SAN FRANCISCO BOARD OF SUPERVISORS
BUDGET & FINANCE COMMITTEE

Housing Budget Preview

CITY AND COUNTY OF
SAN FRANCISCO

JUNE 24, 2020

MAYOR LONDON N. BREED
**MOHCD’s Mission**

**Who We Are**
We support San Franciscans with affordable housing opportunities and essential services to build strong communities.

**What We Do**

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**How We Do It**

MOHCD Operating Structure

Divisions

Administration and Finance
HBMR
Housing
Community Development

TOTAL: 131.54 FTE in FY19-20, of which 17.83 FTE are temporary FTE placeholders for SFHA support

• Permanent Director appointed April 2020
### FY2018-19 Expenditures

**Expenditure** | **$ Amount**  
--- | ---  
Multifamily Housing Grants & Loans | 152,563,615  
Grants to Nonprofit Organizations | 59,149,920  
Salaries & Fringe | 14,777,744  
Homeowner Loans | 10,734,711  
Purchase & Maintenance of Property | 9,681,565  
LOSP Program | 9,152,898  
Services of Other Departments | 5,871,319  
Debt Service & Issuance | 4,168,450  
Departmental Non-Personnel | 2,878,721  
Rental Assistance | 2,420,505  
**TOTAL** | **$271,399,447**
Existing Affordable Housing

- **Portfolio**
  - Multifamily: 377 developments with 23,551 affordable units
  - Inclusionary: 1,583 rental units and 2,831 ownership units

- **Housing Goals**
  - On track to produce and preserve 10,000 affordable units by 2020 - currently, at 9,694 affordable units
  - Mayor Breed’s production goal of 5,000 units annually
Total: 133 projects with 11,725 units

Family Housing: 9,729 units

Senior Housing: 1,925 units

Supportive Housing: 1,806 units
Access to Housing

- **DAHLIA**
  - FY19-20 to date: 152,732 applicants entered 127 lotteries for 847 units
  - FY 18-19: 129,111 applicants entered 89 lotteries for 586 units

- **Coordinated housing counseling and flow of information**

- **Improved Data Collection and Systems**
  - Tracking the effects of federal, state and local eligibility requirements that are barriers to applicants
  - Monitoring project lease up activities to ensure compliance and culturally appropriate interactions

- **Neighborhood preference applied to State funded projects in addition to City sponsored projects**

- **Targeted marketing**
MOHCD Housing Programs

- **Production**
  - 100% Affordable Housing
  - BMR Inclusionary Program – rentals and ownership

- **Preservation**
  - Acquisition Programs
  - RAD and HOPE SF
  - Sites with expiring affordability restrictions

- **Homeownership**
  - BMR Inclusionary Housing Program
  - Downpayment Assistance and Teacher Next Door
Small and Large Sites Preservation

- **Portfolio and Pipeline**
  - 40 buildings with 392 residential units, 30 commercial spaces preserved
  - Pipeline includes 17 prospect sites with 315 residential units, 14 commercial spaces

- **Small Sites Capacity Building Grants**
  - $3.05 million to provide direct funding for non-profit staff and program innovations
  - $450,000 to fund West Side Initiatives

- **Funding Sources**
  - Over $35 million in PASS financing (since 2019)
  - Over $111 million in gap financing (since 2014)
    - ERAF, 2015 GO bond, Housing Trust Fund, Condo Conversion Fees, 10% of inclusionary and jobs-housing linkage fees, and geographic-specific sources (SOMA Stabilization, Eastern Neighborhoods, 50 1st Street)

- **Partners**
  - BHNC, CCDC, MEDA, MHDC, PRC, SFHDC, SFCLT, SFHAF, TNDC, and YCD
Public Housing Preservation

❖ **Developments**
   • Alice Griffith completed 333 new affordable homes with 82% retention rate of former public housing residents
   • Sunnydale Parcel Q completed 55 units with 41 right-to-return units
   • Potrero Block B with 157 units scheduled to start construction in 2021
   • Hunters View Phase III with 118 units scheduled to start construction in 2021

❖ **Right to Return Legislation**
   • Implemented in January to give former public housing residents at HOPE SF sites the priority to return to a revitalized replacement unit after current HOPE SF residents have returned

❖ **San Francisco Housing Authority**
   • Began transition to MOHCD and Controller’s Office leadership of essential functions, third party property management, and conversion of public housing units to project-based Section 8
2019 Affordable Multifamily Rental Housing
- $15M for acquisition/predevelopment for senior housing in underserved districts
- $15M for acquisition/predevelopment for low and moderate-income housing in underserved districts

Laguna Honda Hospital Campus RFQ
- Developer selection for affordable independent senior housing and master planning of campus
Site Selection and Funding

❖ How sites come into MOHCD’s pipeline
   • Notice of Funding Availability
   • Direct acquisition
   • Land dedication / development agreements
   • Surplus sites

❖ How projects are advanced in the pipeline
   • Potential projects are assessed for feasibility
   • Generally, projects receive funding in order of being added to pipeline and availability of leveraged resources
   • MOHCD loan is programmed based on availability of funds and statutory restrictions tied to the sources

❖ Funding decision approvals
   • Selection panel for NOFA
   • Loan committee made up of MOHCD, OCII, HSH and Controller’s Office reviews loans and makes recommendations
   • Board of Supervisors approves real estate transactions and contracts over $10MM
Production Highlights

