San Francisco 2015 Affordable Housing
General Obligation Bond
Capital Planning Committee

Addressing our Housing Needs

May 11, 2015
Recommendation to the Board of Supervisors to approve:

The Resolution declaring that the public interest and necessity demand the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing; and

The Ordinance calling for a special election to incur bonded indebtedness in the amount of $250,000,000 for the purpose of financing the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing improvements and related costs.
AFFORDABLE HOUSING GO BOND: LEGISLATIVE CALENDAR

Community Outreach: April – May, 2015
Capital Planning Committee: May 11, 2015
Board of Supervisors Introduction: May 12, 2015
Board of Supervisors, 2nd Reading: July 21, 2015
Election: November 3, 2015
• The 2015 Housing Bond is proposed within the Capital Planning framework, and will not result in an increase to property tax rates from their current levels.

• Spending proceeds of the 2015 Housing Bond will be overseen by the Citizens’ General Obligation Bond Oversight Committee (GOBOC).
San Francisco’s high housing costs pose individual and familial hardship and threaten the City’s economic vitality

- Between 2014 and 2015, rents increased 14.8%
- The median 1BR rent, $3,460/month, is affordable to 1-person households at 150% AMI
- The median sale price of a home is $1.1MM, affordable only to 4-person households over 200% AMI
- 67% of San Francisco’s households have incomes less than 150% of AMI
### City’s Urgent Housing Needs

San Francisco’s Regional Housing Needs Assessment (RHNA) goals called for the production of almost 19,000 units by 2014. We fell short. With current resources, we’ll meet 2014 goals by 2035 – assuming no future population growth.

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Target</th>
<th>Actual Production</th>
<th>Actual as % of Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>6,589</td>
<td>4,118</td>
<td>62.5%</td>
</tr>
<tr>
<td>Low</td>
<td>5,535</td>
<td>1,663</td>
<td>30.0%</td>
</tr>
<tr>
<td>Moderate</td>
<td>6,754</td>
<td>1,283</td>
<td>19.0%</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>18,878</td>
<td>7,064</td>
<td>65.6%</td>
</tr>
</tbody>
</table>
San Francisco must address the housing affordability crisis in a climate of declining resources

- Dissolution of Redevelopment in 2012 meant $28MM/year less (on average) for housing
- Depletion of State Prop. 46 and Prop 1C funds decreased housing funds to San Francisco by $18MM/year
- Between FYs 07/08 & 12/13, Congress cut CDBG and HOME housing funding by 19% and 47%, respectively
- In 2013, Congress cut HUD’s contribution to the San Francisco Housing Authority from 92% to 82% of what it costs to operate public housing
San Francisco has made housing a policy priority and devoted substantial resources to address housing needs and declining state and federal funds:

- 2012: Housing Trust Fund
- 2013: Re-Envisioning of Public Housing
- 2013: Mayor’s 30,000 Unit Goal
- 2014: Proposition K
- 2015: City-wide Programmatic Changes
## CURRENT EFFORTS: 2020 GOALS

### MOHCD/OCII SOURCES OF FUNDS

<table>
<thead>
<tr>
<th>Source</th>
<th>2015-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Trust Fund</td>
<td>196,000,000</td>
</tr>
<tr>
<td>General Fund</td>
<td>108,000,000</td>
</tr>
<tr>
<td>Tax Increment (OCII)</td>
<td>164,000,000</td>
</tr>
<tr>
<td>Fees Paid By Developers</td>
<td>277,000,000</td>
</tr>
<tr>
<td>Federal/State/Other Sources</td>
<td>117,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>862,000,000</strong></td>
</tr>
</tbody>
</table>

### MOHCD/OCII USES OF FUNDS: NEW UNITS & REHABS

<table>
<thead>
<tr>
<th>Use</th>
<th>2015-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction &amp; Substantial Rehabilitation</td>
<td>5,158</td>
</tr>
<tr>
<td>Public Housing Rehabilitation: RAD</td>
<td>3,561</td>
</tr>
<tr>
<td>HOPE SF: New Replacement &amp; All New Units</td>
<td>590</td>
</tr>
<tr>
<td>Additional Units Completed in 2014 + Inclusionary</td>
<td>1,408</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10,717</strong></td>
</tr>
</tbody>
</table>
## Current Efforts: Longer-Term Sources

<table>
<thead>
<tr>
<th>Source ($M)</th>
<th>1st 6 Years (to FY19-20)</th>
<th>2nd 5 Years (to FY24-25)</th>
<th>3rd 5 Years (to FY29-30)</th>
<th>4th 5 Years (to FY34-35)</th>
<th>20 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Trust Fund (includes $50M in accelerated HTF)</td>
<td>196</td>
<td>179</td>
<td>227</td>
<td>267</td>
<td>869</td>
</tr>
<tr>
<td>General Fund</td>
<td>108</td>
<td>55</td>
<td>53</td>
<td>55</td>
<td>271</td>
</tr>
<tr>
<td>Tax Increment (OCII)</td>
<td>164</td>
<td>211</td>
<td>157</td>
<td>62</td>
<td>594</td>
</tr>
<tr>
<td>Fees Paid By Developers</td>
<td>277</td>
<td>70</td>
<td>113</td>
<td>60</td>
<td>519</td>
</tr>
<tr>
<td>Federal/State/Other Sources</td>
<td>117</td>
<td>46</td>
<td>32</td>
<td>32</td>
<td>226</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>862</strong></td>
<td><strong>561</strong></td>
<td><strong>582</strong></td>
<td><strong>476</strong></td>
<td><strong>2,479</strong></td>
</tr>
</tbody>
</table>
Use bond funds for three general categories of housing needs:

- *Public Housing*
- *Low-Income Housing*
- *Middle-Income Housing*
And among all housing categories, housing that serves the most vulnerable:

- Low-income working families
- Veterans
- Seniors
- Disabled individuals
Public Housing:

- Accelerate the repair, reconstruction, and transformation of public housing
- Add new affordable units + market-rate units
PROPOSED BOND USES: PUBLIC HOUSING

HUNTERS VIEW, PRE-RENOVATION
PROPOSED BOND USES: PUBLIC HOUSING

HUNTERS VIEW, AFTER RENOVATION
PROPOSED BOND: SPECIFIC PROGRAMS

Low-Income Housing:

- Accelerate new affordable housing production through quick release of NOFAs and RFPs
- Provide acquisition and rehabilitation funding for existing rent-controlled buildings
- Purchase properties in highly-impacted neighborhoods for affordable housing development
- Stabilize buildings at risk of losing affordable units
PROPOSED BOND USES: LOW-INCOME HOUSING

Richardson Apartments: Tax Credit + City Financed
For construction of **New Housing:**

- Location within a Neighborhood Revitalization Strategy Area (HUD – addressing low-income needs)
- Location within a Priority Development Area (ABAG – locating housing in transit-rich environments)
- Ability to leverage additional financing for feasibility – bond funds provide only a portion of necessary housing financing
**Middle-Income Housing:**

- Provide new middle-income rental programs, e.g., purchasing more affordability in market-rate projects
- Increase the cap on Down Payment Assistance loans and the range of eligible households
- Expand the Teacher Next Door program to help keep our teachers in SF neighborhoods
HOUSING PRODUCTION ACCOUNTABILITY

- Quarterly Reports on achievement of housing production goals to BOS
- Extensive neighborhood outreach to community groups for every project
- City-wide Loan Committee approval of all MOHCD-issued loans
- BOS approvals on all housing revenue bond issuances for individual projects
THANK YOU!