



# Office of Mayor London N. Breed Mayor's Office of Housing and Community Development

Public Meeting Regarding Proposed Budget  
February 8, 2021



# MOHCD - Overview

- Support San Franciscans with affordable housing opportunities and essential services to build strong communities
- The overall budget for FY 2020-21 is \$197 million and includes approximately 114 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: Anti-displacement



- Eviction prevention programs are at the forefront of our priorities.
- Protect vulnerable residents from the legal and economic shocks that could impact their ability to remain housed, through rental assistance, eviction prevention programs, and supportive and transitional housing.
- HOPE SF - the nation's first large-scale reparations effort to transform San Francisco's most disinvested public housing sites into vibrant and thriving communities.
- Acquire and preserve long-term affordable housing in properties throughout San Francisco that are particularly vulnerable to market pressure and resulting property sales, increased evictions and rising tenant rents.

# MOHCD Policy Priorities:

## Housing opportunities for vulnerable communities

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- Continue to develop and maintain accessible and affordable housing including an expansion of our affordable housing portfolio and pipeline.
- Broaden access to housing opportunities through DAHLIA, and more specifically to opportunities close to home through neighborhood preference and community-based housing counseling services.

# MOHCD Policy Priorities: Housing Stabilization



- Continuation of strong partnerships with community-based organizations who have deep ties to the communities they serve, in an effort to distribute targeted financial assistance that ensures housing stability.
- Distribution of incoming federal funds that will expand the City's direct financial assistance to promote housing stability



# MOHCD Policy Priorities:

## Increase our capacity to realize our mission

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Our various responses to COVID-19, our growing number of affordable and Inclusionary housing units, and our racial equity commitment require additional staff to successfully implement.



# MOHCD Budget Overview

- Approximately 60% 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* – FY19-20: 21% of expenditures
  - *Federal and State Grants* – FY19-20: 11% of expenditures
  - *Development impact fees* – FY19-20: 23% of expenditures
  - *Loan repayments* – FY19-20: 4% of expenditures
  - *Other* – fees supporting bond issuance and monitoring; legal settlements; development agreements - FY19-20: 1% of expenditures



# MOHCD FY 20-21 AAO Budget

Total budget of \$197.2M, including:

- One-time revenues of \$57.0M from Development Agreements, dedicated to affordable housing development
- \$43.7M General Fund grants to CBOs, of which \$5.0M is one-time
- \$39.8M Housing Trust Fund (HTF) and \$20M for possible HTF loan
- \$12.4M Local Operating Subsidy Program (LOSP)
- \$11.9M housing impact fees and former SFRA housing assets
- \$4.3M General Fund HOPE SF investment
- \$3.7M payments to other departments
- \$2.4M Cultural Districts
- \$2.0M San Francisco Housing Authority transition







# MOHCD FY 21-22 Proposed Budget

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Total proposed budget of approximately \$126.0M, a reduction of \$71.2M from FY 20-21.

Major decreases include:

- \$57M in one-time Development Agreement revenues for affordable housing
- \$20M in one-time affordable housing loan repayments
- \$8.7M grants to non-profits (\$5M in one-time General Fund and \$3.7M to meet Mayor's budget instructions)



# MOHCD FY 21-22 Proposed Budget

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Total proposed budget of approximately \$126.0M, a reduction of \$71.2M from FY 20-21.

Major increases include:

- \$5.9M LOSP subsidies due to new buildings entering the program
- \$2.8M continuation of rental subsidies & assistance previously funded by one-time FY19-20 ERAF
- \$2.8M Housing Trust Fund per Charter
- \$1.2M operating subsidy for Midtown Apartments



# MOHCD FY 22-23 Proposed Budget

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Total proposed budget of approximately \$134.8M, an increase of \$8.8M from FY 21-22.

Major decreases result from elimination of one-time expenditures, including:

- \$1.9M funding for Senior Operating Subsidies program
- \$.8M for emergency rental assistance
- \$.7M expenditure of commercial rental revenue





# MOHCD FY 22-23 Proposed Budget

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Total proposed budget of approximately \$134.8M, an increase of \$8.8M from FY 21-22.

Major increases include:

- \$4.9M debt service for HOPE SF COPs
- \$4.5M LOSP subsidies due to new buildings entering the program
- \$2.8M Housing Trust Fund per Charter



# MOHCD Budget Instruction Targets

MOHCD budget reduction target is \$3,718,684, with an additional \$1,239,561 contingency.

- 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 dollars may be used for budget reduction target.
- If required to implement Mayor's Office primary budget reduction target, MOHCD proposes to reduce General Fund grants to CBOs by approximately 10% from FY21-22 Base budget







# Mayor's Office – Overview

- The Mayor's Administration supports the Office of the Mayor through policy, budget, communications, and some constituent services.
- The overall budget for FY 2020-21 is \$9.3 million and supports 40 FTE
- Divisions include:
  - Mayor and Senior Staff
  - Policy and Government Affairs
  - Communications
  - Budget
  - Admin/Operations



# Mayor's Office – Budget Summary

Spending Category	FY 2020-21 Adopted	FY 2021-22 Base	FY 2022-23 Base
Salaries & Benefits	\$7.4 million	\$7.2 million	\$7.5 million
Non-Personnel	\$1.4 million	\$1.4 million	\$1.4 million
Services of Other Depts	\$0.5 million	\$0.5 million	\$0.5 million
<b>Total</b>	<b>\$9.3 million</b>	<b>\$9.2 million</b>	<b>\$9.4 million</b>

- Adopted FY 2020-21 and FY 2021-22 budget included significant reductions
  - Declined 3.25% wage increase, reduced overall salary & benefit budget
  - Disbanded Mayor's Office of Neighborhood Services
- For FY 2021-22 and FY 2022-23, will identify opportunities to further reduce General Fund support
  - Reduce non-personnel expenditures like contracts and materials & supplies
  - Limit salary & benefit growth beyond any contractually obligated wage increases reflected in FY 2022-23 base budget



# Mayor's Office – Budget Priorities & Feedback

- Support the Mayor's priorities for the City budget, which include:
  - Supporting small business and economic recovery
  - Prioritizing programs with demonstrated outcomes centered around equity
  - Implementing homelessness and mental health programming
  - Continuing to respond to COVID-19
- Public meeting on Mayor's budget priorities before April 1
- Feedback regarding the Mayor's Office budget **and** the Mayor's budget priorities may be sent to: [budget@sfgov.org](mailto:budget@sfgov.org)

