AGENDA

i. What are San Francisco’s housing needs

ii. How does MOH address housing needs

iii. Accomplishments of MOH & SFRA programs

iv. Affordable Housing Funding

v. The Affordable Housing Pipeline

vi. Recommendations and Conclusions
What RHNA Doesn’t Address: Existing Need

RHNA does not account for this *existing need* for housing, although state and federal law require the City to address these housing needs.
## Existing Housing Needs

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Very Low Income</th>
<th>Low Income</th>
<th>Moderate Income</th>
<th>Above Moderate Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-50% AMI</td>
<td>51-80% AMI</td>
<td>81-95% AMI</td>
<td>95% AMI+</td>
<td></td>
</tr>
<tr>
<td># Severely Cost-Burdened Households</td>
<td>38,020</td>
<td>7,760</td>
<td>2,515</td>
<td>5,355</td>
<td>53,650</td>
</tr>
</tbody>
</table>

Source: 2009 CHAS
Existing Housing Needs

Average Housing Costs as a % of Household Income, San Francisco Household Income Groups, 2010

Source: San Francisco Controller’s Office
### Existing Housing Needs

#### Gap Between Fair Market Rent and Affordable Rent for Moderate Income Households

<table>
<thead>
<tr>
<th>Number of People</th>
<th>Number of Bedrooms</th>
<th>Fair Market Rent</th>
<th>Affordable Rent</th>
<th>Affordability Gap</th>
<th>Affordable Rent</th>
<th>Affordability Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1-Bedroom</td>
<td>$1,522</td>
<td>$1,590</td>
<td>no gap</td>
<td>$1,988</td>
<td>no gap</td>
</tr>
<tr>
<td>3</td>
<td>2-Bedroom</td>
<td>$1,905</td>
<td>$1,789</td>
<td>($116)</td>
<td>$2,236</td>
<td>no gap</td>
</tr>
<tr>
<td>4</td>
<td>3-Bedroom</td>
<td>$2,543</td>
<td>$1,988</td>
<td>($555)</td>
<td>$2,485</td>
<td>no gap</td>
</tr>
</tbody>
</table>

NOTE: Fair Market Rent is the 40th percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market.
MOH PROGRAMS

Affordable Rental Development & Preservation

- New construction
- Acquisition/rehabilitation of existing housing or adaptive reuse of existing buildings
- Rental and affordable homeownership
- 100% permanently affordable
MOH PROGRAMS

Affordable Rental Development & Preservation

City Housing Plans and Initiatives*:

• 2010-2015 Consolidated Plan
• San Francisco Plan to Abolish Chronic Homelessness
• HOPE SF
• Transition Age Youth Housing Plan
• Continuum of Care
• Redevelopment Area Plans

* Partial List
MOH PROGRAMS

Homeownership Programs

• Inclusionary “BMR” Homes
• Down Payment Assistance Loans (DALP and City Second)
• Mortgage Credit Certificates
• Teacher Next Door
• Police in the Community
• CalHOME rehabilitation loans for homebuyers receiving purchase assistance to buy a home with rehab needs
Inclusionary Housing
One of the strongest Inclusionary Housing policies in the state.

Four Options:
• Pay Fee based on 20% of the total number of units in the project
• Build 15% Below Market Rate (BMR) units on-site
  • Ownership Income Limit: 90% AMI
  • Rental Income Limit: 55% of AMI
• Build 20% Below Market Rate (BMR) units within one-mile radius
  • Ownership Income Limit: 70% AMI
  • Rental Income Limit: 55% AMI
• Dedicate land to City for affordable housing development in Eastern Neighborhoods UMU-zoned areas
Inclusionary Housing

Home Prices:

• Prices must be set at affordable levels for qualifying households

• In 2011, a three-person household earning $80,500 paid $265,696 to purchase a 2 bedroom BMR condo

• A typical 2 bedroom in 2011 was sold for $668,000
Inclusionary Housing

1200 Ocean Avenue

Rentals Available - For applications call (415) 334-6050

<table>
<thead>
<tr>
<th>Household Size</th>
<th>One Person</th>
<th>Two Person</th>
<th>Three Person</th>
<th>Four Person</th>
<th>Five Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Allowable Income</td>
<td>$39,650</td>
<td>$45,300</td>
<td>$51,000</td>
<td>$56,650</td>
<td>$61,200</td>
</tr>
</tbody>
</table>

