

AN ASSESSMENT OF HOUSING AND
HOUSING AFFORDABILITY IN THE
MISSION PROMISE NEIGHBORHOOD

Prepared by:

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In association with

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EXECUTIVE SUMMARY

In December of 2012, the U.S. Department of Education selected MEDA to receive a five-year, \$30 million Promise Neighborhoods implementation grant to carry out a plan to ensure children, youth and families in the Mission District of San Francisco have strong schools, opportunities to become economically successful, and robust systems of family and community support that will allow them to thrive.

MEDA was the lead applicant for this grant on behalf of a consortium that included the San Francisco Unified School District, the Office of Mayor Ed Lee, *The John W. Gardner Center for Youth and Their Communities* at Stanford University and the United Way of the Bay Area as well as numerous city agencies and community based organizations. The successful grant application was the result of a year-long planning process to create a continuum of services that would meet the Mission District's needs, with a focus on low-income Latino students and families and students at Cesar Chavez Elementary, Bryant Elementary, Everett Middle School, and John O'Connell High School. The Mission Promise Neighborhood (MPN) links family economic security with student academic achievement.

The Mission is located in east-central San Francisco and is the neighborhood of San Francisco with the highest concentration of Latinos and immigrants. The Mission has a long history as a working class community that, for many decades, has been the landing point for recent immigrants.

The Mission is also in the heart of the nation's highest cost housing market. The dramatic rise in the cost of housing in the Mission over the past thirty years has made this neighborhood one of the most dramatic examples of gentrification in the country. In this context, MEDA recognizes that housing is an outsized component of the overall picture of family economic security for low-income families in the Mission.

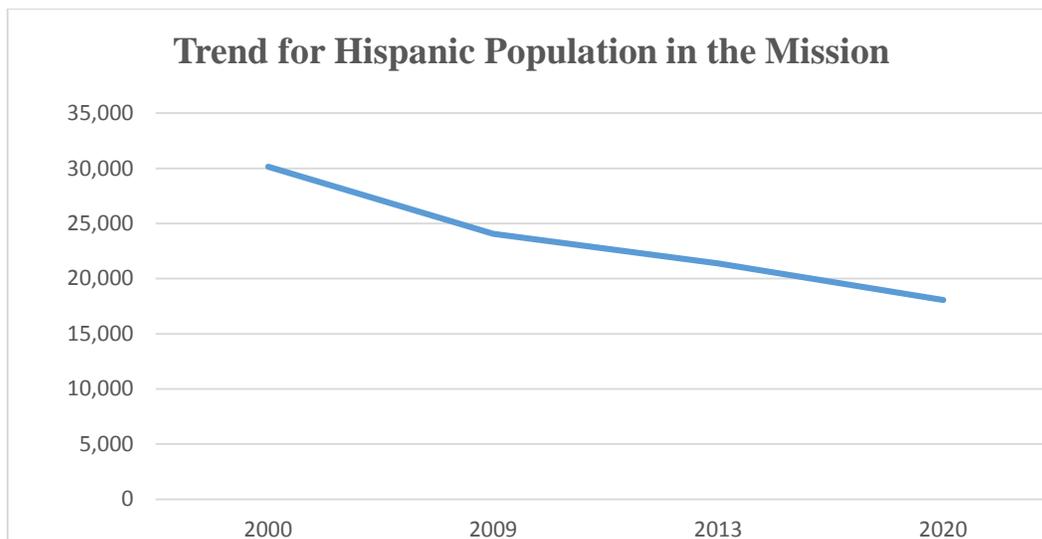
Housing cost burdens for low-income families in the Mission are staggering. A "cost-burdened household" is typically defined as a household spending more than 30 percent of their monthly income on housing. According to the US Census' American Communities Survey data, for households that rent in the Mission and earn less than \$75,000 per year, approximately 70 percent are housing cost burdened. In fact, \$75,000 appears to be a key income threshold for whether households stay in the Mission. The following table illustrates how the percentage of households in the Mission earning less than \$75,000 decreased dramatically between 2000 and 2013, while percentage of residents earning more than \$100,000 is increasing at a rapid pace.

	2000	2010	2013	Percent Change Between 2000 and 2013
Households	21,680	22,789	24,924	15%

Median Household Income	\$49,372	\$67,871	\$73,610	49%
Less than \$10,000	9.06%	4.25%	4.70%	-48%
\$10,000 to \$14,999	5.15%	4.22%	5.4%	4.9%
\$15,000 to \$24,999	9.94%	9.76%	7.5%	-24%
\$25,000 to \$34,999	10.50%	7.26%	8.9%	-15%
\$35,000 to \$49,999	15.25%	14.50%	10.6%	-30%
\$50,000 to \$74,999	22.78%	15.09%	13.7%	-40%
\$75,000 to \$99,999	11.10%	17.38%	10.5%	-5.4%
\$100,000 to \$149,999	10.88%	13.67%	16.5%	51.7%
\$150,000 to \$199,999	2.75%	9.22%	9.2%	234.5%
\$200,000 or more	2.56%	8.21%	12.9%	403.9%

Source: ACS, 2000 SF3 Sample data, ACS, 2010 and 2013; DP03

The Median Household Income in the Mission is \$73,610, while Latinos in the Mission have an MHI of \$47,943. Even more distressing, Latino families with children under the age of 18 in the Mission have a median income of only \$43,944. It should not be surprising then that, the Latino immigrant population that embodies the cultural vibrancy for which the Mission has long been known is rapidly decreasing. According to the US Census, the percentage of Mission residents that were Hispanic decreased from 50 percent in 2000 to 38.5 percent in 2013 (a net loss of 8,252 Hispanics). There has also been a significant decrease in the percentage of households in the Mission with children under 18 years of age, from 27 percent in 2000 to 20 percent in 2013.



Unfortunately, Census data may actually reflect a rosier picture than reality. The Census acknowledges that low-income people and minorities are often undercounted and that “hard-to-count” populations include those who are undocumented or living in conditions that may not meet local code (such as overcrowding). Recognizing that it is very likely that low-income Latinos in the Mission, and particularly immigrants, were undercounted by the Census, NALCAB and

MEDA conducted a survey during October and November of 2014. Of 226 respondents, 75 percent identified themselves as Latino/Hispanic and 89 percent reported earning an annual income below \$50,000. These data are useful to compare to the Census and provide a closer look at low-income, Latino households in the Mission.

What does it mean for a family's economic stability and a child's academic achievement to live under a dramatic housing cost burden and housing instability? When families are burdened by their housing costs, the income they have available for other expenses including food, health care, child enrichment, etc. is reduced and their opportunities are limited. There is an extensive body of research that correlates the stress of family economic instability, overcrowding, dislocation and homelessness with poorer academic performance among children. The NALCAB/MEDA survey documented pervasive overcrowding among low-income Latino households and almost one quarter of respondents indicated that they were concerned or very concerned with being involuntarily displaced from their homes in the next year. NALCAB documented the voices of Mission residents from focus groups. One resident described the housing market dynamics as follows, "(Landlords) would rather rent to a white single person with three dogs, than a Latino family with one child."

Housing market dynamics present an enormous challenge to achieving the documented vision of the Mission Promise Neighborhood:

The Mission Promise Neighborhood builds a future where every child excels and every family succeeds. Students enter school ready for success, and graduate from high school prepared for college and career. The Mission District thrives as a healthy and safe community that provides families and their children the opportunity to prosper economically and to call San Francisco their permanent home.

Perhaps more than anywhere else in the nation, a place-based strategy to promote housing affordability may be critical for the ongoing racial, ethnic and income diversity of the neighborhood, the viability of neighborhood schools and, ultimately, the academic success of low-income children. This report presents an assessment of demographic trends in the Mission and their relation to housing and housing affordability. This report includes analysis of supply and demand factors as well as trends in residential development, including a specific focus on affordable housing. This report also presents recommendations for both policy and action to address housing affordability in the Mission Promise Neighborhood.

SECTION I: OVERVIEW OF THE MISSION AND ITS RESIDENTS

Location

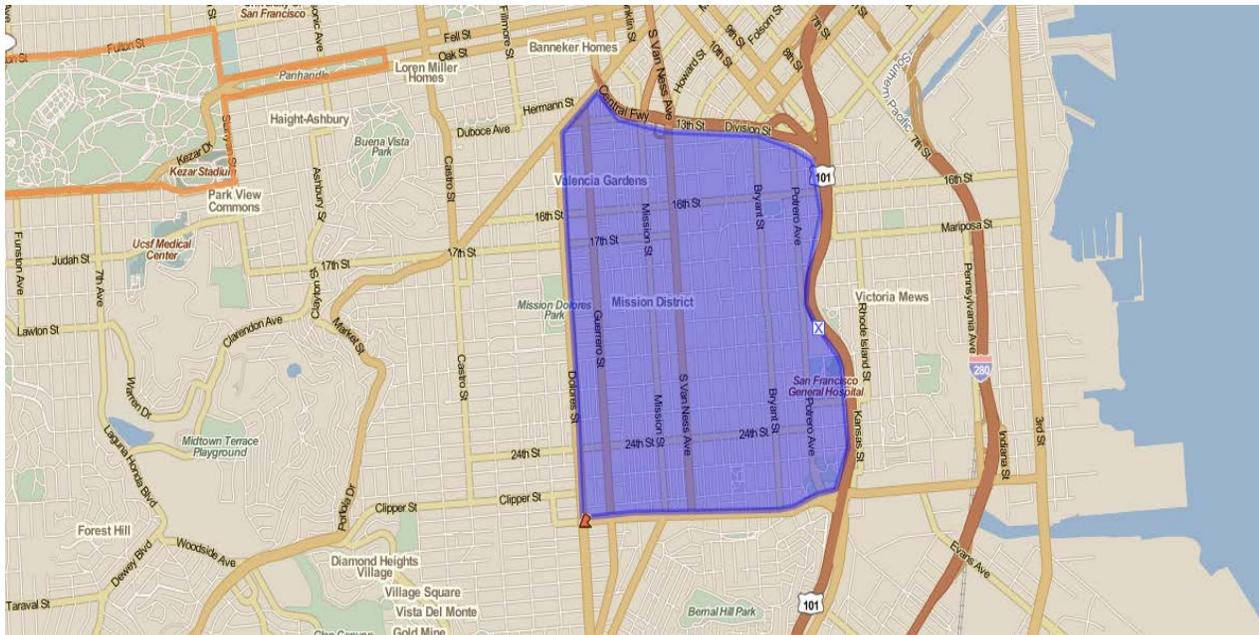
The Mission District is located in east-central San Francisco. It includes four recognized sub-districts: the northeastern quadrant is adjacent to Potrero Hill and is known as a center for high tech startup businesses and upscale bars and restaurants; the northwest quadrant is along Dolores Street and is famous for Victorian mansions and the popular Dolores Park at 18th Street; the remaining two are more commercial zones, the Valencia corridor (Valencia St, from about 15th to 22nd) and the 24th Street corridor in the south central part of the Mission District.

The map can be accessed on page 26 of the document linked here:

http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

MAP 1.
San Francisco Planning Districts





Census Tracts and Zip Codes in the Mission District

The Data calculated for the Mission District was collected using the following 13 Census Tracts: 177, 201, 202, 207, 208, 209, 210, 228.01, 228.02, 228.03, 229.01, 229.02, and 229.03. The zip codes used for the Mission District are 94110 and 94103. Refer to Appendix 1: Census Tract Map.

Population

With a current estimated population of 817,501 people, San Francisco is a diverse city with significant minority populations. The two largest groups, Asians and Latinos, make up 33.10 percent and 15.20 percent of the total population, respectively.

The Mission District, also known simply as “the Mission”, has been considered the epicenter of Latino culture in San Francisco for the last 70 years. During the 1940s through the 1960s, large numbers of Mexicans immigrants moved into the area, giving it the Latino character for which it is known today. During the 1980s and 1990s, more immigrants and refugees fleeing civil wars from Central and South America joined the Mexican population.

As of 2013, the Mission District was home to an estimated 56,873 people. The Mission District has the highest concentration of Latinos in all of San Francisco with 38.6 percent, more than double the City’s overall 15.20 percent. 12 percent of the total population in the Mission are children under 18 years of age.

Below is a table demonstrating the racial/ethnic makeup of San Francisco compared to the Mission.

Total Pop	White	Black/ Afr. Amer.	Amer. Indian	Asian	Native HI,	Other Race	Hispanic
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						Pac. Island		
SF County	817,501	41.7%	5.6%	.2%	33.1%	.4%	3.8%	15.2%
Mission	56,873	42.7%	3.3%	2.8%	11.9%	.05%	.25%	38.6%

Source: ACS 2013; DP05

Of the population in the Mission, 45.6 percent was foreign born, with over 50 percent of those born in Latin America (predominantly Mexico, El Salvador and Guatemala). According to the 2010 Census, among the foreign born population in the Mission, 16 percent were linguistically isolated, above the City’s overall rates for this metric. Further, 32.9 percent of the population over 5 years of age speak Spanish at home, triple the overall City rate of 11.60 percent, while 24 percent report to speak English “less than very well”, also above the overall 22.6 percent rate for the City of San Francisco as a whole. Refer to Appendix 2 for table on language spoken at home.

The Mission’s Declining Latino Population

While Latinos/Hispanics are historically the Mission’s largest demographic segment, the percentage of the Mission District’s population that is Hispanic is trending downward in the last 15 years to the point where Hispanics are no longer the majority. Since 2000, the Hispanic population in the Mission has decreased as a percentage of the total population, as well as in real terms (a net loss of 8,252 individuals). Assuming this displacement trend continues at the average annual rate from 2009 to 2013, by 2020, an additional 2,852 Latinos will leave the Mission.

	2000 Census	2010 Census	2013 ACS	2020 Projection
Total Pop. in the Mission	60,202	59,040	56,873	53,871
Hispanic Pop. in Mission	30,145	24,066	21,893	19,041
Hispanics as % of Total Pop.	50%	40.8%	38.5%	35.3%

Households and Household Size

The total number of households in the Mission is increasing. Viewed next to the decline in population, this indicates that household size is decreasing. While the total number of households is increasing, the number of households with children under 18 years of age is declining. This suggests that the decline in household size is at least in part due to a declining number of children. Mission Households with children under 18 years of age have decreased from 27 percent in 2000 to 21 percent in 2009. As of 2013, this figure has dropped to 20 percent.

	2009	2013
Total Households in the Mission	22,191	23,069

Total Population in the Mission	59,040	56,873
Population under the age of 18	7,968	7,027

As Hispanic residents leave the Mission, the average household size has decreased. In 2013, the average household size in the Mission was 2.53 individuals, a statistically significant decrease from the 2.90 average size recorded for the Mission in the 2000 Census. For the same time period, the overall San Francisco City average household size has remained unchanged at 2.30.

Larger households (3 and 4 person households), make up a larger portion of the households that rent in the Mission, as compared to the City of San Francisco as a whole.

Household Size	% of Renter Occupied	
	San Francisco	Mission
1- person household	45.20%	32.30%
2- person household	32.30%	33.00%
3-person household	11.30%	16.32%
4- person or more household	11.20%	18.32%

Source: ACS 2013; S2501

Among NALCAB/MEDA housing survey respondents (disproportionately Latino and lower income as compared to the overall population in the Mission) the average household size is 4.2, with 53 percent living in households comprised of more than 4 individuals.

Total Household Size	Total Number	Percent
1	27	12%
2	34	15%
3	36	15.90%
4	26	11.50%
5	23	10.20%
6	15	6.60%
7	5	2.20%
8	19	8.40%
9	9	4%
10+	21	9.30%
N/A	11	4.90%
Average Household Size	4.2	

Income and Poverty

According to the US Census' American Communities Survey (ACS) 2009-2013, the Median Household Income in the Mission was \$73,610, while Latinos in the Mission had an MHI of

\$47,943. Latino families in the Mission with children under the age of 18 (the primary target of the Mission Promise Neighborhood effort) have a median income of only \$43,944.

