eviction due to failure to pay rent or violation of a lease, for example. The number of eviction notices filed in 2018 in District 5 was at a 20-year low. However, there were still approximately 100 eviction notices filed per year in 2017 and 2018. Of these, 46 were no fault in 2017, and 30 were no fault in 2018. Tenants may also receive a buy-out to leave a unit or experience problems with the quality of the unit or landlord harassment that drives them from their home. The Rent Board can help mediate such conflicts and tenant services are described more below.

To address these challenges, San Francisco has developed a variety of resident stabilization and tenant protection programs, including:

- **Affordable Housing Lottery Preference programs:** San Francisco currently has various lottery preferences for placement in affordable housing available to people who meet income qualifications for these developments. These preferences are meant to counteract historic and current displacement and address current needs of San Francisco residents and workers. Lottery preferences include people displaced as part of redevelopment who are holders of a Certificate of Preference, tenants displaced by a no-fault eviction or fire, neighborhood residents around certain projects funded by the Mayor’s Office of Housing and Community Development (MOHCD), residents of census tracts with high displacement pressure, and residents who live or work in San Francisco. There are additional preferences covering rebuilding of public housing or specific affordable housing developments. Most recently, Supervisor Brown introduced successful legislation to expand the displaced tenant preference to include residents at-risk of displacement due to affordability restrictions that are expiring.

- **Tenant Right to Counsel for Eviction:** In 2018, San Francisco voters approved Proposition F, which created a right to legal counsel for
tenants facing an eviction. While this initiative had no funding mechanism attached, Mayor London Breed has since supported the measure by allocating funding.

- **Tenant Counseling and Education:** Through the MOHCD, San Francisco has funded a Community-Driven Public Information Campaign through advertising in multiple media and Know-Your-Rights Education and Tenant Counseling through local, community-based nonprofits.

- **Tenant and Landlord mediation:** Through the San Francisco Rent Board and the Bar Association of San Francisco, tenants, landlords, property managers, and roommates can receive free mediation services for housing disputes.

- **Emergency Rental Assistance:** San Francisco funds emergency rental assistance through various nonprofit service providers for families and individuals experiencing financial difficulties to help keep residents stably housed and prevent homelessness.

The CSS is taking an inventory of San Francisco’s existing preservation and protection programs described briefly above and aims to identify additional opportunities to do more to stabilize existing residents and communities. **Increased funding** for affordable housing production and preservation and to fund protection services like counseling, education and rental assistance will help to expand the impact of these programs along with policy or program improvements. In addition, **expanded nonprofit capacity** in the District will also support housing production and preservation and protection services for District 5 residents.

Since taking office in July 2018, Supervisor Brown has taken action to implement these strategies to increase preservation of rent controlled housing and to strengthen tenant protection services in District 5 and San Francisco, including:

- Successfully advocating for an additional $40 million for the Small Sites Program (SSP) to acquire rent-controlled buildings, and advancing use of available data to help identify potential preservation acquisition opportunities.

- Deploying the SSP to preserve existing affordable housing in District 5, beginning with purchase of seven at-risk units at 520 Shrader in May 2019.

- Expanding nonprofit services available in District 5, including opening new offices for the following non-profits in the District:

  - **San Francisco Housing Development Corporation (SFHDC)** to provide free housing counseling assistance, financial empowerment training, and greater access to quality affordable housing and supportive services.

  - **Opendoor Legal** opening its first new office outside of the Bayview neighborhood, to provide universal legal access to residents of District 5, including legal services to support tenants facing eviction and to ensure habitable housing conditions, as well as a new housing advocate, “ombudsman” position to work with tenants and landlords to avoid evictions and litigation prior to any formal legal action.

Future efforts in the District will benefit from and be informed by the findings of the forthcoming CSS and HAS.

### Affordable Housing Preservation

As mentioned previously, District 5 has a large concentration of subsidized affordable housing for low- and moderate-income households, including more than 5,000 income-targeted affordable housing units. These units are located in more than 70 buildings throughout the District, including eight buildings owned by private entities on land owned by the San Francisco Housing Authority (SFHA), and the remainder on private land owned and managed by private entities.

During the period of urban renewal in the Western Addition, the U.S. Department of Housing and Urban Development (HUD) provided public subsidies to the San Francisco Redevelopment Agency (SFRA) and other private owners to develop affordable rental and cooperative ownership housing. In exchange for the subsidies, the owners signed regulatory agreements that restricted rents or resale prices for the length of their contracts. The housing had to be affordable to households that were...
extremely-low-income (at up to 30% of the Area Median Income (AMI)),
very low-income (at up to 50% AMI), and low-income (at up to 80% AMI).
The bulk of the redevelopment projects were completed by March 1973,
nearly two decades after the redevelopment areas were formed. HUD
continues to fund project-based rental assistance on approximately
2,000 units in the Plan Areas.

The affordable housing built with HUD subsidy as well as other federal,
state, and local subsidies represents a unique resource that provides
deeper affordability to lower income households. The Western Addition,
Fillmore, and Japantown, the areas of District 5 where the vast majority
of this income-targeted affordable housing is located, also have higher
concentrations of people of color, indicating the importance of this hous-
ing for retaining and supporting the diversity of the District. Many of the
existing households have aged in place, and are now low- or extreme-
ly-low-income seniors relying on a fixed income.

