

Eastern Neighborhoods Socioeconomic Analysis

San Francisco Planning Commission

August 30, 2007

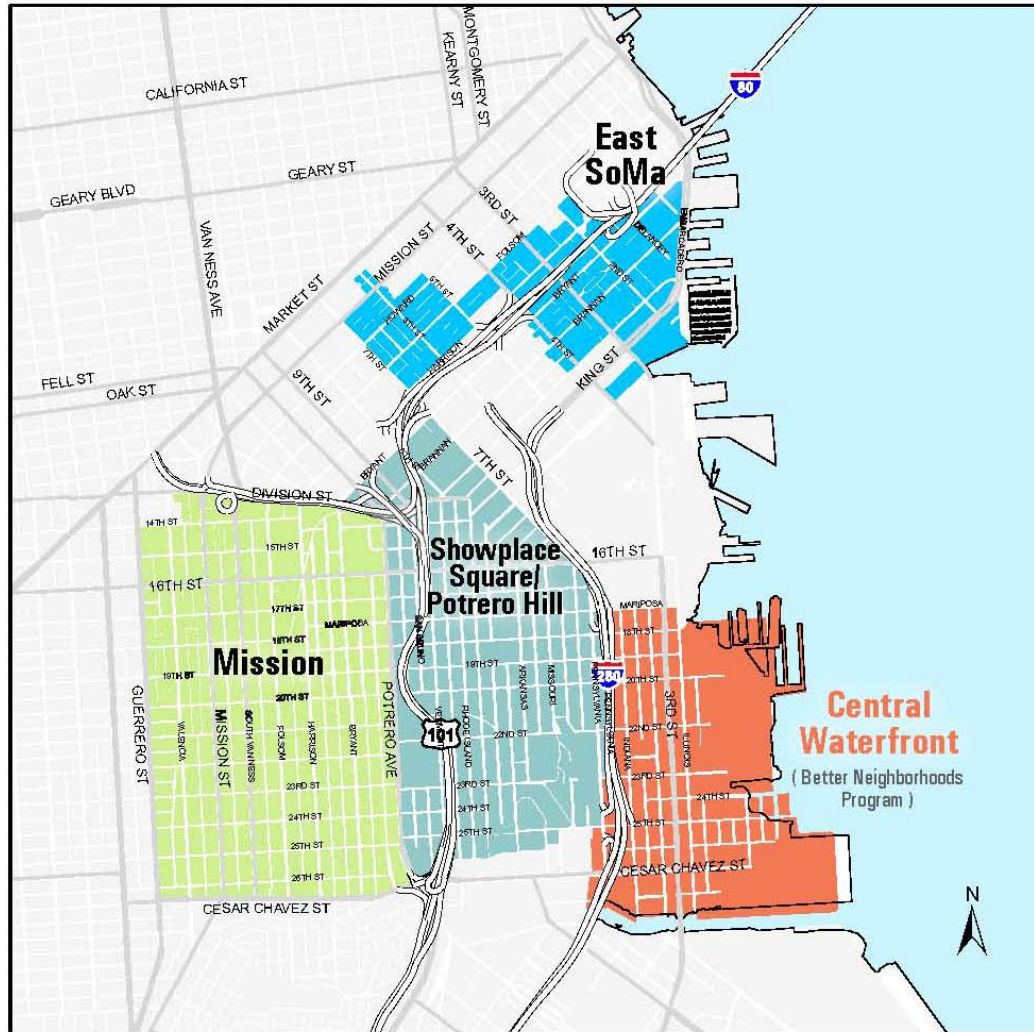


**HAUSRATH
ECONOMICS
GROUP**

Eastern Neighborhoods Socioeconomic Data Analysis

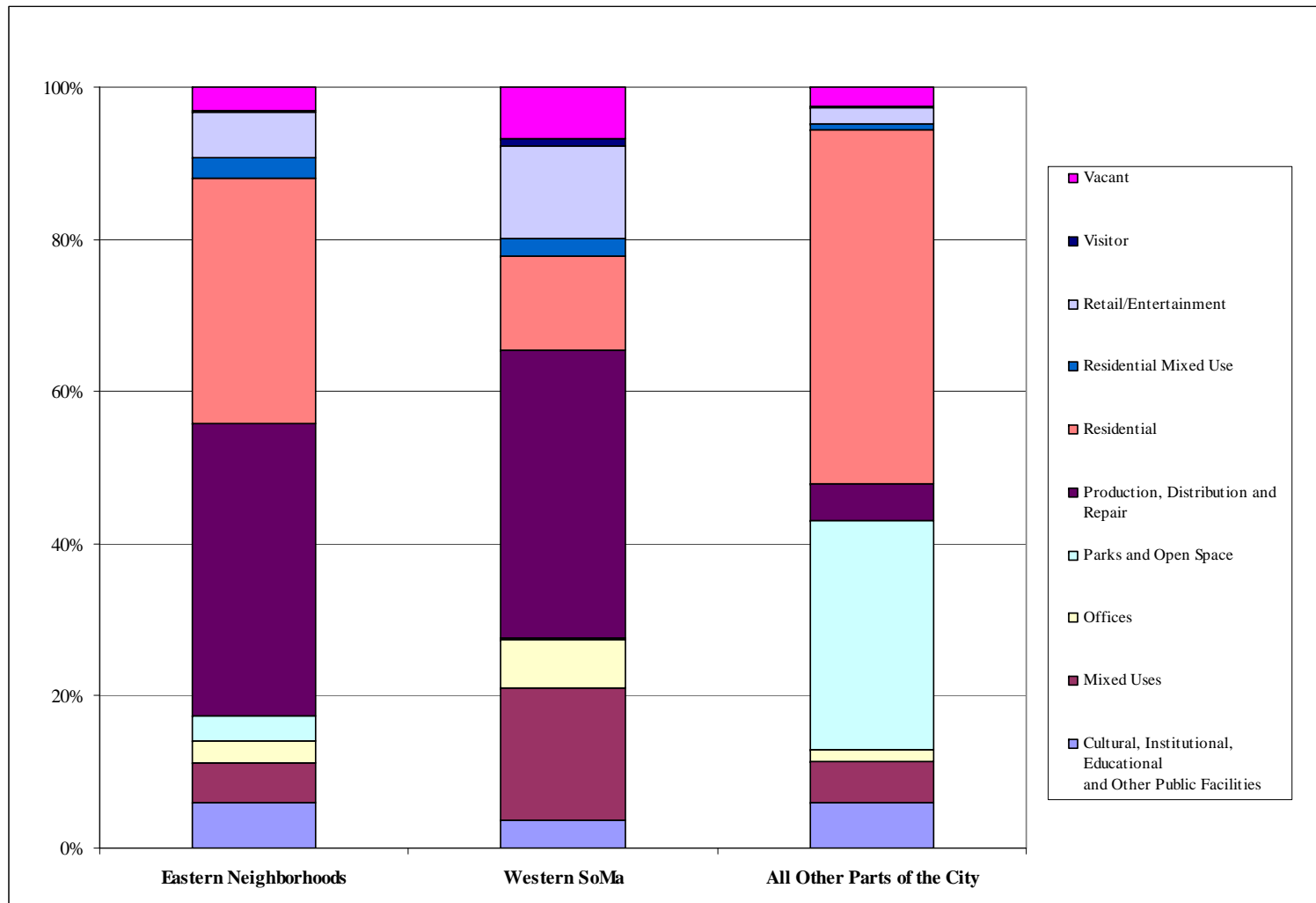
- ◆ Who lives in the Eastern Neighborhoods?
- ◆ What kind of work do they do?
- ◆ What types of businesses and jobs are located in the Eastern Neighborhoods?
- ◆ What is the value of PDR economic activity to San Francisco?
- ◆ What are the characteristics of the housing stock in the Eastern Neighborhoods?
- ◆ Why is land use policy change needed to better manage growth and development in the Eastern Neighborhoods?