As of 2013, the Mission District had a poverty rate of 17 percent, above the City's rate of 14 percent. Latinos living in the Mission had a 20 percent poverty rate during the same period.

	Poverty Rate
San Francisco	14%
Mission	17%
Latinos in the Mission	20%

Source: 2009-2013 ACS

Potential Undercounting of Low-Income People and Immigrants in US Census Data

It is likely that these data from the Census undercount Latinos and low-income immigrant populations, particularly those that are in “hard to count” circumstances, including those who live in overcrowded conditions or those that are undocumented. An independent analysis of 2010 Census data found that it undercounted several groups that have historically been hard for government enumerators to effectively tally. According to the Leadership Conference on Civil and Human Rights, a leading national civil rights advocacy organization, there are several reasons for the undercount of minorities and low-income people. Lower-income areas experience lower response rates for mail and door to door collection methods. People with lower education levels, lower literacy abilities, and difficulty with the English language may have difficulty understanding the census. These communities may generally misunderstand the importance of census participation. Furthermore, many distrust or are suspicious of the government because they fear that census responses may be used by immigration or law enforcement officials to deport or incarcerate them or their family members or may disqualify them for social welfare programs.

Census Director Robert Groves said that despite new outreach by the bureau, some traditionally hard-to-count groups, including Latinos and African Americans, remained a challenge for census-takers in 2010.¹ “While the overall coverage of the census was exemplary, the traditional hard-to-count groups, like renters, were counted less well,” Groves said. “Because ethnic and racial minorities disproportionately live in hard-to-count circumstances, they too were undercounted relative to the majority population.”²

Homelessness

The 2013 Homeless Count and Survey (HCS) found that San Francisco County supervisorial districts 6, 9, and 10, the areas served by Glide Health Services and Mission Neighborhood

¹ Trounson, Rebecca, 2012. *2010 census was largely accurate but undercounted minorities*. Los Angeles Times, May 22, 2012. <http://latimesblogs.latimes.com/lanow/2012/05/2010-census-was-largely-accurate-but-undercounted-minorities-again.html>

² Altman, Louis, 2012. *New Analysis: 2012 census significantly undercounts minorities, youth*. Nonprofit Quarterly, May 24, 2012. <https://nonprofitquarterly.org/policysocial-context/20392-new-analysis-2010-census-significantly-undercounts-minorities-youth.html>

Resource Center (MNRC), have the largest homeless populations, following historical trends. District 6 (the Tenderloin, South of Market) had 3,038 homeless people; districts 9 & 10 combined (Bayview-Hunter’s Point, the Mission District) had 2,437.³

In response to the needs of homeless residents in these areas, the Mayor announced the opening of a one-stop center to serve homeless living in the Mission. This “navigation center” will be located at 1950 Mission at the former site of Phoenix Continuation High School.⁴⁵ The center will offer immediate housing while permanent rooms or space in rehabilitation centers can be secured. The Mayor’s Office reports that, at any given time, up to 400 homeless residents are camped in the blocks around 16th and Mission. Funded by a \$3 million grant from the Interfaith Council, the property will have dormitories to sleep 75 people, offices for staff members, as well as showers and restrooms. Once it is open, the center will operate differently from a traditional shelter, in that residents will be able to come and go at will, they’ll be able to hold onto their possessions, and stay with their partners.

The police will partner with counselors and a homeless outreach team to refer people for services. Bevan Dufty, Director of the Mayor’s Program for Homelessness reports that the 16th and Mission corridor has one of the highest concentration of SROs (single residency occupancies) in the City and, unlike other parts of the City where the SROs are run by city agencies or non-profits, most in the Mission are privately owned. Dufty said that part of the \$3 million in grant money will go towards leasing these SROs and working with building owners to make them better meet the needs of area homeless.

Adult Educational Attainment

In San Francisco, 60.2 percent of the householders who live in owner-occupied units have a bachelor’s or higher, while the rate specific to the Mission is 66.6 percent. The rate for renter-occupied units in San Francisco is 55.1 percent, while it is 49.4 in the Mission.

These data indicate that people with a bachelor’s degree or higher are more likely to own a house than to rent, while people with some college, an associate’s degree, or less are more likely to rent than to own their home. There is a larger educational gap between homeowners and renters in the Mission District than in the City as a whole.

Among the housing survey respondents, 66 percent have a high school diploma or less, while about 32 percent reported at least some post-secondary education.

Education	Number	Percent
Less than High School	69	31%

³ MNRC Grant, 2014.

⁴ San Francisco Gate, Jan. 14, 2015 <http://www.sfgate.com/bayarea/article/S-F-to-open-1-stop-center-for-homeless-in-Mission-6016223.php>

⁵ Mission Local, Jan 16, 2015 <http://missionlocal.org/2015/01/new-center-to-navigate-homeless-to-homes/>

High School or GED	80	35.40%
Some college	27	12%
AA	8	3.50%
Bachelors	26	11.50%
Graduate	12	5.30%
Other	2	0.88%
N/A	2	0.88%

The survey results are consistent with U.S. Census data in that they indicate that the large majority of lower-income Latinos in the Mission do not have post-secondary educational experience.

Grade School Enrollment and Student Residence

There are four public schools in the Mission.

- Cesar Chavez Elementary
- Bryant Elementary
- Everett Middle School
- John O’Connell High School

The following table shows school enrollment for children in San Francisco and the Mission:

Grade School Enrollment	San Francisco	Mission District
Nursery School and Preschool	11,344	595
Kindergarten	6,303	405
Elementary: Grade 1 to grade 4	22,235	1,679
Middle: Grade 5 to grade 8	21,109	1,058
High School: Grade 9- 12	23,161	1,442

Source: ACS 2013; S1401

The table below shows the percent of students living in and outside MPN, by MPN focus school for 2011-2012. 61 percent of the students who attend the four focus schools live outside of the Mission:

	Bryant Elementary		Cesar Chavez Elementary		Everett Middle School		John O’Connell High School	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Live in MPN	146	57.3%	294	58.7%	76	20.2%	121	24.1%

Live Outside MPN	109	42.7%	207	41.3%	301	79.8%	382	75.9%
Total	255	100%	501	100%	377	100%	503	100%

Source: Gardner Center tabulations 2011-2012 SFUSD administrative data.

Notes: 64 (0.1%) SFUSD students had an incomplete address in 2011-2012 and could not be placed as living either within or outside the MPN boundaries.

A closer look at the students who lived outside of MPN and were enrolled in one of the four MPN focus schools (999 students) reveals 11 percent of these students lived in areas that were directly adjacent to MPN (i.e., they shared a geographic border with the Mission Promise Neighborhood). However, most of these students (89%) came from non-adjacent neighborhoods:

Students Enrolled in MPN Focus Schools, by Residence 2011-2012	Number	Percent
Live in MPN	637	39%
Live in Other Neighborhood	999	61%
<i>Immediate Surrounding Area*</i>	<i>111</i>	
<i>Other Neighborhoods</i>	888	
Total Enrolled in MPN Focus School	1,636	100%

Source: Gardner Center tabulations of 2011-2012 administrative data

Note*: The immediate surrounding area of MPN was defined as a Census Tract adjacent to MPN boundaries.

Among students enrolled in MPN focus schools who lived anywhere outside of MPN, the top sending ZIP codes include: 94214 (Bayview - Hunter's Point, 21%), 94112 (Excelsior-Outer Mission, 17%), 94110 (Bernal Heights, 9%) and 94134 (Visitacion Valley, 8%). According to the 2010 Census, both Bayview - Hunter's Point and Excelsior have grown in the number and percent of Latino residents, while the Mission has lost Latino residents. At 75 percent, Latino students comprise the majority of students enrolled in the four focus schools (John Gardner Center).

SECTION II: HOUSING AND HOUSING AFFORDABILITY IN THE MISSION

Housing Type and Age

The Mission has a total of 24,924 housing units, making up 6.6 percent of the overall housing units in the entire City. Below is a table demonstrating the units in structure in San Francisco and the Mission.

Units in Structure	San Francisco	Mission
Total Housing Units	378,186	24,924
1- Unit, detached	69,820	2,094
1- Unit, attached	51,588	2,388
2 units	38,260	3,240
3 or 4 units	43,821	5,198
5 to 9 units	38,556	4,275
10 to 19 units	39,056	2,971
20 or more units	96,322	4,685
Mobile home	452	0
Boat, RV, van, etc.	311	22

Source: ACS 2013; DP04

According to Census data, 84 percent of the total housing units in both the Mission and San Francisco were built before 1979. Below is a table demonstrating the number of structures built in different periods in San Francisco and the Mission.

Year Structure Built	San Francisco	%	Mission	%
Total Housing Units	378,186		24,924	
Built Before 1979	316,088	84%	20,975	84%
Built After 1979	61,245	16%	3,854	15%
Built in 2010 or later	853	0.2%	95	0.4%

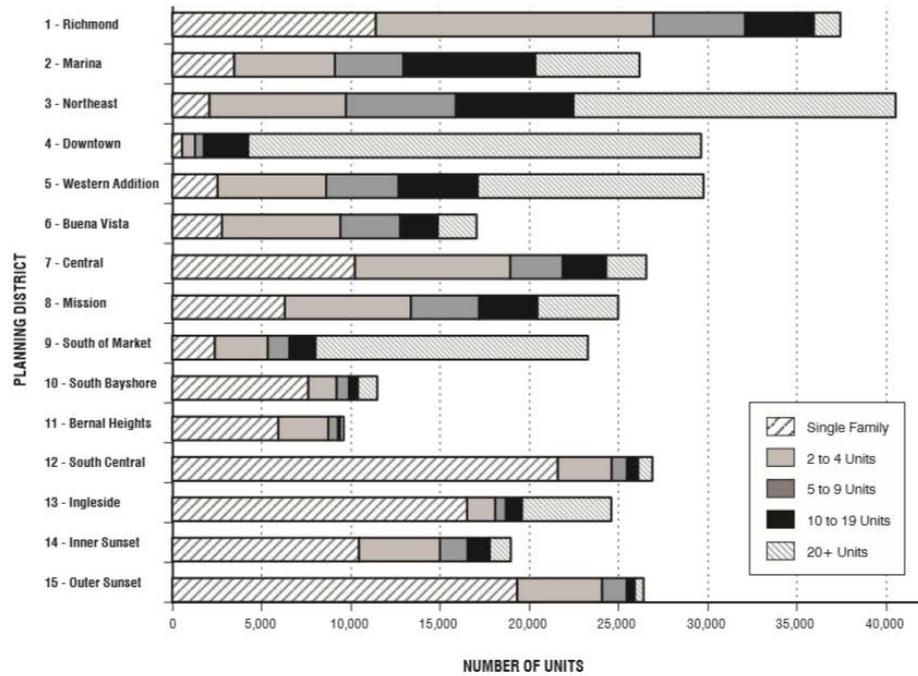
Source: ACS 2013; DP04

The following Figure, taken from a publication by the San Francisco Department of Planning, places the Mission's balance of housing types in the context of other planning districts.

The table can be accessed on page 28 of the document linked here:

http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

FIGURE 9.
San Francisco
Housing Stock
by Planning
District, 2013



Housing Tenure and Vacancy

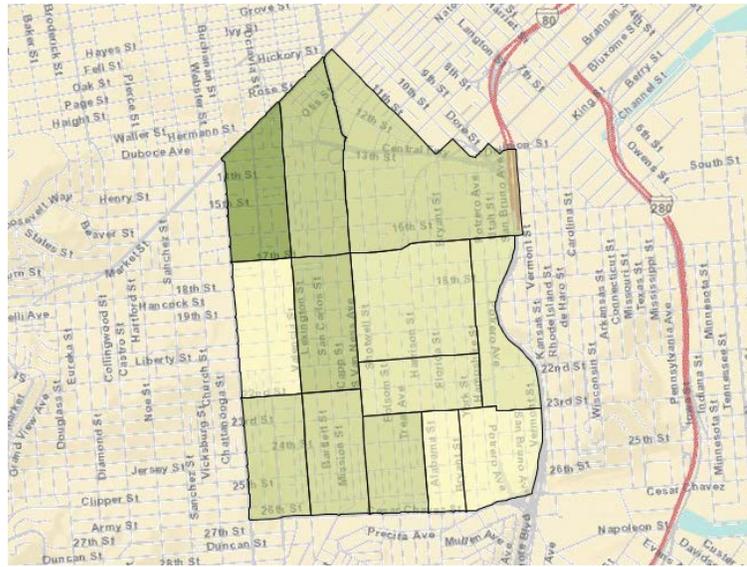
According to the 2013 US Census American Communities Survey, 27 percent of residential units in the Mission are owner-occupied, while 73 percent are renter occupied. Housing in the Mission is more heavily renter occupied than the City of San Francisco as a whole, where the balance is 37 percent owner occupied and 63 percent renter occupied.

Housing	Owner Occupied Units	Renter Occupied Units
San Francisco County	36.6%	63.4%
Mission	27.0%	73.0%

Source: ACS 2013; DP04

Among the participants from the NALCAB/MEDA housing survey, 82.70 percent reported to be renting the unit where they live in the Mission.

The residential vacancy rate in the Mission is 7.7 percent, close to the overall San Francisco rate of 8.7, however this vacancy rate varies widely by census tract. This map demonstrates the relative vacancy rate by census tract in the Mission with the darker green representing higher levels of vacancy, with range from 27 units to 527 units per census tract.



Vacancy rate in the Mission: map courtesy of Policy Map

Residential Real Estate Values and Rental Housing Costs

Home values in San Francisco, calculated by Zillow, a real estate search engine, jumped from a median of \$258,000 in April 1996, to a median of \$887,700 in February 2014. During this same period, median home values in the Mission jumped from \$223,800 to \$962,200. See Appendix 3 for a table and graph demonstrating this data. The following are more recent price trends for home purchase and rental.

The table can be accessed on page 24 of the document linked here:

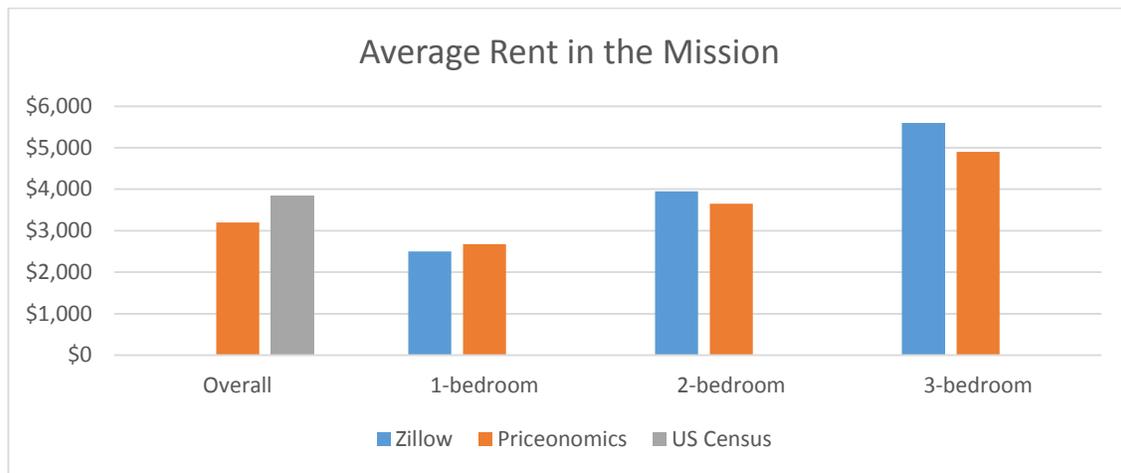
http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

TABLE 22. Housing Price Trends, San Francisco Bay Area, 2004-2013

Year	Rental (Two Bedroom Apartment)		For Sale (Two Bedroom House)	
	San Francisco	Bay Area	San Francisco	Bay Area
2004	\$2,068	N/A	\$670,450	\$547,190
2005	\$2,229	N/A	\$737,500	\$619,010
2006	\$2,400	N/A	\$680,970	\$612,250
2007	\$2,750	N/A	\$664,060	\$566,440
2008	\$2,650	\$1,810	\$603,570	\$370,490
2009	\$2,695	\$1,894	\$611,410	\$409,020
2010	\$2,737	N/A	\$560,980	\$383,550
2011	\$2,573	N/A	\$493,330	\$339,730
2012	\$3,000	\$1,818	\$655,170	\$436,440
2013	\$3,300	\$1,955	\$714,840	\$520,250

Source: Zillow.com for apartment rental prices. California Association of Realtors for home sale prices;
 Notes: The California Association of Realtors Bay Area data do not include Napa and Sonoma Counties.