When this housing was created, long-term rent or resale restrictions
were placed on the buildings to ensure they would be affordable for at
least 20 years. As buildings in the District reach the end of these 20-plus
year terms, if federal, state, or local subsidies are not renewed by
building owners, affordable units are at risk of converting to market-rate
rents. The private building owners can choose to pay off their subsidized
loans, not replace them with other public financing, and not renew rental
subsidy contracts. Or the regulatory agreements can simply expire with
no other requirements put in place.

Without intervention, market-rate conversion of these units and buildings
will result in the loss of affordable housing and the potential displace-
ment of existing low- and moderate-income residents since current
market-rate rents in the Western Addition are not affordable to low-in-
come households. If a building ends its affordability restrictions and its
project-based rental assistance contract ends, individual tenants may
receive a rent assistance voucher based on their income eligibility, but
the long-term resource of affordability for that building, the community,
and the city will end.

Fortunately, to date, the 382 units in buildings where affordability cove-
nants have expired or been terminated remain affordable today because
building owners continue to keep them affordable as they work with
MOHCD to figure out a long-term plan. In most cases, they have been
able to increase the affordability term by entering into extensions or new
agreements. The City is working to preserve long-term affordability and
prevent displacement at these buildings as well as others scheduled to
expire by, for example, entering discussions with property owners to pro-
vide City funding for rehabilitation in exchange for affordability extension.

Additionally, in February 2019, Supervisor Brown authored and intro-
duced successful legislation to expand the City’s Displaced Tenant
Preference in city Affordable Housing Programs to include tenants
adversely impacted by situations like the above where affordability
covenants or other affordable housing restrictions are expiring. This new
preference ensures impacted tenants will secure new affordable hous-
ing, and that, when used in conjunction with neighborhood preference,
such housing will be in the same neighborhoods where tenants live if the
tenants so chose, mitigating displacement.

Different buildings have different levels of risk for market-rate conver-
sion. Buildings that still have affordability restrictions in place may still be
at risk for market-rate conversion. The risk level is based on how soon
a building’s affordability restrictions are set to expire and the type of
entity that owns the building. Those that have contracts expiring sooner
are obviously at higher risk. And those that are owned by a for-profit
entity, an entity whose mission does not include affordable housing, or a
resident board without expertise in affordable housing are also at higher
risk.

The risk categories are defined as:

- Expired = no affordability restrictions in place
- Very High = expiring affordability within the next 365 days, and owner
  is not mission-driven housing nonprofit
- High = expiring affordability in the next 1-5 years, and owner does not
  have affordable housing mission.
- Moderate = expiring affordability in the next 5-10 years
- Low = expiring affordability in 10 years or more
- No = publicly-owned property or land
There are 163 units that are Very High Risk (including at Friendship Village Two and Ammel Park Coop) and 183 units that are High Risk (Friendship Village One and Thomas Paine Square) in District 5. Affordability restrictions at these sites expired or are expiring at dates in 2019-2021. Owners of some of these buildings have shown interest in converting the housing to market rate or selling to another entity for capital gain. There are 332 units that are Moderate Risk and 4,697 units that are Low Risk. These are lower risk buildings because they have been newly constructed or refinanced with 55-year regulatory agreements with MOHCD or SFHA owning the land and mission-driven nonprofits owning the buildings.

**TABLE 5. Risk Status of District 5 Subsidized Affordable Housing**

<table>
<thead>
<tr>
<th>Risk Level for Market-Rate Conversion</th>
<th>Number of Units in District 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expired</td>
<td>382</td>
</tr>
<tr>
<td>Very High</td>
<td>163</td>
</tr>
<tr>
<td>High Risk</td>
<td>183</td>
</tr>
<tr>
<td>Moderate Risk</td>
<td>332</td>
</tr>
<tr>
<td>Low or No Risk</td>
<td>4,697</td>
</tr>
</tbody>
</table>

Source: 5 State and federal data provided by California Housing Partnership Corporation (CHPC). Local funding data provided by MOHCD. Public Housing data provided by HUD eGIS.

In addition to needing to preserve the affordability of these buildings, there is also a critical need to maintain and improve their physical conditions. In almost all cases, the federally-funded buildings are nearing 50-60 years old, and have been minimally maintained. They are in serious and often urgent need of substantial capital improvements—if not complete rebuilds—to ensure life safety and habitability for the residents. These substantial improvements require complete systems replacement including plumbing, electrical, roofs, accessibility upgrades, new windows, and extensive dry rot mitigation.

One example is Martin Luther King/Marcus Garvey (MLK/KG), a 211-unit below market rate family cooperative with Section 8 rental subsidies from HUD. In 1999, MLK/KG was identified as out of compliance by HUD because of poor living conditions and property management, and receiving failing health and safety scores for 5 years. Then in 2007, HUD issued a formal notice of violation, which threatened to place the building in default for failing to abide by the terms of its rental assistance contract to provide safe, sanitary housing. With the threat of losing the building’s subsidy, the owner replaced the property management company and came to an agreement with HUD to refinance the building and create a substantial rehabilitation plan. New 55-year affordability restrictions were placed on the project and the rental subsidy endured.

