

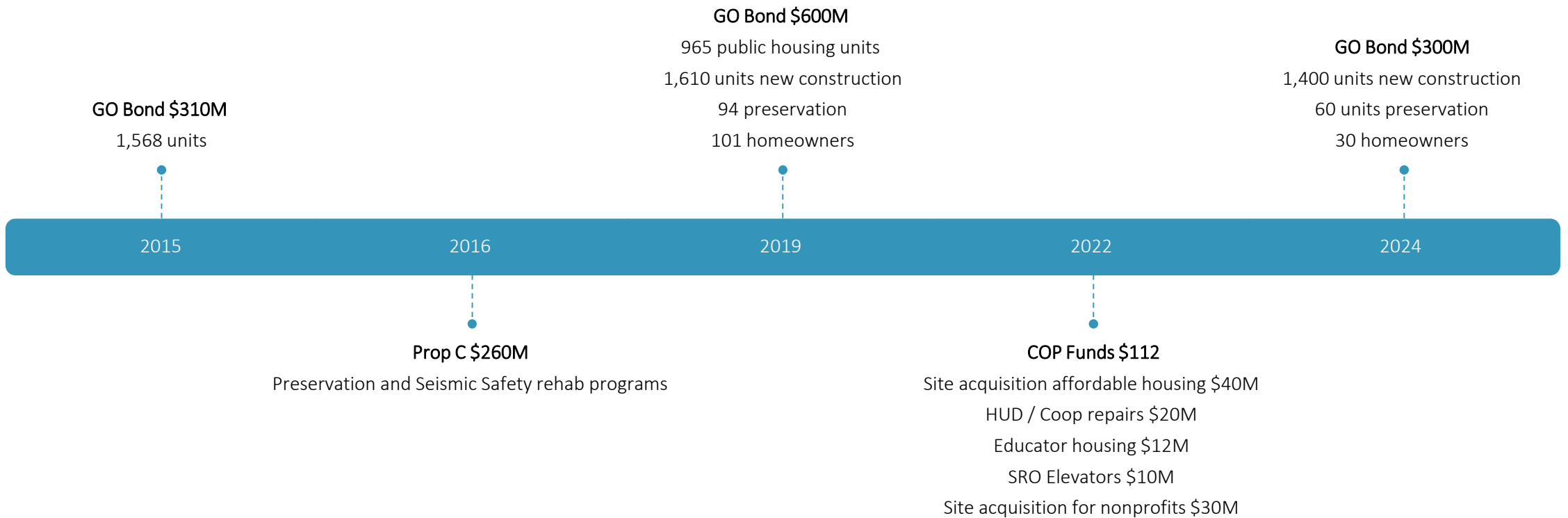
2024 Affordable Housing General Obligation Bond

