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Where's the Status Reports? Where's the Housing? 2019 Affordable Housing Bond's Invisible Ink

by Patrick Monette-Shaw

Where's the housing promised by the *2019 Affordable Housing Bond*? Where are status reports informing San Franciscans about what progress, if any, has been made on the *Bond*?

In November 2019, San Franciscans passed yet another affordable housing bond — to the tune of \$600 million. During the past two-plus years since, we've received what can only be called "*invisible ink*": Absolutely no new public reports about the planned list of *all* housing projects to be funded across the life of the entire *Bond* have been published since 2019 — and there's no ink reporting what housing (if any) may have been brought online so far.

The \$600 million *2019 Affordable Housing* bond pledged allocating funding to five main categories of projects:

Housing Category	2019 Affordable Housing Bond		Number of Proposed Units
	Bond Amount Allocated (in Millions)	Type of Housing	
Public Housing	\$ 150	Rehabilitated Units	550
		New Rebuilt Units & "Infrastructure"	415
Low Income Housing	\$ 220		1,050
Middle-Income Housing	\$ 30	Existing Housing Preservation	90
	\$ 30	Down Payment Purchase Loans	90
Senior Housing	\$ 150	Senior Rental Units	500
Educator Housing	\$ 20	SFUSD and City College Educators	60
	\$ 600 Million		2,755

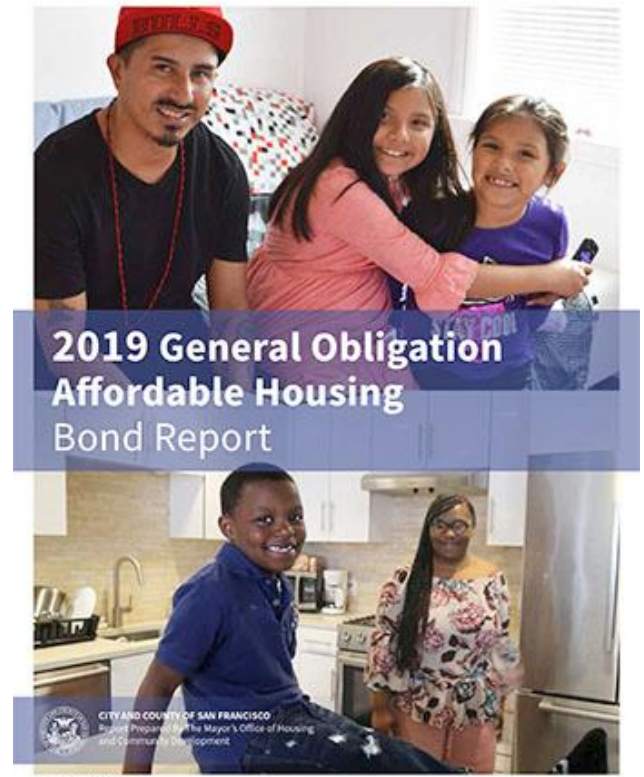
Note: The "Public Housing" category of the \$300 million *2015 Affordable Housing Bond* was spent mostly on "*infrastructure*" projects (roads, sidewalks, etc.), including infrastructure to support new market-rate housing in the Bayview.

Source: MOHCD "*2019 Bond Report*" (published pre-election on **6/13/2019**).

Despite a voter guide legal requirement that the Mayor's Office of Housing and Community Development (MOHCD) provide annual reports about progress being made issuing the *2019 Bond* and the status of projects, MOHCD has not produced any status reports about the entire *Bond*. Bi-annual status reports about projects funded by the *2015 Bond* have typically been 40-page reports, including details about each project being funded.

Notably, the *2015 Bond* status reports began appearing within two months of the election, in January 2016, with specific, named projects appearing within eight months, in June 2016. Why should *2019 Bond* status reports be different? Why are we now at 25 months following the 2019 election and we've received absolutely no status update progress reports?