District 5 is home to seven public housing developments that are located in Hayes Valley and the Western Addition. These buildings and townhouses total 1,035 homes for low-income residents, many of whom are seniors and disabled individuals, some of the City’s most vulnerable residents. These homes, like other public housing in the City, were built over the past several decades with capital funding from the federal government. Westside Courts (1943) and Plaza East (1956) were built during the 1940s-1950s, as part of New Deal efforts to create jobs and housing and to house veterans returning from World War II. Joan San Jules, Rosa Parks, Hayes Valley Housing, and 1750 McAllister were built in the 1960s-1970s, during the time of urban renewal and creation of the Department of Housing and Urban Development.

By the 1970’s, the federal government stopped funding the development of public housing and shifted to voucher based subsidies. In the late 1980s and early 1990s, HUD began focusing on ways to rebuild dilapidated public housing. In the early 1990s, Robert B. Pitts was built to replace Yerba Buena Plaza West. Next, HUD created the HOPE VI program to rebuild public housing as mixed income housing. In the late 1990s and early 2000s, Hayes Valley Housing (now Hayes Valley North and South) and Plaza East were rebuilt as part of this program. Although HUD created the HOPE VI program to partially address challenges with federal disinvestment, starting in 2013, the City stepped in and embarked on a process to rehabilitate public housing through the Rental Assistance Demonstration (RAD) program. By converting the properties to project-based subsidies and transferring ownership to non-profit entities, the public housing buildings were able to get funds to rehabilitate and preserve their affordability. All seven public housing developments in District 5 have received funding through RAD, and the projects are now complete.
Preservation strategies that may be pursued on the local level include:

1. **Invoke Right to Purchase:** There are two local laws that could be used to preserve subsidized housing when it is being sold on the market. The Assisted Housing Preservation Ordinance, or Chapter 60 of the San Francisco Administrative Code, passed in 1990, requires property owners of publicly subsidized housing to notify the City of their intention to opt out of their affordability requirements and provides interested parties with a process to make an offer to purchase the building. The Community Opportunity to Purchase Act (COPA), which will be implemented September 2019, requires owners to notify Qualified Non-Profits of its intention to sell any building with three or more units, and provides those organizations with the right of first offer and right of first refusal. Either law may be invoked to negotiate a sale to preserve the long-term affordability of a building.

2. **Create Incentives for Long-Term Preservation:** There need to be incentives that make preservation an attractive and viable alternative to market-rate conversion. This includes making low-cost mortgages available for acquisition and major capital improvements in exchange for renewing affordability restrictions.

3. **Provide Technical Assistance for Coop Boards:** Cooperatives have board members that make key decisions for their developments, but most board members do not have a professional background in housing finance or development. Projects like MLK/KG have benefited from technical assistance from a trusted consultant team procured by board members that advised them on long-term financial and maintenance decisions for their homes. Currently, MOHCD is partnering with Enterprise Community Partners, a local nonprofit with experience providing technical assistance on all forms of affordable housing, to provide technical assistance to cooperatives. Technical assistance could include advising boards on financing resources, capital needs plans of action, board responsibilities and obligations and any matter that impacts operations and/or long-term feasibility of the development.

In addition, as is true for preservation and protection of rent controlled housing, **increased funding** for affordable housing production and preservation would provide resources to preserve existing income-targeted units and expand the number of income targeted buildings and units in the District. Similarly, **expanded nonprofit capacity** to preserve and produce affordable housing in the District and the City would also support these efforts.
This section discusses recent housing production and potential for future housing production in District 5. Housing production is important because it creates new homes for people of all incomes and helps relieve pressure on existing housing. While housing preservation and protection are essential to help residents stay stably housed, many people each year want to form a new household and find a home of their own. These people include young adults who want to move out of a family home, students moving to San Francisco for educational opportunities, workers who have found a new job in the city, friends or couples that want to move in together, families with young children looking for more space, or older people looking to downsize or move into housing with more supportive services.

According to forecasts of population growth from regional agencies, San Francisco needs to accommodate 483,695 households in 2040, compared to 358,772 households in 2017. Where these 120,000 additional households will live mostly depends on where the city allows new housing to be built. District 5 has had the 4th most housing development compared to other Supervisorial Districts. The pipeline of development and potential for development in the District will allow the District to accommodate some of these future households, as well as determine how much competition there is for existing housing.

From 2010-2018 housing production in District 5 was 1,137 units about a 2.7% increase in housing in the District over the 8 years since 2010. Over the same period the city’s housing production was 21,893 units or about a 5.8% increase. Of the units added in District 5, 518 units or 46% were affordable to people with low and moderate incomes (compared to 24% for the City) while the remainder, 619 units, were market-rate. Four hundred and forty two (442) of the affordable units added were in 100% affordable housing developments funded by the City, many built on publicly owned parcels resulting from the removal of the Central Freeway.

Housing added in the District did not appear to keep pace with housing needs. As described earlier in this report, since 2010 the District added over 5,000 additional households earning over $150,000 and as of 2017 there are over 4,700 severely rent burdened households who are mostly low income. Housing produced in the District was not sufficient to address either group’s needs.

