

**DRAFT**



Office of Mayor London N. Breed

# Mayor's Office of Housing and Community Development

Public Meeting Regarding Proposed Budget  
February 12, 2020



# MOHCD - Overview

- Support San Franciscans with affordable housing opportunities and essential services to build strong communities
- The overall budget for FY 2019-20 is \$317 million and supports approximately 116 positions
- Divisions include:
  - Housing
  - Community Development
  - Homeownership and Below Market Rate (HBMR)
  - Finance and Administration





# MOHCD Divisions

- Housing division focuses on creating housing policies and programs that create safe, stable, and affordable housing.
- Community Development division works with a broad network of community-based partners to create an inclusive and equitable City where all residents can thrive.
- Homeownership and Below Market Rate (HBMR) division focuses on implementing Inclusionary programs and ensuring that City-sponsored affordable housing is accessible to the people it is intended to serve.
- Finance and Administration division ensures that the department has the financial, human, and technological resources necessary to manage our investments and policies.







# MOHCD Policy Priorities

- Implementation of \$600M November 2019 GO Bond for Affordable Housing
- Implementation of FY 20-24 Consolidated Plan
- Continued deployment of Educational Revenue Augmentation Fund (ERAF) funds for affordable housing gap financing, predevelopment, and acquisition
- Deployment and evaluation of grants funded by the Community Development division's recent RFP
- Continuation of our racial equity work which began in 2016 with our participation in GARE and creation of a racial equity working group in 2017



# MOHCD Budget Overview

- Approximately 65% of MOHCD's budget does not go through the Board's annual budget process (AAO) and is appropriated at other times.
- Fund sources not included in the AAO:
  - *GO Bonds* – FY18-19: 25% of expenditures
  - *Federal and State Grants* – FY18-19: 11% of expenditures
  - *Development impact fees* – FY18-19: 24% of expenditures
  - *Loan repayments* – FY18-19: 3% of expenditures
  - *Other* – fees supporting bond issuance and monitoring; legal settlements; development agreements - FY18-19: 2% of expenditures



# MOHCD FY 19-20 AAO Budget

Total budget of \$317M, including:

- One-time revenues of \$174.5M ERAF and \$13.1M from HOPE SF land sales
- \$36.8M Housing Trust Fund (HTF) and \$20M for possible HTF loan repayments
- \$36.6M General Fund grants to CBOs
- \$10.3M housing impact fees and former SFRA housing assets
- \$9.6M Local Operating Subsidy Program (LOSP)
- \$6.3M General Fund HOPE SF investment
- \$3.1M Cultural Districts
- \$2.5M payments to other departments
- \$2M San Francisco Housing Authority transition







# MOHCD FY 20-21 Proposed Budget

Total proposed budget of approximately \$193M, a reduction of \$124M from FY 19-20.

Major decreases include:

- One-time revenues of \$174.5M ERAF and \$13.1M from HOPE SF land sales

Major increases include:

- One-time revenues of \$57M dedicated to affordable housing development
  - \$45.8M from Academy of Art Development Agreement/legal settlement
  - \$11.2M from 180 Jones Affordable Housing Fund
- \$2.8M charter-mandated increase in Housing Trust Fund
- \$2.3M increase in Local Operating Subsidy Program
- 12 additional positions





# MOHCD FY 21-22 Proposed Budget

Total proposed budget of approximately \$138M, a reduction of \$55M from FY 20-21.

Major decrease includes:

- One-time revenues of \$57M dedicated to affordable housing development

Major increase includes:

- \$2.8M charter-mandated increase in Housing Trust Fund



# MOHCD Staffing

## Proposed 12 additional positions in FY 20-21:

- Racial equity position for our ongoing racial equity work
- Position for managing HOPE SF Right to Return program
- Conversion of 4 positions from temporary to permanent (Construction management, HBMR rental compliance, Active Contract Management, HBMR ownership resales & support)
- Additional Asset Manager for MOHCD's growing portfolio units
- 2 assistant project managers to assist multifamily housing development team deploy ERAF and GO Bond funding
- Policy & Legislative Associate for proactive strategic Fed/State work
- Transfer of two positions from other departments



# MOHCD Service Levels

Increase in positions will allow us to:

- Appropriately staff ongoing racial equity work, including Right to Return
- More fully implement program evaluation & data analysis, focused on metrics
- Increase monitoring frequency of existing inclusionary units
- Deploy funds from \$600M November 2019 GO Bond for Affordable Housing and ERAF funds with the urgency required
- Handle the growing volume and complexity of existing projects portfolio
- Support existing homeowners
- Proactively handle housing-related State and Federal legislation
- Staff two efforts which were previously handled by other City departments



# MOHCD Budget Instruction Targets

Mayor's Office (including MOHCD) budget reduction target for FY20-21 and FY21-22 is \$1.7M in each year, for a total of \$3.5M in FY21-22.

- Majority of MOHCD budget is not eligible for contributing to budget reduction target because funds are legally obligated to be spent on activities related to affordable housing. Only unrestricted General Fund may be used for budget reduction target.
- If required to implement 100% of Mayor's Office budget reduction target, MOHCD will propose to reduce General Fund grants to CBOs by 4.75% in FY20-21 and 9.5% in FY21-22.







# Mayor's Office - Overview

- Support the Office of the Mayor through policy, budget, communications, and constituent services
- The overall budget for FY 2019-20 is \$9.6 million and supports approximately 43 FTE
- Divisions include:
  - Mayor and Senior Staff
  - Policy and Government Affairs
  - Communications
  - Budget
  - Office of Neighborhood Services
  - Admin/Operations



# FY 2020-21 & FY 2021-22 Proposed Budget

Spending Category	FY 2019-20 (Adopted)	FY 2020-21 (Proposed)*	FY 2021-22 (Proposed)*
Salaries & Benefits	7.6	8.0	8.2
Non-Personnel	1.5	1.5	1.5
Payments to Other Departments	0.5	0.5	0.5
<b>Total</b>	<b>9.6</b>	<b>10.0</b>	<b>10.2</b>

No proposed FTE or expenditure changes planned at this time, other than previously negotiated wage and benefit increases for City employees.

\*Proposed budget subject to change as citywide work orders for IT and other central services are determined