Capital Planning Committee

August 28, 2023



Affordable Housing Bond Investments

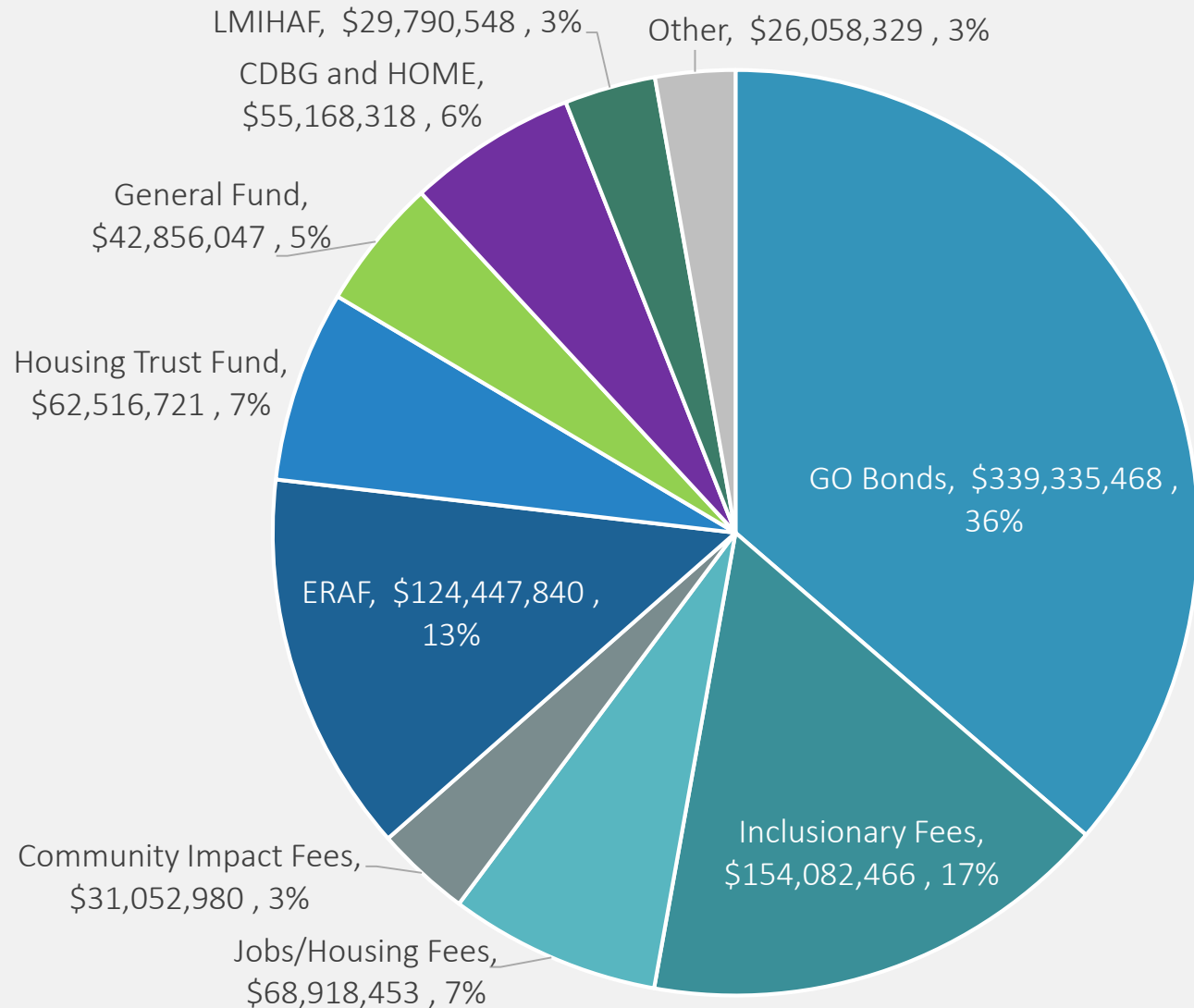


Few projects will utilize multiple bond sources. Projects utilizing both 2015 and 2019 bond funding are Potrero and Sunnysdale HOPE SF, 4840 Mission, and Balboa Park Upper Yard. HOPE SF projects utilizing 2019 funds may also utilize 2024 bond proceeds. 2022 COP-funded projects will not utilize 2019 or 2024 bond proceeds.

Local Bond Spending

		Expended to date	Committed funds	Future issuances	Expenditure date
2015 GO Bond	\$310 M	\$291M	\$19M	\$0M	2024
2016 Prop C	\$260 M	\$90M	\$83M	\$87M	2024
2019 GO Bond	\$600 M	\$168M	\$254M	\$178M	2024
2022 COP funds	\$112 M	\$0M	\$82M	\$30M	2024

Local Funding 2018-2022



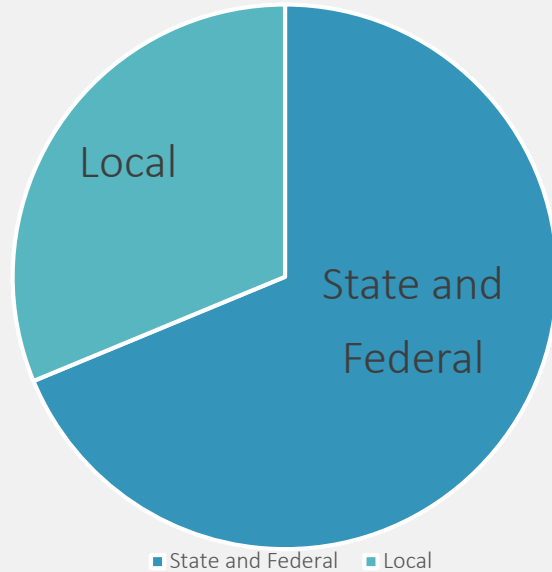
- Nearly \$1 Billion in local funding over last 5 years
- \$200 million per year on average
- Most funding comes from property taxes (GO Bonds, ERAF, Housing Trust Fund, OCII tax increment) or **development fees**
- Gross receipts tax for homelessness ~\$200 million (not shown here)

