SAN FRANCISCO
PLANNING DEPARTMENT

Memo to the Planning Commission

HEARING DATE: MARCH 2, 2017

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Date:	February 22, 2017
Hearing Title:	**Informational Overview of San Francisco Job-Housing Balance Trends 1985-2015**
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Recommendation:	**None - Informational Only**

BACKGROUND

This informational hearing is the second in a series intended to provide a broad overview of key trends regarding the evolution of the City's economy and job base over the past three decades since adoption of the Downtown Plan in 1985 and Proposition M in 1986. The Planning Department has embarked on a data-gathering and research effort to unearth and examine how the City's job, housing and transportation framework has evolved over the past thirty years since these landmark policy frameworks, including how San Francisco has evolved *relative* to the Bay Area regionally, in comparison to peer cities across the country, and in the context of the nation as a whole. The Department intends and hopes that this data proves useful in informing ongoing and future policy conversations and decision-making at all scales, ranging from regional advocacy, to citywide policy considerations, to neighborhood plans and master plan development agreements, to specific developments (including in future office allocation decisions).

The first presentation, on April 28, 2016, focused on trends in the number and type of jobs, changes in the office market and the geography of new office and job growth over time, and an update on the annual office limitation program.

This hearing, on March 2, 2017, will focus on the relationship between jobs and housing. In particular, we will examine how we have planned for and produced housing relative to changes in the workforce and jobs since adoption of the Downtown Plan, changes in commuting patterns, a look at the evolving state and regional context for planning for jobs and housing together, and consideration of the broader question of jobs-housing balance.

RECAP OF APRIL 28, 2016 JOB TRENDS INFORMATIONAL PRESENTATION

Following are notable highlights of the information presented in April 2016. The full set of presentation slides can be accessed here:

http://default.sfplanning.org/Commission/presentations/job_growth_office_pipeline-042816.pdf

- San Francisco's sectoral shift from a significantly industrial to a primarily office + health care economy mirrors a national trend over the past several decades

- Bay Area employment growth has outpaced the nation since the 1960s, though San Francisco lagged behind the region until the mid-2000s and has since surged, similar to peer cities
- Rapid job growth during 2010-2015 (>100K jobs) recession recovery was made possible largely by high vacancy and unemployment, but job growth rate is now tapering due to space constraints (low vacancy + limits to pace of new space), historic low unemployment and slowdown of underlying economic drivers
- San Francisco office market has increasingly outperformed rest of Bay Area, reflecting increasing preference for transit-served, urban locations
- New office growth in SF is and will be primarily outside of the downtown C-3 as the historic "downtown" has built out
- High demand for office space is creating substantial displacement pressure on price-sensitive office users (both small and large) as "cheaper" sub-market options in San Francisco have vanished

OVERVIEW OF JOBS-HOUSING TRENDS

Following are highlights of the information to be presented on March 2. The full presentation will be posted on the Planning Commission website following the hearing. Note that the primary source for data on jobs, wages, and commuting and all data for jurisdictions outside of San Francisco is the Public Use Microdata Sample (PUMS) produced by the US Census, compiled by the Planning Department. All other data on housing and job production and capacity in San Francisco was produced by the Planning Department.

Downtown Plan Housing Goals and Outcomes

The Downtown Plan acknowledged the important and direct link between job growth and the need to produce housing for a growing workforce. The Downtown Plan set a citywide goal of producing an average of 1,000 units per year, and highlighted several areas on the edges of downtown that ought to be planned for greater residential presence in order to provide opportunity for workers to live within walking distance of the downtown. These areas included Rincon Hill, South Beach, Yerba Buena, "Central South of Market,[1]" Van Ness & Market, and Van Ness corridor. Since this time, the City has adopted plans for all of these downtown-adjacent areas. To date since 1985, total housing production in the downtown and adjacent areas (i.e. within 1 mile of the C-3 districts) has been 39,600 units (or 1,320 annually), and including the pipeline of proposed and entitled projects totals 64,500 units constructed, entitled or planned in the greater downtown area since 1985 (See Figure 1). Housing production citywide since 1985 has totaled 57,400 units, or 1,913 per year.[2] There are a total of 63,600 units currently considered as in the "pipeline" (ie under construction, entitled, or filed applications). Of all units produced since 1985, 69% have been in the downtown and adjacent areas, and 39% of the current citywide pipeline is in these areas.

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[1] Note this refers to a different geography than the presently proposed Central SoMa Plan.

[2] The 2000s and the 2010s to date (through 2016) averaged over 2,300 net new units per year. The post-recession years of 2013-2016 have averaged over 3,300 units per year. Last year, 2016, saw the highest annual production rate in decades, with over 5,000 net new units completed.

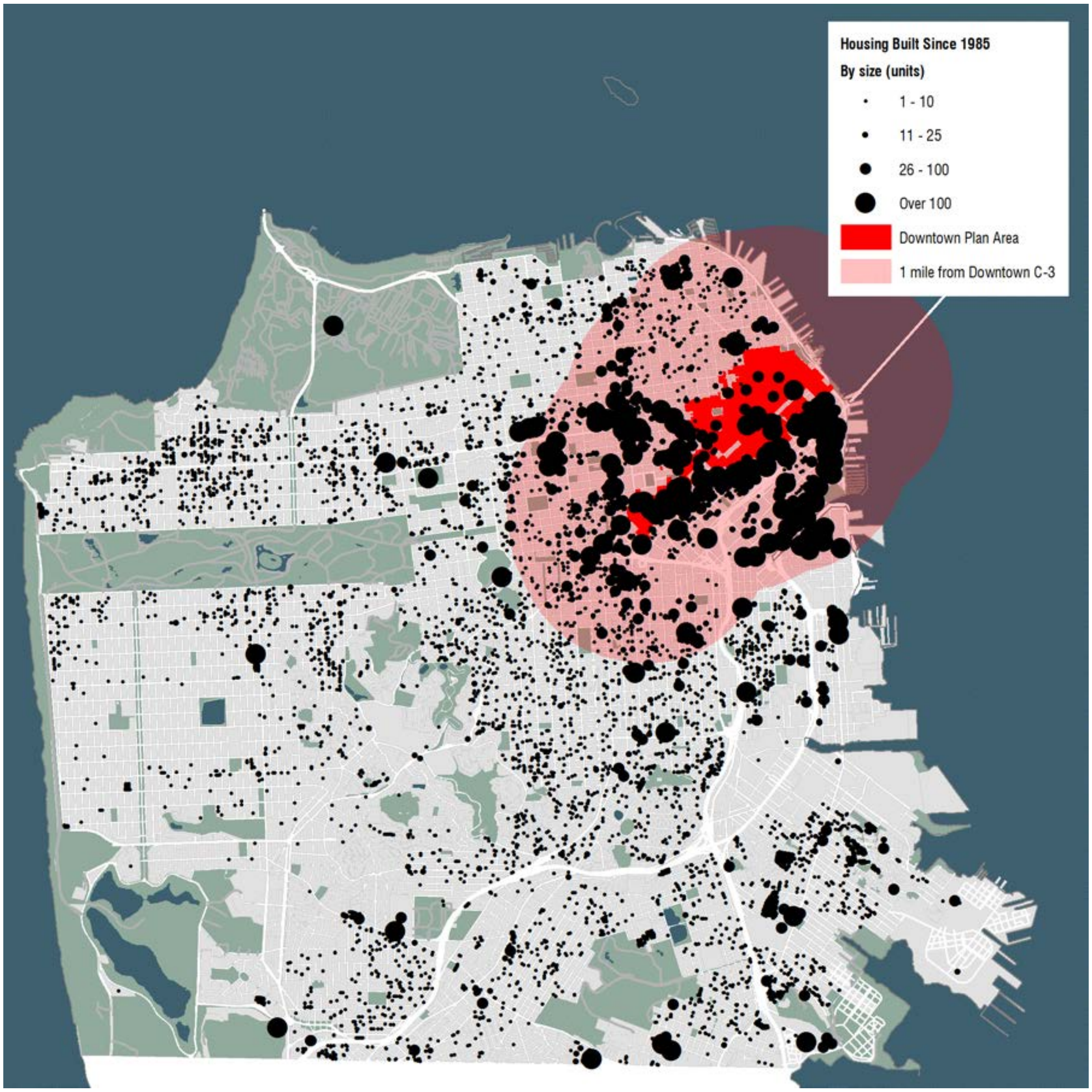
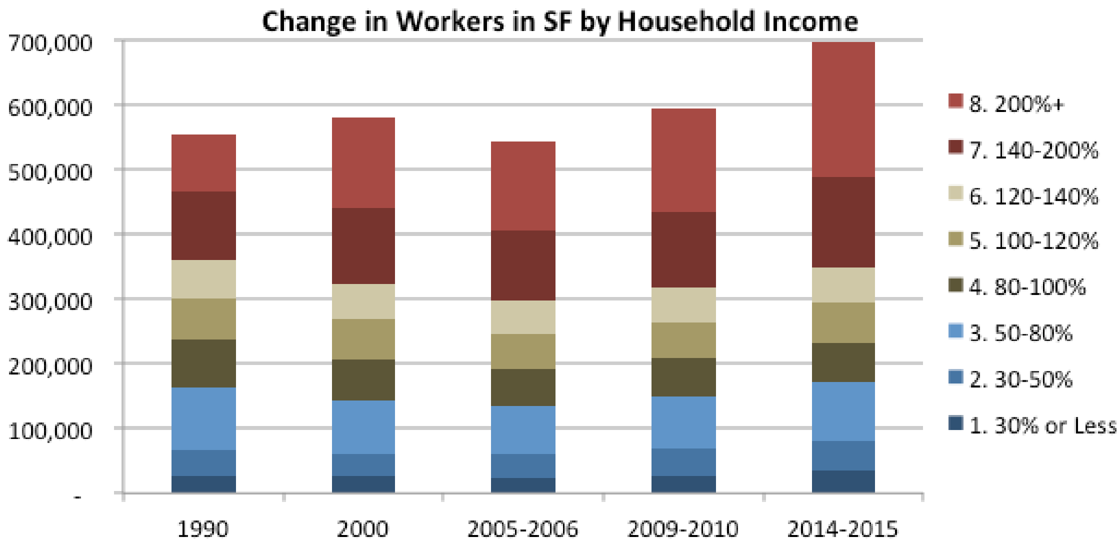


Figure 1. Housing Units Constructed Since 1985

SF Population, Housing and Job Growth Trends

For at least two decades prior to 1980, San Francisco was losing resident population while building housing and growing jobs. Since 1980, the City's residential population rebounded and both population and job base have both grown steadily (+27% and +32% respectively), much faster than the rate of housing production (+17%). The City's resident population has grown slightly more than its jobs base during this period, adding approximately 23,000 more residents than jobs (186,000 vs 163,000). During this period, a substantial change to the economic profile of the job base occurred, especially since 1990, with substantial growth in high wage jobs in absolute numbers and as a share of the City's jobs (See Figure 2). Since 1990, there are 154,000 more workers in households earning over 140% AMI, comprising 51% of SF workers compared to 35% in 1990, while there are 22,000 fewer workers today earning 50-140% AMI. The lowest income brackets of <50%AMI have seen slight growth in actual number of workers, growing by 12,000 workers over these 25 years. Another notable demographic change that has played out in major cities nationally since 1970 has been a steady rise in the number of workers per household, due to societal changes toward greater labor force inclusion and participation of women and seniors, and other demographic factors. As a result the number of workers per household has steadily increased in San Francisco almost every decade since 1970, from 1.0 in 1970, to 1.15 in 1980, to 1.26 in 1990, to 1.30 in 2000, and to 1.34 in 2014.

