

Affordable Housing Capital Plan

December 12, 2022



Mayor's Office of Housing and Community Development
City and County of San Francisco

Background

In 2019 and 2020, the City passed Capital Plan updates with the following directives

- **Add Affordable Housing as part of the City's capital planning process**
- **Build a reliable set of funding sources** for affordable housing, including but not limited to another Affordable Housing General Obligation Bond in the G.O. Bond program
- **Incorporate available information**, including key terms consistent with the 2019 affordable housing bond, total housing needs as informed by City's Housing Element and Housing Balance Report
- **Since then**, the City's Regional Housing Needs Allocation goals in the Housing Element have increased significantly

Accomplishments

MOHCD Highlights in FY 22

- **\$200+ million via 370 grants** to CBOs to provide eviction defense services, housing counseling, and cultural stabilization investments.
- **\$21 million to 12+ CBOs** for direct rental assistance to 3,000 vulnerable households impacted by the economic downturn of the pandemic
- Since 2020, **10 groundbreakings** and **12 grand openings** for new buildings that provide nearly 2,600 affordable units
- Launched in 2014, the **Small Sites Program has converted 811 units**, in 69 buildings, from privately owned to permanently affordable

Chapter Overview



1. Renewals: Preservation of Existing Affordable Housing

- Acquisition and/or rehabilitation of at-risk housing
- Capital renewals in existing MOHCD subsidized housing
- Preservation of HUD subsidized housing

2. Enhancements: Production of New Units

- Pipeline projects for very low, low, and moderate-income households
- Phased projects such as Balboa Reservoir, HOPE SF

3. Emerging: Future Pipeline

- Regional Housing Needs Allocation Goals
- Funding needs
- Opportunities

1. Renewals:

Preservation of Existing Housing



Total need to meet RHNA goals: approximately \$1.6 billion for preservation over the next 10 years to

- Acquire and rehabilitate 400 units/year based on historic loss of units from Housing Balance
- Recapitalize 11,117 units of existing MOHCD subsidized housing that lack project-based or operating subsidies
- Preserve 958 units of HUD subsidized housing that have expired or soon-to-expire affordability restrictions

The Capital Expenditure Plan allocates approximately \$170 million affordable housing.

2. Enhancements:

2023 Production Pipeline Projects



Very Low and Low Income Housing Projects	Units	Estimated Date Needed	MOHCD Loan Amount	Total Development Cost
The Kelsey Civic Center	112	Mar-23	\$ 23,684,459	\$ 89,881,463
4200 Geary	98	Mar-23	\$ 22,491,650	\$ 76,641,240
Hunters View Phase 3	118	May-23	\$ 37,961,860	\$ 136,281,591
Hunters Point Shipyard 52-54	112	May-23	\$ 55,550,732	\$ 108,717,617
Sunnydale Block 3A	80	Mar-23	\$ 26,044,937	\$ 95,315,920
Sunnydale Block 3B	90	May-23	\$ 30,630,720	\$ 103,650,337
Hunters Point Shipyard 56	73	May-23	\$ 35,253,013	\$ 67,513,066
730 Stanyan	160	May-23	\$ 43,416,759	\$ 150,040,047
Total	843		\$ 275,034,130	\$ 828,041,281

2. Enhancements:

Production Pipeline Phased Projects



HOPE SF

Total need approximately \$732 million over the next 10 years, in addition to the development costs in the Economic and Neighborhood Development chapter. The Plan allocates approximately \$537 million to meet these needs including \$27 million from the HOPE SF Certificates of Participation.

Balboa Reservoir

The City committed \$45 million to finance 33.3% of the 550 affordable units.

3. Emerging:

Regional Housing Needs Allocation (RHNA) Goals for Future Pipeline



Income Level	RHNA Goals 2023-2030
Very Low Income (50%)	20,867
Low Income (80%)	12,013
Moderate Income (120%)	13,717
Total	46,597

3. Emerging:

Funding Needs to Meet RHNA Productions Goals

Total need approximately \$23.4 billion over the next 10 years.

The Affordable Housing Capital Expenditure Plan allocates approximately \$2.1 billion to meet these needs.