- MOHCD submits quarterly report on status of 100% affordable new construction projects
- Highlights from FY19-20 quarterly reports:
  - Started construction on Maceo May, 500 Turk and 1064-1068 Mission
  - Direct acquisition of 1515 South Van Ness and 1939 Market Street
  - Total 685 multifamily units under construction plus 2,036 units in active predevelopment
Consolidated Plan

MOHCD Theory of Change
(includes OEWD/HSH Consolidated Plan work)

**Ultimate Impact**
- Vibrant and healthy communities across San Francisco with equitable opportunity for self-sufficiency

**Objectives**
1. Families & Individuals Are Stably Housed
2. Families & Individuals Are Resilient & Economically Self-Sufficient
3. Communities Have Healthy Physical, Social & Business Infrastructure
4. Communities At Risk Of Displacement Are Stabilized
5. City Works to Eliminate the Causes of Racial Disparities

**Priority Needs**
1A: Develop and maintain accessible and affordable housing
1B: Make housing more affordable
1C: Prevent and reduce homelessness
1D: Provide services to maintain housing stability
2A: Promote workforce development
2B: Increase opportunities through improved language access and core skills development
2C: Provide equitable access to civil legal services for immigration and other critical issues
2D: Help households connect to services
3A: Enhance community facilities and spaces
3B: Strengthen small business and commercial corridors
3C: Support community-driven comprehensive strategies
3D: Support capacity needs of community-based organizations and MOHCD professional partners
4A: Address inequitable impacts of economic growth through anti-displacement measures for residents and businesses
4B: Ensure economic growth offers benefits to existing communities
5A: Ensure racially equitable access to programs and services, in coordination with other City departments
5B: Instill racial equity and trauma-informed values and practices in the work of MOHCD and its partners

**Target Populations**
- Extremely and Very Low-income Households
- Households with Barriers to Access to Opportunities
- Households at Risk of Displacement
- Households Experiencing a Legacy of Exclusion
- Households Destabilized by Systemic Trauma
Community Development Investments

- All CD grants tied to Consolidated Plan and other policy legislative guidance

- CDBG, ESG, and HOPWA funds overseen by 9-member Citizens Committee on Community Development appointed by Mayor and Board of Supervisors

- FY20 Funding Opportunities
  - 2020-2025 Community Development Services RFP: $41,743,347
    - General Fund, CDBG and HOPWA
  - Capital Project and Public Space Improvements RFPs: $1,048,155
  - Board and Mayoral Enhancements RFP: $7,796,000
  - African American Community Stabilization RFP: $1,000,000

Grant Funding Process

- RFP priorities established through extensive neighborhood meetings, surveys, and constituent focus groups
- Each proposal reviewed and scored by four reviewers (81 separate reviewers participated)
- Proposals evaluated as to alignment with Consolidated Plan and target populations, commitment to equity, and the agency’s past performance and fiscal health
- Preliminary funding recommendations established based on strategy, racial equity, geographic coverage, continuity and availability of service, and score
- Citizens’ Committee on Community Development approved preliminary recommendations
- Preliminary recommendations published and public hearing held to receive public oral and written comments
- Recommendations submitted to Mayor’s Office for final approval
Cultural Districts

ALL CULTURAL DISTRICTS MONTHLY MTG:

• Japantown Cultural District
• Calle 24 Latino Cultural District
• SOMA Pilipinas Cultural District
• Transgender Cultural District
• Leather LGBTQ District
• African American Arts & Cultural District
• Castro LGBTQ Cultural District
• American Indian Cultural District

COMMUNITY POLICY PLANNING:

Facilitates their CHHESS (Cultural History Housing Economic Sustainability Strategies Report) in partnership with City Depts to be reviewed and approved by BOS.

LEADERSHIP SUPPORT:

Participates in ‘Leadership Accelerator’ receiving over 30 hours of TA, training, coaching and financial/org plng as well connection to pro-bono legal advice & trng.

FUNDING:

$230k each for operational needs & activities. Maintains Community Advisory Board, hosts monthly community mtgs, manages District website, and works to be a beacon of resources & info for their cultural communities.
Rental and Operating Subsidies

- **Local Operating Subsidy Program (LOSP)**
  - 1,175 units in portfolio, 1,328 units in pipeline
  - FY20-21 budget is $12,551,774; FY21-22 budget is $19,749,743

- **Senior Operating Subsidy (SOS)**
  - $5M one-time allocation
  - 1296 Shotwell: 20 units at 15% AMI, 20 units at 25% AMI
  - Balance of funds for future senior housing projects

- **Tenant-Based Rental Subsidies, including HOPWA**
  - Seven vulnerable populations
    - $6.5 million – 566 households

- **Emergency Rental Assistance**
  - Give2SF & eviction prevention
    - $10.1 million – at least 1,000 households
Eviction Prevention

- **Tenant Right to Counsel**
  - $9.3 million for FY20-21
  - First 6 months of implementation: 1,088 households facing eviction received full scope legal assistance, resulting in 729 households staying in their homes (67% of cases)

- **Other Strategies**
  - Rental assistance – $10.1 million serving at least 1,000 households
  - Tenant counseling, outreach & education – $2 million serving 1,020 households
  - Tenant-landlord mediation – $944,000 serving 950 households
Monitoring, Technical Assistance, Capacity Building

- Conduct site visits and review self-assessments of all grantees to ensure they are responsible stewards of public funds and in compliance with City regulations and standards.

- Support grantees with advice and assistance related to budgeting, financial reporting, and policies and procedures.

- Provide educational and skill-building workshops, free consulting and coaching opportunities, and direct grants to community groups to ensure sustainability.

- Provides quarterly training opportunities and ongoing assistance for housing counselors and housing case managers.
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