Figure 2. San Francisco Workers by Income



SF Worker Housing and Commute Trends

The percentage of San Francisco working residents who both live and work in the City has remained largely stable over the past 25 years. It declined slightly from 81% in 1990 to 77% in 2000, and has remained generally unchanged at about 76% since 2000 through 2015. During these 25 years there was substantial actual growth overall in *both* new residents working in the City (+62,300) and out-commuting (+45,200).

The percentage of jobs in San Francisco held by San Francisco residents has also remained relatively stable, fluctuating in the range of 53-56% over the past 25 years. The regional distribution of the home location of San Francisco job holders has not changed fundamentally during this time, though the share of workers coming from Alameda County increased from 10% to 15% and the actual number of in-commuters to SF increased from all counties except Marin, which has seen a slight total decline. Looking comprehensively at total balance of in- and out-flow of workers (see Figure 3), there has been an aggregate *net decline* in the in-commute into San Francisco from San Mateo, Santa Clara and Marin counties, such that San Francisco now has a modest net out-commute balance to Santa Clara county.

Figure 3. Worker Flows To and From San Francisco for 2015

Worker Flows To and From SF for 2015				
	SF Residents Who Work	Workers in SF	Net In-commute	Change in Net In-commute since 1990
Bay Area Total	484,532	689,896	205,365	29,385
Alameda	21,859	107,075	85,216	44,289
Contra Costa	4,040	62,794	58,754	17,520
Marin	7,134	30,399	23,265	(5,534)
San Francisco	370,247	370,247	-	62,330
San Mateo	49,179	81,867	32,688	(12,858)
Santa Clara	30,541	17,173	(13,368)	(13,918)
Rest of Bay Area	1,533	20,343	18,810	(115)

The percentage of San Francisco workers in all income brackets less than 140% AMI who live in San Francisco declined since 1990, with the greatest declines at lowest brackets. This means that San Francisco's housing stock is increasingly being occupied by a greater share of its higher wage workforce, and its middle and lower wage workforce is increasingly commuting into the City (See Figure 4). It is notable that there was also substantial growth of in-commuters who are high-income in terms of both share of commuters as well as their actual numbers. A majority (52%) of in-commuters to SF are now high-income workers, whereas in 1990 43% of in-commuters to SF were high income. This reflects the fact that bulk of job growth in San Francisco, and the inner Bay Area generally, has been high wage.

Figure 4. Percentage of SF Workers Living in SF by Income

% of SF Workers that Live in SF by Income Group			
Income Group	**1990**	**2014-2015**	**Change**
30% or Less	75%	65%	↓
30-50%	72%	54%	↓
50-80%	64%	53%	↓
80-100%	55%	50%	↓
100-120%	53%	48%	↓
120-140%	50%	49%	↓
140-200%	**45%**	**49%**	↑
200%+	**43%**	**54%**	↑

Jobs-Housing Balance: Citywide and Regional Context

As the historical regional job center, San Francisco had the highest ratio of jobs-to-housing units in the Bay Area in 1980 (1.75) and continues to do so today (1.73), though the margin of difference from other counties has declined (See Figure 5). San Francisco is the only Bay Area county to have a lower jobs-housing ratio now than it did in 1980 (albeit marginally so). Since 1980 all other Bay Area counties have added more jobs per added housing unit than was their situation in 1980, some dramatically so. This is due to not just robust job growth in these counties but to a dramatic slowdown in housing production there relative to earlier decades, particularly in San Mateo county, Santa Clara county, and other inner East Bay communities (See Figure 6). In contrast, San Francisco has seen increased housing production each successive decade since the 1970s. San Mateo County added a staggering 3.18 jobs per added housing unit over this 35-year period. Of the several peer cities evaluated nationally (See Figure 7), all added jobs and housing in roughly the same ratio as did San Francisco during this period (between 1.53 and 1.66 jobs per added unit), with the exception of Boston which added notably more jobs to housing. However only Boston and Manhattan had comparable spikes in median income (of over 90%) during the same period, while wage growth in Seattle, Portland and Austin was more modest.

Figure 5. Jobs Per Housing Unit and Wages, Bay Area, 1980-2015

Jobs Per Housing Unit & Average Wages 1980-2015					
	Jobs Per Housing Unit		Jobs Added per Unit Added 1980-2015	Average Annual Wages	
Geography	1980	2015		2015	% Change since 1980
United States	1.01	1.03	1.08	$ 52,942	28%
California	1.09	1.16	1.31	$ 61,698	39%
Alameda County	1.09	1.22	1.60	$ 68,791	45%
Contra Costa County	0.78	0.85	0.96	$ 63,792	44%
Marin County	0.77	0.99	2.06	$ 64,906	62%
San Francisco County	**1.75**	**1.73**	**1.64**	**$ 97,067**	**93%**
San Mateo County	1.08	1.40	3.18	$ 102,776	107%
Santa Clara County	1.43	1.54	1.82	$ 113,390	134%
Total for 6 Counties	1.23	1.34	1.63	$ 91,868	91%
Bay Area (9 Counties)	**1.18**	**1.28**	**1.55**	**$ 87,368**	**84%**

Figure 6. Housing Units Constructed in the Bay Area by Sub-Region by Decade

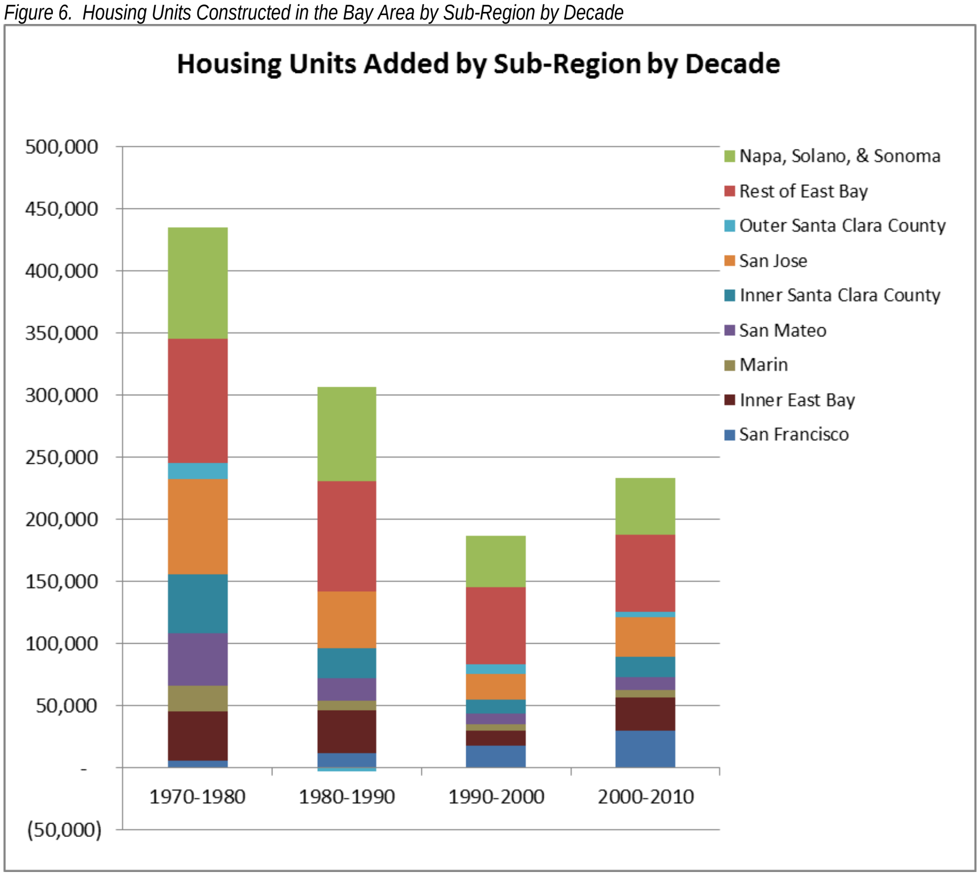


Figure 7. Jobs Per Housing Unit and Wages, SF and Peer Cities, 1980-2015

Jobs Per Housing Unit & Average Wages 1980-2015					
	Jobs Per Housing Unit		Jobs Added per Unit Added	Average Annual Wages	
Geography	1980	2015	1980-2015	2015	% Change since 1980
United States	1.01	1.03	1.08	$ 52,942	28%
California	1.09	1.16	1.31	$ 61,698	39%
Peer Cities					
San Francisco	**1.75**	**1.73**	**1.64**	**$ 97,067**	**93%**
Austin/Travis County	1.21	1.41	1.53	$ 59,789	61%
Boston/Suffolk County	1.90	1.96	2.27	$ 89,924	99%
Manhattan	2.91	2.73	1.57	$ 113,682	109%
Portland/Multnomah County	1.36	1.43	1.61	$ 53,451	19%
Seattle /King County	1.26	1.43	1.66	$ 72,450	47%
Peer Regions					
Bay Area (9 Counties)	**1.18**	**1.28**	**1.55**	**$ 87,368**	**84%**
Total Austin MSA	1.06	1.19	1.24	$ 56,536	56%
Metro Boston (in MA)	1.28	1.36	1.66	$ 73,968	78%
Total NYC	1.09	1.18	1.71	$ 85,787	72%
Total Portland MSA	1.12	1.24	1.42	$ 55,738	27%
Total Seattle MSA	1.07	1.20	1.36	$ 66,018	38%

Ultimately, the construct of a "jobs-housing balance" is a function of transportation system dynamics and must be considered at a sufficiently broad geographic lens, most practically at a regional and multi-city scale, particularly in a complex region such as the Bay Area, and not particularly relevant at a neighborhood or development site scale.

The role of individual neighborhoods must be considered based on various factors in the big picture, not least of which is access to transit and location. There are both historic and contemporary functional and environmental reasons why jobs have been and should be concentrated in certain areas – that is access to high-capacity public transit. The close proximity and concentration of jobs and non-residential destinations (eg universities, shopping, entertainment venues) to transit stations is the highest determinant of whether people will use transit for their trips, rather than the proximity of their housing to transit. This is the result of a number of practical and sociological reasons, including the need to "trip-chain" on the home end of one's daily routine (e.g. take kids to school, pick up groceries) and the difficulty and undesirability of transferring to other modes of transportation on the work end of the primary transit trip.

Plan Bay Area ("PBA") is the region's quadrennial state-required Sustainable Communities Strategy (SCS) intended to meet the requirements of SB 375, which mandates that all regions in California plan to reduce greenhouse gas emissions and achieve state-mandated targets through the linkages of land use planning with transportation investment. PBA *must* achieve the greenhouse gas reductions set out by the state. The Plan was first adopted in 2013 and its next update will be adopted later this year. The pending Plan update's Final Preferred Scenario[3] focuses the region's projected job growth near major regional transit hubs and corridors where such opportunities exist. The 2017 PBA update also has as a core premise a regional "jobs-housing balance" as it relates to growth through 2040, such that all new workers in the 9-county region must be housed in the 9-county region (i.e. without requiring spillover areas like the Central Valley to house our workers), which was not the case in the 2013 PBA. The result of achieving both of these requirements, along with other policy goals (eg limiting sprawl/greenfield development, promoting walkable communities) is a distribution of jobs and housing that focuses on urban infill in transit-served areas, primarily in the inner Bay Area, relying heavily on the three big cities (SF, Oakland, San Jose) to absorb 46% of the region's housing growth and 43% of its jobs.