- In the previous RHNA cycle, the City met 52.5% of the very low income, 67% of the low income, and 52.3% of moderate income RHNA targets.
- Of which, MOHCD subsidized 82% of very low income, 54% of low income, and 23% of moderate income deed-restricted units.
- Meeting RHNA goal would require 6x increase in production output.
- Requires significant new funding sources + approval

3. Emerging: Opportunities

To meet 100% of RHNA targets, the total Affordable Housing Capital Expenditure Plan would need to increase by approximately \$22.8 billion.

- Opportunistic and balanced approach across population types and geographies
- Pursue land/building acquisition opportunities on the market, especially if acquisition is below market value
- Complement with non-capital strategies
 - Eviction prevention/defense, emergency rental subsidies, etc.
- November 2024 Regional Housing Bond (BAHFA)

FY24-33 Financial Plan

PROGRAMS/PROJECTS (Dollars in Thousands)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 24-FY 33 Total
SPENDING PLAN											
<u>Production (Planned, Phased & Emerging Projects)</u>											
Very-Low (0-50% AMI)	866,801	929,658	955,367	997,535	1,081,147	1,117,656	1,169,444	1,226,483	1,319,408	1,411,054	11,074,553
Low (51-80% AMI)	298,458	332,898	328,769	339,607	390,323	392,290	407,810	426,767	479,706	529,367	3,925,996
Moderate (81-120% AMI)	473,871	497,565	522,443	548,565	575,993	604,793	635,033	666,784	700,123	735,130	5,960,300
Acquisition/Rehab (30-120% AMI)	147,000	154,350	162,068	170,171	178,679	187,613	196,994	206,844	217,186	228,045	1,848,950
HOPE SF	85,554	50,798	94,885	110,830	48,901	86,443	98,954	106,768	48,906	-	732,038
<u>Preservation (Renewals)</u>											
MOHCD-monitored 100% Affordable Housing	116,723	122,559	128,687	135,122	141,878	148,972	156,420	164,241	172,453	181,076	1,468,132
Federally-assisted, non-MOHCD	10,059	10,562	11,090	11,645	12,227	12,838	13,480	14,154	14,862	15,605	126,521
TOTAL	1,998,466	2,098,389	2,203,309	2,313,474	2,429,148	2,550,605	2,678,136	2,812,042	2,952,644	3,100,277	25,136,490
REVENUES											
Housing Trust Fund (Incl. Bonded Proceeds)	79,352	79,701	71,741	70,147	69,404	69,538	69,538	69,538	69,715	70,162	718,834
General Fund + ERAF	10,336	10,793	10,393	8,793	8,793	8,793	8,793	8,793	9,193	9,989	94,668
Federal Funds (CDBG, HOME)	12,842	15,492	17,842	9,442	11,977	14,527	14,527	14,527	16,577	9,527	137,283
HOPE SF COPs	18,000	-	9,000	-	-	-	-	-	-	-	27,000
2019 GO Housing Bond	200,000	-	-	-	-	-	-	-	-	-	200,000
2024 GO Housing Bond	-	40,000	40,000	40,000	40,000	-	-	-	-	-	160,000
STATE (NPLH, SB2)	14,131	14,131	14,131	14,131	14,131	14,131	14,131	14,131	14,131	14,131	141,307
OCII Tax Increment	83,800	30,338	30,338	30,338	30,338	30,338	30,338	30,338	-	-	296,166
Inclusionary Fees	-	-	-	-	-	-	-	-	-	-	-
Area Plan Housing Fees	5,900	4,200	16,900	16,900	16,900	16,900	16,900	16,900	16,900	16,900	145,300
Jobs/Housing Linkage Fees	31,200	76,100	33,600	33,600	33,600	33,600	33,600	33,600	33,600	33,600	376,100
Gap / (Surplus)	1,542,905	1,827,635	1,959,364	2,090,123	2,204,005	2,362,779	2,490,309	2,624,216	2,792,529	2,945,967	22,839,832
TOTAL	1,998,466	2,098,389	2,203,309	2,313,474	2,429,148	2,550,605	2,678,136	2,812,042	2,952,644	3,100,277	25,136,490
<i>Total San Francisco Affordable Housing Units/Year*</i>	6,907	6,834	6,908	6,927	6,818	6,872	6,884	6,888	6,804	6,739	68,581
San Francisco Budgeted Pipeline Units per year	1,113	818	547	471	450	365	344	327	265	247	4,947



Comments & Questions

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