District 5 accounted for 5.2% of housing added in the city and 10% of affordable units added. District 5 added the fourth most units in the city after District 6 (nearly 57% of all units added), District 10 (over 18%), and District 8 (6%) In contrast, at least three Districts each added less than 1% of the city’s total housing and about the same percentage of affordable units. Most housing production that occurred in District 5 was in area plans like the Van Ness Avenue Area Plan and Market and Octavia Area Plan, where updated zoning included form-based density and allowed more multi-unit housing development. In this respect District 5 mirrors trends in the city as a whole as new housing development has been concentrated where Area Plans were completed in recent decades. This Report does not broach further opportunities for greater housing development which could be achieved by changes to zoning and allowable heights, including through further Area Planning efforts.

While the District has added housing at a slower rate than the city as a whole since 2010, it has had a higher proportion of Accessory Dwelling Units (ADUs) added, representing 10% of the citywide total. ADUs, often called in-laws or “granny” flats, add units to existing residential structures and can be created from existing storage or other space within existing buildings.

In the sections that follow, we explore the potential to produce more housing in the District including the “pipeline” of housing already proposed or under construction as well as so-called opportunity sites where development could occur in the future. For purposes of this Report, opportunity sites are defined as both privately and publicly owned “soft sites”—meaning sites that do not currently have housing on them and are developed to less than 30% of their zoned capacity—that are large enough (at least 10,000 sq. feet) to support development of a significant number of new housing units.
TABLE 6. Housing Completed 2010–2018 in District 5 and San Francisco

<table>
<thead>
<tr>
<th></th>
<th>D5</th>
<th>SF</th>
<th>% of D5 Units</th>
<th>% of SF Units</th>
<th>D5 as % of SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Net Units</td>
<td>1,137</td>
<td>21,893</td>
<td></td>
<td></td>
<td>5.2%</td>
</tr>
<tr>
<td>Total Affordable Units</td>
<td>518</td>
<td>5,206</td>
<td>46%</td>
<td>24%</td>
<td>10%</td>
</tr>
<tr>
<td>100% Affordable Units</td>
<td>442</td>
<td>3,270</td>
<td>39%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Inclusionary Units</td>
<td>54</td>
<td>1,717</td>
<td>5%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Accessory Dwelling Units (ADUs)</td>
<td>22</td>
<td>219</td>
<td>2%</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Added</td>
<td>16</td>
<td>184</td>
<td>1.4%</td>
<td>0.8%</td>
<td>9%</td>
</tr>
<tr>
<td>Legalized</td>
<td>6</td>
<td>35</td>
<td>0.5%</td>
<td>0.2%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Pipeline Data from SF Open Data

The Housing Pipeline

The housing “pipeline” refers to housing development projects that are in various stages of being permitted or built but not yet completed and ready for occupancy. It includes developments that are under construction, those that have received approvals from city agencies (often called “entitlements”) but have not yet broken ground, and projects that have been proposed by developers and are seeking entitlements from the Planning and/or Building Departments. The pipeline data provides a short- to medium-term picture of increases in the District’s housing supply. It shows the location and scale of current and proposed future construction. A project is considered to be in the pipeline when an application has been formally submitted to the Planning Department or the Department of Building Inspection (DBI). Projects vary in size from single units to larger multi-year development programs that require an extensive environmental review process. Currently unauthorized dwelling units that are being legalized are also counted in the pipeline total.

As of the 4th quarter of 2018 there were 2,176 net residential units in the housing development “pipeline”, 312 of which are under construction, 623 are in entitled projects that have received all required City approvals, and 1,218 are in projects that have been proposed and are pursuing approvals. There were also 23 previously unauthorized units in the process of legalization. The Planning Department estimates that projects that are under construction are generally occupied within two years, entitled projects take two to five years to be ready for occupancy, and non-entitled projects can take five to seven years, assuming they receive City approvals.

Units in the pipeline in District 5 are overwhelmingly in larger developments on major streets on the east side of the District on parcels where density is “form-based,” meaning the number of units is determined based on zoning requirements for height and bulk, open space, and unit size (number of bedrooms) rather than a fixed limit on units. Map 6 shows residential pipeline projects in District 5 as of the 4th quarter of 2018. As with recently completed units, most housing in the pipeline is located in area plans like the Van Ness Avenue Area Plan and Market and Octavia Area Plan, where updated zoning has removed density controls and made development of more multi-unit housing possible.

The City provides local public funding for 100% affordable housing projects in which all units are targeted to very low-, low-, and moderate-income households. These local funds generally are combined with other State and Federal sources to construct the building. The City’s inclusionary housing ordinance also produces new affordable units by
MAP 6. District 5 Residential Pipeline Projects

Source: Pipeline from SF Open Data and parcel data from SF Planning’s Property Information map (PIM)
requiring a portion of units to be affordable at different levels or requiring developers to pay a fee. Revenues from the Affordable Housing Fee are used to assist 100% affordable projects, which further contribute to expanding the supply of below market rate (BMR) units. This inclusionary percentage varies based on project size, date of application, and other factors and generally applies to projects of 10 or more units.\(^2\)

Of all projects in the pipeline that have indicated intent to build affordable units, 277 units or 22% are currently proposed as affordable to very low-, low- and moderate-income households, including the 108-unit development by Mercy Housing in what is known as Parcel O. The 277 affordable units in the pipeline likely underestimate the total number of affordable units that will be built. Project sponsors generally do not decide how they will meet their inclusionary housing obligations until closer to project completion so the exact percentage of affordable units, or the amount that will be paid as the Affordable Housing Fee, has not been determined for most units in the pipeline though current estimates are provided in Table 8.