Of the region's forecasted growth of 1.3 million jobs and 820,000 housing units between 2010 and 2040, the Preferred Scenario calls for San Francisco to absorb 138,000 households (or approximately 330,000 residents) and 290,000 jobs. It's important to note that 2010 was the nadir of the Great Recession, with high unemployment and major commercial vacancy, prior to which San Francisco had shed tens of thousands of jobs; over 1/3 of those projected "new" jobs happened quickly through economic recovery largely through filling vacant space and decreased unemployment (to currently historically low rates). Discounting the recovery from recession and regaining lost jobs, the net projected growth of jobs and households in San Francisco closely reflects the City's 25-year jobs-housing ratio trend. In fact, if the City were to build out per Plan Bay Area, it would result in an even lower citywide jobs-housing ratio in 2040 than it currently has (1.60 versus 1.73).

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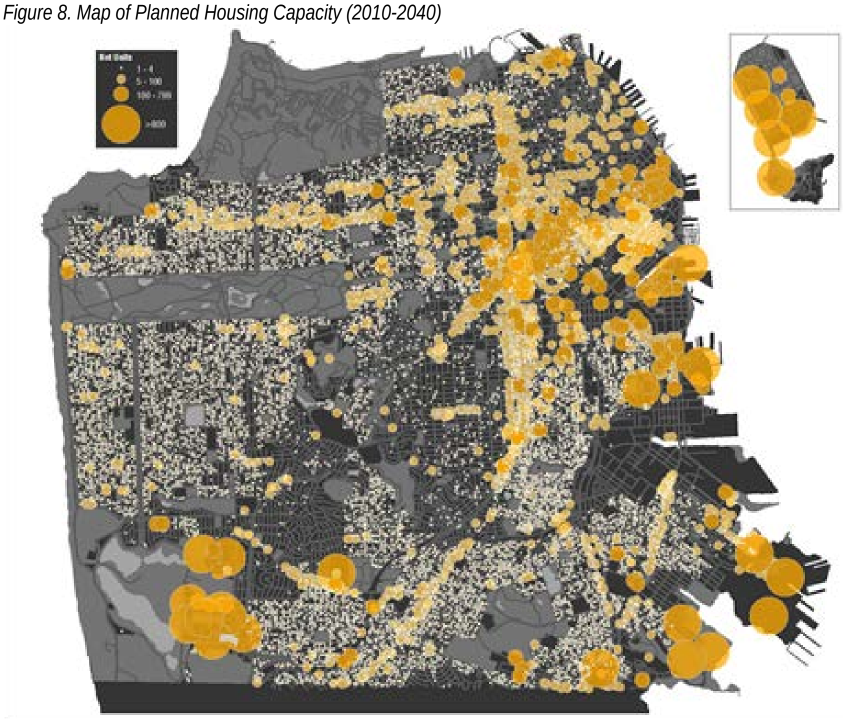
[3] The Draft Plan and its Final Preferred Scenario are currently undergoing environmental review, with adoption scheduled for fall 2017.

Overall, San Francisco has added net new capacity for roughly 84,000 units above previously existing zoning since 1980 through adoption of numerous plans and policies, and pending plans and policies would add an additional 11,000 units of capacity. Accounting for capacity under existing zoning, if pending plan and policy proposal are approved, the City's total estimated capacity for additional housing would be approximately 140,000 units (See Figure 8), marginally more than PBA's 2040 target.

Figure 8. Map of Planned Housing Capacity (2010-2040)



San Francisco has not added substantial amounts of zoned job capacity since 1980, with the net result of all plans adopted in past three decades largely being the overall shifting of job capacity around the City. Job capacity gains have been primarily limited to the redevelopment areas of Transbay, Mission Bay, and Hunter's Point Shipyard, which were offset to a large degree by job capacity decreases through adoption of the Market & Octavia Plan (which rezoned a significant chunk of the C-3 for primarily housing) and conversion of broad swaths of M-zoned land in the southeast quadrant of the City (areas that had liberal zoning that allowed office space) to protected PDR areas. Moving forward, accounting for existing zoning capacity and assuming proposed plans are approved, San Francisco would have capacity for approximately 180,000 more jobs over the coming decades than exist today. This is quite close to the outstanding Plan Bay Area capacity target for 2040 (i.e. 290K minus 2010-2015 growth of approximately 120K).

Figure 9. Map of Planned Additional Job Capacity (2010-2040)

On balance, if San Francisco adopts the various plans and policies now under development, it will be on track to have its planning framework for housing and jobs capacity be consistent with the pending regional plan, albeit by somewhat slim margins.

KEY TAKEAWAYS

- San Francisco has implemented and substantially exceeded the modest citywide housing production objectives of the Downtown Plan. Over two-thirds of all housing built since 1985 has been in the downtown and immediately adjacent areas, reflecting adopted plans over the intervening years.
- The percentage of San Francisco jobs held by San Francisco residents has been stable over the past three decades at over 50%, and the percentage of San Francisco residents working in San Francisco declined slightly in the 1990s and has been stable since 2000 at 76%. While the percentage of SF workers in-commuting has not increased and the increase in out-commute as a share of SF residents is modest, the actual numbers of commuters in both directions have increased substantially.
- A shift in the regional economy toward higher wage jobs and actual housing production lagging growth in demand, the existing housing stock is increasingly housing higher wage workers.

- With the exception of San Francisco, there has been substantially greater job growth relative to housing growth in the rest of the inner Bay Area over the past 35 years than was the situation in each county in 1980.
- Jobs-housing balance is a regional and sub-regional issue, and parts of San Francisco play key roles as job centers, particularly due to transit infrastructure and location. To the extent that the region continues to grow, continuing to accommodate a share of these new jobs in San Francisco near transit and housing opportunities is essential to realizing the regional and state-mandated environmental and mobility goals. Plan Bay Area calls for the three Big Cities to absorb 46% of housing growth and 43% of job growth by 2040.
- The City has substantially increased its planned housing capacity over the past 25 years, but has mostly shifted and concentrated the location of new job growth. San Francisco's jobs-housing balance, both actual and planned, has been stable over the past 35 years, and is projected to lower over time, inclusive of all current pending plans and policies to increase capacity for both housing and jobs.

RECOMMENDATION: **None. Informational Only**

Jobs-Housing Balance Trends

A Look at the Past 30 Years

San Francisco Planning

Planning Commission Informational | March 2, 2017

Presentation Outline

A. The Downtown Plan

B. Jobs, Population and Housing Trends

C. Regional + National Trends

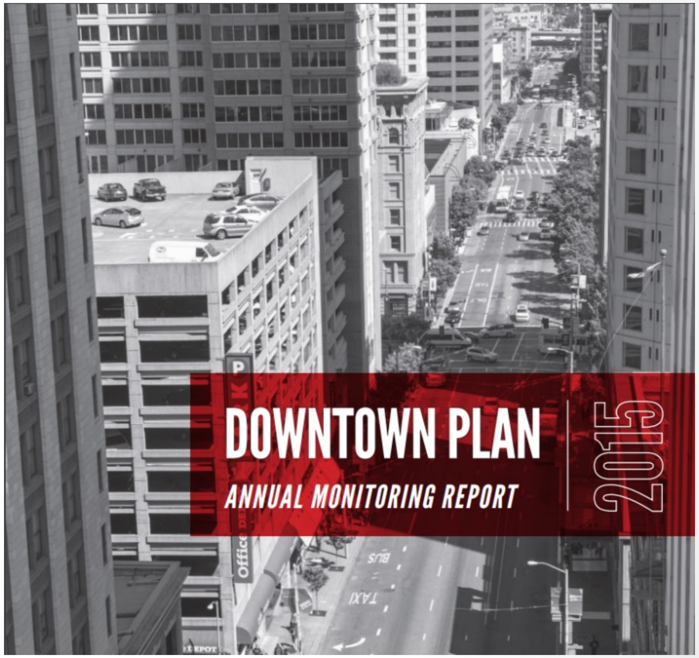
D. Jobs-Housing Balance: Plan Bay Area and SF

Recap of April 2016 Job Trends Presentation

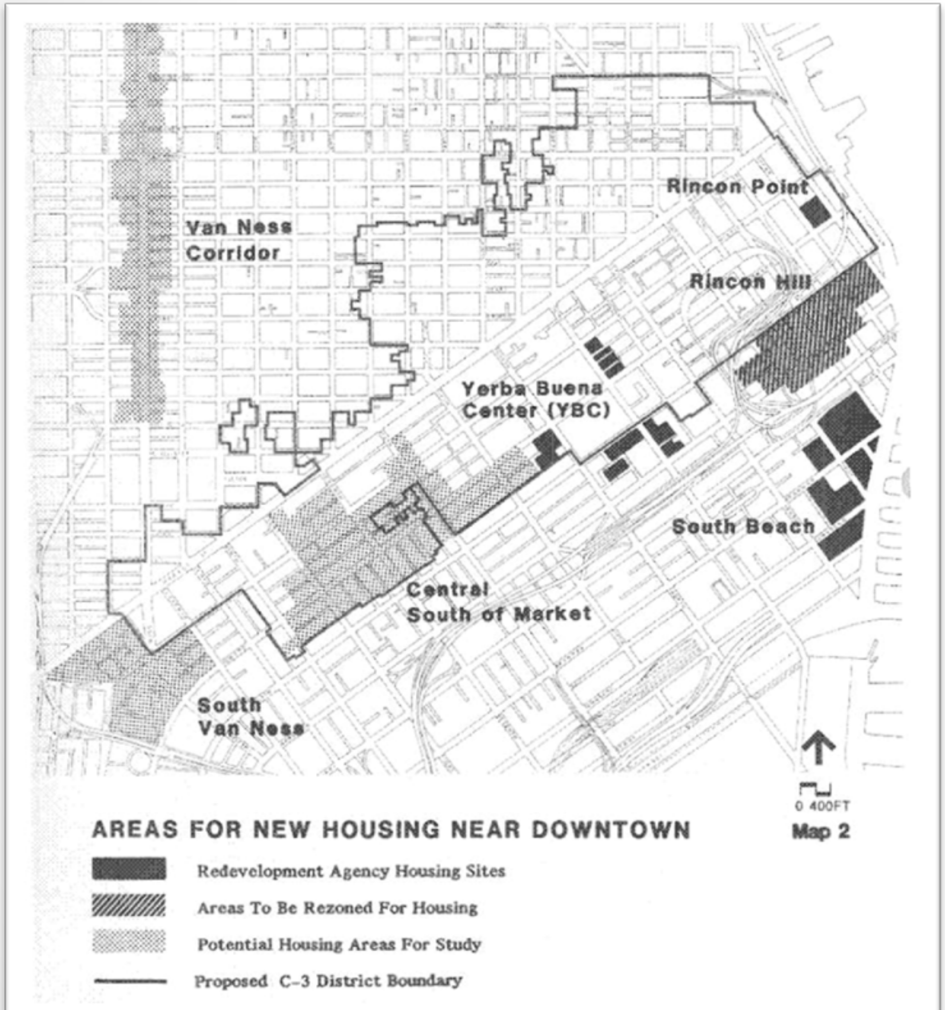
- SF sectoral shift from significantly industrial to primarily office + health care economy mirrors national trend
- Bay Area employment growth has outpaced nation since 1960s, though SF lagged behind until mid-2000s and has since surged, similar to peer cities
- Rapid job growth 2010-2015 (100K+) during recession recovery made possible by high vacancy and unemployment, but tapering now due to opposite factors
- SF office market has increasingly outperformed rest of region, reflecting increasing preferences for transit-served, urban locations
- New office growth in SF is and will be primarily outside of downtown C-3 as historic downtown has built out
- Demand for office space is creating substantial displacement pressure on price-sensitive office users as "cheaper" sub-market options have vanished