Affordable Housing Funding

- **GO Bonds are the most reliable funding source for affordable housing in San Francisco**
- **Most other local funding sources are generated by private development** and therefore fluctuate with the market
- **Federal and state funding is less predictable** but still provides bulk of funding, leveraging City funds at a rate of 1:2
- **Funding falls short of what's needed by billions annually**
 - \$19B in local funds needed to achieve Housing Element targets based on current housing delivery models and costs
- **High development costs**, particularly hard costs, undermine housing goals

The Importance of Leveraging

SF Affordable Housing Funding

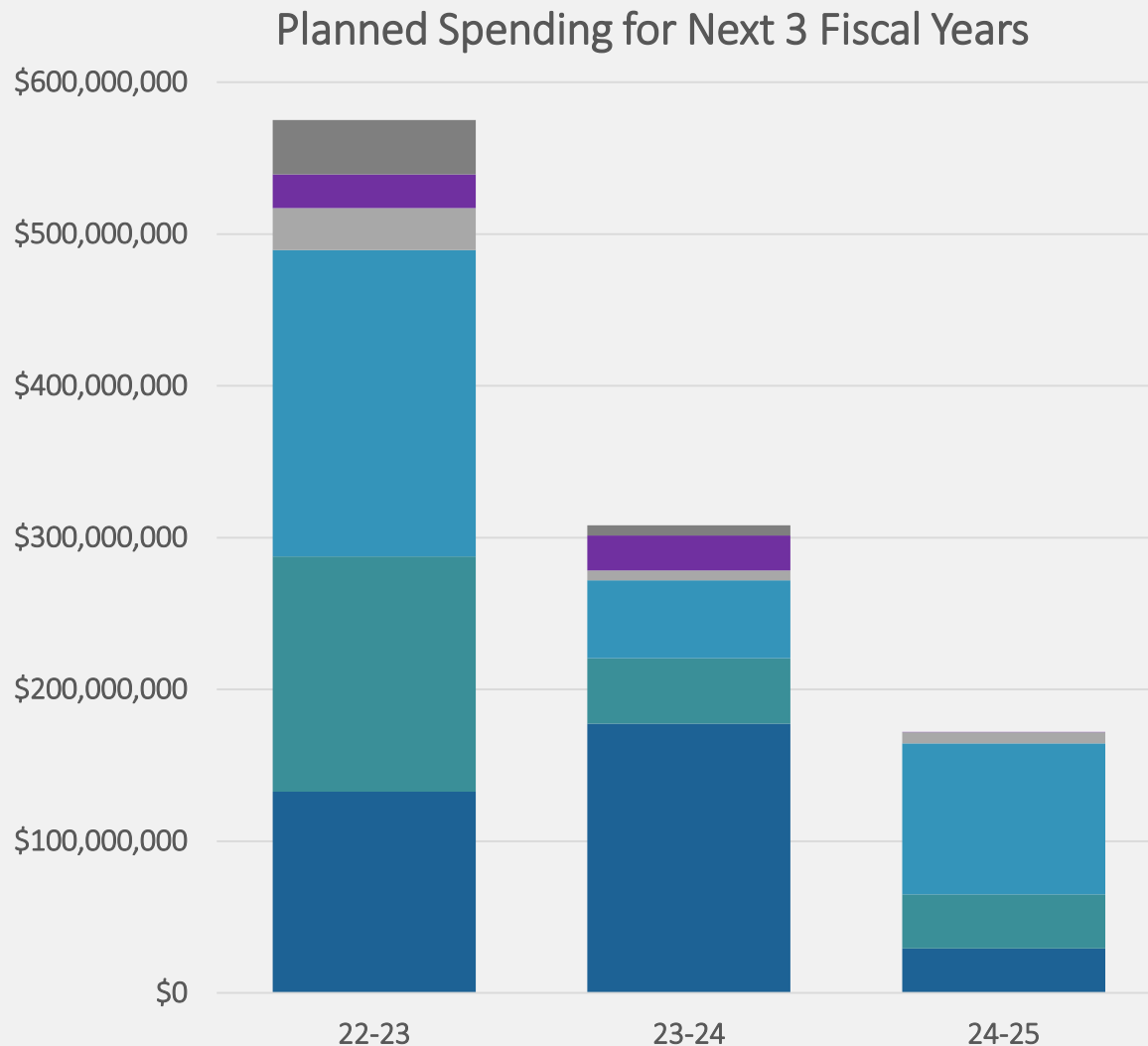


Every local housing dollar leverages almost two state and/or federal housing dollars

From 2018-2022 SF spent \$1 billion on affordable housing and leveraged \$2 billion in other funding



Local Funding Trends



- Local funding is volatile, depending on voter approvals, development cycle, and one-time allocations
- Dramatic drop in inclusionary fees
- Available funding sources are being used up: \$770M+ anticipated funding gap from FY24-25 to FY26-27
- Substantial local spending in FY22-23 after State bottleneck was cleared

■ State and Regional Sources
■ Federal Sources (CBDG/HOME)
■ Prop I/Bond Fees
■ GO Bonds
■ City Fees (Inclusionary, Job/Housing, etc)
■ General Fund (HTF, HOPE SF, LMIHAF, ERAF)

Affordable Housing Pipeline Gaps

New Development	Number of units	Public Housing	Low Income	Preservation	Senior	Total Funding Gap
Predevelopment	1,200+	\$96M	\$88M	\$52M	\$31M	\$268M
Pre-feasibility	3,550+	\$6.8M	\$586M	\$0	\$0	\$593M

Program Area	Number of units	Total Funding Gap
Downpayment Assistance	30	\$12M
Small Sites Preservation	60	\$30M

\$900M funding need to meet all pipeline and programmatic goals through FY28-29