- 2 studios: $727 a month
- 12 1-bedrooms: $858 a month
- 12 2-bedrooms: $988 a month
### MOH & SFRA Accomplishments

**Affordable Rental Development & Preservation**

<table>
<thead>
<tr>
<th>Units Produced</th>
<th>&lt;50% AMI</th>
<th>&gt;50%-120% AMI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior</td>
<td>2,450</td>
<td>67</td>
<td>2,517</td>
</tr>
<tr>
<td>Supportive</td>
<td>2,049</td>
<td>241</td>
<td>2,290</td>
</tr>
<tr>
<td>Individuals</td>
<td>1,533</td>
<td>69</td>
<td>1,602</td>
</tr>
<tr>
<td>Family</td>
<td>1,771</td>
<td>494</td>
<td>2,265</td>
</tr>
<tr>
<td>Affordable Ownership</td>
<td>5</td>
<td>596</td>
<td>601</td>
</tr>
<tr>
<td>Inclusionary Rental</td>
<td>0</td>
<td>480</td>
<td>480</td>
</tr>
<tr>
<td>Inclusionary Ownership</td>
<td>0</td>
<td>806</td>
<td>806</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,808</td>
<td>2,753</td>
<td>10,561</td>
</tr>
</tbody>
</table>

**MOH & SFRA Housing Production 2002-2011**
MOH & SFRA ACCOMPLISHMENTS

Affordable Rental Development & Preservation

• Financed 18,000 affordable rental - nearly 10% of all rental stock.

• Over 3,500 affordable units built in the past 5 years alone (2006-2010), 28% of all new construction.

Sources: Mayor’s Office of Housing, 2010 Census, Planning Department Housing Inventory Report
MOH & SFRA ACCOMPLISHMENTS

Affordable Rental Development & Preservation

Diverse apartments for a diverse San Francisco

- Unit sizes: 0-5 bedrooms
- Development sizes: 2-1700 units
- All Neighborhoods
- Design for specific populations
- Language access and culturally appropriate marketing
- Income diversity
Affordable Rental Development & Preservation

Number of Bedrooms in MOH & SFRA Apartments

- SROs: 30%
- Studios: 13%
- 1 BRs: 29%
- 2 BRs: 16%
- 3+ BRs: 12%

Source: Mayor’s Office of Housing
MOH & SFRA ACCOMPLISHMENTS

Affordable Rental Development & Preservation

Income Limits to Qualify for MOH & SFRA Apartments

- <30%AMI: 36%
- <50%AMI: 42%
- <60%AMI: 15%
- <80%AMI: 7%

Source: Mayor’s Office of Housing
MOH & SFRA ACCOMPLISHMENTS

Affordable Rental Development & Preservation

2,900 out of the 3,000 unit goal for the San Francisco Plan to Abolish Homeless completed or identified for development

Source: Mayor’s Office of Housing
Construction underway at 1st HOPE SF site and $30 million secured for a 2nd HOPE SF site
Homeownership Programs

...have helped almost 3,000 families to buy a home.

<table>
<thead>
<tr>
<th>Homeownership Assistance Programs*</th>
<th>Income Limits</th>
<th>Households Served to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downpayment Assistance Loan Program (DALP)</td>
<td>120% AMI</td>
<td>502</td>
</tr>
<tr>
<td>City Second Loan Program (CSLP)</td>
<td>120% AMI</td>
<td>498</td>
</tr>
<tr>
<td>Police in the Community Loan Program (PIC)</td>
<td>No Max</td>
<td>16</td>
</tr>
<tr>
<td>Teacher Next Door Loan Program (TND)</td>
<td>200% AMI</td>
<td>40</td>
</tr>
<tr>
<td>Mortgage Credit Certificate Program (MCC)</td>
<td>Approx 170% AMI</td>
<td>1453</td>
</tr>
<tr>
<td>BEGIN (SFRA)</td>
<td>120% AMI</td>
<td>256</td>
</tr>
</tbody>
</table>

*Table represents the City’s largest homeownership assistance programs, it is not a comprehensive list.