The following chart compares three sources for average rental prices in the Mission.



The following map shows the median price of a one bedroom in the different neighborhoods in San Francisco as of June, 2014. The Mission is in the top 10 highest neighborhoods with a median price of \$3,250 for a one bedroom according to one online search engine.

Labor Market Conditions That Drive Demand for Housing

As of November 2014, the unemployment rate in San Francisco was 4.4 percent. Of the 503,700 residents in the labor force, 481,700 are employed. This is a record high for the City and eclipses the previous peak reached during the tech boom of the early 2000's. The table below lists the 10 industries/ sectors with the highest number of employees in the San Francisco MSA.

Industry Classification	# of Employees
Professional, Scientific and Technical Services	153,500
Educational & Health Services	144,000
Accommodation and Food Services	120,700
State & Local Government	116,100
Retail Trade	92,200
Financial Activities	76,400
Administrative & Support & Waste Services	65,400
Information	51,800
Other Services (Personal, Laundry, Religious, Civic)	42,500
Transportation, Warehousing & Utilities	40,000

Source: California Employment Development Department, Labor Market Information Division, Oct 2014

According to San Francisco City Controller's Office, the tech industry has accounted for 30 percent of job growth in San Francisco since 2010.⁷ In fact, the CEDD projects software developers will be among the ten occupations with the most job openings from 2012 to 2022. Below are tables demonstrating the occupations with the most job openings and the fastest growing occupations in the San Francisco MSA.

TABLE – Occupations with Most Job Openings in San Francisco MSA (2012-2022)

Occupational Title	Total Job Openings 2012-2022 [1]	2014 First Quarter Wages [2]	
		Median Hourly	Median Annual
Personal Care Aides	14,430	\$11.59	\$24,113
Waiters and Waitresses	14,130	\$10.60	\$22,047
Cashiers	10,930	\$11.44	\$23,785
Retail Salespersons	10,840	\$12.47	\$25,922
Combined Food Preparation and Serving Workers, Including Fast Food	8,570	\$10.74	\$22,340
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	8,320	\$12.12	\$25,222
Software Developers, Applications	7,250	\$52.53	\$109,265
Accountants and Auditors	6,060	\$37.55	\$78,105
General and Operations Managers	5,680	\$64.68	\$134,547
Market Research Analysts and Marketing Specialists	5,630	\$38.94	\$80,996

Source: California Employment Development Department, Labor Market Information Division, Dec. 2014

It is worth noting that the six occupations with the largest number of job openings projected from 2012 – 2022 have median hourly wages under \$13.

⁷ <http://www.spur.org/blog/2014-02-27/forecasting-san-francisco-s-economic-fortunes>

As indicated throughout this report, San Francisco is, by all measurements, an extremely high cost market. Yet, companies continue to open their firms in San Francisco and employees for established companies based in Silicon Valley continue to move to the City to reside. The reasons for this vary, but four principle factors stand out.

1. Compared to areas South of San Francisco, the City still offers ample and affordable office space. For example, in 2012, San Francisco had a 9 to 10 percent vacancy rate and commercial space at \$50 per square foot, by comparison, Palo Alto in Silicon Valley, had a vacancy rate of only 4.4 percent at a much higher \$73 per square foot.
2. Studies on social trends⁸ consistently show that Millennials (the generation born between 1980 to the mid-2000s) prefer urban living and are moving to cities at greater rates than other generations. San Francisco offers a stark difference from the more suburban life further south in Silicon Valley.
3. There is a lack of available housing near many company headquarters in Silicon Valley. For example, Facebook partnered with developer St. Anton Partners to build a housing complex within walking distance of its Menlo Park headquarters. However, that amounted to only 394 units for a company with more than 6,000 employees.
4. The City of San Francisco offers more favorable business tax rates and other incentives for start-ups to open in the City (see below).

Public policy, implement through tax incentives has been a particularly powerful driver of demand. The following are two key examples.

Central Market/Tenderloin Payroll Tax Exclusion - Sometimes popularly referred to as the “Twitter Tax Break”, this tax exclusion provides that existing businesses in the Tenderloin and on Market Street from approximately Fifth to Eleventh – and any who relocate to the area – can be exempt from additional payroll tax as they add jobs during any six years in an eight-year period. For-profit businesses in San Francisco with payrolls of over \$250,000 currently pay a tax of 1.5 percent. The rationale is that these two Districts have the highest storefront vacancy rates in the City. To date, 19 companies have taken advantage of these incentives. A City of San Francisco analysis of the economic benefits of this incentive suggest that, in 2013, these breaks generated \$7.6 million more in revenue than it received in 2011, prior to the incentives taking place. After the agreement on tax breaks was approved, the City placed a requirement that companies taking advantage of this program must enter into a Community Benefits Agreement with the City.⁹ Under these CBAs, companies typically pledge to work with local retailers, make grants to local non-profits, volunteer staff time to local charities, and hire locally for entry level positions through the City’s First Source Hiring Program. Launched in 1998, First Source is designed to place economically disadvantaged residents in entry-level jobs within their community. Only those companies whose annual payroll expenses exceed \$1 million have to sign an official CBA. Further,

⁸ The White House Council of Economic Advisors, 15 Economic Facts About Millennials, Oct 2014

⁹ Some of the CBAs made between companies and the City are online for review and can be found at the following links: [Yammer](#), [Twitter](#), [21 Tech](#), [One Kings Lane](#), [Zoosk](#).

companies who complete 80 percent of their agreements will be “deemed as successful, provided that a good faith effort was made to achieve all items” by the City.

Opponents of the tax break and activists for community job seekers say that, since the City made these requirements *after* negotiating the tax breaks, that they have no “teeth” to enforce compliance by companies benefitting from the program. Further, based on the skillset required for entry levels that open in these companies, local workers are, by and large, not qualified.

Stock Based Compensation Payroll Tax Exclusion – In 2011, the City also announced this a payroll expense tax exclusion for stock based compensation not bound by a specific geography which allows companies to exclude stock based compensation above certain thresholds for tax years 2011 – 2017. The exclusion expires in 2017 and all pre-IPO companies are eligible. Eligible businesses will fall into one of two categories:

- Paid more than \$750,000 of Payroll Expense Tax on stock based compensation in 2010: Company may exclude payroll expense on stock based compensation for amount over what was paid in tax year 2010.
- Paid less than \$750,000 of Payroll Expense Tax on stock based compensation in 2010: Company may exclude payroll expense on stock based compensation above \$750,000 in tax.

As alluded to above, new residents, especially Millennials, are moving to San Francisco to live and, often open their new business. A large - and growing percentage - of these businesses operate in the “tech” industry. These new residents choose San Francisco because they prefer an urban lifestyle that the City, and Districts like the Mission offer. This desire to avoid living in a suburban setting is strong enough that companies such as Google found it necessary to bus employees from San Francisco to their headquarters in Mountain View and beyond. This modern twist on carpooling has had a significant effect for the Mission District in particular.

Preliminary research from the University of California – Berkeley suggests that one and two bedroom apartments within a walkable distance of five of the Google Shuttle stops (two are in the Mission) are becoming more expensive at a faster rate than similar units in the same neighborhood. The report also found evidence that Craigslist and other secondary market rental services frequently post the property’s proximity to a Google bus stop as a perk, noting that Google employees will pay extra to live 2-3 minute walking distance from the shuttle stops.¹⁰

Beginning in August 2014, companies located in Silicon Valley and operating shuttle service for their respective employees have started paying a fee to make stops at San Francisco bus stations. Under an 18-month pilot program, the shuttle services will be allowed to use bus stops at over 100

¹⁰ Goldman Alexandra, 2013. *The “Google Shuttle Effect:” Gentrification and San Francisco’s Dot Com Boom 2*. Master of City Planning in the Department of City and Regional Planning of the University of California, Berkeley. http://svenworld.com/wp-content/uploads/2014/01/Goldman_PRFinal.pdf

locations throughout the city and in exchange for paying at least \$3.55 each time they pick up or drop off passengers. The San Francisco Municipal Transportation Agency (SFMTA) estimates there are 35,000 daily trips made on the shuttles, and that through this program it will raise \$3.7 million to cover costs for making sure they run smoothly¹¹.

The increase in individuals moving to the City in an already tight and high cost housing market is seemingly incentivizing property owners to take advantage of the opportunity. Average rents are skyrocketing as higher salaried home seekers move to the area and condominium conversion is now a regular occurrence. As property owners seek to capitalize on the trend, evictions are becoming more commonplace.

The Impact of Short-Term Vacation Rentals on Housing Costs

Short-term vacation rentals are alternatives to hotels. People offer their house on a short-term vacation rental website and rent it for a night, a weekend, a week or even an entire month. As a major tourist spot, San Francisco has seen an increase in short-term vacation rentals such as Airbnb, VRBO and HomeAway over the last two years.

There are more than 10 listings on Airbnb for apartments in the Mission ranging from \$100 to \$2,500 per night. VRBO has over 45 listings ranging from \$100 to \$1,300 per night in the Mission District. There is a high number of short-term vacation rentals in San Francisco advertised on tripping.com; 1,635 in San Francisco compared to 720 in Sacramento, 448 in San Diego and 285 in Los Angeles.

San Francisco bans residential rentals of less than 30 days unless the hosts have a conditional use permit¹². The City Planning Department is investigating dozens of complaints that property owners throughout San Francisco have illegally converted homes and apartments to hotels¹³. There are no regulations on this short-term rentals for which landlords aren't paying hotel taxes.

Landlords see the opportunity to make more money by using their houses as short-term vacation rentals for tourists instead of renting them out to locals, contributing to evictions and the housing crisis in the Mission. There have been cases reported of landlords in San Francisco evicting their tenants to convert their units into short-term vacation rentals, adding to the housing crisis. In April 2014, San Francisco Gate reported that City Attorney Dennis Herrera said in a statement, "Illegal short-term rental conversions of our scarce residential housing stock" are contributing to "a housing crisis of historic proportions."¹⁴

¹¹ Baires, Jennifer, August 2014. *Google, Facebook pay for shuttles to use San Francisco bus stops*. Reuters. <http://www.reuters.com/article/2014/08/01/usa-buses-sanfrancisco-idUSL2N0Q72PI20140801>

¹² Egelko, Bob, April, 2014. *San Francisco attorney sues 2 landlords over short-term rentals*. San Francisco Gate. <http://www.sfgate.com/bayarea/article/S-F-city-attorney-sues-2-landlords-over-5425826.php>

¹³ Said, Carolyn, April, 2014. *San Francisco cracks down on Airbnb rentals*. San Francisco Gate. <http://www.sfgate.com/bayarea/article/S-F-cracks-down-on-Airbnb-rentals-5381237.php#photo-6130487>

¹⁴ Egelko, Bob, April, 2014. *San Francisco attorney sues 2 landlords over short-term rentals*. San Francisco Gate. <http://www.sfgate.com/bayarea/article/S-F-city-attorney-sues-2-landlords-over-5425826.php>

Housing Affordability

The cost of housing in the Mission, documented above, is not affordable to people that earn the Area Median Income (AMI) in the Mission (\$103,000), much less to lower income people. The following chart analyzes the current affordability gap for residents of the Mission District for a family of four. Consider that a family of four earning 80 percent of AMI, or \$82,400, would need to pay 55 percent of their monthly income for a typical two bedroom apartment in the Mission. A family earning the median income for Latinos in the Mission, \$47,123, would need to pay 97 percent of their monthly income for a typical two bedroom apartment in the Mission.

	100% AMI for 4 Person HH (\$103,000)	80% AMI for 4 Person HH (\$82,400)	MHI in the Mission (\$73,610)	50% AMI for 4 Person HH (\$51,500)	MHI for Latinos in the Mission (\$47,123)	30% AMI for 4 Person HH (\$30,900)
30% of Monthly Household Income	\$2,574	\$2,059	\$1,840	\$1,287	\$1,178	\$772
Monthly Gap for a 2 Bedroom (\$3,800 rent)	(-\$1,226)	(-\$1,741)	(-\$1,960)	(-\$2,513)	(-\$2,622)	(-\$3,028)
Monthly Gap for a 3 Bedroom (\$5,250 rent)	(-\$2,676)	(-\$3,191)	(-\$3,410)	(-\$3,963)	(-\$4,072)	(-\$4,478)
35% of Monthly Household Income	\$3,004	\$2,403	\$2,147	\$1,502	\$1,374	\$901
Monthly Gap for a 2 Bedroom (\$3,800 rent)	(-\$796)	(-\$1,397)	(-\$1,653)	(-\$2,298)	(-\$2,426)	(-\$2,899)
Monthly Gap for a 3 Bedroom (\$5,250 rent)	(-\$2,246)	(-\$2,847)	(-\$3,103)	(-\$3,748)	(-\$3,876)	(-\$4,349)

Sources: AMI: US HUD, 2014. Rent: Average rent from Zillow and Priceconomics.

Housing Cost Burden

Housing cost burdens for low-income families in the Mission are staggering. A “cost-burdened household” is typically defined as a household spending more than 30 percent of their monthly income on housing. According to the US Census’ American Communities Survey data, among households that rent in the Mission, approximately 44 percent are housing cost burdened. For households that rent in the Mission and earn less than \$75,000 per year, approximately 70 percent are housing cost burdened. Further, among homeowners, 50 percent of owners with a mortgage

are housing cost burdened, while 27 percent of owners without a mortgage are housing cost burdened.

\$75,000 appears to be a key income threshold for whether households stay in the Mission. The following table illustrates how the percentage of households in the Mission earning less than \$75,000 decreased dramatically between 2000 and 2013, while percentage of residents earning more than \$100,000 is increasing dramatically. Refer to Appendix 4 for a map demonstrating MHI in the Mission.