The Jobs-Housing Link: The Downtown Plan

- General concept: new jobs = demand for new housing as well
- Recognized in Downtown Plan (1985)
  - Goal of 1,000 new housing units/year citywide
  - Identified residential expansion neighborhoods within walking distance of downtown
  - Jobs Housing Linkage Fee to fund affordable housing for lower income workers

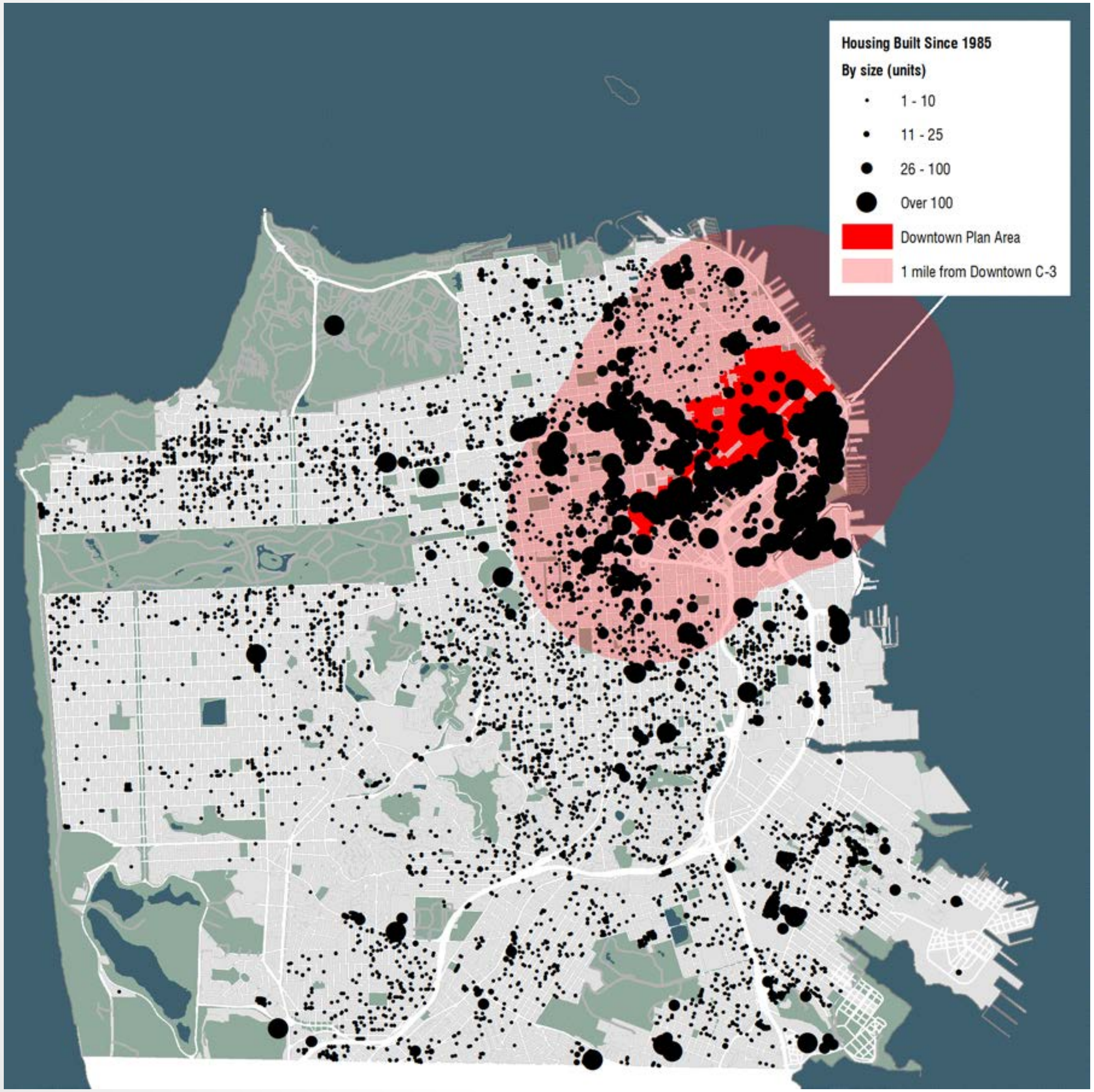


The Jobs-Housing Link Residential Growth around Downtown



- Yerba Buena Redevelopment Plan (1966)
- Rincon Point/South Beach Redevelopment Plan (1981)
- Van Ness Plan (1985)
- Rincon Hill Plan (1985/2005)
- Mission Bay 1998
- Transbay Redevelopment Plan (2005)/ Transit Center District Plan (2012)
- Market & Octavia (2008)
- SoMa Plan (1990)/East SoMa (2008)/Western SoMa (2013)

The Jobs-Housing Link Residential Growth around Downtown



- 39,600 housing units built within 1 mile of Downtown C-3 since 1985
- 69% of all citywide housing built since 1985 are within 1 mile of downtown
- 39% of citywide pipeline units are within 1 mile of downtown (*69% excluding 3 large master plans of HPS/CS, TI/YBI, and Parkmerced*)

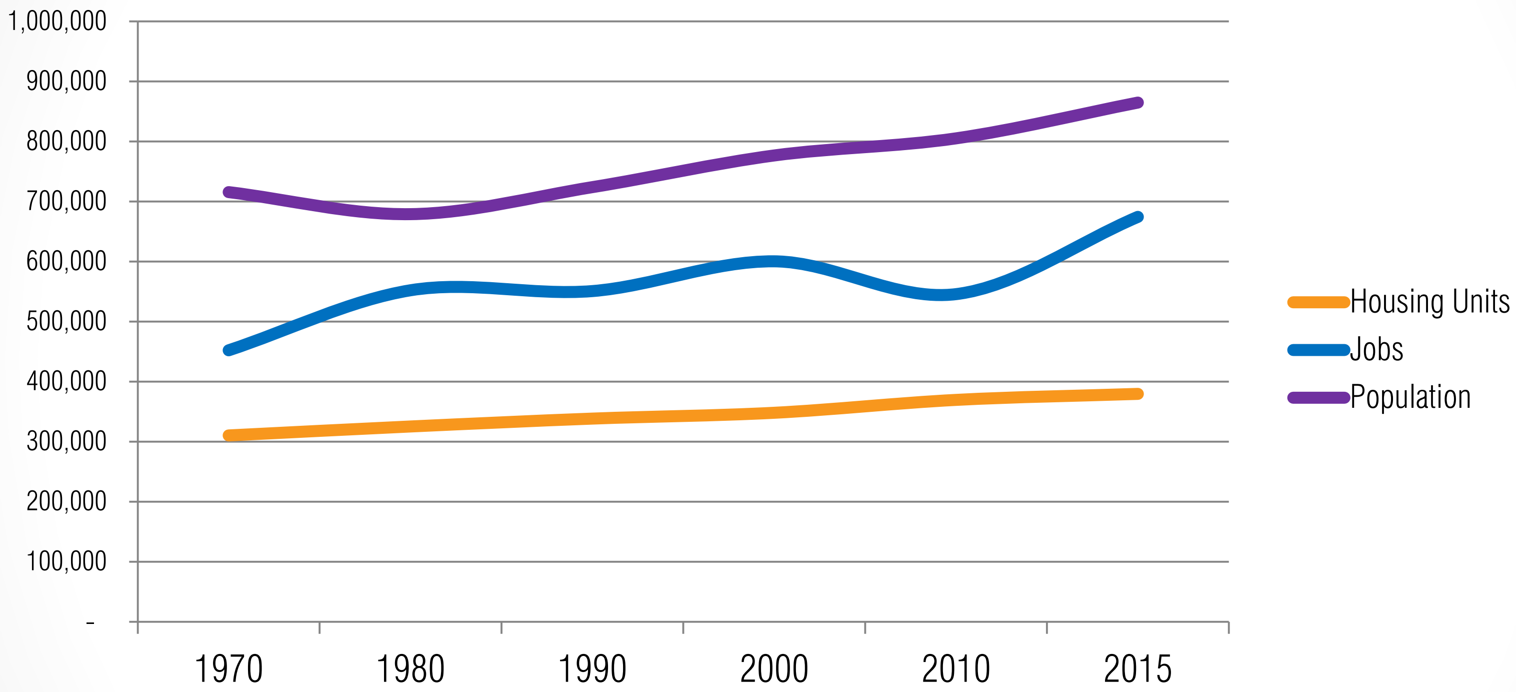
The Jobs-Housing Link What's the metric?

- Employed residents per household in SF has grown (as it has nationally, esp. in cities)

1970	1.00
1980	1.15
1990	1.26
2000	1.30
2014	1.34

- 1 net new job creates demand (somewhere) for approximately 0.75 units.
  - Assuming existing 45% in-commute, new demand in SF for about 0.4 units per new job.

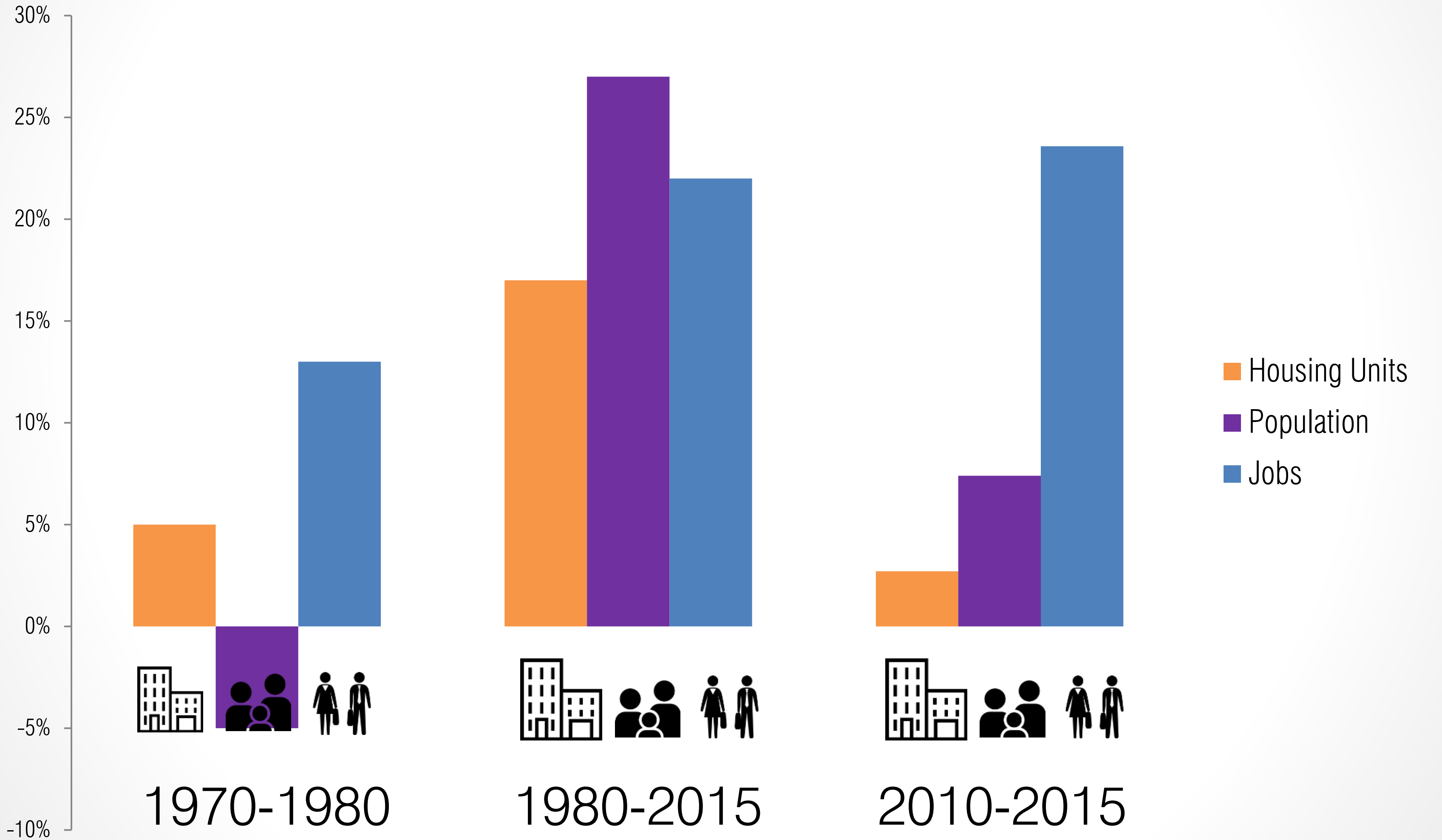
Jobs, Population and Housing Trends: Long term