THE EASTERN NEIGHBORHOODS | Planning Areas

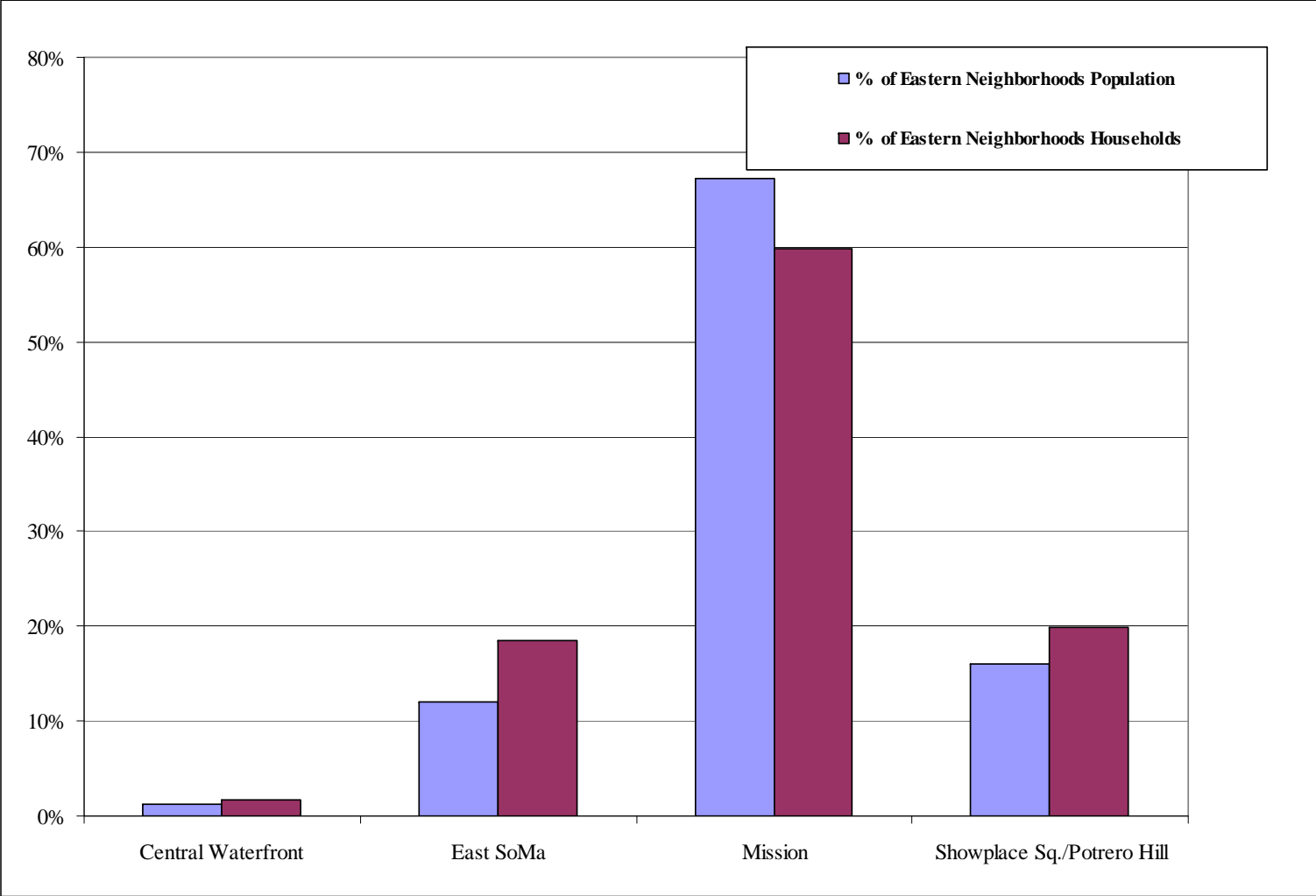


Land Area by Use, 2004

(percent of acres)



Households and Household Population in the Eastern Neighborhoods (distribution by neighborhood)



Key Facts about the Eastern Neighborhoods

- ◆ 70,000 residents
- ◆ 73,000 jobs
- ◆ PDR businesses employ the most people: 50 percent of all jobs
- ◆ Almost one of every four new housing units constructed in the City 2000 – 2004

Who lives in the Eastern Neighborhoods?