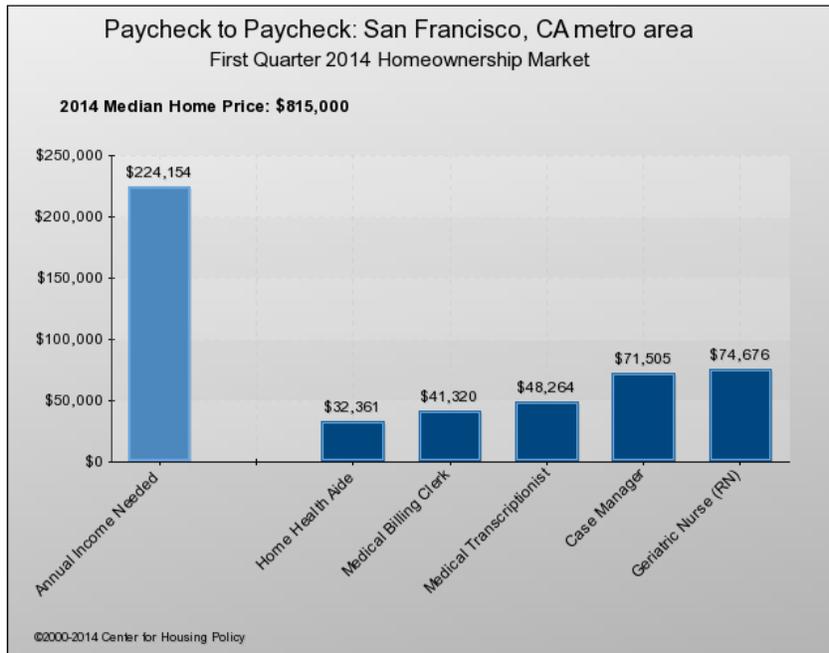
Changes in Wealth in the Mission	2000	2010	2013	Percent Change Between 2000 and 2013
Households	21,680	22,789	24,924	15%
Median Household Income	\$49,372	\$67,871	\$73,610	49%
Less than \$10,000	9.06%	4.25%	4.70%	-48%
\$10,000 to \$14,999	5.15%	4.22%	5.4%	4.9%
\$15,000 to \$24,999	9.94%	9.76%	7.5%	-24%
\$25,000 to \$34,999	10.50%	7.26%	8.9%	-15%
\$35,000 to \$49,999	15.25%	14.50%	10.6%	-30%
\$50,000 to \$74,999	22.78%	15.09%	13.7%	-40%
\$75,000 to \$99,999	11.10%	17.38%	10.5%	-5.4%
\$100,000 to \$149,999	10.88%	13.67%	16.5%	51.7%
\$150,000 to \$199,999	2.75%	9.22%	9.2%	234.5%
\$200,000 or more	2.56%	8.21%	12.9%	403.9%

Source: ACS, 2000 SF3 Sample data, ACS, 2010, 2012 and 2013; DP03

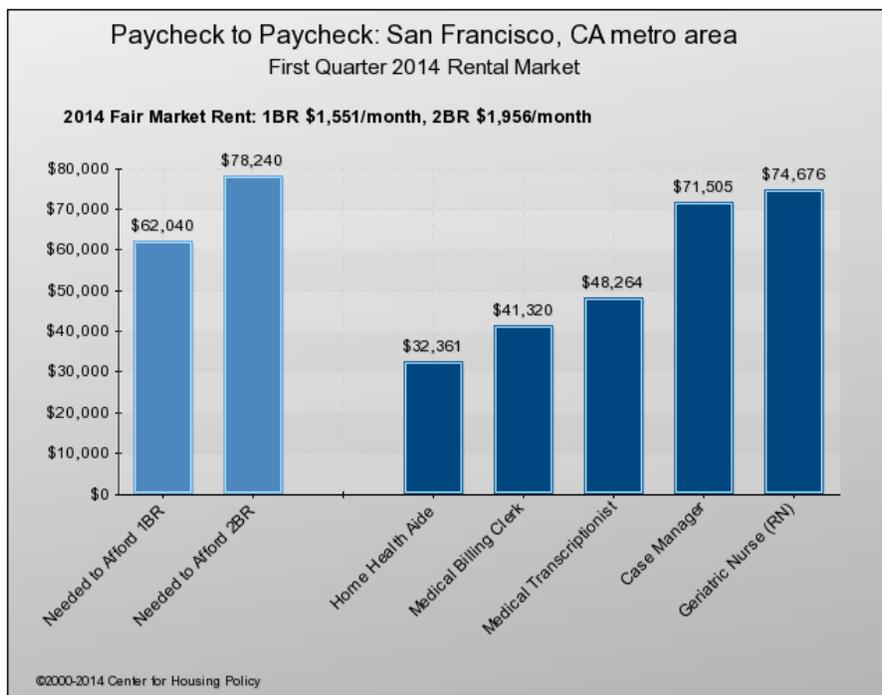
Housing Affordability by Occupation

The Center for Housing Policy created “Paycheck to Paycheck”¹⁵, an online data tool that places average wages by occupation in 210 metro areas in the context of local housing costs. The first graph shows the average annual income for five different health worker professions in San Francisco and the affordability gap to buy a house at the median City value of \$815,000.

¹⁵ Center for Housing policy: Paycheck to Paycheck. <http://www.nhc.org/chp/p2p/>



The second graph shows what the same group of health workers would need to earn annually to rent a 1-bedroom or 2-bedroom in San Francisco. According to this graph, the average case manager and the average RN are the only ones who can afford a 1-bedroom and the RN is the only one who can afford a 2-bedroom. The average home health aide would need to almost double his/her income to afford a 1-bedroom.



Overcrowding

Occupancy at levels greater than one person per room (1.01) is used by the Census Bureau as the threshold for defining living conditions as substandard. According to the Census Data, while 2.3 percent of the population in San Francisco have between 1.01 and 1.5 occupants per room, the Mission has a higher average of 4.14 occupants. San Francisco only has 1 percent of the population living with 1.5 or more occupants per room, while the Mission has an average of 5.90 percent. When looking at overcrowding among Latino families, it is important to know how many bedrooms are in each house and how many people are in each bedroom. Below is a table demonstrating the number of occupants per room in San Francisco and the Mission. Refer to Appendix 5 for 2005-2009 data on overcrowding.

Occupants per room	San Francisco	Mission
1.00 or less	93.90%	89.00%
1.01 to 1.50	2.80%	4.60%
1.50 or more	3.30%	6.40%

Source: ACS 2013, DP04

While Census data suggests that there is a higher incidence of overcrowding in the Mission than in San Francisco as a whole, it is likely that the Census did not capture the scale of the overcrowding in the Mission.

Data from the NALCAB/MEDA housing survey strongly suggests that among low-income Latinos in the Mission Promise Neighborhood, many households are overcrowded. 91 percent (205/226) of respondents indicated that they lived in a unit with one, two or three bedrooms. 63 percent (130/207) of respondents – almost two thirds - indicated that they share the room they sleep in with 2 or more people (adults or children).

How Many People Sleep in the Same Bedroom as You?	Number	Percent
1	77	37.20%
2	75	36.20%
3	28	13.50%
4	14	6.70%
5	8	3.80%
6	5	2.40%

There is evidence that multiple families and unrelated individuals are doubling up. 39 percent of respondents indicated that they lived with an adult who was not a member of their family. 43 percent of respondents with children living in their home indicated that at least one of those children was not a family member.

Non-Profits and Commercial Rental Rates

Non-profits throughout San Francisco are also feeling the burden of rent increase. A 2000 report from CompassPoint Nonprofit Services entitled, “Nonprofits at Risk: The Space and Occupancy Crisis Facing San Francisco’s Nonprofit Community”, reviewed issues facing non-profit organizations that utilize commercial rental space in San Francisco; specifically the impact of the increasing rental rates on the non-profit sector in the City. The study included written surveys, focus groups, key informant interviews and case studies. The following are some key points from the report that continue to be relevant today:

- In 2000, 87 percent of non-profits in San Francisco leased space. About 22 percent of non-profits leasing space were located Downtown, 16 percent were located in the South Market district and 13 percent were located in the Mission district.
- Of the respondents to the survey, 52 percent reported that they were either somewhat likely, moderately likely, or already committed to leaving San Francisco with the expiration of a current lease because rental rates were becoming prohibitive.
- With regard to solutions in the survey, 69 percent of respondents expressed an interest in co-location with other non-profit organizations. Non-profits also expressed the need for low-interest loan capital and for technical assistance on raising funds and purchasing buildings.

The Existing Supply of Subsidized Housing in the Mission

Public Housing

The San Francisco Housing Authority houses 41,500 low-income residents in public units or with vouchers to help offset the cost of market-rate apartments. Yet at any given time, a few hundred of the agency's 6,054 units sit vacant because the cash-strapped agency can't quickly rehabilitate them for new tenants. A report last year by Harvey Rose, the Board of Supervisors' budget and legislative analyst, found the agency had missed out on \$6.3 million in rent because it allowed units to sit vacant.

The wait list for public housing in San Francisco has been closed since 2010 because the demand so dramatically outstrips the supply. Some prospective tenants have been waiting for many years for a unit. Currently, there are three public housing properties located in the Mission.

- *Valencia Gardens* is located on a five acre site located between Valencia, Guerrero, and 15th Streets in San Francisco's Mission District. The Valencia Gardens HOPE VI Revitalization replaces 246 dilapidated units with 260 new 1, 2, 3, and 4 bedroom units, comprised of 218 family flats and town house apartments and 42 one bedroom senior apartments.

- *Juan Pifarre Plaza* is located on 3101 21st Street. With 30 units, it provides quality and affordable housing for low-income households, and has integrated needed housing units for people living with HIV/AIDS.
- *Good Samaritan Apartments and Family Resource Center* is located at 1290-1294 Potrero Avenue and was developed to provide a holistic approach to human and community development by providing affordable housing and supportive services for low-income households in the Mission District.

Recently, BRIDGE, a non-profit supporting public housing needs in the Bay Area and MEDA partnered to co-develop and preserve three properties in the Mission/Castro cluster, a grouping of over 400 apartments for seniors, all of which are scheduled to be rehabilitated in 2015. The goal is to ensure the ongoing affordability and viability of these existing affordable housing resources.

Voucher/Section 8 Programs

The Housing Choice Voucher Program is the federal government's major program for assisting low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

Other Federally Assisted Housing

In addition to public housing and Section 8 Vouchers administered by the San Francisco Housing Authority, there are approximately 1,550 multifamily units in the Mission District that are subsidized under other programs of the US Department of Housing and Urban Development and there are approximately 850 units subsidized with Low-Income Housing Tax Credits. The majority of these units are owned and managed by two non-profit organizations: Mission Housing Development Corporation and Mercy Housing. A complete listing of these units is included in Appendix 6.

Single Room Occupancy Units

There are over 500 Single Room Occupancy units (SROs) in San Francisco, and they are home to more than 30,000 low-income residents, according to the Central City SRO Collaborative, a local housing advocacy group. SROs make up 5 percent of all San Francisco residences and comprise the largest supply of low-cost rental housing in the city. An SRO is defined as a single 8-by-10-foot room with shared hallway bathrooms, but beyond that they range dramatically in quality. An SRO can be a permanent residence or a room for the night. An average SRO in the Mission District costs approximately \$45 per night.

Historically, SROs were populated by low-wage workers, transient laborers and newly arrived immigrants. However, while there are subsidy incentives in the Mission for landlords to rent SROs to people who are homeless, low income or suffering from mental illness, there are often greater incentives to evict such tenants and renovate the space to rent at a higher price under a subsidy program. According to the SRO Collaborative, in many Tenderloin, Chinatown and Mission SROs, immigrant workers may be found living three or more to a single small room.

The Mission Housing Development Corporation (MHDC) is a non-profit, community based organization which owns the largest portfolio of affordable housing for residents of low and moderate incomes in the Mission District. The MHDC is currently manages two SRO buildings in the Mission:

- Apollo Hotel is located on 420 Valencia St and has a total of 80 units.
- Altamont Hotel is located on 3048 16th St and has a total of 88 units.

Rent Control

While the San Francisco Rent Board controls the amount that rent can be raised for units built pre-1979, newer buildings have no limits on increases. Refer to Appendix 7 for additional details on rent control. The Rent Board does not have information available publically on the number of units currently under rent control and does not track these properties, unless there is a report filed.

Among the NALCAB/MEDA housing survey participants, 32.70 percent stated they are living in a rent controlled apartment, while 31 percent are not. Another 25.2 percent did not know their situation.

Under Rent Control	Number	Percent
Yes	74	32.70%
No	70	31%
Don't Know	57	25.20%
Refused	3	1.30%
Other	3	1.30%
N/A	19	8.40%

SECTION III: EVICTIONS

Data presented above clearly illustrates that housing affordability is a key factor driving the changing socio-economic demographics of the Mission District. Beyond affordability, however, there is ample evidence that market conditions are driving more aggressive forms of displacement and potentially housing discrimination.

Evictions

The San Francisco Rent Board publishes annual eviction reports that detail the total number of just cause evictions that were filed during the preceding year. These reports are broken down by cause and total number. The following table demonstrates all reported just cause evictions that occurred in San Francisco from March 2012 – February 2014. There were 1,977 total evictions notices given in San Francisco during this time period, regardless of cause. This was 220 more evictions than reported from 2012-2013, a 13 percent increase. The most common form of eviction in the most recent completed report was Breach of Lease Agreement. This could include the renter owning unauthorized pets, destruction of property or similar events that would constitute a break of the original rental agreement. There were 607 reported breaches of lease agreements from 2013-2014. The second most common reason for eviction was nuisance (loud noise, unsanitary conditions). Nuisance evictions accounted for 349 of the total notices. The next three most common reasons for evictions are viewed as more market-driven and, in some documented cases, being used to evict tenants paying lower rents in order to rehabilitate and re-rent or convert to a condominium for sale. These include the following:

- *Owner/Relative Move-In* - A landlord can evict a tenant if the landlord is going to move into the unit to live, or for a close relative to move in and live there. The landlord (or relative) must move in within 3 months of when the tenant vacates and the landlord (or relative) must have the intention of living there for 3 years. The caveat to this type of notice is that families with school age children who have resided in the unit for at least the last 12 months cannot be evicted during the current academic school year. The only exception to this notice is if the unit is the only one available and the owner also has a school age child(ren).
- *Demolish/Removal from Market* - This cause is most often used for the demolition of illegal “in-law” units within a property. Under this notice, the owner must also provide the tenant a relocation payment. The amounts are the same as the case with an Owner/Relative Move-In eviction. Legal opinion differs on whether, after demolition of the illegal renovation, the owner can then use the property immediately for housing purposes, or if it needs to be redeveloped as for non-housing uses.
- *Ellis Act* - A state law enacted in 1986, the Ellis Act gives landlords the right to evict tenants to "go out of business." For an Ellis eviction to occur, the landlord must remove all of the units in the building from the rental market and cannot single out one tenant and/or remove just one unit from the rental market. When a landlord invokes the Ellis Act, the apartments cannot be re-rented, except at the same rent the evicted tenant was paying, for five years following the

eviction. However, there are no restrictions on converting the property to tenancies in common or condominiums.

Under these three causes, any tenant who has resided in the unit for at least 12 consecutive months, has a right to relocation payments under this notice. The current amount for tenants being evicted under the Owner/Relative Move-In and Demolition causes is \$5,261 per tenant for a maximum payment of \$15,783. The owner also must pay an additional \$3,508 to each household who has at least one child under the age of 18 years living in the unit, and to each tenant who is over 60 years of age or disabled. Ellis Act evictees receive \$5,105.20 per tenant, up to a maximum of \$15,315.56, plus an additional \$3,403.45 for tenants who are senior or disabled. Owners must also give tenants evicted through the Ellis Act the first right of return if the unit is returned to the rental market. Ellis evictions require a one year notice for senior and disabled tenants, 120 days for all others.

Just Cause Evictions	2012-2013	2013-2014	% Change
Demolish/Removal from Market	43	128	298%
Ellis Act	116	216	86%
Capital Improvements	25	37	48%
Owner/Relative Move-In	185	273	48%
Habitual Late Payment	59	84	42%
Breach of Agreement	468	607	30%
Roommate Eviction	41	49	20%
Unapproved Subtenant	15	17	13%
Nuisance	352	349	-1%
Illegal Use of Unit	44	42	-5%
Failure to Permit Access	16	9	-44%
TOTAL	1,757	1,977	13%

Source: San Francisco Rent Board

Declining Ellis Act Evictions in 2014

In the last few years, the Ellis Act in particular became a popular way for property owners to lawfully evict tenants and tap into the lucrative housing market. In 2009/2010, the Rent Board received 43 Ellis Act filings. This figure increased every year before reaching a high of 216 for the 2013/2014 period.