Compared to 1980, San Francisco has:

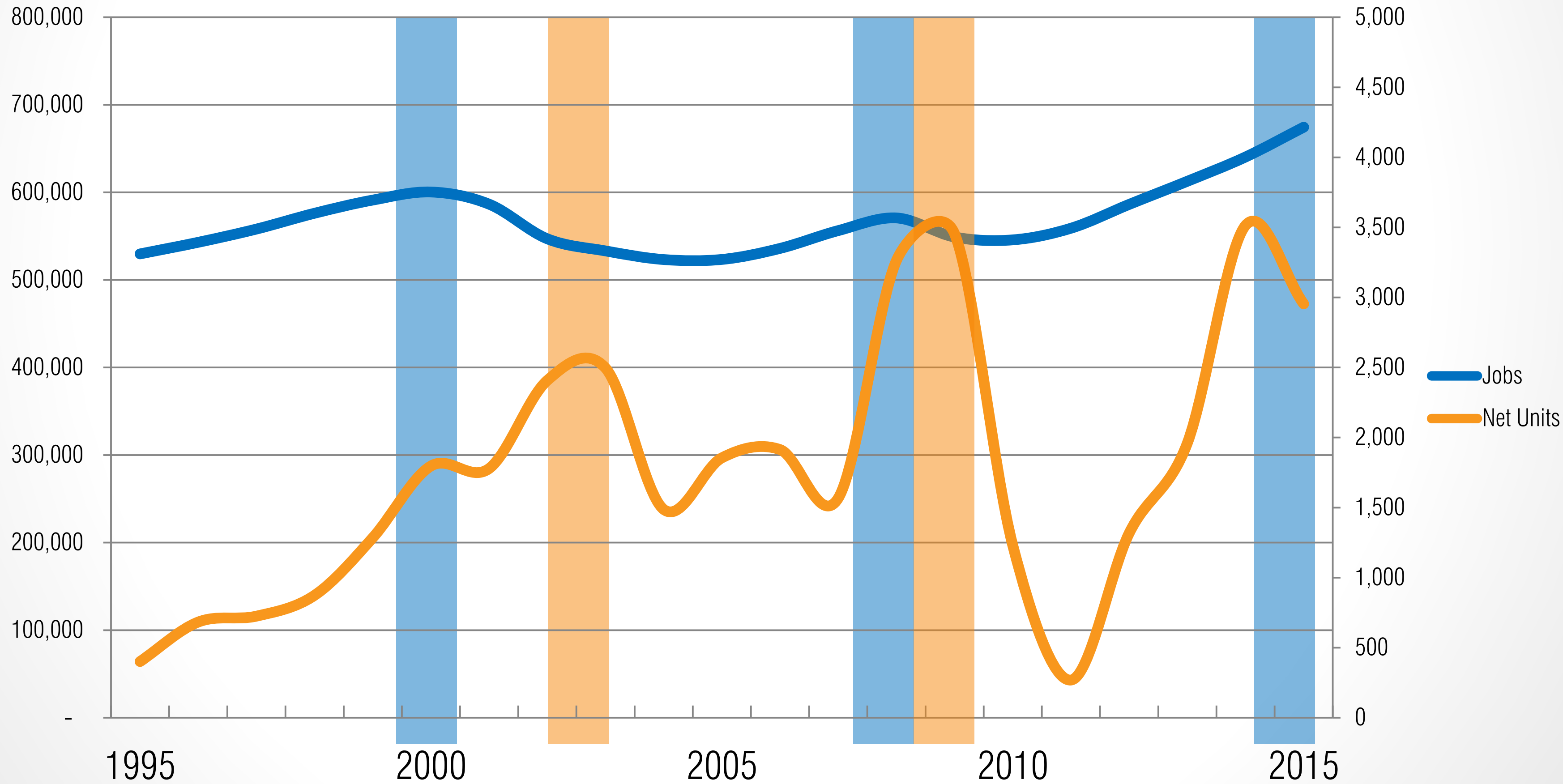
22% more jobs
27% more residents
17% more housing units

Jobs, Population and Housing Trends: Long term

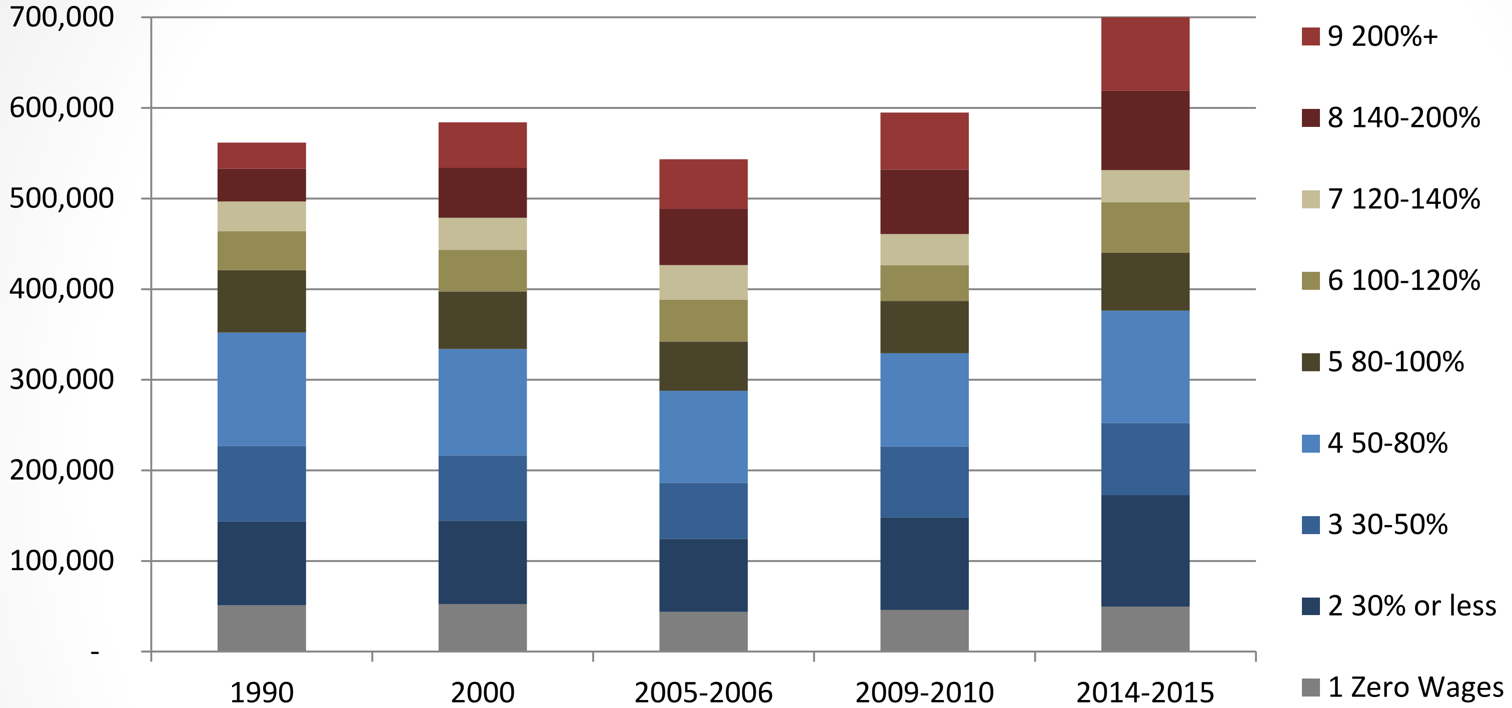


Jobs, Population and Housing Trends: Long term

Housing production generally tracks employment growth, but lags behind



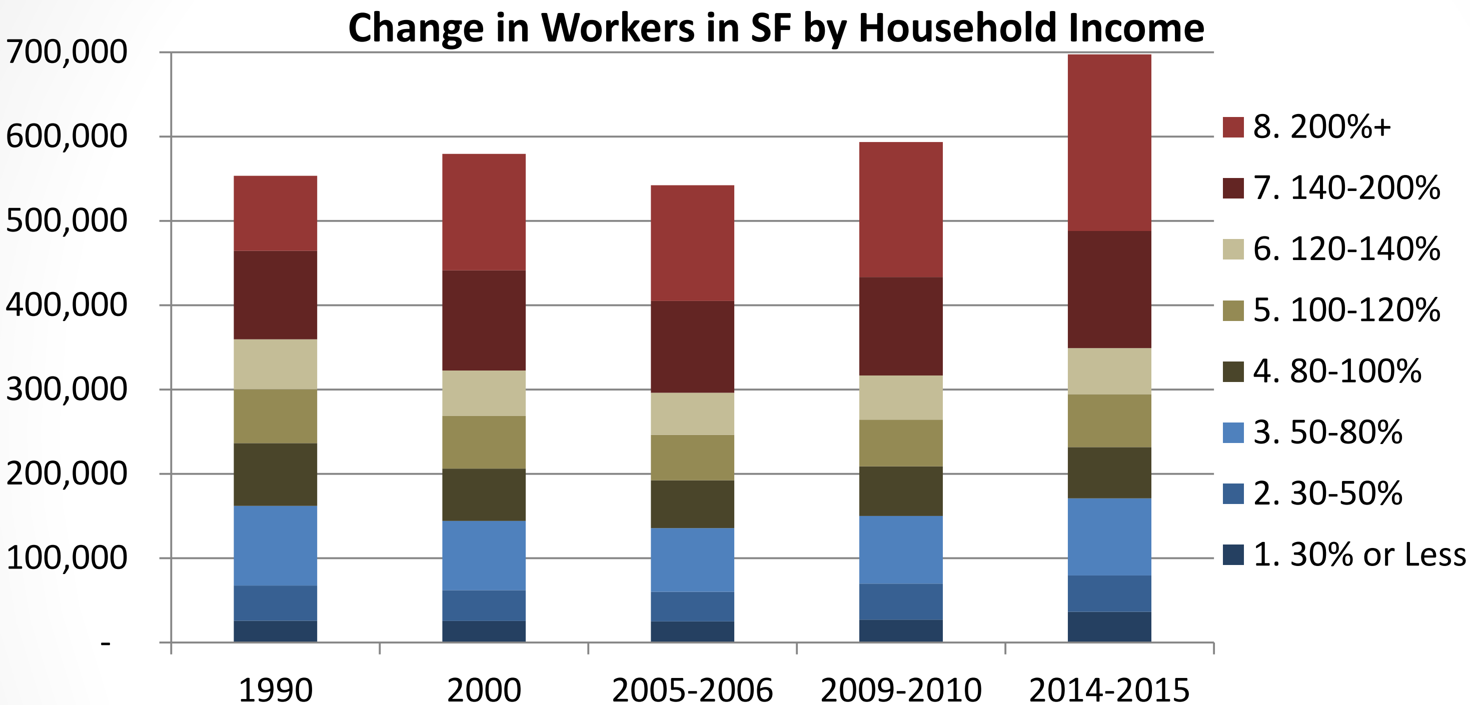
Worker Trends: Worker Wages



The vast majority of San Francisco's worker growth is workers with higher wages accompanied by smaller growth of workers with the lowest wages:

- 121,000 more workers earning over 100% AMI (105,000 over 140% AMI)
- 30,000 more workers earning less than 30% AMI
- 9,000 *fewer* workers earning between 30% and 100% AMI

Worker Trends: Worker Household Income



The vast majority of San Francisco's worker growth is workers in higher income households:

- 154,000 more workers in households earning over 140% AMI
- 12,000 more workers in households earning less than 50% AMI
- 22,000 *fewer* workers in households earning between 50% and 140% AMI

Worker Trends: Housing Costs vs Income

	1989 (Inflated to 2015 $)	2015	$ Increase	% Increase
Median Rent (2 bedroom)	$1,714	$4,830	+$3,100	**+180%**
Median Home Price	$584,236	$993,250	+$409,000	**+70%**
4 Person Median Income (HUD)	$79,937	$101,900	+22,000	**+27%**

Data from 2014 Housing Element and 2015 Housing Inventory

The city has added 30,801 market rate units since 1990 while adding over 76,000 households above 140% AMI.

- New housing is not keeping up with new jobs or households.
- Higher income households are paying higher prices for the existing housing supply.
- Median costs for sale and rent have drastically increased.
- Median household income has not kept pace.

Worker Trends: Housing SF Workers

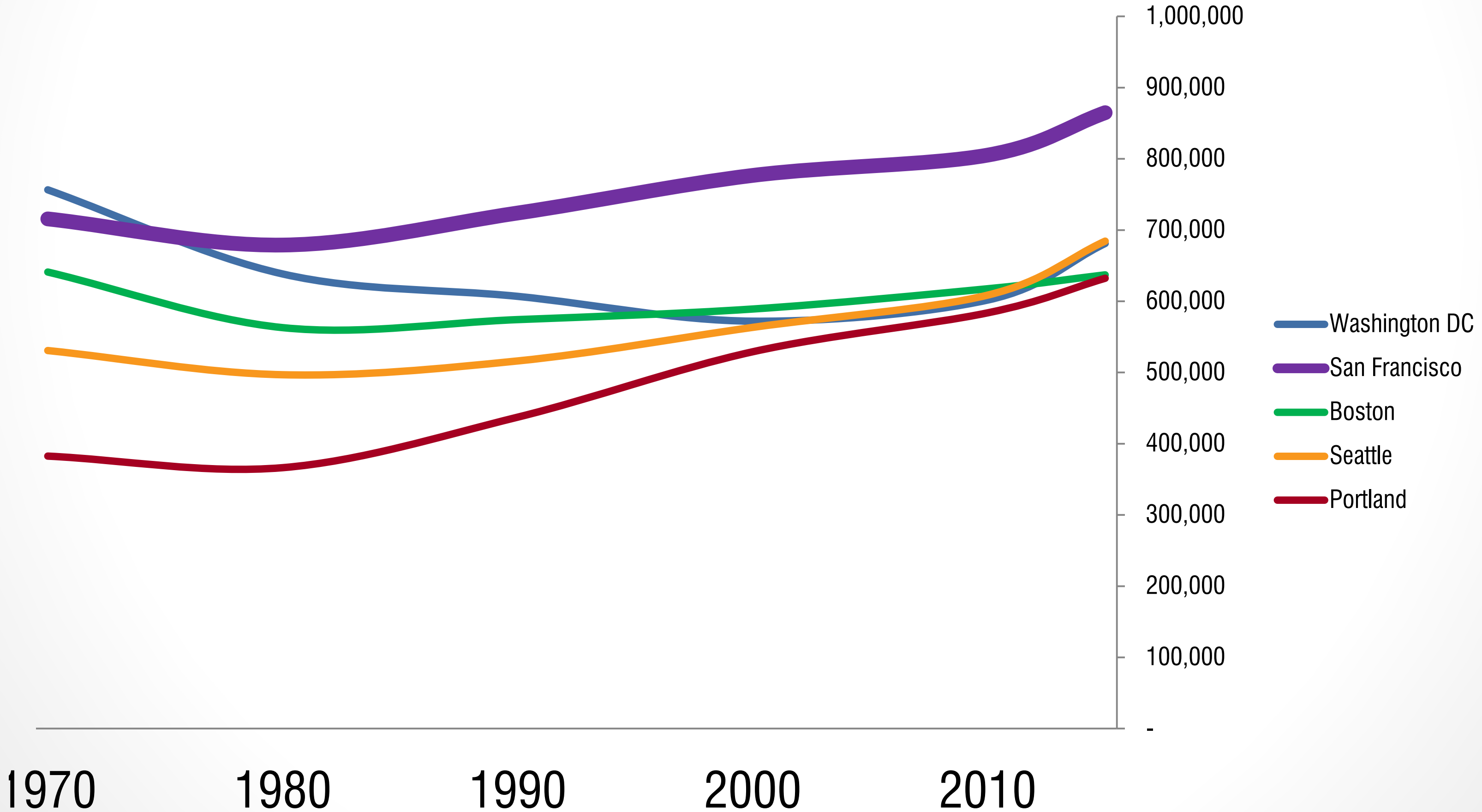
% of SF Workers that Live in SF by Household Income			
Income Group	**1990**	**2014-2015**	**Change**
30% or Less	75%	65%	↓
30-50%	72%	54%	↓
50-80%	64%	53%	↓
80-100%	55%	50%	↓
100-120%	53%	48%	↓
120-140%	50%	49%	↓
140-200%	**45%**	**49%**	↑
200%+	**43%**	**54%**	↑

There are more higher income workers in SF and more of them are living in the city.

In contrast, the percent of low and moderate income workers living in SF has declined, with 20,000 more commuting to SF than in 1990.

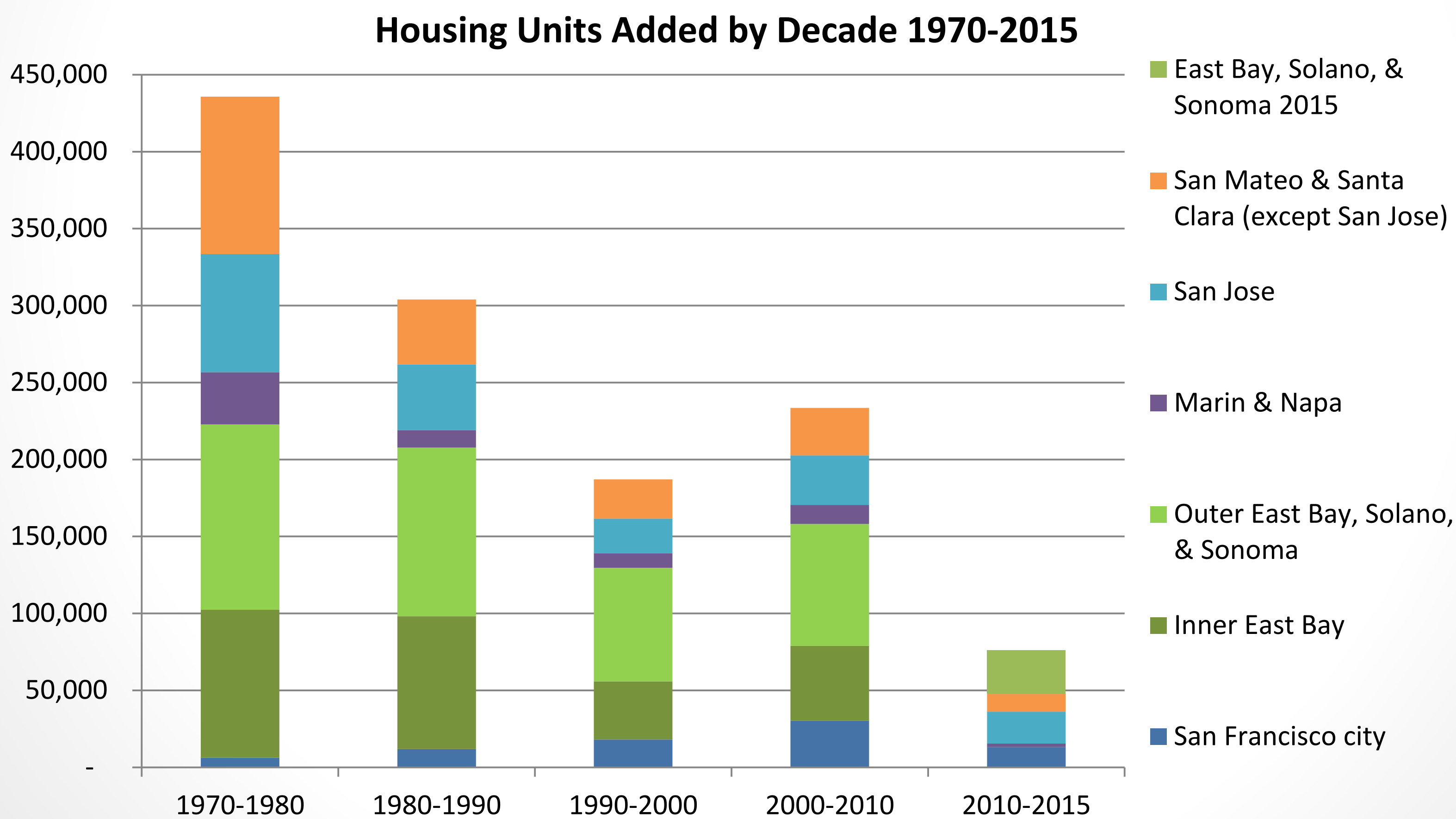
National/Regional Dynamics: Peer City Population Growth

Many large US cities, after losing population in the 1950s-1980s, are growing again (in population and jobs):



National/Regional Dynamics: Bay Area Housing Production

Housing production regionally has crashed over past 30 years, except on periphery though SF has increased every decade.



National/Regional Dynamics: Peer City Jobs-Housing and Wages

Jobs Per Housing Unit & Average Wages 1980-2015					
	Jobs Per Housing Unit		Jobs Added per Unit Added	Average Annual Wages	
Geography	**1980**	**2015**	**1980-2015**	**2015**	**% Change since 1980**
United States	1.01	1.03	1.08	$ 52,942	28%
California	1.09	1.16	1.31	$ 61,698	39%
Peer Cities					
San Francisco	**1.75**	**1.73**	**1.64**	**$ 97,067**	**93%**
Austin/Travis County	1.21	1.41	1.53	$ 59,789	61%
Boston/Suffolk County	1.90	1.96	2.27	$ 89,924	99%
Manhattan	2.91	2.73	1.57	$ 113,682	109%
Portland/Multnomah County	1.36	1.43	1.61	$ 53,451	19%
Seattle /King County	1.26	1.43	1.66	$ 72,450	47%
Peer Regions					
Bay Area (9 Counties)	**1.18**	**1.28**	**1.55**	**$ 87,368**	**84%**
Total Austin MSA	1.06	1.19	1.24	$ 56,536	56%
Metro Boston (in MA)	1.28	1.36	1.66	$ 73,968	78%
Total NYC	1.09	1.18	1.71	$ 85,787	72%
Total Portland MSA	1.12	1.24	1.42	$ 55,738	27%
Total Seattle MSA	1.07	1.20	1.36	$ 66,018	38%

San Francisco has added jobs/housing in similar proportions as other peer cities over past 35 years

The Bay Area has a high jobs-housing ratio compared to other regions.