- ◆ Almost 30 percent of the City's Latino residents
- ◆ A high percentage of people who were born outside the United States
- ◆ More likely to be non-citizens
- ◆ A high percentage do not speak English at home
- ◆ Many adults have not graduated from high school

Who lives in the Eastern Neighborhoods?

- ◆ A disproportionate share of the City's:
 - renters
 - large households
 - overcrowded housing units
 - poor, across all age groups
 - renter households vulnerable to displacement
 - single parent families
 - large households

What kind of work do they do?

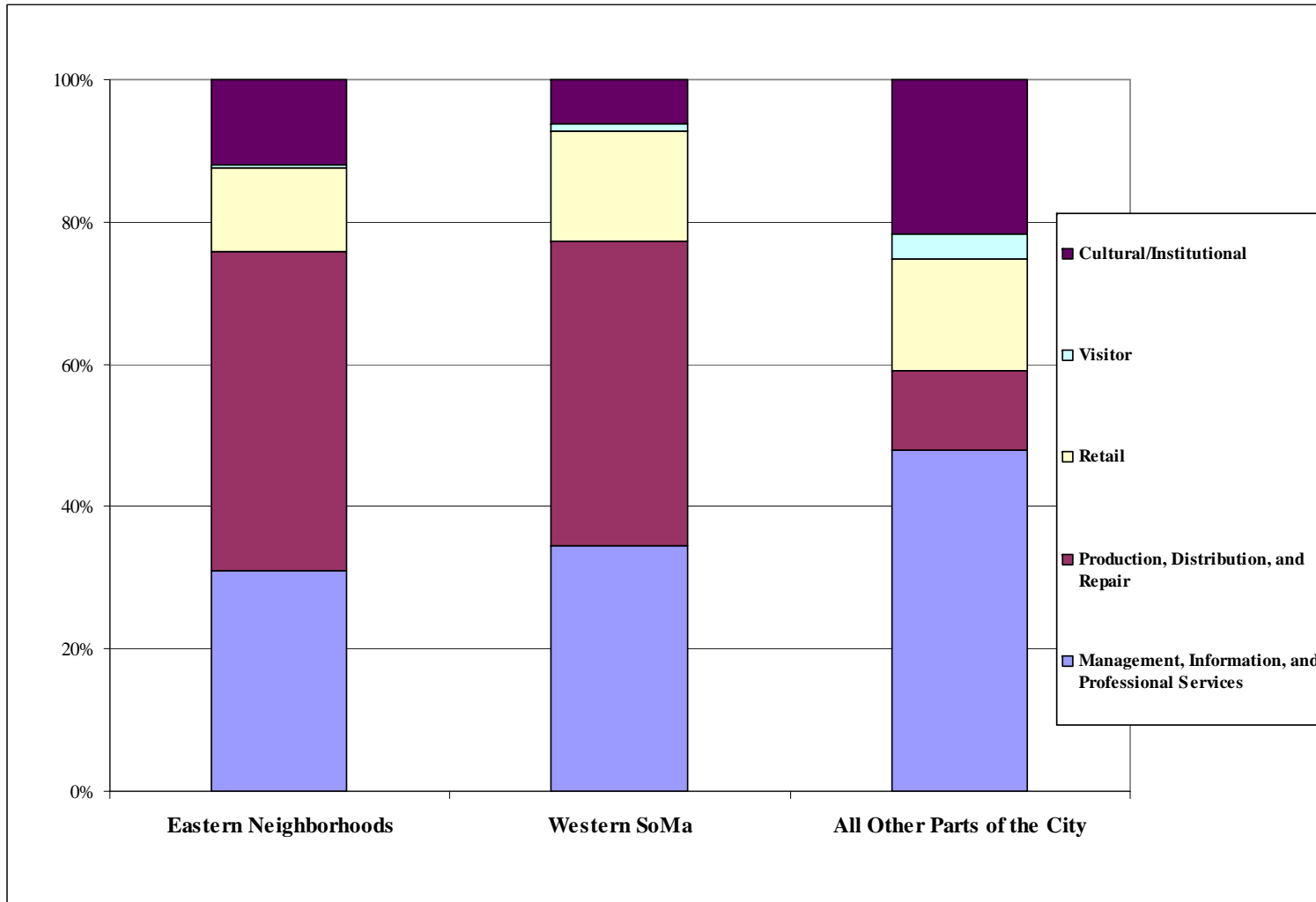
- ◆ Most work in San Francisco
- ◆ They are more likely than other SF residents to work in lower-wage jobs that do not require college degrees
- ◆ Lodging and food services, personal services, repair, maintenance, and construction sectors

