San Francisco 2015 Housing Bond Working Group:

Addressing our Housing Needs

Presentation By:
Mayor Edwin Lee,
Office of Public Finance
&
Mayor's Office of Housing and Community Development

CITY AND COUNTY OF
SAN FRANCISCO
MAYOR EDWIN M. LEE
Agenda

1. Mayor Lee’s Opening Remarks
2. Staff Presentations
   - MOHCD
   - Office of Public Finance
3. Break Out Groups Brainstorm Eligible Uses
4. Report Back Eligible Uses
5. Next Steps: 2 Additional Meetings
   - Small meetings week of April 13th;
   - Big Tent meeting on Monday, May 4th.
San Francisco: A City of Shared Prosperity

**Housing Trust Fund**: $1.3 billion over 30 years

**Mayor’s Directive**:  
- The 7-Point Housing Plan: neighborhood preservation and accelerated production of affordable housing including:  
  - 10,000 affordable to low-income families; and,  
  - 5,000 affordable to middle-income families.

**Proposition K**:  
- Voter supported resolution encouraging 33% of all housing production as affordable.
## Housing Units Toward 30K Goal

<table>
<thead>
<tr>
<th>Calendar Year/ Month</th>
<th>Units Completed</th>
<th>Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Units (2014)</td>
<td>3896</td>
<td>1139 (29%)</td>
</tr>
<tr>
<td>Completed Units (January 2015)</td>
<td>200</td>
<td>32 (16%)</td>
</tr>
<tr>
<td>Completed Units (February 2015)</td>
<td>171</td>
<td>145 (85%)</td>
</tr>
<tr>
<td>Total Units</td>
<td>4267</td>
<td>1316 (31%)</td>
</tr>
</tbody>
</table>
Regional Housing Goals: Progress

- While San Francisco has made progress toward meeting the RHNA goals, we need to widen the band of affordability.

<table>
<thead>
<tr>
<th>County</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>57%</td>
<td>19%</td>
<td>16%</td>
<td>86%</td>
<td>53%*</td>
</tr>
<tr>
<td>Marin</td>
<td>21%</td>
<td>30%</td>
<td>22%</td>
<td>35%</td>
<td>28%</td>
</tr>
<tr>
<td>San Mateo</td>
<td>17%</td>
<td>24%</td>
<td>22%</td>
<td>71%</td>
<td>42%</td>
</tr>
</tbody>
</table>

*Current as of Q1 2014. SF Planning Dept. Data as of 4/1/15: VL@ 62.5%; Low@ 30%; Mod@ 19%; Above Mod@ 108.7%; Total: 65.6%
Affordability Gap: Rental Housing

**March 2015 Average Market-Rate 1BR Rent: $3,400**
Affordable to 1-person household earning $136,000 (190% AMI)

**Affordability Gap: Very Low-Income Households**

Retiree on Social Security @ $14,000/year:  ($3,050/mo)
Cashier @ $27,000/year:  ($2,725/mo)
Housekeeper @ $34,000/year:  ($2,550/mo)
Affordability Gap: Rental Housing

March 2015 Average 1BR Rent: $3,400
Affordable to 1-person household earning $136,000 (190% AMI)

Affordability Gap: Low/Moderate Households

Landscaper @ $41,000/yr: ($2,375/mo)
Elementary school teacher @ $61,000/yr: ($1,875/mo)
Accountant @ $90,000/yr: ($1,150/mo)
Affordability Gap: Ownership

March 2015 Average Market-Rate Sales Price: $1 million
Affordable to: 4-person household earning $200,000/yr, or 200% AMI

Affordability Gap: Middle-Income Households

2 Teachers, 2 Kids @ $122,000/yr (120% AMI): ($2,600/mo)
2 Electricians, 2 Kids @ $165,000/yr (162% AMI): ($1,235/mo)
2 Accountants, 2 Kids @ $180,000/yr (176% AMI): ($760/mo)
Proposed 2015 Housing Bond

- **Public Housing**: up to 50% AMI ($40,750 – 2 person household). This will serve formerly homeless, seniors, disabled, and low-wage working families.

- **Low Income Housing**: Up to 80% AMI ($65,200 – 2 person household). This will serve working households including preschool teachers, nonprofit workers, restaurant workers, and retirees.

- **Middle Income Housing**: Up to 175% AMI ($142,600 – 2 person household). This will serve workers including teachers, firefighters, and professionals.
2015 Housing Bond: Public Housing

Hunters View Public Housing: Before
2015 Housing Bond: Public Housing

Hunters View
Public Housing: After
2015 Housing Bond: Low Income

Richardson Apartments – Tax Credit + City Financed
2015 Housing Bond: Middle Class

New Shipyard Housing – Middle Income Affordability: $400,000s to $900,000s
Debt Mechanism: Bonds

- multiple interest rates
- multiple maturities
- multiple investors
- principal repaid with interest
- investors have different needs
General Obligation Bonds (GO Bonds)

- **Property Tax Payer**
  - Pay Annual Tax Surcharge

- **City as Bond Issuer**
  - $ for Construction
  - Payment of Annual Principal & Interest

- **Bondholders**
Authority for GO Bonds Issuance

- Charter Section 9.106
  - Defers to State Law
  - Sets cap at 3% of AV on taxable real and personal property

- Article XIII-A, Sections 1(b)(2) and 2(a)
  - Requires super-majority (2/3) vote
  - Gives Issuer ability to levy property taxes for debt repayment that are “unlimited in rate and amount”

- City Administrative Code Sections 3.21-3.23 inclusive (CPC)
GO Bonds Debt Capacity Pursuant to the Charter

- Net Assessed Value (FY 2014-15): $181.8 Billion
- 3% Cap on Outstanding Obligations: $5.5 Billion
- General Obligation Bonds Outstanding (1/01/2015): $2.1 Billion
- Utilized Capacity (01/01/2015): 1.15%
- Available Debt Capacity: $3.4 Billion
- Authorized & Unissued Bond: $1.3 Billion
Capital Planning Committee Recommendation

- Recommended Capital Plan assumes $200 million for Affordable Housing
Proposed Revision to CPC Recommendation

- Proposed Revision to Capital Plan up to $250 million for Affordable Housing

Capital Plan Proposed GO Bond Program

Voter Approved $2,828 (2008-14)

<table>
<thead>
<tr>
<th>Proposed Capital Plan Program</th>
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<tbody>
<tr>
<td>RPD 4 (2024)</td>
</tr>
<tr>
<td>MTA 2 (2024)</td>
</tr>
<tr>
<td>DPH 3 (2022)</td>
</tr>
<tr>
<td>ESER 3 (2020)</td>
</tr>
<tr>
<td>RPD 3 (2018)</td>
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<tr>
<td>DPH 2 (2016)</td>
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<tr>
<td>Housing (2015)</td>
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Authorized & Unissued
Outstanding
FY 2006 Rate/Constraint
Next Steps

- **Week of April 13th**: 1 additional break out group meeting
  - Prioritize eligible uses for each category.

- **Monday, May 4th**: 1 additional “Big Tent” meeting
  - Report on prioritized uses for each category.