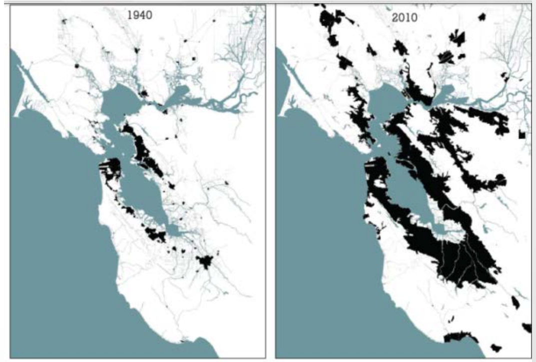
Wages in the Bay Area have spiked up, along with Boston and NYC.

National/Regional Dynamics: Bay Area Jobs-Housing and Wages

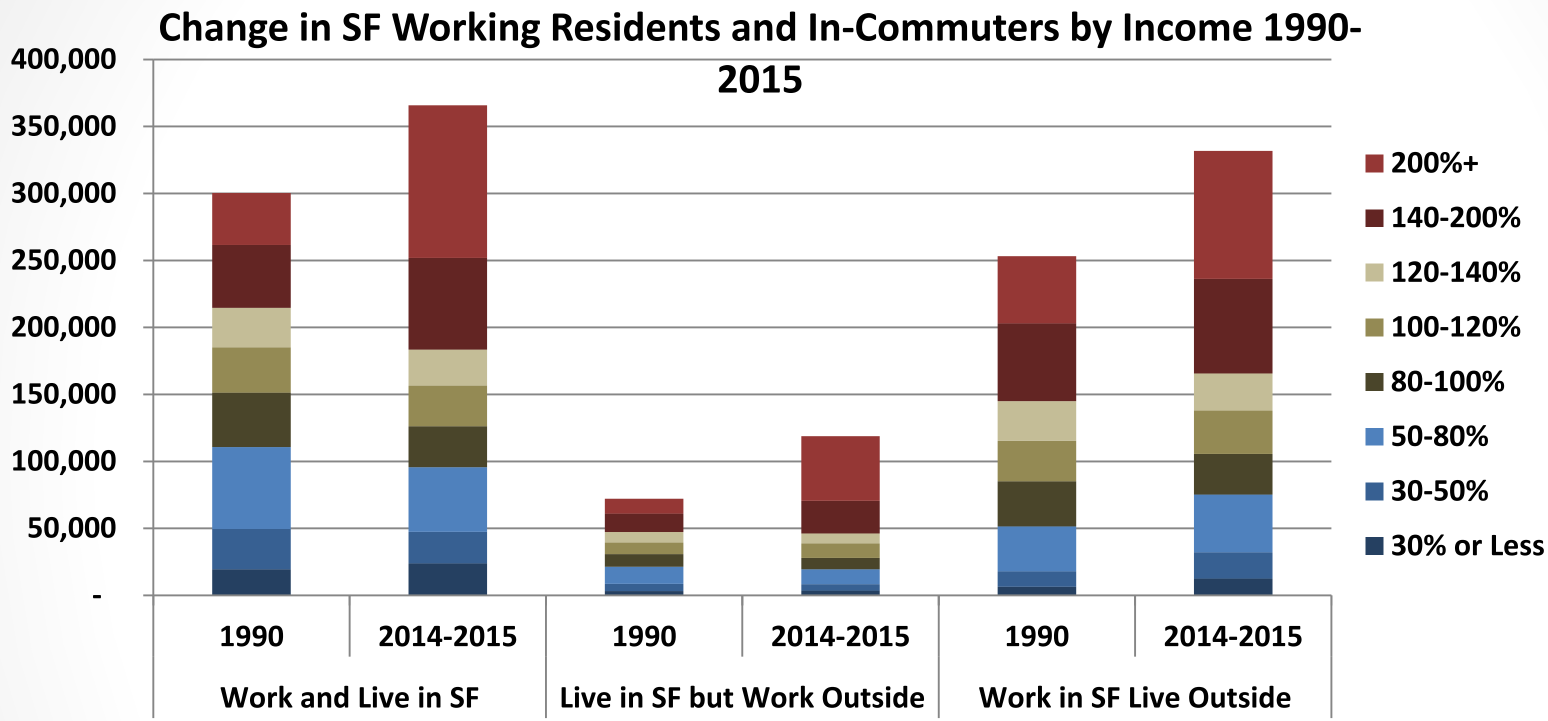
Jobs Per Housing Unit & Average Wages 1980-2015

Geography	Jobs Per Housing Unit 1980	Jobs Per Housing Unit 2015	Jobs Added per Unit Added 1980-2015	Average Annual Wages 2015	Average Annual Wages % Change since 1980
United States	1.01	1.03	1.08	$ 52,942	28%
California	1.09	1.16	1.31	$ 61,698	39%
Alameda County	1.09	1.22	1.60	$ 68,791	45%
Contra Costa County	0.78	0.85	0.96	$ 63,792	44%
Marin County	0.77	0.99	2.06	$ 64,906	62%
San Francisco County	**1.75**	**1.73**	**1.64**	**$ 97,067**	**93%**
San Mateo County	1.08	1.40	3.18	$ 102,776	107%
Santa Clara County	1.43	1.54	1.82	$ 113,390	134%
Total for 6 Counties	1.23	1.34	1.63	$ 91,868	91%
Bay Area (9 Counties)	**1.18**	**1.28**	**1.55**	**$ 87,368**	**84%**

San Francisco actually improved its jobs/ housing ratio since 1980 but other Bay Area counties have significantly worsened



National/Regional Dynamics:
Where do SF residents work? Where do SF workers live?



SF has 107,000 more working residents and 140,000 more workers since 1990- mostly in higher income households.

- SF residents working in SF declined slightly from 81% to 77%, but grew substantially in total numbers (+62,000).
- Of the growth in working residents since 1990, 43% (46,000) out-commute.
- Percentage of SF workers who live in SF has remained constant at around 53%. Net in-commute grew by 29,000.

National/Regional Dynamics: In/Out Commute for SF

Worker Flows To and From SF for 2015				
	SF Residents Who Work	Workers in SF	Net In-commute	Change in net In-commute since 1990
Bay Area Total	484,532	689,896	205,365	29,385
Alameda	21,859	107,075	85,216	44,289
Contra Costa	4,040	62,794	58,754	17,520
Marin	7,134	30,399	23,265	(5,534)
San Francisco	370,247	370,247	-	-
San Mateo	49,179	81,867	32,688	(12,858)
Santa Clara	30,541	17,173	(13,368)	(13,918)
Rest of Bay Area	1,533	20,343	18,810	(115)

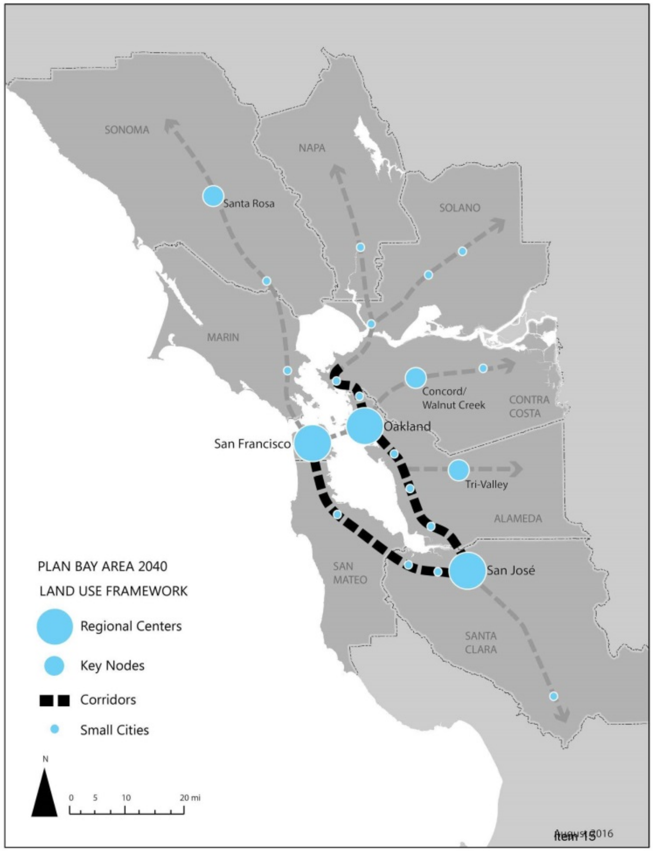
- SF houses more Santa Clara workers than it receives: 92% higher income
- Rest of Bay Area houses more SF workers of all incomes than it receives
- The number of SF workers housed in SF, Alameda, and Contra Costa has grown but San Mateo and Marin house fewer net workers

Jobs-Housing Balance: What's the Deal?