On October 22, 2021 MOHCD responded to a public records request saying MOHCD staff are currently working on the first *2019 Bond* report using data as of June 30, 2021. MOHCD asserted that



Pre-Election Report: Prior to the November 5, 2019 election seeking passage of the *2019 Affordable Housing Bond*, MOHCD cranked out a pre-election report outlining five main project categories. In the two years since, MOHCD hasn't published any updated status reports.

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because it would be the very first report on the *2019 Bond* and because of recent staff turnover on MOHCD's two teams managing the Bond, it was taking longer than MOHCD expected to finalize the report, and adding that MOHCD expects to finish the first report by December 31, 2021.

We'll see if MOHCD's December 31 target date comes to fruition.

Invisible "**Good Portfolio to Show**"

As I [reported](#) in my article "*Invisible Affordable Housing on Public Land*" on December 30, 2020 San Francisco's Board of Supervisors Land Use and Transportation Committee (LUT) held a hearing on December 7, 2020 to consider strategies the City could pursue to maximize creating affordable housing on public land.

I testified during that hearing that the LUT Committee should require MOHCD to rapidly issue an inaugural quarterly report naming the specific planned housing projects by street address for each of the various categories of funding in the *2019 Affordable Housing Bond*.

Following my testimony, Supervisor Aaron Peskin interjected, saying that although MOHCD isn't communicating well with members of the public or with CGOBOC, "... *We [the City] actually have a good portfolio to show.*"

Peskin's rejoinder was wholly inadequate, precisely because the portfolio of **all** projects being funded by the *2019 Affordable Housing Bond* was not then available to members of the public. And a comprehensive list of all projects to be funded by the *Bond* still isn't available now.

The Board of Supervisors may have a **general** idea of the proposed projects to be funded by the bond from documents included as background material in the legislation authorizing issuing the **first tranche** of the *2019 Bond*, but it's not easily accessible to members of the public and isn't available on MOHCD's web site.

Language in the legal text in the November 2019 voter guide stated that as part of oversight and transparency of the *2019 Housing Bond*, the City would ("shall") create a web page outlining and describing the bond program, including progress and activity updates. As of April 1, MOHCD hadn't created such a web page or made it available on-line.

MOHCD finally created and rolled it out [on-line](#) live on April 13, 2021 fully a year-and-a-half after the November 5, 2019 election passing the *Bond*.

Problem is, the only three documents posted so far on the web site are all documents created *prior* to the November 2019 election. No progress status reports, or annual or quarterly reports to MOHCD or annual reports to the Board of Supervisors on progress on the *2019 Bond* have been posted on-line yet — fully two years following the 2019 election.

Worse, MOHCD later admitted via e-mail that the documents Peskin may have been referring to were submitted during the approval process to authorize selling the first tranche of the *Bond*, but the documents were *not* an adequate replacement for any required reports of planned bond-funded affordable housing projects.

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The Board of Supervisors may have a general idea of the proposed projects to be funded in the first tranche of the 2019 Bond, but a comprehensive list of all projects to be funded across the entire Bond still isn't available now a full year later, and two full years after passage of the Bond in 2019. "

When the LUT hearing was held on December 7, 2020, 13 months had already elapsed following passage of the \$600 million bond in November 2019, and CGOBOC (the Citizen's General Obligation Bond Oversight Committee) hadn't received any written reports from MOHCD describing specific projects by name planned for any of the various categories of affordable housing promised to voters in the bond for either projects being funded by the first *tranche* of Bond spending, let alone all projects to be funded over the life of the entire Bond.

Nor had members of the public or the Board of Supervisors been presented any documents describing which specific affordable housing projects were to receive funding from the entire *2019 Bond*.

Fast forward another year to December 2021. It's now been 25 months following passage of the *2019 Bond*, and MOHCD still has not presented a report to either CGOBOC or to the Board of Supervisors describing planned projects by name and location across the entire *Bond*.