### Table 7. D5 Pipeline by Development Stage 4th Quarter 2018

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Construction</td>
<td>312</td>
</tr>
<tr>
<td>Building Permit Approved or Issued</td>
<td>623</td>
</tr>
<tr>
<td>Building Permit Filed</td>
<td>642</td>
</tr>
<tr>
<td>Planning Approval</td>
<td>60</td>
</tr>
<tr>
<td>Planning Application Filed</td>
<td>516</td>
</tr>
<tr>
<td>ADU Legalization</td>
<td>23</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,176</td>
</tr>
</tbody>
</table>

Source: Pipeline Data from SF Open Data

---

\(^2\) For details on San Francisco's Inclusionary Housing Program, please visit http://sfmohcd.org/inclusionary-housing-program.

### Table 8. D5 Pipeline Projects by Address Q4 2018

<table>
<thead>
<tr>
<th>Addresses</th>
<th>Net Units</th>
<th>Affordable Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1540 MARKET ST</td>
<td>300</td>
<td>Fee</td>
</tr>
<tr>
<td>1001 VAN NESS AV</td>
<td>239</td>
<td>Fee</td>
</tr>
<tr>
<td>1333 GOUGH ST / 1481 POST ST</td>
<td>231</td>
<td>28 or Fee (undecided)</td>
</tr>
<tr>
<td>440-444 DIVISADERO ST AND 1048–1064</td>
<td>183</td>
<td>37</td>
</tr>
<tr>
<td>555 FULTON ST</td>
<td>139</td>
<td>17</td>
</tr>
<tr>
<td>830 EDDY ST</td>
<td>126</td>
<td>18</td>
</tr>
<tr>
<td>1546–1564 MARKET ST</td>
<td>109</td>
<td>13</td>
</tr>
<tr>
<td>PARCEL O</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>1740 MARKET ST</td>
<td>100</td>
<td>12</td>
</tr>
<tr>
<td>950 GOUGH ST</td>
<td>95</td>
<td>11</td>
</tr>
<tr>
<td>1355 FULTON ST</td>
<td>75</td>
<td>TBD</td>
</tr>
<tr>
<td>650 DIVISADERO ST</td>
<td>60</td>
<td>13</td>
</tr>
<tr>
<td>807 FRANKLIN ST</td>
<td>47</td>
<td>5</td>
</tr>
<tr>
<td>1700 MARKET ST</td>
<td>42</td>
<td>5</td>
</tr>
<tr>
<td>22 FRANKLIN ST</td>
<td>35</td>
<td>4</td>
</tr>
<tr>
<td>PARCEL T - OCTAVIA BLVD</td>
<td>27</td>
<td>4</td>
</tr>
<tr>
<td>635 FULTON ST</td>
<td>15</td>
<td>Fee</td>
</tr>
<tr>
<td>554 FILLMORE ST</td>
<td>13</td>
<td>TBD</td>
</tr>
<tr>
<td>300 OCTAVIA ST</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>OTHER BUILDINGS</td>
<td>228</td>
<td>TBD</td>
</tr>
<tr>
<td>UDU LEGALIZATION</td>
<td>23</td>
<td>TBD</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>2,176</strong></td>
<td><strong>277</strong></td>
</tr>
</tbody>
</table>

Source: Pipeline Data from SF Open Data
Development Opportunity Sites

Many parcels in San Francisco are built to less than the maximum development capacity allowed by the underlying zoning district. Some of these parcels contain important structures that contribute to the vitality of our neighborhoods, such as housing, commercial, recreational, and institutional uses. However, some parcels are truly underutilized and, if built to the full “buildable envelope” defined by zoning, could provide much-needed homes and improve overall housing affordability. Large sites that are developed to less than 30% of their full capacity and do not otherwise fulfill important functions are considered “soft sites” that may provide such housing opportunities. Notably, many important soft sites feature automobile-oriented uses such as parking lots and gas stations.

There are several large parcels in District 5 that could be suitable for medium- to high-density residential development. Some of these sites, particularly those that are publicly-owned, could become either 100% affordable projects or mixed-income developments with a substantial number of below market rate (BMR) units. The Planning Department has identified two specific categories of suitable potential development sites, and analyzed the housing potential of individual parcels within those categories to get a rough estimate of the total number of units that could conceivably be built. The categories are:

- privately-owned “soft sites” that are developed to less than 30% of their allowable capacity under existing zoning, and
- publicly-owned “soft sites” that are similarly underutilized at 30% or less of their allowable capacity under existing zoning.

For the analysis in each of the categories, Planning selected only large parcels (i.e. greater than 10,000 square feet), whose shape and location make them appropriate for higher-density development. This does not imply that the City or private developers have identified any of these parcels for specific projects. In fact, one of the criteria for their selection is that they are not in the Planning Department’s “pipeline;” in other words, there are no active development applications that Planning is aware of for these sites. (Note, sites with only a Preliminary Project Application (PPA) on file with Planning are not considered active pipeline projects.)

