



# San Francisco 2015 Affordable Housing General Obligation Bond Capital Planning Committee

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## Addressing our Housing Needs

CITY AND COUNTY OF  
**SAN FRANCISCO**

MAYOR EDWIN M. LEE

May 11, 2015

# AFFORDABLE HOUSING GO BOND: ACTION ITEMS

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, 2 <sup>nd</sup> Reading:	July 21, 2015
Election:	November 3, 2015



# AFFORDABLE HOUSING GO BOND: CAPITAL PLANNING FRAMEWORK

- 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).



# CITY'S URGENT HOUSING NEEDS

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.

Income Level	Target	Actual Production	Actual as % of Target
Very Low	6,589	4,118	62.5%
Low	5,535	1,663	30.0%
Moderate	6,754	1,283	19.0%
<b>TOTALS</b>	<b>18,878</b>	<b>7,064</b>	<b>65.6%</b>



# DIMINISHING RESOURCES

## ***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'S RESPONSE

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

<b>MOHCD/OCII SOURCES OF FUNDS</b>	<b>2015-2020</b>
Housing Trust Fund	196,000,000
General Fund	108,000,000
Tax Increment (OCII)	164,000,000
Fees Paid By Developers	277,000,000
Federal/State/Other Sources	117,000,000
<b>TOTAL</b>	<b>862,000,000</b>

<b>MOHCD/OCII USES OF FUNDS: NEW UNITS &amp; REHABS</b>	<b>2015-2020</b>
New Construction & Substantial Rehabilitation	5,158
Public Housing Rehabilitation: RAD	3,561
HOPE SF: New Replacement & All New Units	590
Additional Units Completed in 2014 + Inclusionary	1,408
<b>TOTAL</b>	<b>10,717</b>



# CURRENT EFFORTS: LONGER-TERM SOURCES

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



# AFFORDABLE HOUSING GO BOND WORKING GROUP RECOMMENDATIONS

Use bond funds for three general categories of housing needs:

- *Public Housing*
- *Low-Income Housing*
- *Middle-Income Housing*



# AFFORDABLE HOUSING GO BOND WORKING GROUP: PRIORITIES

**And among all housing categories, housing that serves the most vulnerable:**

- Low-income working families
- Veterans
- Seniors
- Disabled individuals



# PROPOSED BOND: SPECIFIC PROGRAMS

## ***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*



MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT



# 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



# BOND-FUNDED LOW-INCOME HOUSING: PRIORITIES

## 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



# PROPOSED BOND: SPECIFIC PROGRAMS

## ***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



# 2015 AFFORDABLE HOUSING GO BOND

**THANK YOU!**