What kinds of businesses and jobs are located in the Eastern Neighborhoods?

- ◆ Full range of business activities
- ◆ PDR businesses employ the most people: 50 percent of all jobs
- ◆ Two-thirds of PDR jobs in SF are in the Eastern Neighborhoods, Western SoMa, and Bayview/Hunter's Point

Employment by Business Activity

(percent of jobs by place of work)



What is the value of PDR economic activity to San Francisco?

- ◆ Employ San Franciscans
- ◆ Workers living in the EN are employed in construction, maintenance, production and transportation occupations
- ◆ Historically, rely on immigrant labor pool
- ◆ Offer entry-level jobs with upward mobility
- ◆ Higher wage levels than sales and service
- ◆ Linked to SF base industry sectors
- ◆ Serve business and resident markets in SF
- ◆ Incubator function
- ◆ Prospects are good assuming affordable space in suitable locations

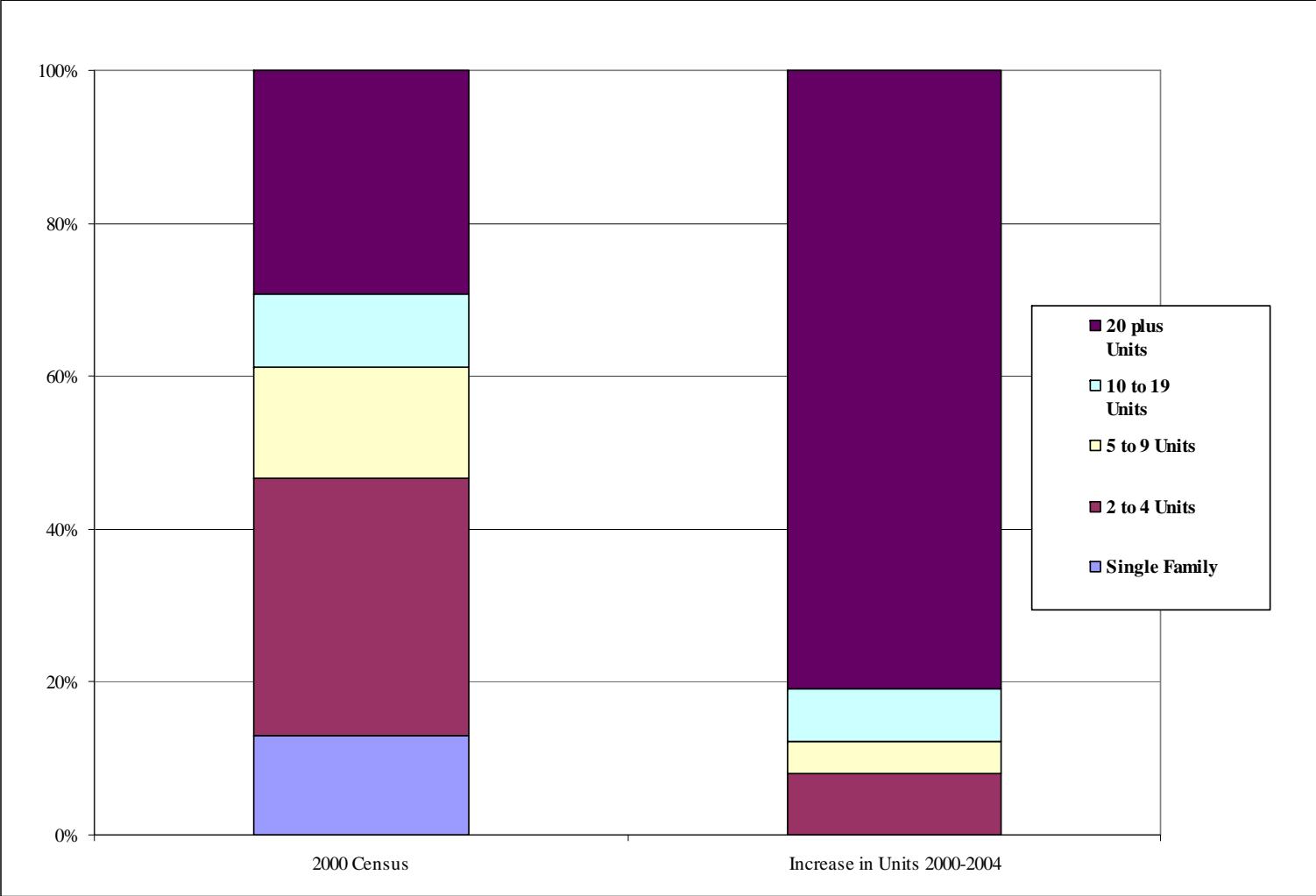
Housing in the Eastern Neighborhoods

- ◆ 30,000 housing units
- ◆ Affordable housing resources
- ◆ Diverse mix of housing types
- ◆ Families and larger households
- ◆ Small households and single-person households