Year	# of Ellis Act Evictions	Year over Year Change
2009/2010	43	
2010/2011	61	42%
2011/2012	64	5%
2012/2013	116	81%

2013/2014	216	86%
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Source: San Francisco Rent Board, Annual Eviction Reports 2009, 2010,2011,2012,2013, 2014

However, preliminary evidence from 2014 suggests that use of the Ellis Act has slowed. Indeed, a review of Rent Board filings from April 2014 to September 2014 reveal only 29 Ellis Act cases were filed. If that trend continues for the remainder of the reporting period, the number of Ellis Act evictions will have fallen dramatically. Reasons for this decline include:

1. In October 2013, San Francisco Mayor Edwin Lee tripled funding for Ellis Act eviction defense from the program's current \$125,000 budget and added an additional \$700,000 for tenant counseling services. This move will raise the potential litigation costs for property owners seeking to use the Act for evictions and cut into any profits that would be made.
2. The Mayor and State Senator Mark Leno are pushing California to reform the Act. This political positioning may have forced speculators to wait and see if reform passes before purchasing a rental property and evicting tenants.
3. Four City Supervisors put *Prop G*, an anti-speculator tax on the November 2013 ballot. Like the potential reform of the Act on the state level, the chance of having such a measure pass may have temporarily deterred speculators from moving forward. The *Prop G* initiative did not pass.
4. The City has continued to increase the amount of compensation due to tenants evicted through the Act.

Mayor Lee made a public commitment to continue limiting Ellis Act evictions in 2015 through two means.

1. The City will make funding available for non-profits to acquire and rehabilitate multi-family rental buildings of 5-25 units through the new *Small Sites* Program. This funding will help stabilize buildings that are occupied by low to moderate income tenants throughout San Francisco that are particularly susceptible to evictions and rising rents. An initial \$3 million is being made available with additional funding expected to be released during the program's first year. Properties supported by this revenue must be 100 percent rental residential buildings located in the City. Buildings at immediate risk for Ellis Act eviction or in the process of an Ellis Act eviction will be given priority.¹⁶
2. The Mayor will seek to form a political coalition to once again try to pass Ellis Act reform. As in 2013, this may dissuade land speculators from moving forward with property acquisition until the issue is resolved.¹⁷

Mission Residents on Housing, Affordability, and Evictions

¹⁶ Office of the Mayor, News Release <http://sfmayor.org/index.aspx?recordid=653&page=846>

¹⁷ Office of the Mayor, News Release <http://sfmayor.org/index.aspx?recordid=775&page=846>

NALCAB held a focus group with Mission District community leaders in July 2014 to discuss the District’s housing situation and their personal experiences with renting, evictions and relocation. Participants mentioned a number of reasons that they feel individuals were evicted without a fight. These reasons included:

- Individuals are often unaware of their rights as tenants and their ability to question the legality of the eviction;
- Tenants often leave because they or a family member in the home are undocumented and fear deportation;
- To low-income tenants, the \$15,000 offered as compensation to the household seems like a lot of money.

A participant from the focus group shared the following thought (translated from Spanish):

“What is happening right now is that they are buying our people with ‘crumbs’. They offer them, \$3,000, \$5,000, \$8,000 or \$10,000, so our people get excited about the idea of \$10,000, but they don’t know how long it is going to last them. From what we have seen, a woman got \$10,000 and she has 3 daughters, but how long is that going to last her, how much is she going to pay for rent? People settle for the money, but we have to make people aware about that, it’s not about what money they receive, but where are they going to live, especially if they have children, it makes it more comfortable.”

Another theme that came up during the focus group is that renters seeking new housing (after an eviction) were often discriminated against for having children and were unaware that this is illegal under the Fair Housing Act.

Respondents to the NALCAB/MEDA housing survey were asked their thoughts on a similar series of points. Below are a selection of responses to questions about satisfaction with their current housing situation, the likelihood of having to move and the fear of being evicted.

Satisfaction with current living/housing arrangement: 22.10 percent of the participants stated not being satisfied with their current living arrangement in regards to affordability. 29.6 percent are very satisfied and 44.2 are somewhat satisfied.

How satisfied are you with your current housing/living arrangement? In regards to: Cost (rent, mortgage, utilities)	Number	Percent
Very satisfied	67	29.60%
Somewhat Satisfied	100	44.20%
Not satisfied	50	22.10%
Refused	3	1.30%
N/A	6	2.70%

Likelihood of Rent Increase: Over 50 percent of participants think it is at least somewhat likely that their rent will increase in the next year. Only 26.10 percent that think that it is not likely that this will occur.

How likely do you think it is that the cost of your rent will increase in the next year?	Number	Percent
Not at all likely	59	26.10%
Somewhat likely	71	31.40%
Very Likely	50	22.10%
Don't Know	40	17.70%
Refused	2	0.90%
N/A	4	1.80%

Confidence about being in the same unit next year: When asked about their confidence that they will still reside in the same unit next year, 44.20 percent of the participants felt very confident about being in the same unit next year, while approximately 33.5 percent expressed little to no confidence. Another 16.3 percent felt fairly confident.

On a scale of 1 to 7, how confident are you that you will be living in the same unit/house in one year? 1=Not at all confident 7=Very confident	Number	Percent
1	32	14.10%
2	14	6.20%
3	15	6.60%
4	15	6.60%
5	15	6.60%
6	22	9.70%
7	100	44.20%
Refused	2	0.90%
N/A	11	4.90%

Concerns about being evicted in the next year: While there was a wide degree of preoccupation, more than half of respondents expressed at least some concern that they could be evicted from their homes and 13.2 percent were *very concerned*. Another 47.3 percent were not concerned at all.

On a scale of 1 to 7, how concerned are you about being evicted or forced out of your home? 1= Not at all concerned 7= Very concerned	Number	Percent
1	107	47.30%

2	16	7.10%
3	20	8.80%
4	14	6.20%
5	19	8.40%
6	6	2.70%
7	30	13.20%
Refused	3	1.30%
N/A	11	4.90%

Commercial Evictions

In October 2014, the Budget and Legislative Analyst office conducted an assessment of small business displacement trends between 1992 and 2011. This assessment included a review of the Mission’s Lower 24th Street Commercial Corridor. Some of the findings from their report are below:

- Business closures occur in San Francisco for a variety of reasons. These may include: moving to a new location to expand; moving to avoid unsustainable rent increases; to scale back a business; going out of business due to retirement or lack of sales, or; being bought out by another firm. The rate of business turnover due to these and other causes steadily increased in San Francisco during the twenty years between 1992 and 2011, and from available data, appears likely to continue its upward trend through 2014 and beyond.
- Between 1992 and 2011, business closures and location changes of all businesses rose by 883.6 percent from 1,298 in 1992 to 12,767 in 2011.
- For established businesses, or open businesses open for at least five years at the same location, business closures and location changes increased from 518 to 3,657 in 2011, an increase of 606 percent. The rate of closures and location changes for established businesses increased to 10.6 percent relative to all business openings between 2009 and 2011, higher than the 20 year median rate of 15.3percent between 1992 and 2011.
- If the same trends continue for the five years beyond 2014, the Budget and Legislative Analyst projects the closure or change of location for 5,910 established businesses in 2019, an increase of 38.1 percent over the projected 4,378 closures and changes of location for established businesses in 2014.
- Mirroring the trend throughout the City, the Lower 24th Street commercial corridor has witnessed an increasing number of business closures and location changes in the last few years, including for established businesses in the same location for five or more years.

SECTION IV: HOUSING DEVELOPMENT IN THE MISSION

Recent Development

The Housing Inventory is the Planning Department’s survey of housing production trends in San Francisco. Some of the key findings from the 2013 report are:

- New housing production in 2013 totaled 2,499 units. This includes 2,330 units in news construction and 169 new units added through conversion of non-residential uses or expansion of existing structures.
- There was a net addition of 1,960 units to the City’s housing stock in 2013, a 49 percent increase from 2012. This follows the 10-year average of 1,932 and represents a continuing upward trend in net unit production from the lowest production point in 2011.
- In 2013, 3,168 units were authorized for construction, a 19 percent decrease from 2012.
- The Planning Department approved and fully entitled 45 projects in 2013. These projects propose a total of 2,552 units.
- Much of the new housing development in 2013 were concentrated in the South of Market Planning District, where about 27 percent of net new units were built, followed by Downtown and Mission Planning Districts, with 25 percent and 13 percent share, respectively, of new housing constructed.
- According to the Planning Department, the Mission District ranks 3rd for units completed in 2013 with 242 units, behind South of Market with 485 units and Downtown with 918 units. It also ranks 3rd in net gain of housing units with 258, behind Downtown with 486 units and South of Market with 521 units.¹⁸

The majority of the 2013 gain in new construction in the Mission are in the sites with 20+ units, followed by 10-19 units. There are comparatively low numbers of smaller unit sizes.

Mission	Single Family	2 to 4 Units	5 to 9 Units	10 to 19 Units	20+ Units	District Total
2010	6,295	7,026	3,797	3,221	4,205	24,566
2011-2012	3	22	11	33	96	165
2013	-	9	7	35	202	253
TOTAL	6,298	7,057	3,815	3,289	4,503	24,984
% of total	25.20%	28.20%	15.30%	13.10%	18.10%	6.60%

Source: San Francisco Housing Inventory 2013

¹⁸ Full lists can be accessed on page 27 of the document found at:

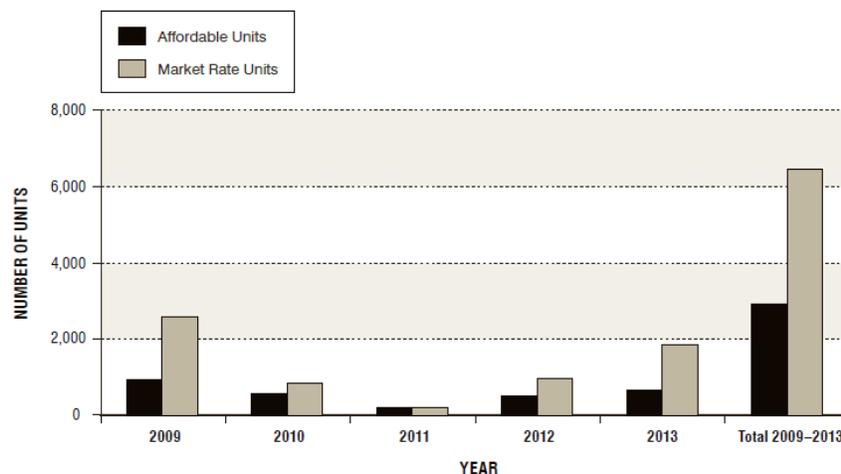
http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

Recent Construction of Affordable Housing

In 2013, 712 new affordable housing units were built in San Francisco, a 39 percent increase from the previous year's production of 513 units. These new affordable units made up 36 percent of new units added to the City's housing stock. This count includes 220 inclusionary units and 28 units added to existing structures. No major projects were built in the Mission in 2013.

About 93 percent of the new affordable units are rentals affordable to very-low and low-income households. Very low-income units represented 63 percent of the new affordable units that were constructed in 2013; low-income units made up 31 percent, and moderate income units made about 6 percent. Figure 7 shows the affordable housing construction compared to market-rate housing construction City-wide from 2009-2013.¹⁹

FIGURE 7.
Development of Affordable and Market Rate Units, 2009-2013



Source: San Francisco Planning Department Housing Inventory (2013)

Major affordable housing projects completed in San Francisco in 2013 include:

- 25 Essex Street (located in the South Beach District with 120 units)
- 701 Golden Gate Avenue (Located Downtown with 100 units)
- 474 Natoma Street (Located at South of Market with 60 units)
- 1075 Le Conte Avenue (Located in Bayview with 73 units)
- 60 West Point Road (Located in Hunters Point with 54 units)
- 61 West Point Road (Located in Hunters Point with 13 units)

¹⁹ The table can be accessed on page 21 of the document linked here:

http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

Table 19 (see below) shows the production of affordable housing units by levels of affordability.

TABLE 19.
New Affordable Housing Construction by Income Level, 2009-2013

Year	Extremely Low (30% AMI)	Very Low (50% AMI)	Lower (60% AMI)	Low (80% AMI)	Moderate (120% AMI)	Total Affordable Units	Total All New Units	% of All New Units
2009	-	550	-	140	256	946	3,544	27%
2010	-	480	21	-	81	582	1,438	40%
2011	127	13	-	21	57	218	418	52%
2012	250	107	-	52	104	513	1,471	35%
2013	--	448	--	220	44	712	2,439	29%
TOTAL	377	1,598	21	433	542	2,971	9,310	32%

Source: Mayor's Office of Housing, Office of Community Investment and Infrastructure, Planning Department

Table 20 (see below) shows new affordable housing construction by housing type.²⁰

TABLE 20.
New Affordable Housing Construction by Housing Type, 2009-2013

Year	Family	Senior	Individual/SRO	Homeowner	Total
2009	176	24	407	339	946
2010	128	348	59	47	582
2011	67	-	140	11	218
2012	157	-	269	87	513
2013	432	100	164	16	712
2013 Percent of Total	60.7%	14.0%	23.0%	2.2%	100%

Source: Planning Department, Mayor's Office of Housing, Office of Community Investment and Infrastructure

Note: Family units include projects with a majority of two or more bedroom units. Individual / SRO includes projects with a majority of one bedroom, residential care facilities, shelters, and transitional housing.

Inclusionary Housing

The Inclusionary Affordable Housing Program, also known as Section 415 of the San Francisco Planning Code, requires residential developments with 10 or more units that seek a conditional use (CU) permit of planned unit development (PUD) to set aside 15 percent of their units on-site or 20

²⁰ The table can be accessed on page 22 of the document linked here:

http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

percent of their units off-site as dedicated affordable housing. These percentages are higher in certain parts of the Eastern Neighborhoods Plan Area (The Mayor’s Office of Housing and Community Development). Developers can also choose to opt out of this requirement and pay an Affordable Housing Fee or work with the City to dedicate a parcel of land to be banked for future use as an affordable housing development.

Reflecting the need for housing (market rate or subsidized) and paralleling the increased number of projects underway throughout the City, the number of inclusionary units reached 220 in 2013. This is an increase of 76 percent over 2012 totals. All 220 inclusionary units in 2013 were constructed as on-site affordable housing. A total of \$9,130,671 was collected as partial payments of Affordable Housing Fees for developers choosing not to earmark sites with affordable units.

Table 21 shows inclusionary units completed from 2009-2013.²¹

TABLE 21.
New Inclusionary Units, 2009-2013

Year	Units
2009	44
2010	40
2011	11
2012	125
2013	220
TOTAL	440

Source: Planning Department, Mayor’s Office of Housing

Affordable Housing Fee Schedule

Effective January 1, 2015, the City announced a new fee schedule for the Inclusionary Affordable Housing Ordinance for developers who chose to not build inclusionary units. These fees will be required for all new developments subject to the ordinance.

Unit size	Fee
Studio	\$199,698
1 bedroom	\$270,441
2 bedroom	\$367,711

²¹ The table can be accessed on page 23 of the document linked here:

http://www.sf-planning.org/ftp/files/publications_reports/Housing_Inventory_2013.pdf

3 bedroom	\$419,621
4 bedroom	\$522,545

Source: City of San Francisco

Research by local Mission-based journalist, Daniel Hirsh, found the following information on the Affordable Housing Fee.

- Nine of the 16 developers with projects completed in 2013 opted to pay the Affordable Housing Fee
- If these developers had built on-site inclusionary housing, the City would now have about 40 more units of affordable housing
- Currently, there are 36 projects approved for construction, representing a total 6,168 future units. Of those units, 544 are slated to be inclusionary and on-site
- About a third of developers for current projects have opted to pay the Affordable Housing Fee
- If these developers built on-site units instead of the fee, it would mean approximately 180 additional affordable housing units.²²

While some activists argue that the Affordable Housing Fee should be removed, the Mayor’s Office of Housing has indicated that the potential burden of Homeowners Association Fees on low-income residents is the main factor in the City’s decision to allow the fee system to continue. While the City controls the prices of below-market-rate units, state real estate laws require all homeowners to be assessed full homeowners’ fees whether they paid full price for their unit or it was obtained through an affordable housing program.

