



San Francisco 2015 Affordable Housing General Obligation Bond Capital Planning Committee

Addressing our Housing Needs

CITY AND COUNTY OF
SAN FRANCISCO

MAYOR EDWIN M. LEE

May 11, 2015

AFFORDABLE HOUSING GO BOND: ACTION ITEMS

Recommendation to the Board of Supervisors to approve:

The Resolution declaring that the public interest and necessity demand the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing; and

The Ordinance calling for a special election to incur bonded indebtedness in the amount of \$250,000,000 for the purpose of financing the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing improvements and related costs.



AFFORDABLE HOUSING GO BOND: LEGISLATIVE CALENDAR

Community Outreach:	April – May, 2015
Capital Planning Committee:	May 11, 2015
Board of Supervisors Introduction:	May 12, 2015
Board of Supervisors, 2 nd Reading:	July 21, 2015
Election:	November 3, 2015



AFFORDABLE HOUSING GO BOND: CAPITAL PLANNING FRAMEWORK

- The 2015 Housing Bond is proposed within the Capital Planning framework, and will not result in an increase to property tax rates from their current levels.
- Spending proceeds of the 2015 Housing Bond will be overseen by the Citizens' General Obligation Bond Oversight Committee (GOBOC).



CITY'S URGENT HOUSING NEEDS

San Francisco's high housing costs pose individual and familial hardship and threaten the City's economic vitality

- Between 2014 and 2015, rents increased 14.8%
- The median 1BR rent, \$3,460/month, is affordable to 1-person households at 150% AMI
- The median sale price of a home is \$1.1MM, affordable only to 4-person households over 200% AMI
- 67% of San Francisco's households have incomes less than 150% of AMI



CITY'S URGENT HOUSING NEEDS

San Francisco's Regional Housing Needs Assessment (RHNA) goals called for the production of almost 19,000 units by 2014. We fell short. With current resources, we'll meet 2014 goals by 2035 – assuming no future population growth.

Income Level	Target	Actual Production	Actual as % of Target
Very Low	6,589	4,118	62.5%
Low	5,535	1,663	30.0%
Moderate	6,754	1,283	19.0%
TOTALS	18,878	7,064	37.4%



DIMINISHING RESOURCES

San Francisco must address the housing affordability crisis in a climate of declining resources

- Dissolution of Redevelopment in 2012 meant \$28MM/year less (on average) for housing
- Depletion of State Prop. 46 and Prop 1C funds decreased housing funds to San Francisco by \$18MM/year
- Between FYs 07/08 & 12/13, Congress cut CDBG and HOME housing funding by 19% and 47%, respectively
- In 2013, Congress cut HUD's contribution to the San Francisco Housing Authority from 92% to 82% of what it costs to operate public housing



SAN FRANCISCO'S RESPONSE

San Francisco has made housing a policy priority and devoted substantial resources to address housing needs and declining state and federal funds:

- **2012: Housing Trust Fund**
- **2013: Re-Envisioning of Public Housing**
- **2013: Mayor's 30,000 Unit Goal**
- **2014: Proposition K**
- **2015: City-wide Programmatic Changes**



CURRENT EFFORTS: 2020 GOALS

MOHCD/OCII SOURCES OF FUNDS	2015-2020
Housing Trust Fund	196,000,000
General Fund	108,000,000
Tax Increment (OCII)	164,000,000
Fees Paid By Developers	277,000,000
Federal/State/Other Sources	117,000,000
TOTAL	862,000,000

MOHCD/OCII USES OF FUNDS: NEW UNITS & REHABS	2015-2020
New Construction & Substantial Rehabilitation	5,158
Public Housing Rehabilitation: RAD	3,561
HOPE SF: New Replacement & All New Units	590
Additional Units Completed in 2014 + Inclusionary	1,408
TOTAL	10,717



CURRENT EFFORTS: LONGER-TERM SOURCES

Source (\$M)	1st 6 Years (to FY19-20)	2nd 5 Years (to FY24-25)	3rd 5 Years (to FY29-30)	4th 5 Years (to FY34-35)	20 Year Total
Housing Trust Fund (includes \$50M in accelerated HTF)	196	179	227	267	869
General Fund	108	55	53	55	271
Tax Increment (OCII)	164	211	157	62	594
Fees Paid By Developers	277	70	113	60	519
Federal/State/Other Sources	117	46	32	32	226
<i>Totals</i>	862	561	582	476	2,479



AFFORDABLE HOUSING GO BOND WORKING GROUP RECOMMENDATIONS

Use bond funds for three general categories of housing needs:

- *Public Housing*
- *Low-Income Housing*
- *Middle-Income Housing*



AFFORDABLE HOUSING GO BOND WORKING GROUP: PRIORITIES

And among all housing categories, housing that serves the most vulnerable:

- Low-income working families
- Veterans
- Seniors
- Disabled individuals



PROPOSED BOND: SPECIFIC PROGRAMS

Public Housing:

- Accelerate the repair, reconstruction, and transformation of public housing
- Add new affordable units + market-rate units



PROPOSED BOND USES: PUBLIC HOUSING

HUNTERS VIEW, PRE-RENOVATION



PROPOSED BOND USES: PUBLIC HOUSING

HUNTERS VIEW, AFTER RENOVATION



MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT



PROPOSED BOND: SPECIFIC PROGRAMS

Low-Income Housing:

- Accelerate new affordable housing production through quick release of NOFAs and RFPs
- Provide acquisition and rehabilitation funding for existing rent-controlled buildings
- Purchase properties in highly-impacted neighborhoods for affordable housing development
- Stabilize buildings at risk of losing affordable units



PROPOSED BOND USES: LOW-INCOME HOUSING

Richardson
Apartments:
Tax Credit +
City
Financed



BOND-FUNDED LOW-INCOME HOUSING: PRIORITIES

For construction of **New Housing**:

- Location within a Neighborhood Revitalization Strategy Area (HUD – addressing low-income needs)
- Location within a Priority Development Area (ABAG – locating housing in transit-rich environments)
- Ability to leverage additional financing for feasibility – bond funds provide only a portion of necessary housing financing



PROPOSED BOND: SPECIFIC PROGRAMS

Middle-Income Housing:

- Provide new middle-income rental programs, e.g., purchasing more affordability in market-rate projects
- Increase the cap on Down Payment Assistance loans and the range of eligible households
- Expand the Teacher Next Door program to help keep our teachers in SF neighborhoods



HOUSING PRODUCTION ACCOUNTABILITY

- Quarterly Reports on achievement of housing production goals to BOS
- Extensive neighborhood outreach to community groups for every project
- City-wide Loan Committee approval of all MOHCD-issued loans
- BOS approvals on all housing revenue bond issuances for individual projects



2015 AFFORDABLE HOUSING GO BOND

THANK YOU!