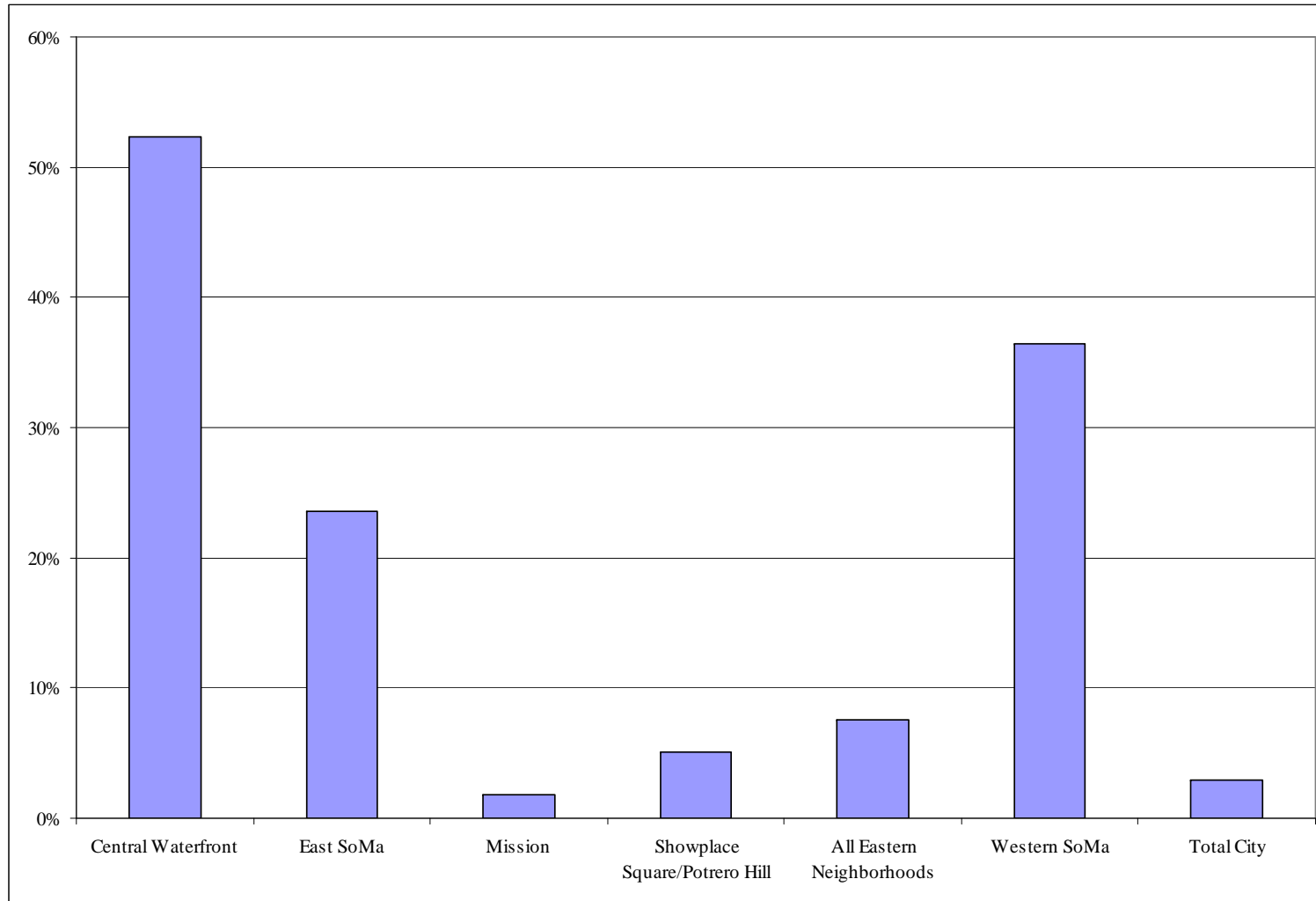
Housing in the Eastern Neighborhoods

- ◆ Much of the new housing added in the City has been added in the Eastern Neighborhoods
- ◆ Scale and density of recent development contrasts with older building types
- ◆ New residential development concentrated in East SoMa and the Central Waterfront
- ◆ Live-work transformed parcels, blocks, and former industrial districts

Eastern Neighborhoods Housing by Building Type, Existing vs. New



New Housing by Neighborhood (% change)



Housing in the Eastern Neighborhoods

- ◆ New market-rate housing beyond the reach of most existing households
- ◆ Live-work not for artists
- ◆ Strong demand keeps prices high for existing housing
- ◆ Rents more affordable but listing rents are high relative to incomes
- ◆ Shortage of affordable housing contributes to evictions and housing hardship for evicted renters
- ◆ Households that rely on earnings of low-wage workers are among those that have the most difficulty affording housing in SF

Eastern Neighborhoods Land Use Trends

- ◆ Historic location for industrial activity
- ◆ Relatively permissive land use regulations
- ◆ Inventory of land and building space for lower-density uses / incubator function
- ◆ Low-rent paying land uses (PDR)
vulnerable to uses generating higher land values

Eastern Neighborhoods Land Use Trends

- ◆ Current development pipeline extends longer-term land use transition
- ◆ Most of the loss of existing space as a result of proposed new development is loss of PDR space
- ◆ Pipeline of potential new residential development remains at near record high levels

Eastern Neighborhoods Land Use Trends

- ◆ *Ad hoc* conversion to residential use
- ◆ Competition from other higher-rent-paying uses
- ◆ Loss of affordable PDR space, loss of PDR jobs
- ◆ “Incubator” function at risk
- ◆ Incremental housing supply additions erode capacity to produce affordable housing