Planned Development

The City of San Francisco Planning Department maintains a report on the pipeline of active construction projects in the City, divided by planning district. The San Francisco consolidated pipeline consists of development projects that would add residential units or commercial space in the City. It provides a short-to medium-term picture of changing land uses, specifically tracking the changes to the city’s housing stock and commercial uses. These findings are available as quarterly reports. Refer to Appendix 8 and 9 for a Parcel Zoning and Parcel Boundary maps of the Mission.

The report from the 3rd quarter of 2014 shows that there were 958 projects in the pipeline. Of these, 75 percent are exclusively residential and 17 percent are mixed-used projects with both residential and commercial components. Only eight percent of projects are non-residential developments.

²² Hirsch, Daniel, May, 2014. *Affordable Housing Construction in Limbo*. Mission Local. <http://missionlocal.org/2014/05/affordable-housing-construction-in-limbo/>

The vast majority of pipeline projects are small scale, consisting of 1-3 units. The “hot spot” for much of this development is Market Street at various parts along the corridor. This artery is geographically at the heart of the recent Central Market/Tenderloin Payroll Tax Exclusion, though many projects here predate this program.

The Mission ranks only behind the Richmond District in the total number of projects in the pipeline, but it ranks 12th out of 33 neighborhoods in the number of net total residential units and 30th in net total commercial units. A closer examination reveals that, while the Mission has a comparatively large number of projects in the pipeline, many of these are smaller sites, averaging only 15 units per project for a net gain of 1,210 units. Further, the Mission is set to lose 62,370 square feet of commercial space.²³

There are currently 50 projects in the pipeline database that propose the demolition or conversion of existing production, distribution and repair-use (PDR) buildings to residential use. If the pipeline were developed as proposed, about 800,000 square feet of PDR space would be lost to conversion or demolition. It would be replaced with 3,600 residential units and or other commercial uses. Most of the PDR to residential conversions are found in Central Waterfront, Showplace/Potrero Hill and East Soma districts. The loss of PDR space in these neighborhoods would in turn bring in 2,900 net new housing units. The Mission would bring in 350 net units. The Mission has 10 projects in PDR space conversion to residential units. See Appendix 10 for a map demonstrating the location of planned development within the Mission.

Micro-Units

Due to the high demand for affordable housing options, San Francisco’s first micro-unit building was approved in 2013 and will be ready for occupancy late in 2015. Originally proposed as student housing, the eleven story building to be constructed at 1321 Mission Street (9th and Mission in the Mid-Market District) and dubbed “SmartSpace” will have a total of 160 market-rate units, 120 of which will be called micro-units with as little as 220 square feet of space. The building will also include nearly 3,400 square feet of ground floor retail space, will be car-free and will have parking for 240 bicycles. The units will rent for \$1,200 - \$1,500 and are expected to be ready for occupancy late 2015. Some urban planners argue that micro-apartments can help rising rental costs and housing shortage in highly urbanized areas.

Selected Current Housing Development Projects in the Mission

The following is a selected list of current developments in the Mission:

²³ Data can be accessed on page 4 of the document found at the following link:

<http://sf-planning.org/modules/showdocument.aspx?documentid=9338>

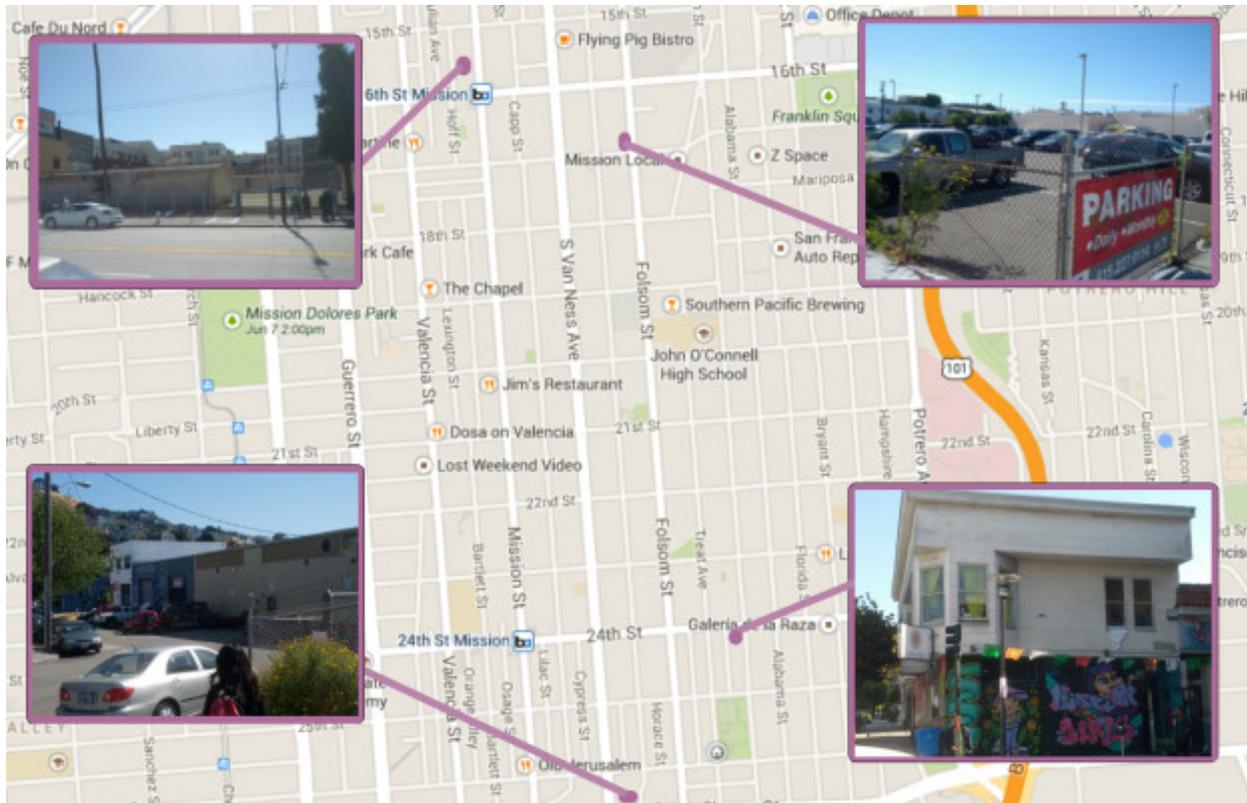
La Vida – Located at Mission Street and 22nd rehabilitated the historic Mission Theater, *La Vida* is set to open January 2015 as 114 market rate condominiums. It took developer Dean Givas over two years of negotiations with community groups to get the project green-lighted. Givas elected to pursue the land dedication alternative to meet the Inclusionary Affordable Housing Ordinance requirements by purchasing a 11,672 square foot plot of land (Block 6571 Lot 026) located at 1296 Shotwell Street (Cesar Chavez Blvd at Shotwell St) and cede it to the Mayor’s Office of Housing for future development. This lot meets the requirements of the Ordinance and has demonstrated to be able to construct up to 44 units of affordable housing; a significant improvement over the 14 units of affordable housing that would have been required if Givas chose to construct on-site. In addition, Givas donated \$150,000 to a fund to help Mission businesses, \$650,000 to 23 community groups and \$1 million for the Texas-based Alamo Draft House Cinema chain to renovate the property next door into a five-screen, 600-seat theater, which will include a full service restaurant and bar. The original theater was built in 1910 and has been vacant since 1993. As part of the deal, Alamo Draft House agreed to hire 50 percent of its staff from the neighborhood and to let nonprofits host events at the facility.

The residential portion of the project will be an 85-foot, 8-story mixed-use building (the second tallest in the Mission) with a total of 114 units (1 and 2 bedroom) over ground-floor retail and 89 parking spaces. Sales started in the spring of 2014. Pricing for condos in the first release is \$1,000 per square foot for every available unit. Examples of available units include:

- A 494 square foot junior one-bedroom with no parking listed at \$573,000
- A “large” 834 square foot 1-bedroom with parking listed at \$851,000.
- A 661 square foot 1-bedroom with no parking listed at \$783,000.
- The least expensive 2-bedroom is 872 square feet, parking and a balcony on the second floor for \$927,000. On the sixth and seventh floors,
- Units higher up for 905 to 1,071 square feet are over \$1 million

The Shotwell land received as part of the Ordinance is among four properties in the Mission slated for affordable housing, but that have yet to begin the development process. Included are properties on 24th and Harrison, 17th and Folsom and Mission at 16th. Together with Shotwell, these projects would bring nearly 200 units of inclusionary housing to the Mission. See map below.

The City has roughly \$20 million in a Housing Trust Fund that could be used to subsidize construction the proposed projects. On average, the City subsidizes the construction of affordable housing at about \$250,000 per unit. However, the City needs consensus on how the Housing Trust Fund money will be used prior to any disbursement and it may need much of the fund to repair 6,054 units of public housing in need of rehabilitation.



Source: Graphic by Daniel Hirsch. Map by Google Maps.

1979 Mission Street - The most controversial project in the Mission right now is on the corner of 16th Street and Mission, at 19709 Mission Street. Maximus Real Estate Partners is proposing to build at the site of one of the city's busiest transportation hubs - the BART station on 16th and Mission. The plan, totaling approximately \$175 million, calls for a 400,000 square foot mixed-use development. The project calls for two, ten-story luxurious towers with 351 housing units and 32,000 square feet of retail on the northeast corner of the intersection. The project would replace a Walgreens, a Burger King, the Hwa Lei Market, the City Club bar, two restaurants and a vacant Dollar Store. It also includes the redevelopment of a 24,000-square-foot surface parking lot behind the Walgreen's. The plans is in line with the Eastern Neighborhoods rezoning, which called for a 105-foot building along Mission and 16th streets. The City has indicated that it will open up the development of the retail space to local bids. MEDA may have the opportunity to bid on that contract.

The Plaza 16 Coalition, an activist group not in favor of the new development, argues that if constructed, the buildings would displace neighboring residents and businesses. The Coalition strives to raise awareness about the social and economic impact of the proposed development. Causa Justa: Just Cause, a housing rights non-profit, argues that the impact exceeds more than just an issue of displacement, it's a threat to the quality of life of many residents. They contend that, if built, the height of these towers will keep Marshall Elementary School next door in a constant shadow for five months out of the year.

The 1979 Mission website describes the construction of this project as a visual and community focal point for the neighborhood and highlights its importance as a transit hub. Though the developer has not yet determined how it will meet the City's Inclusionary Affordable Housing requirement, the website reports the construction as 303 new apartments and 42 affordable units. Since it is grandfathered in to the original Inclusionary requirements the developer could choose to build 12 percent on site (as opposed to the current 15 percent rule). The site goes on to state that the project will comply with or exceed current inclusionary housing requirements as approved by San Francisco voters and that there will be an effort to provide housing that is affordable to families and workers such as teachers, first responders, government employees, nurses, and middle-income earners²⁴.

This corner is potentially a very important location for future economic growth in the Mission because 16th will be a critical pass-through point for people going to the Mission Bay district new Golden State Warriors basketball arena on 3rd St and 16th St. The arena is scheduled to open for the 2018-2019 NBA season. It is also a connecting point to access many other San Francisco neighborhoods.

Vara - Located at 1600 15th Street, Vara is a residential 202-unit apartment complex which welcomed its new residents in July 2013. The largest Class A institutional apartment building in the Mission, the 230,000-square-foot mixed-use development has 202 residences, including a mix of studios; and one-, two- and three-bedroom homes. Also included in the six stories of wood over concrete building is 7,502 sq. ft. of street-level retail space and 155 below ground parking spaces. The rental development includes 40 units available at 20 percent below market rate housing for individuals making 55 percent of median income. The location at the corner of 15th and Mission streets is close to a BART station. The units start at \$2,800 for a studio, and from \$5,000 for a 3 bedroom. Dallas-based equity investor Berhringer Harvard paid \$100 million for the 202-unit. That was more than twice the \$40 million it cost San Francisco-based Avant Housing LLC to build the project.

Fifteen Fifteen - Fifteen Fifteen (1501 15th St) is a \$21 million mixed-use development project by JS Sullivan Development that started construction in 2012. The 5-story building was scheduled to open its sales office in early spring 2014. The complex will include 38 market rate residential units, 7 affordable housing units, 5 commercial retail spaces and 39 underground parking stalls. The condos range from 383 square foot studios to 1,113 square feet two bedrooms. The original plan was set to include eight studios, eight one-bedrooms and twenty-four two bedrooms. No prices have been released yet for the units, sales were scheduled to start in May 2014, but are not advertised online as of this report.

²⁴ 1979 Mission. <http://1979mission.com/at-a-glance/>

This development was met with considerable resistance from local stakeholders. In July 2011, just prior to receiving its permit, there was a Planning Commission meeting where objections about this project were discussed. Complaints were heard from a group of about 20 community members who didn't agree with the amount of parking (too much), the amount of community input (too little), the height of the building (at 58 feet, too tall) and the development itself (ugly). Some neighbors were concerned about traffic nearby Marshall Elementary School, so the project sponsor conceded to move the garage entrance to South Van Ness.

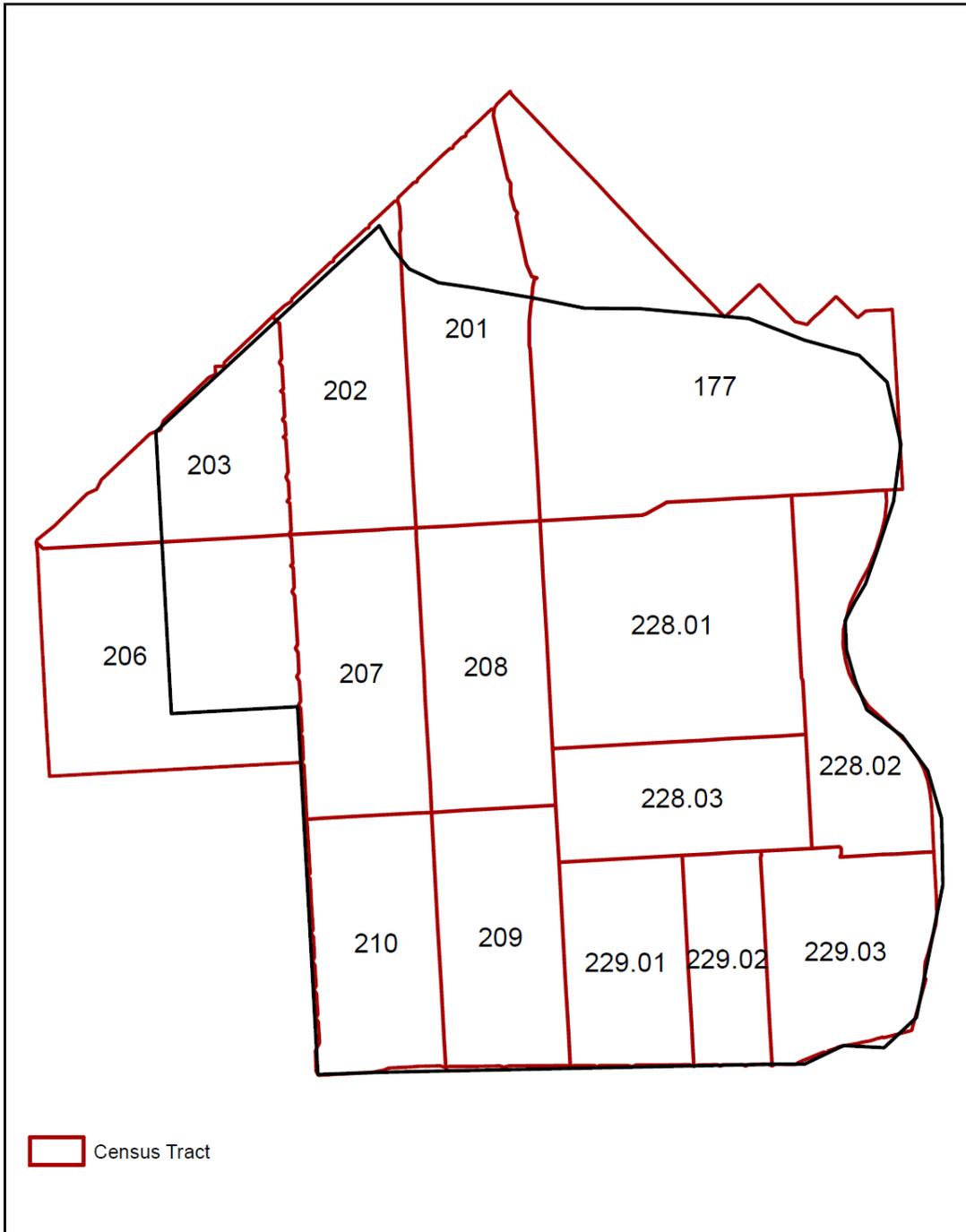
2652 Harrison Street - A four-story condominium complex was built on Harrison between 22nd and 23rd streets. It demolished a 20-foot-tall warehouse that was vacant and replaced it with a building twice as tall; four stories, with 20 condos; 11 one bedroom units, 9 two-bedroom units and 16 off-street parking spots on the bottom level. While only two of the units were the requirement for the city's affordable housing program, the developers opted out and paid the fee. The one bedroom units start at \$3,100 and the two-bedrooms at \$4,195 per month.