Source: Mayor’s Office of Housing
MOH & SFRA ACCOMPLISHMENTS

MOH Inclusionary Program

• 860 ownership units
• 320 rental units
• $48 million in affordable housing fees
• 1,000 units in the pipeline (approximate)

SFRA Homeownership Programs

• 1090 ownership units

Source: Mayor’s Office of Housing
Local Affordable Housing Funding Sources FY 2002-2011

- Tax Increment - $460 Million
- Federal funds administered by MOH - $194 Million
- Affordable Housing Fund - $95 Million
- Developer Contributions - $73 Million
- Hotel Tax - $47 Million
- General Fund - $30 Million
- Prop A Affordable Hsg Bonds - $18 Million

Source: Mayor’s Office of Housing & SFRA
City-Allocated Federal Housing Resources, 2007-2012

50% anticipated decline in MOH Housing Resources 2009-2012

Source: Mayor’s Office of Housing
San Francisco Housing Resources, MOH + SFRA, 2007-2012

85% anticipated decline in City Housing Resources 2009-2012

MOH Sources includes HOME, CDBG, Affordable Housing Fund, Hotel Tax Fund, Prop A Bonds, and General Fund. SFRA sources include tax increment revenue and bond proceeds.
Leveraging of Local Sources FY 2002-2011

- Local Sources - $919 Million
- Low Income Housing Tax Credits - $634 Million
- State Sources - $356 Million

Source: Mayor’s Office of Housing
MOH & SFRA Multifamily Programs: What the Future looks like:

<table>
<thead>
<tr>
<th>Multifamily Pipeline as of April 2012</th>
<th>Family Units</th>
<th>Senior Units</th>
<th>Supportive Units</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be Completed by December, 2012:</td>
<td>32</td>
<td>79</td>
<td>619</td>
<td>730</td>
</tr>
<tr>
<td>To be Completed by December, 2013:</td>
<td>230</td>
<td></td>
<td>264</td>
<td>494</td>
</tr>
<tr>
<td>To be Completed by December, 2014:</td>
<td>629</td>
<td>241</td>
<td>170</td>
<td>1,040</td>
</tr>
<tr>
<td>To be Completed by December, 2015:</td>
<td>251</td>
<td>116</td>
<td>117</td>
<td>484</td>
</tr>
<tr>
<td>To be Completed after 2015*:</td>
<td>4,533</td>
<td>260</td>
<td>200</td>
<td>4,993 + 1,401 TBD</td>
</tr>
<tr>
<td>Totals:</td>
<td>5,675</td>
<td>696</td>
<td>1,370</td>
<td>9,142</td>
</tr>
</tbody>
</table>

*Units to be completed after 2015 include 1,401 units in former Redevelopment project areas where a potential target population has not yet been determined
### MOH & SFRA PIPELINE V.S. RHNA

**RHNA Estimates of New 0-80% AMI Households compared to Planned Affordable Housing Production (0-80% AMI)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Housing Need (RHNA)</td>
<td>12,125</td>
<td>9,822</td>
</tr>
<tr>
<td>Units Completed</td>
<td>3,572</td>
<td>0</td>
</tr>
<tr>
<td>Pipeline Units with Committed Funding</td>
<td>2,431</td>
<td>1,993</td>
</tr>
<tr>
<td>Unfunded Pipeline Units</td>
<td>250</td>
<td>3,489</td>
</tr>
</tbody>
</table>
### Performance Audit Recommendations:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Response &amp; Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting</td>
<td>Agree, MOH will report to Board of Supervisors more consistently and at least annually through its Annual Housing Report</td>
</tr>
<tr>
<td>Tracking</td>
<td>Agree, MOH will track State efforts to contain costs and seek new sources of funding for affordable housing</td>
</tr>
<tr>
<td>Inclusionary Program</td>
<td>Agree, MOH will review and refine its Inclusionary Housing Program and policies to improve the program and prepare a report for the Board of Supervisors in Summer 2012</td>
</tr>
<tr>
<td>Funding</td>
<td>Agree, MOH will investigate local financing options</td>
</tr>
</tbody>
</table>