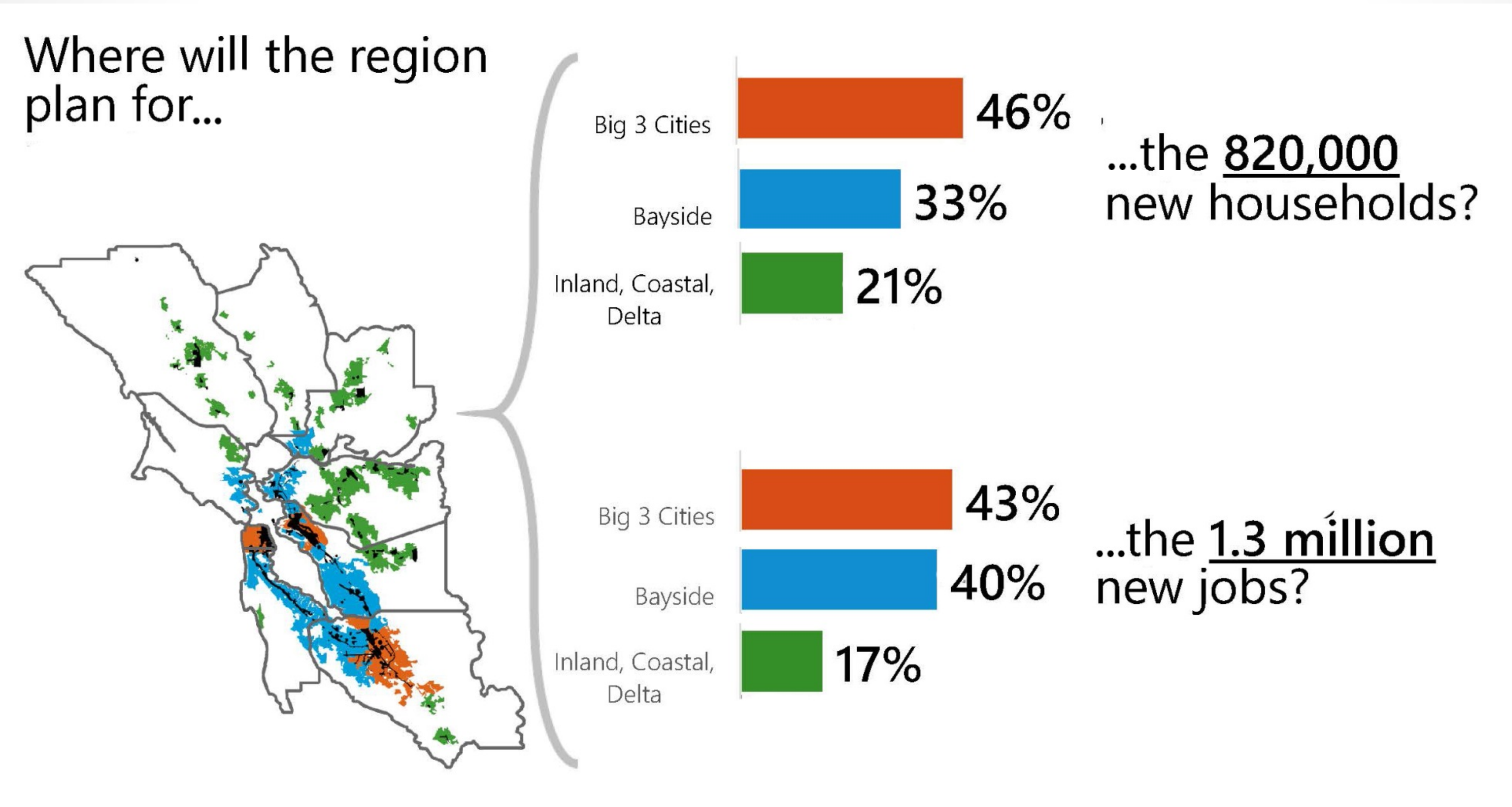
- Not a site or neighborhood specific question*
- Regional and sub-regional issue: the "commute shed"
- Job and housing markets and commute patterns are regional and multi-city
- Just as most neighborhoods regionally are primarily or exclusively residential, a few areas have higher concentrations of jobs, as appropriate for that location based on transport network
- Recent studies have concluded that transit ridership is more heavily determined by proximity of jobs to transit than housing to transit
- *Mixed-use ("20-minute") neighborhoods where residents can satisfy daily needs are key to walkability and reducing VMT

Jobs-Housing Balance: Regional Context/Plan Bay Area

- Plan Bay Area 2040 (2017 Update)
  - Currently undergoing EIR, adoption fall 2017
  - 2017 Plan update must:
    - Meet state-mandated GHG emission reduction targets (SB 375, AB 32)
    - House all workers in 9-county region (ie not spillage to Central Valley, other regions)
  - Growth by 2040: 820K households and 1.3m jobs
    - Bay Area currently at 1.28 jobs/households
    - 2010-2040 growth 1.58 Jobs/household ratio
  - Focus on urban infill Priority Development Areas (PDAs)



Jobs-Housing Balance: Regional Context/Plan Bay Area



Jobs-Housing Balance: Regional Context/Plan Bay Area

- San Francisco 2010-2040
  - +138K households (approx. 325K residents/180K workers)
  - +290K jobs
    - Note that 2010 was bottom of recession (SF had >60K fewer jobs in 2010 vs 2000)
  - PBA buildout in 2040 would result in SF with jobs:housing ratio of 1.66 (down from 1.73 today)

Increases to Housing Capacity: Area Plans/DAs

Adopted since 1985:

- Van Ness (1985)
- Mission Bay (1998)
- Rincon Hill + Transbay (2005/2012)
- Trinity (2006)
- M&O (2008)
- EN+Western SoMa (2008/2013)
- Balboa Park (2009)
- Shipyard/Candlestick (2010)
- TI/YBI (2011)
- Parkmerced (2011)
- Schlage Lock (2009)
- Executive Park (2012)
- 5M (2016)
- HOPE SF (2017)

= increase of >65,000 units of zoned capacity in addition to existing zoning

Ongoing:

- Central SoMa
- Mission Rock
- Pier 70
- India Basin
- The Hub

= >11,000 units of proposed added capacity

Coming Soon:

- Former Potrero Power Plant
- Former Hunter's Point Power Plant

Increases to Housing Capacity: Policies

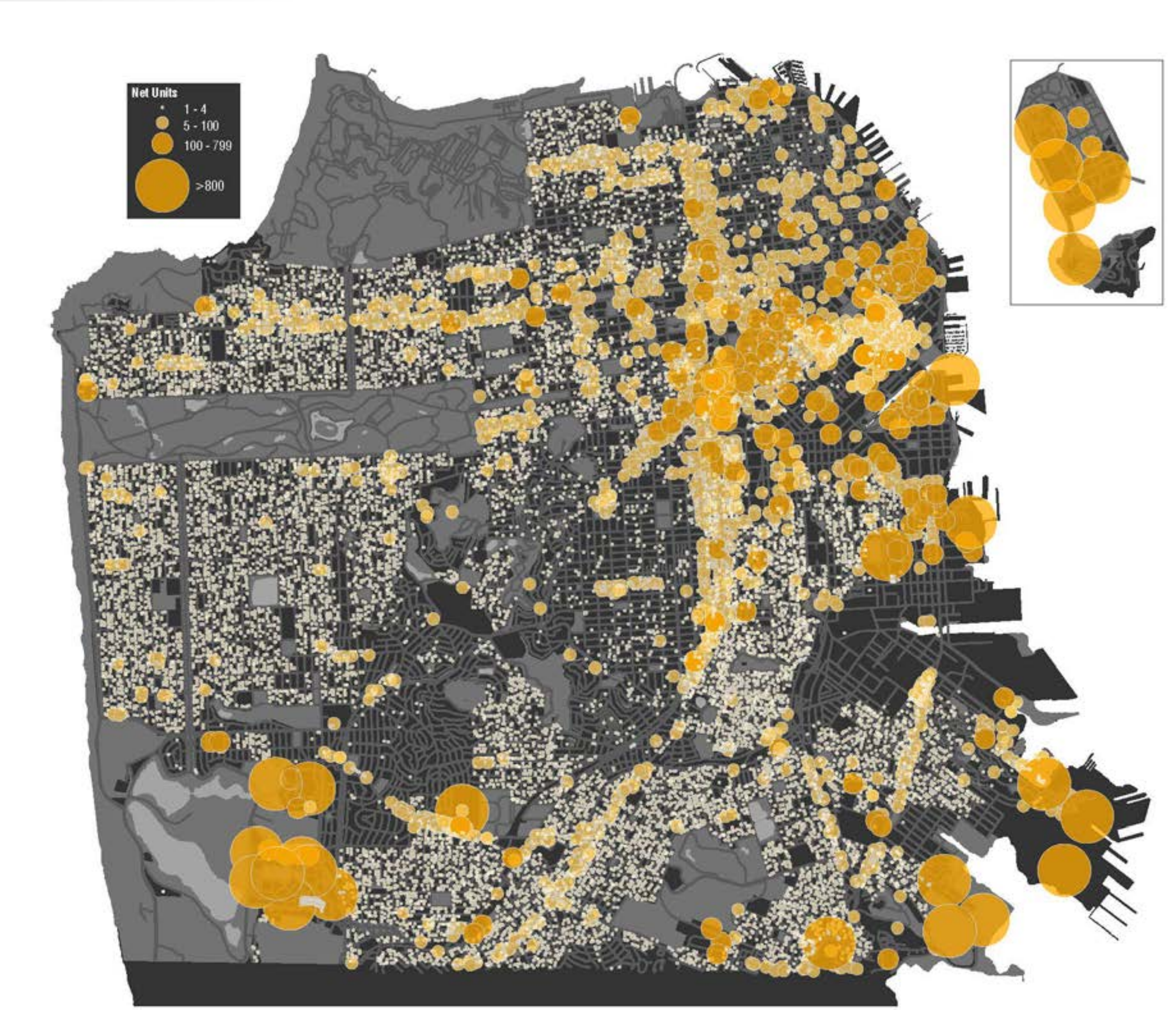
Adopted since 1985:

- 100% Affordable Housing Bonus Program (+2,500 units)
- Construction of New In-Law Units (+14,000 units)
- Legalization of Existing In-Law Units

Ongoing:

- HOME-SF (+9,000 units)
- Eastern Neighborhoods Community Benefit Study (+1,500 - 2,500 units)

Housing Capacity: Under Existing Zoning and Plans Underway



Approx.
140,000 units
(of which >100,000 added since 1985)

= 325,000 residents
(@ 2.3 per household)

= 185,000 workers
(@ 1.3 per houshold)

Increases to Job Capacity

Adopted since 1985:

- Mission Bay (+30,000)
- Transit Center (+15,000)
- Hunter's Point Shipyard/Candlestick (+10,000)
- PDR-Office Cross Subsidy (+2,000)

Ongoing:

- Central SoMa (+35,000)
- Mission Rock (+10,000)
- Pier 70 (+7,500)

Decreases to Job Capacity

Adopted:

- Market & Octavia: Rezoned C-3 to housing only (-15,000 jobs)
- Eastern Neighborhoods and Bayview Plans: Converted M-zones to either PDR or UMU (- >100,000 jobs)

Total net change since 1985: About a wash or possibly negative???

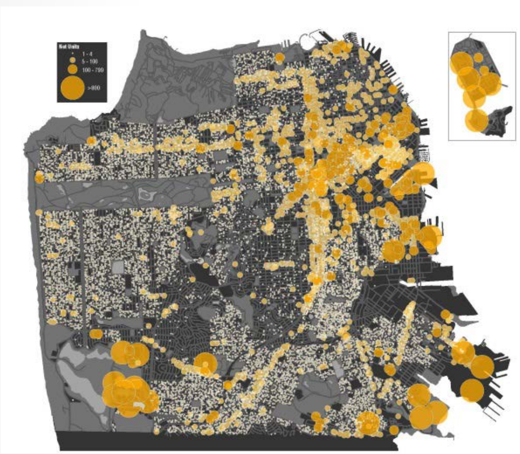
Jobs Capacity: Under Existing Zoning and Plans Underway

Approx. +180,000 jobs from existing

Jobs-Housing Balance: Buildout Per Current Plans + Projections

2010:

367,000 units **550,000 jobs**



= 1.66 jobs/units (vs 1.73 in 2015, 1.75 in 1990)

2010-2040:

+138,000 units **+290,000 jobs**

Key Takeaways

- As we has increased housing production, ***SF has had constant (even slightly improved) jobs-housing balance over past 30 years, though rest of the region has gotten measurably worse***. Regional dynamics have shifted, though the region is hoping to reverse those trends. ***SF plans are on-track to continue lowering our jobs-housing balance.***

- More workers per household, growth in higher wage jobs, and increasing preference for city living by those with means, is resulting in ***the existing housing stock increasingly housing higher income workers.*** Though the same percentage of SF workers live in SF overall, it seems to be a result of constraints in our housing availability. ***Sustaining high annual housing production (coupled with other measures) is key to reducing pressure on existing housing stock.***

- ***Jobs-Housing balance*** should be considered at the broad geography of the "commute shed" – it ***is a regional, sub-regional issue***. Jobs near transit is critical, and CBDs play an important role in economic and environmental performance.

- ***Approving proposed plans and policies is key to meeting local and regional needs for both housing and jobs***, including reducing displacement pressures on both lower income workers and price-sensitive jobs. All of this just barely meets SF's regional targets, necessary to achieve GHG targets.

THANK YOU

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