PRIVATE SOFT SITES

District 5 contains 24 privately-owned opportunity sites, i.e. soft sites that are developed to less than 30% of their capacity and are larger than 10,000 square feet. Many of these parcels have density restrictions, which cap the number of housing units that can be built, typically based on the parcel's land area. In 2016, the Board of Supervisors approved citywide legislation that removes these density restrictions and allows up to an additional 3 stories of height for projects that are 100% affordable. In 2017, the Board approved Home-SF, allowing a bonus of up to 2 additional stories and removing density restrictions for projects with on-site inclusionary BMR housing in excess of the City’s inclusionary requirements. Furthermore, the State of California allows developers to build up to 35% more than local zoning limits in exchange for on-site affordable housing.

As shown in Table 9, there is capacity for an additional 1,569 units in District 5 if all of the privately-owned opportunity sites are developed to their full capacity under their existing zoning. Assuming developers used the local density bonus for mixed-income projects, an even greater number of units could be built. If the local bonus program were used on all these privately-owned parcels that currently have density restrictions and the State program on parcels that do not have such restrictions, the total potential new units across the District would be roughly 2,650.

These calculations assume the parcels would be built to their full capacity under existing zoning and exercise the additional density bonus, with ground floor space reserved for retail uses. Housing units are assumed to be 800 net square feet on average, with an additional 200 gross square feet per unit for building circulation, shared space, and storage. The calculations assume 75% lot coverage, with the exception of the 3.75-acre Safeway site on Geary Boulevard and Webster Street. This site provides the greatest opportunity for housing, due to its size and relatively taller existing height limit of up to 160 feet. A project on a site of this size would need to incorporate new public streets/alleys and other spaces which would limit lot coverage to less than the 75% typical of smaller sites, likely in the range of 50-60%. We have assumed the site would otherwise be developed at a similar scale and intensity to its neighboring large parcels, specifically with two 15-story towers with
TABLE 9. Privately Owned Opportunity Sites for Housing Development In District 5

<table>
<thead>
<tr>
<th>Parcel Name</th>
<th>Address</th>
<th>Lot Area (sqft)</th>
<th>Potential units without bonus</th>
<th>Potential units with bonus (state or local)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeway &amp; Parking Lot</td>
<td>1401 Fillmore St</td>
<td>163,942</td>
<td>515</td>
<td>515</td>
</tr>
<tr>
<td>Andronico’s &amp; Parking Lot</td>
<td>1200 Irving St</td>
<td>72,167</td>
<td>90</td>
<td>271</td>
</tr>
<tr>
<td>Parking Lot (serving commercial)</td>
<td>2180 Geary Blvd</td>
<td>22,699</td>
<td>38</td>
<td>119</td>
</tr>
<tr>
<td>Car Dealership - Tesla</td>
<td>945 Van Ness Ave</td>
<td>21,420</td>
<td>107</td>
<td>225</td>
</tr>
<tr>
<td>Whole Foods</td>
<td>1878 Haight St</td>
<td>20,644</td>
<td>34</td>
<td>77</td>
</tr>
<tr>
<td>McDonald’s &amp; Parking Lot</td>
<td>1100 Fillmore St</td>
<td>18,106</td>
<td>54</td>
<td>73</td>
</tr>
<tr>
<td>Parking Lot and small medical offices</td>
<td>1515 Scott St</td>
<td>17,252</td>
<td>43</td>
<td>78</td>
</tr>
<tr>
<td>Commercial Building &amp; Parking Lot (next to Whole Foods)</td>
<td>1800 Haight St</td>
<td>15,352</td>
<td>26</td>
<td>58</td>
</tr>
<tr>
<td>Commercial Building</td>
<td>Geary/Steiner</td>
<td>15,125</td>
<td>136</td>
<td>184</td>
</tr>
<tr>
<td>Car Dealership - Mini</td>
<td>811 Eddy Street</td>
<td>15,000</td>
<td>75</td>
<td>157</td>
</tr>
<tr>
<td>Offices of Salesian Provincial</td>
<td>1100 Franklin St</td>
<td>14,464</td>
<td>24</td>
<td>152</td>
</tr>
<tr>
<td>Gas Station - Shell (near Fell and Divisadero)</td>
<td>443 Divisadero St</td>
<td>14,399</td>
<td>32</td>
<td>44</td>
</tr>
<tr>
<td>Parking Lot (serving Whole Foods)</td>
<td>690 Stanyan Street</td>
<td>13,823</td>
<td>23</td>
<td>62</td>
</tr>
<tr>
<td>Hearing and Speech Center of Northern California</td>
<td>1234 Divisadero St</td>
<td>13,778</td>
<td>52</td>
<td>70</td>
</tr>
<tr>
<td>Parking Lot</td>
<td>McAllister/Franklin</td>
<td>13,671</td>
<td>41</td>
<td>55</td>
</tr>
<tr>
<td>Gas Station - Chevron</td>
<td>1698 Fell St</td>
<td>12,903</td>
<td>22</td>
<td>48</td>
</tr>
<tr>
<td>Oasis Inn</td>
<td>900 Franklin St</td>
<td>12,600</td>
<td>63</td>
<td>132</td>
</tr>
<tr>
<td>Parking Lot (serving Walgreens)</td>
<td>2105 O’Farrell St</td>
<td>11,900</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Gas Station - Arco (near Fell and Divisadero)</td>
<td>1175 Fell St</td>
<td>11,762</td>
<td>44</td>
<td>60</td>
</tr>
<tr>
<td>Gas Station - Shell</td>
<td>601 Lincoln Way</td>
<td>11,483</td>
<td>2</td>
<td>43</td>
</tr>
<tr>
<td>Larkin Street Youth Services</td>
<td>1020 Haight St</td>
<td>11,344</td>
<td>19</td>
<td>43</td>
</tr>
<tr>
<td>Gas Station - Shell (next to State-owned parking lot on Turk)</td>
<td>800 Turk St</td>
<td>11,000</td>
<td>55</td>
<td>74</td>
</tr>
<tr>
<td>Office Building</td>
<td>20 Haight St</td>
<td>10,500</td>
<td>24</td>
<td>32</td>
</tr>
<tr>
<td>Office Building &amp; Parking lot and 1-story retail</td>
<td>2211 Bush St</td>
<td>10,387</td>
<td>23</td>
<td>32</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>24</td>
<td><strong>555,721</strong></td>
<td><strong>1,569</strong></td>
<td><strong>2,649</strong></td>
</tr>
</tbody>
</table>