38 Dolores - In 2013, an 81-unit luxury rental building on 38 Dolores St (at Market) was completed by the Prado Group, a San Francisco-based real estate development firm. One bedrooms start at \$2,950 and go all the way up to \$4,595, two bedrooms start at \$3,800 and go all the way up to \$5,950, and three bedrooms can be rented for \$8,100. The building has 81 units and a 30,000 sq. ft. Whole Foods on the ground floor. There is no affordable housing in this project as developers chose to pay the fee instead.

SECTION V: APPENDICES

Appendix 1: Census Tract Map

Census Tract



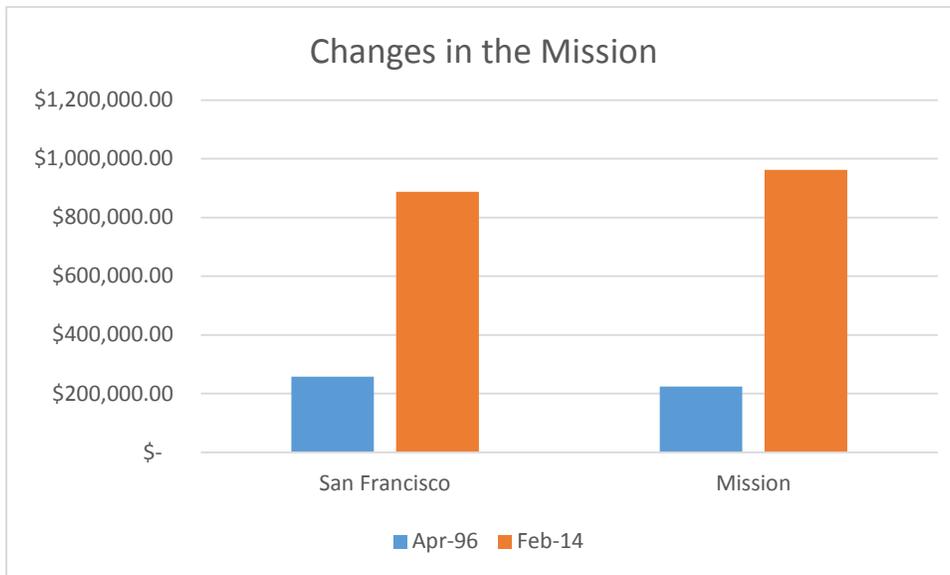
Appendix 2: Language Spoken at Home

LANGUAGE SPOKEN AT HOME	San Francisco County	Mission District
Population 5 years and over	771,944	53,314
English only	54.80%	50%
Language other than English	45.20%	50%
Speak English less than "very well"	23.30%	25.30%
Spanish	11.60%	35.00%
Speak English less than "very well"	5.10%	19.30%

Source: ACS 2013; B16001

Appendix 3: Changes in Median Home Values in the Mission

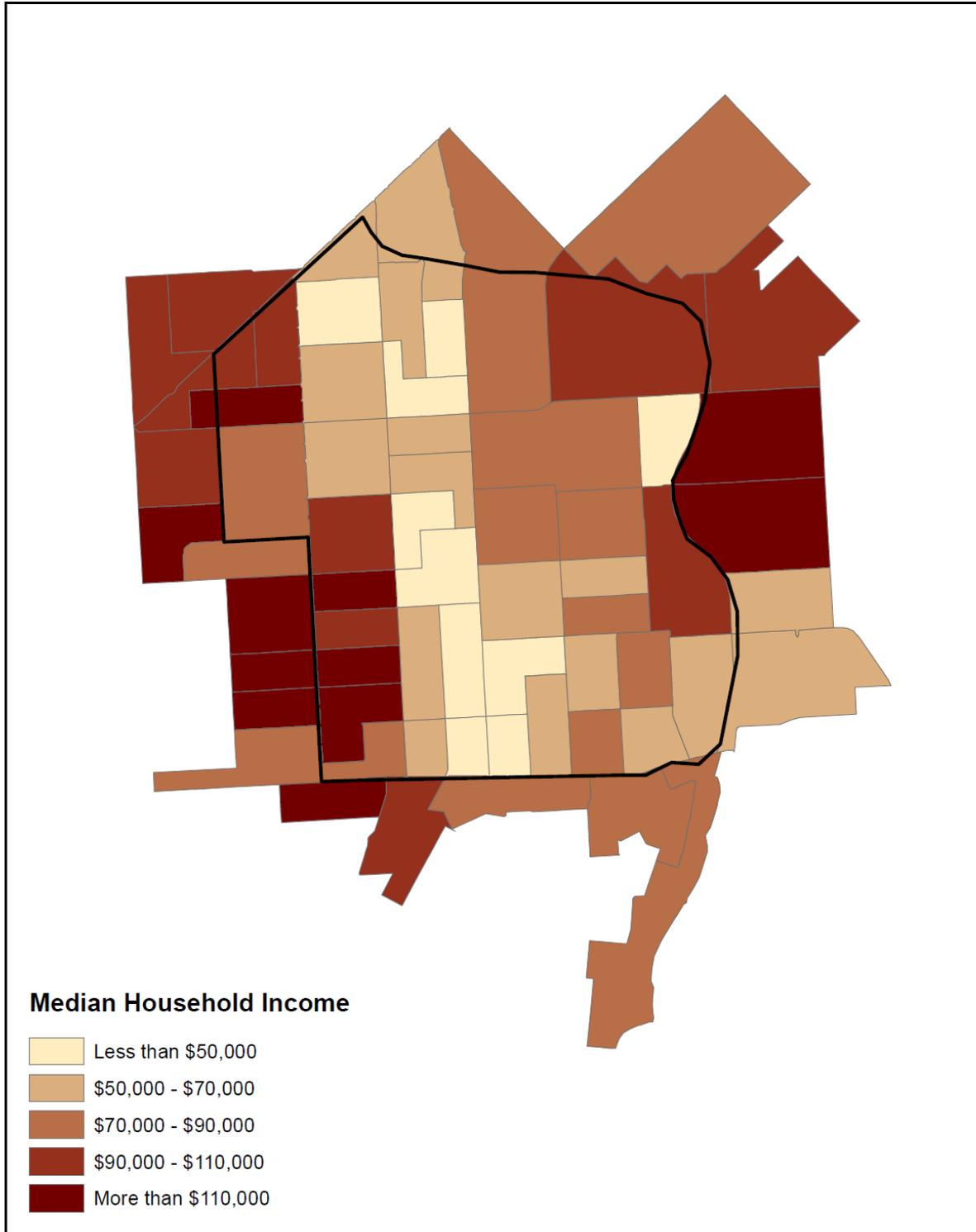
Changes in the Mission	Apr-96	Feb-14
San Francisco	\$ 258,000.00	\$ 887,700.00
Mission	\$ 223,800.00	\$ 962,200.00



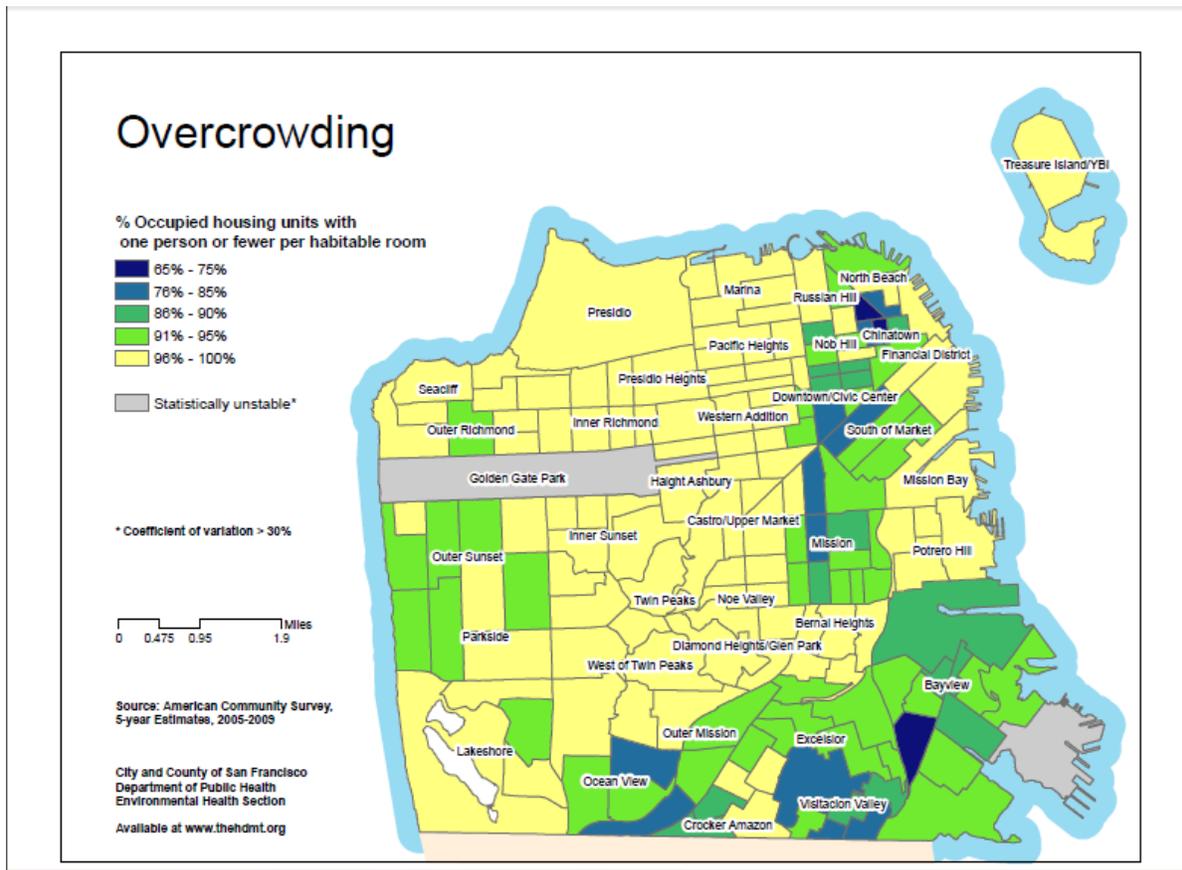
Source: John Blanchard/ The Chronicle

Appendix 4: Median Household Income in the Mission

Median Household Income



Appendix 5: Overcrowding in San Francisco (2005-2009)



Source: City and County of San Francisco, Department of Public Health

Appendix 6: Listing of Affordable Housing and LIHTC Units in the Mission

Category	Property Name	Address	ZIP	# of Units
Multifamily Properties - Assisted	Notre Dame Plaza	347 Dolores St	94110	66
Multifamily Properties - Assisted	Francis of Assisi	145 Guerrero St	94103	110
Multifamily Properties - Assisted	Mission Plaza Apartments	2027 Mission St	94110	132

Multifamily Properties - Assisted	Vincentian Villa	1825 Mission St	94103	72
Multifamily Properties - Assisted	Alcantara Court	670 Valencia St	94110	49
Multifamily Properties - Assisted	Casa De La Raza	90 Bartlett St	94110	51
Multifamily Properties - Assisted	Bethany Center	580 Capp St	94110	133
Multifamily Properties - Assisted	Progress Apartments	1272 S Van Ness Ave	94110	12
Multifamily Properties - Assisted	Abel Gonzales	1045 Capp St	94110	30
Multifamily Properties - Assisted	Apartamentos de la Esperanza	3590 19th St	94110	39
Multifamily Properties - Assisted	Betel Apartments	1227 Hampshire St	94110	50
Multifamily Properties - Assisted	Colosimo Apartments	3290 25th St	94110	11
Multifamily Properties - Assisted	Mariposa Gardens Apartments	2445 Mariposa St	94110	63
Multifamily	1028 Howard	1028 Howard Street	94103	30
Multifamily	1100 Ocean Avenue	1100 Ocean Avenue	94103	45
Multifamily	1101 Howard	1101 Howard	94103	34
Multifamily	10 th and Mission Family Housing	1390 Mission Street	94103	136
Multifamily	Columbia Park	21 Columbia Street	94103	50

Multifamily and Special Needs	The Dudley Apartments	172 6 th Street	94103	75
Senior	Edith Witt Senior Community	66 Ninth Street	94103	107
Senior	Francis of Assisi Community	145 Guerrero Street	94103	110
Senior	Notre Dame Plaza	347 Dolores Street	94110	66
Special Needs	The Rose Hotel	125 6 th Street	94103	76

Category	Property Name	Inclusionary Units	Address	ZIP
Low Income Housing Tax Credit Properties	Plaza del Sol	57	440 Valencia St.	94103
Low Income Housing Tax Credit Properties	Valencia Gardens	254	340 Valencia St.	94103
Low Income Housing Tax Credit Properties	Apollo Hotel	80	422 Valencia St.	94103
Low Income Housing Tax Credit Properties	Juan Pifarre Plaza	29	3101 21 st St.	94110
Low Income Housing Tax Credit Properties	Good Samaritan Family Apartments	20	1290 Potrero Ave.	94110
Low Income Housing Tax Credit Properties	Maria Alicia	20	3090 16 th St.	94103
Low Income Housing Tax Credit Properties	Altamont Hotel	88	3048 16th St.	94103
Low Income Housing Tax Credit Properties	Mariposa Gardens	62	2445 Mariposa St.	94110

Low Income Housing Tax Credit Properties	Mission Capp Apartments	48	2155 Mission St.	94110
Low Income Housing Tax Credit Properties	Del Carlo Court	25	3330 Army St.	94110
Low Income Housing Tax Credit Properties	Bernal Dwellings Apartments	156	3118 Cesar Chavez	94110
Low Income Housing Tax Credit Properties	Padre Palou Apartments	17	3400 16 th St.	94114

Appendix 7: Additional Information on Rent Control

The San Francisco Rent Arbitration Board’s mission is to protect tenants from excessive rent increases and unjust evictions while assuring landlords of fair and adequate rents; provide fair and even-handed treatment for both tenants and landlords through efficient and consistent administration of the rent law; and promote the preservation of sound, affordable housing; and enhance the ethnic and cultural diversity that is unique to San Francisco.

The Department’s central function of regulating rents during a tenant’s tenancy, and preventing evictions without good cause, keeps rents affordable and promotes affordable housing. During the past fiscal year, the Department answered over 22,000 counseling calls, served over 8,000 counter visitors, adjudicated 725 tenant petitions and investigated 491 Wrongful Eviction Reports (Mayor’s Proposed Budget, 2012).

