

To: CIRM Site Selection Subcommittee Members
From: Jesse Blout, SF Mayor's Office of Economic and Workforce Development
Date: May 1, 2005
Re: Housing Data for San Francisco and the Bay Area

While house prices are marginally higher in the Bay Area, both the San Diego and Sacramento areas have experienced extreme house price appreciation over the last several years. As a result, the difference between the median price in the Bay Area and these other regions is shrinking. For instance, between 2003 and 2004, house prices in San Diego and Sacramento grew at approximately 30% and 28% respectively, while Bay Area house prices grew at 15%. (see Table 1). This same trend, with San Diego and Sacramento house prices growing at nearly twice the rate of the Bay Area, also held true during the period 2002 - 2003. Significantly, these data indicate that prices in the three regions' housing markets are in fact converging.

Table 1: Median House Price Between 2002 and 2004

Region	2004	2003	2002	Pct. Change	Pct Change
				2003 - 2004	2002 - 2003
San Francisco Bay Area	\$641,700	\$558,100	\$517,100	14.98%	7.93%
San Diego	\$551,600	\$424,900	\$364,200	29.82%	16.67%
Sacramento	\$317,600	\$247,600	\$210,200	28.27%	17.79%

Source: National Association of Realtors (NAR)

It is also important to note of the fact that San Francisco is more aggressively pursuing strategies to increase housing supply and housing affordability than any other city in California. The City has an unprecedented number of housing units -- over 21,000 -- currently in the development pipeline. In addition, San Francisco is leading the state when it comes to developing affordable housing. The City has one of the toughest inclusionary housing laws in the state, which requires that that market rate developers must make between 12% and 17% of all housing units permanently affordable (affordable at 60% of Area Median Income (AMI) for rental units and 100% of AMI for ownership units). Finally, the City has a long-standing tradition of being one of the most aggressive direct investors/producers of affordable housing in the state. We currently have over 3,600 units of affordable housing in the development pipeline. This housing will meet a wide variety of housing needs across the income spectrum, from 10% to 100% of AMI (100% AMI for a family of four in San Francisco is \$94,000)

In addition, several major new redevelopment areas are or will shortly be yielding significant affordable housing, including but not limited to:

- **Mission Bay.** Mission Bay has a total of 6,000 housing units either completed, under construction or at the permitting stage. Twenty eight percent of these units are affordable.
- **Hunters Point Shipyard.** This month, Shipyard will break ground on the first 1,600 housing units in this 500-acre redevelopment effort. A total of 32% of these units will be affordable.
- **Rincon Hill, Mid Market, Transbay and Bayview Hunters Point.** These four redevelopment plans are on schedule for approval this Spring/Summer. Together they will create in excess of 14,000 new units of housing, of which over 24% will be affordable.