(1) Assumes 1,000 gross square feet per unit and main constraints established by zoning (density control, height limit, setback) and ground floor retail.
(2) Same assumptions as (1), but local density bonus program applied to districts with density limits and State bonus program applied to those without.
(3) The housing unit capacity of the 3.75 acre Safeway site was calculated with the assumption that development scale and intensity would be similar to nearby parcels, so it does not fully maximize zoning allowance.
12,000-square foot footprints and 5-story podium building(s) occupying the remaining built portion (which would feature a footprint large enough to accommodate a grocery store on its ground floor). The site could accommodate over 500 units under existing zoning.

**PUBLIC SOFT SITES**

In addition to the privately-owned soft sites, Planning along with MOHCD, OEWD, and the Supervisor’s office also analyzed the development potential of public sites that may be suitable for medium- and high-density residential development. As with the private sites, these public sites were not selected because of any specific projects that have been proposed for them and they have not been identified as surplus by the City or other relevant public entities. These sites are an initial inventory of potential sites for discussion and a rough estimate of how many housing units they may be able to accommodate. Sites with existing housing, or historic resources, or where agencies have published specific guidance for the site’s future have been excluded. Additionally, only sites larger than 10,000 square feet that are suitably located and shaped for residential development have been included.

Planning has identified 12 public sites in District 5 that could potentially accommodate a substantial number of residential units, as shown on Map 7. **Assuming these public parcels (mostly zoned P for Public) are re-zoned with similar zoning parameters (e.g. height limits) as their adjacent parcels, their development capacity would allow roughly 1,165 additional housing units. If projects on these sites were to use the HOME-SF program or the State’s bonus program on parcels that do not have density limits, the number of possible units would rise to 2,080**, as shown in Table 10.

### TABLE 10. Publicly owned Opportunity sites for housing development in District 5

<table>
<thead>
<tr>
<th>Parcel Name</th>
<th>Address</th>
<th>Lot Area (sqft)</th>
<th>Potential units without bonus (1)</th>
<th>Potential units with bonus (local or state -2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ella Hill Hutch Community Center</td>
<td>1050 McAllister</td>
<td>102,094</td>
<td>255</td>
<td>459</td>
</tr>
<tr>
<td>DMV and Parking Lot</td>
<td>1377 Fell St</td>
<td>98,061</td>
<td>163</td>
<td>368</td>
</tr>
<tr>
<td>Northern Police Station and Parking Lot</td>
<td>1125 Fillmore St</td>
<td>66,000</td>
<td>165</td>
<td>297</td>
</tr>
<tr>
<td>McDonald’s and Parking Lot</td>
<td>700 Stanyan St</td>
<td>37,871</td>
<td>63</td>
<td>170</td>
</tr>
<tr>
<td>Parking Lot (African American Art &amp; Culture Complex)</td>
<td>Fulton/Buchanan</td>
<td>26,469</td>
<td>44</td>
<td>119</td>
</tr>
<tr>
<td>Parking Lot (SFUSD-owned, Central Freeway parcel)</td>
<td>555 Franklin</td>
<td>22,313</td>
<td>67</td>
<td>90</td>
</tr>
<tr>
<td>Parking lot (State-owned)</td>
<td>Turk (between Gough &amp; Franklin)</td>
<td>18,906</td>
<td>95</td>
<td>128</td>
</tr>
<tr>
<td>Parking Lot SF Credit Union Central (Central Freeway parcel)</td>
<td>Golden Gate (between Gough &amp; Franklin)</td>
<td>16,880</td>
<td>139</td>
<td>188</td>
</tr>
<tr>
<td>Parking Lots (State-owned)</td>
<td>700 Golden Gate Ave</td>
<td>12,820</td>
<td>106</td>
<td>143</td>
</tr>
<tr>
<td>Parking Lot (City- (SFMTA) owned)</td>
<td>Irving/9th Ave</td>
<td>11,927</td>
<td>15</td>
<td>45</td>
</tr>
<tr>
<td>Proxy (City-owned, Central Freeway Parcel K)</td>
<td>370 Linden St</td>
<td>11,486</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>Biergarten (City-owned, Central Freeway Parcel L)</td>
<td>380 Fell St</td>
<td>5,976</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td><strong>TOTAL Large Public Sites</strong></td>
<td><strong>12</strong></td>
<td><strong>451,607</strong></td>
<td><strong>1,165</strong></td>
<td><strong>2,081</strong></td>
</tr>
</tbody>
</table>

1. Assumes 1,000 gross square feet per unit and main constraints established by zoning (density control, height limit, setback) and ground floor retail.
2. Same assumptions as (1), but local density bonus program applied to districts with density limits and State bonus program applied to those without.
Like the rest of San Francisco, District 5 has experienced growing housing affordability challenges as the overall population and number of higher income residents has increased while housing production has lagged. The District has also suffered specific displacement and loss of historic communities, including the Black and Japanese communities. Given this history and present challenges, the District has a need that is shared with other parts of the city to stabilize current residents and find strategies to improve affordability. The District also has unique housing resources, such as the concentrations of rent controlled and subsidized affordable housing as well as an engaged community interested in finding solutions to current challenges so as to build the best possible future for the District.