Rent control means that rents can only be raised by certain amounts per year. Tenants who do not have rent control can have their rent increased by any amount at any given time with proper 30 or 60 day notice (SF Tenants Union).

Pre-1979 Construction: Rent control is in effect for all San Francisco renters who reside in buildings constructed before June 1979. The rent can only increase by a governmental mandated percentage each year, based on the cost of living index, and with a 30-day notice. If the landlord has improved the facilities in the building he can petition for an additional increase, but the Rent Board must approve his request, which can't exceed 10 percent. If a landlord is negligent in his maintenance of the building or units, a request for a rent decrease can also be made to the Rent Board.

Post-1979 Construction: For buildings that were built after June 1979, rent control is not in effect. Other buildings that are outside of rent control are subsidized housing, religious facilities or dorms, and residential hotels where the stay is less than 28 continuous days (See explanation of Costa Hawkins below).

According to Census data, 84 percent of the total housing units in both the Mission and San Francisco were built before 1979, hence they should be protected under rent control. Below is a table demonstrating the number of structures built in different periods in San Francisco and the Mission.

YEAR STRUCTURE BUILT	San Francisco	As a Percentage	Mission	As a Percentage
Total Housing Units	378,186		24,925	6.6%
Built Before 1979	316,088	84%	20,975	84%
Built After 1979	61,245	16%	3,854	15.4%
Built on 2010 or later	853	.2%	96	0.4%

Source: ACS 2013; DP04

Additional Rent Controls: If the building is zoned for commercial use but has live/work space, it's covered under the rent control laws. The landlord must be aware that there is a tenant living there, and the tenant must have his permission for complete coverage to be in place.

Costa-Hawkins Bill: The 1996 Costa Bill was passed primarily to end vacancy rent control in California. Cities with vacancy rent control regulate the rents on empty units as well as on occupied units. San Francisco has never had this form of rent control, which is why rents on vacant units skyrocket year after year. Vacancy control maintained the affordable housing stock as well as protecting tenants in place and is the most effective form of rent control. The Costa Bill ended vacancy control in cities like Berkeley and further prohibited any city from adopting it, except in a very limited form.

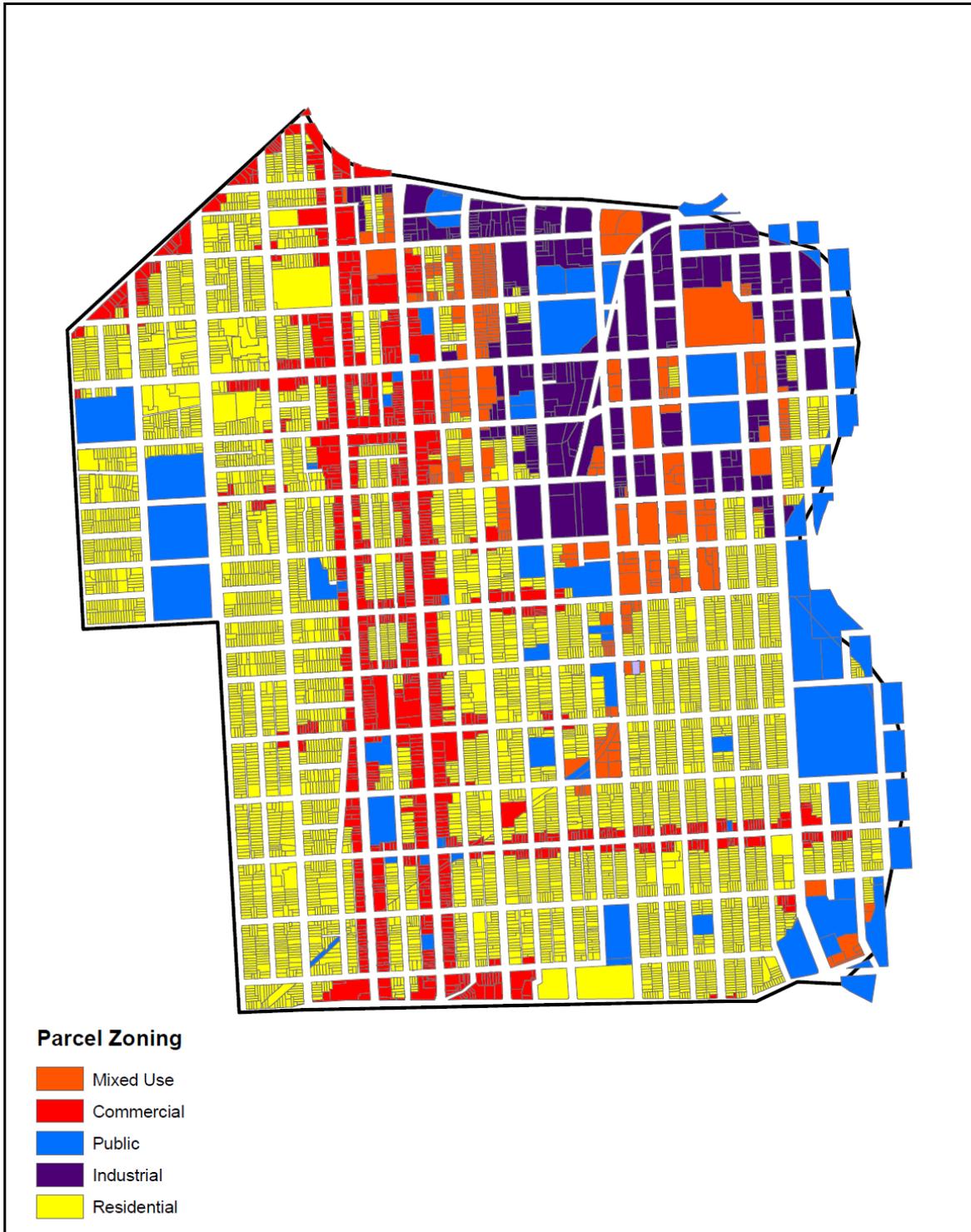
A landlord can increase the rent without legal limit if one of the tenants move out. With subtenants, Costa-Hawkins permits a landlord to change the rent to market rate for a subleasee if the master tenant no longer lives in the apartment and the subleasee did not reside in the unit before January 1, 1995. No rent increase is permitted, if one or more original tenants lives in the unit and sublets part of the unit with the landlord's consent.

The Costa Bill, though, contained a number of other provision which impact San Francisco more directly, including:

- The Costa Bill prohibits San Francisco from extending rent control to post-1979 construction.
- Rented out single family homes and condominiums, where the tenant moved into the unit on or after January 1, 1996, will lose many rent control protections (tenants who moved in before 1/1/96 will continue to have full rent control protection). Single family homes with (legal or illegal) in-law units are in fact 2-unit buildings, not single family homes (San Francisco Tenants Union).

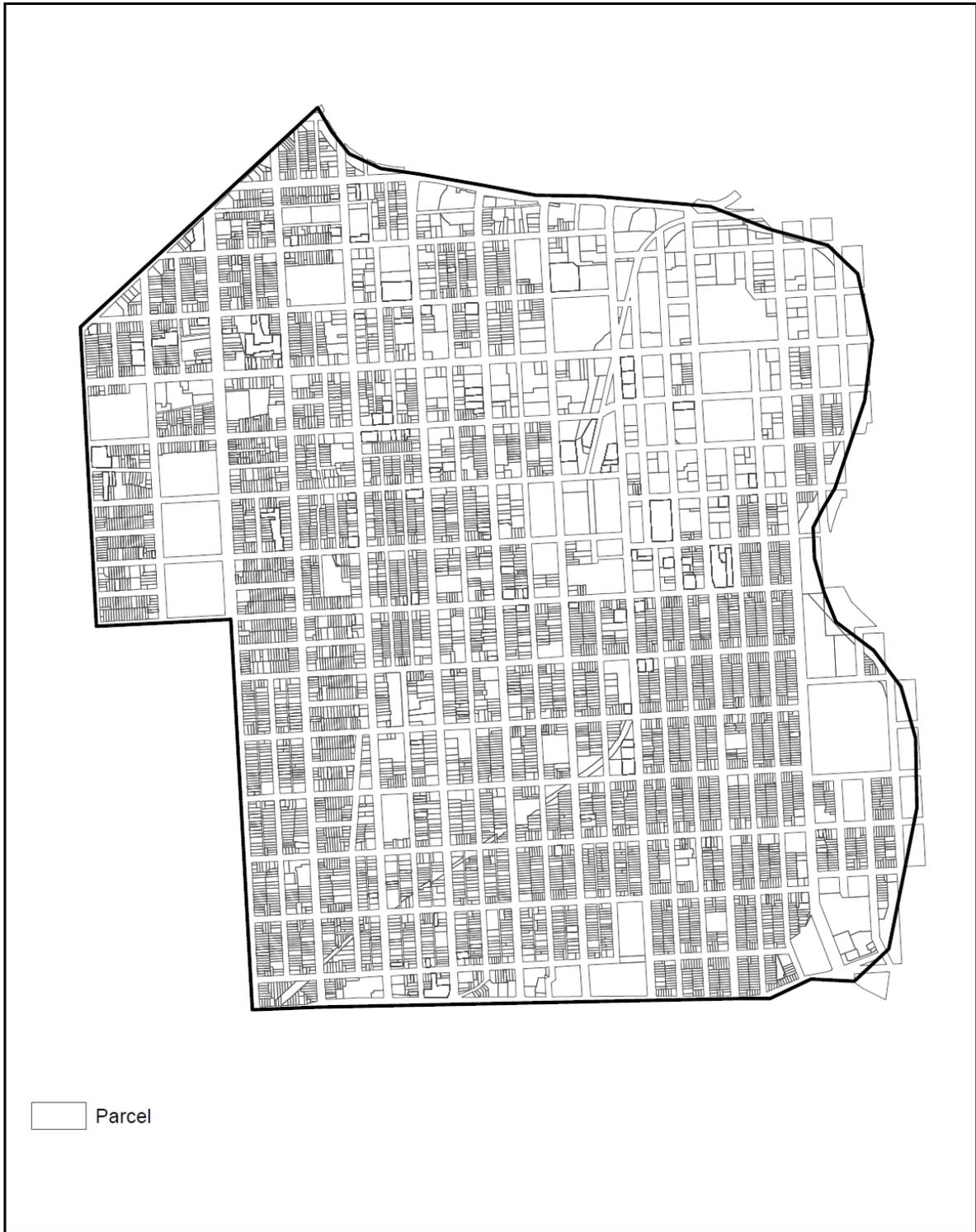
Appendix 8: Parcel Zoning Map of the Mission

Parcel Zoning



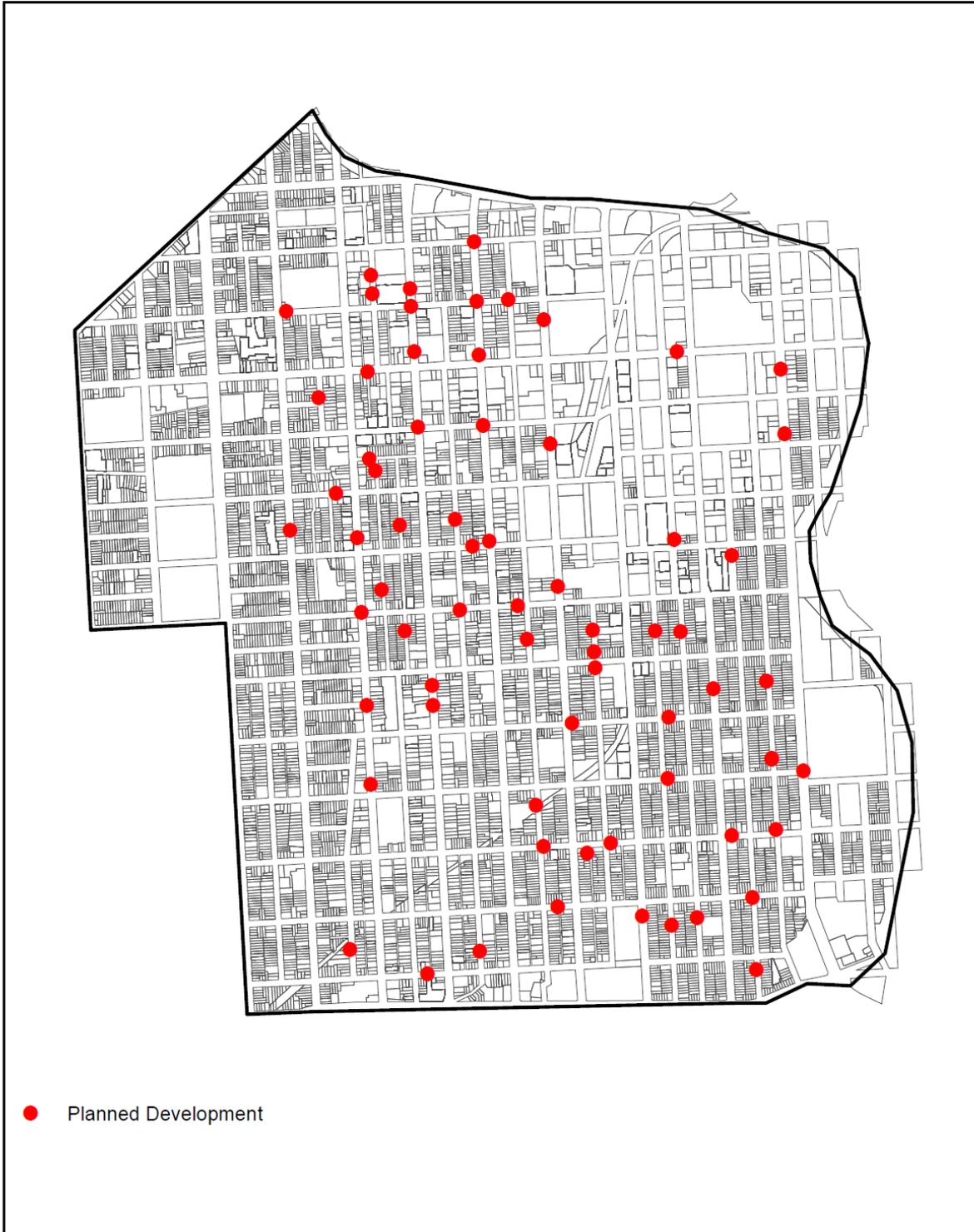
Appendix 9: Parcel Boundaries Map of the Mission

Parcel Boundaries



Appendix 10: Planned Development in the Mission (Pipeline)

Planned Development



Appendix 11: NALCAB/MEDA Mission Housing Survey Results - Demographics

Below are additional results from the NALCAB/MEDA Mission Housing survey that were not included in the narrative of this document.

Gender

60 percent of the survey participants were female, and 38.5 percent were male.

Gender	Number	Percent
Female	136	60.20%
Male	87	38.50%
Trans	0	0
Refused	0	0
N/A	3	1.30%

Race/Ethnicity

74.7 percent of the participants identified as Hispanic or Latino, 15 percent identified as White, 4.4 as African Americans, 4.9 percent as Asians, 1.3 percent as Pacific Islander and 0.4 percent as Middle Eastern.

Race/Ethnicity	Number	Percent
White	34	15.00%
African American	10	4.40%
Asian	11	4.90%
Pacific Islander	3	1.30%
Middle Eastern	1	0.40%
Latino	169	74.70%
Refused	0	0
N/A	0	0

Note: The total number is higher than the total number of participants as some identify with 2 groups.

Age

The majority of the participants were between the ages of 26-45 with 66.3 percent, while 5.7 percent were under 25 and 26.5 percent were 46 or older.

Age Group	Number	Percent
Under 18	1	0.40%
18-25	12	5.30%
26-35	81	36.70%
36-45	67	29.60%
46-55	38	16.80%
56+	22	9.70%
N/A	5	2.20%