2024 Bond: Racial and Equity Goals

- Provide housing opportunities in High Resource Areas
- Stabilize communities in priority geographies
- Provide a range of unit sizes and location to meet diverse housing needs
- Align with Housing Element Goals



2024 Bond Program Areas

Production of Low-Income Housing (up to 80% AMI)	\$258 Million
Affordable Housing Preservation (30% to 120% AMI)	\$30 Million
Home Ownership Opportunities (Up to 200% AMI)	\$12 Million
TOTAL	\$300 Million



New Construction

Complete pipeline projects under way

- Geographic diversity
- 3,500+ units
- 15-80% AMI
- Projects include public housing, low-income, preservation, and senior housing
- Most projects include a 20% set-aside for homeless households



Preservation Programs

Complete pipeline projects under way

- Geographic diversity
- 60+ units
- Buildings with 6+ units
- 30%-120% AMI (\$35,950-\$143,900 for a family of 3)
- Protects households across the widest range of incomes
- Funds critical repairs to existing housing stock



Homeowner Programs

Down Payment Assistance Loan Program (DALP)

- Up to \$500,000
- Low- to middle-income first-time homebuyers
- For a primary residence
- A silent second loan that requires no monthly payments
- When the property is sold or transferred, the owner pays MOHCD the principal loan amount + an equitable share of appreciation

2024 Bond: Spending Timeline

New Construction: \$248M

~\$124M in loans will close in 24-25

Anticipate fully expending by Q3 of 25-26

~\$124M in loans will close in 25-26

Anticipate fully expending by Q3 of 26-27

Contingent on successful application to State for tax credits and bonds

Preservation: \$30M

Funds anticipated to be fully expended in 25-26

Downpayment Assistance: \$12M

Funds anticipated to be fully expended by Q1 of 27-28

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