This Report is intended to help inform discussions between District 5 residents and stakeholders, city agencies, and the Supervisor, to help identify strategies for housing production, preservation, and protection that stabilize current residents and increase affordability and opportunity for current and future residents. Work is already underway to achieve these goals in the District and builds upon the numerous actions taken to date by the Board of Supervisors and Mayor’s Office, and these efforts will continue to build and be informed by forthcoming Citywide strategies including the Community Stabilization Strategy (CSS) and Housing Affordability Strategies (HAS).

The City’s approach to improving affordability and stability are deeply interwoven and broadly follow these key strategies:

- **Preserve affordable rental housing** through investment and regulation to maintain existing housing that serves low- and moderate-income people.

- **Strengthen protections and provide services for residents** to keep low- and moderate-income tenants and homeowners in their homes and communities.

- **Expand nonprofit capacity** for affordable housing preservation, protection, and production to help achieve housing affordability and community stabilization results.

- **Increase funding for affordable housing** investment and services to create new homes for low- and moderate-income people, preserve existing affordable housing, and provide services to residents.

- **Increase housing production** for all income levels and household types to provide additional housing options, reduce pressure on existing housing, and provide additional affordable units through inclusionary housing.

With respect to the future of housing in District 5, the housing pipeline includes 2,176 housing units in some phase of development. Major opportunity sites within District 5 could yield almost 2,800 additional units under existing zoning and over 4,700 with bonus programs in exchange for greater affordability. Taken together, with the will and funding, these pools of potential housing could yield between 4,900 to 6,900 units over the coming 10-20 years. This additional housing would represent an 11% to 13% increase in housing if all these potential units were built. At least 25% of these units would likely be affordable to low and moderate income households if recent history within the District and the city are any guide and, importantly, the amount of affordable housing could be increased depending on the availability of public funding or incentives to support more mixed income development. However, new housing production depends on the willingness of private and public landowners to pursue development opportunities and the financial feasibility of development as well as community interest and support. Given the size of these developments, lengthy approvals processes could also impact when projects are delivered.

The Housing Affordability Strategies (HAS) project will provide additional ideas to produce more housing overall and specifically to produce more affordable housing for San Francisco including District 5. The HAS is currently underway and expected to be completed in early 2020. However, new policy and budgeting proposals are constantly coming forward, and
will continue to be considered and implemented as work on the HAS proceeds. As mentioned in relation to affordable housing preservation and protection, **increased funding** is also absolutely critical to produce additional new affordable housing in the District and the city. Supervisor Brown, alongside Mayor Breed and all of her colleagues on the Board of Supervisors, sponsored a $600M affordable housing bond, Proposition A, which San Franciscans voted to approve on November 5, 2019. Proposition A will now fund development of key affordable housing projects in District 5 and across the city.

Supervisor Brown’s goal has been to work with community members, City agencies, and public and private landowners to identify public and private sites that are of particular priority for housing development and to advance development proposals on those sites. She has worked closely with city staff to prepare Requests for Qualifications/Proposals at several sites identified in this Report, including 700-730 Stanyan and 370 Linden (Parcel K).

Similar to the legislation Supervisor Brown passed to heighten affordability requirements for the Divisadero Neighborhood Commercial Transit District (NCT) that significantly increased the number of affordable units that will be produced by pipeline projects there, in the future District 5 residents and all San Franciscans must consider how to maximize financially feasible affordable housing through inclusionary requirements and zoning changes, such as added height and density in certain corridors, to support the development of more housing and particularly additional affordable housing. In addition, small scale changes such as rezoning to make it easier to add 1-2 units on parcels with existing housing, similar to the ADU program, may also produce new homes in the District without the time and expense of large developments.

Accessory Dwelling Units (ADUs) are another simple, creative and cost-effective solution for expanding housing supply for District 5 and San Francisco. ADUs facilitate multi-generational households by independently housing a homeowner’s senior parent, college-age child, or other family member. ADUs are also a good match for the housing needs and preferences of many single renter households of all ages, which make up 41% of District 5 and 37% of the City. Between 2014 and the first quarter of 2018, more ADUs were filed and built in District 5 than in any other district—239 filings, making up 20% of all ADUs filed in the city. For these reasons, Supervisor Brown helped lead recent, successful legislation to create a $2 million fee waiver pilot program for affordable housing and ADUs to encourage the production of new affordable housing and ADUs now and in 2020.

Working with the community, elected leaders, city staff and policy makers will continue to develop citywide policies and District-level initiatives to address the housing challenges and opportunities in District 5. Please stay engaged by reaching out to the District 5 Office.