One Minute, 29 Seconds

On April 6, 2021 I [published](#) an updated article, titled "[Lawsuit Stalls 2019 Affordable Housing Bond](#)," which reported that a citizen's lawsuit filed in San Francisco Superior Court on December 26, 2019 had delayed progress on the *Housing Bond*. That article focused on CGOBOC's March 22, 2021 meeting that included a single agenda item for MOHCD to present updates to CGOBOC on the 2015, 2016, and 2019 *Affordable Housing Bonds*.

During CGOBOC's March 22, 2021 meeting, MOHCD spent a miserly one minute and 29 seconds updating CGOBOC members about progress on the \$600 million *2019 Affordable Housing Bond*. MOHCD merely reported that a [list of projects](#) to be funded by the *2019 Bond* had been approved by San Francisco's Capital Planning Committee and the Board of Supervisors on October 6, 2020, and that the first \$252.6 million tranche of the *2019 Bond* would be sold by the end of March. The first tranche was sold on March 30, 2021.

Unfortunately, the list of projects approved by the Capital Planning Committee on October 6, 2020 only named a handful of projects by street name and location that were to be funded by the *first* Bond tranche, not all projects envisioned for the entire *Bond* when subsequent tranches of the *Bond* are issued. So much for Peskin's assertion that *the City has "a good portfolio to show."*

Language in the voter guide's legal text had also promised an annual report on the *2019 Bond* would be provided to the Mayor and Board of Supervisors. MOHCD indicated on April 6, 2021 that no annual report was provided to the Mayor or Board of Supervisors.

Senior Housing & Housing at Laguna Honda Hospital

As the table above shows, one of the five main categories of projects to be funded by the *2019 Bond* will eventually be allocated \$150 million to produce 500 Senior Housing rental units, ostensibly senior housing spread throughout the City. The Senior Housing category was issued \$21.2 million from the first \$252.6 million tranche of the *Bond* in March 2021.

MOHCD later admitted via e-mail that the documents Peskin had been referring to were not an adequate replacement for any required reports of planned bond-funded affordable housing projects."

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A few glimmers of information about the Senior Housing component of the *2019 Bond* just surfaced.

Background materials posted on-line on December 2, 2021 for CGOBOC's next meeting on December 6, 2021 finally included CGOBOC's combined [Annual Report](#) (prepared by the City Controller's Office) for fiscal year 2019–2020 and fiscal year 2020–2021 — even though annual reports are supposed to be issued annually, not every two years combining multiple years into a single report. [Note: CGOBOC's just-issued 14-page Annual Report is also *not* an adequate replacement for required reports of planned bond-funded affordable housing projects, and should not be confused with the typical 40-page *Bond* progress reports.]

Of the 13 separate General Obligation Bonds still under CGOBOC's oversight authority — park bonds, road improvement bonds, earthquake and seismic safety bonds, etc. — CGOBOC included just five paltry sentences about the *2019 Affordable Housing Bond* in its new annual report. Sadly, among the five sentences CGOBOC was this gem:

“The Committee [CGOBOC] looks forward to an update on expenditures and to taking an in-depth look at the first phase of the bond program's scope, schedule, and budget.”

What a mouthful of an admission, and misplaced irony! After two years without any meaningful information on the *2019 Bond* having been provided to CGOBOC by MOHCD — including the miserly one minute and 29 second oral update during CGOBOC's March 2021 meeting — CGOBOC now admits it is looking forward to an “*in-depth update*” on the *Bond's* scope, schedule, and budget.

No kidding! Members of the public have also been looking forward to an *in-depth update* (including a written 40-plus page report) for now going on over two years since passage of the *Bond* in 2019.

At the end of the 14-page annual report, CGOBOC provided a breakout on the 13 bonds including each bond's revised budget, the amount issued for each bond, along with the amount expended and amount encumbered on each bond.

Notably, of the \$21.2 million issued so far for the Senior Housing category in the first tranche of the *2019 Housing Bond*, \$13.4 million has reportedly already been expended and an additional \$3.7 million has been encumbered, for a combined total of \$17.1 million. That leaves approximately \$4.1 million that are ostensibly unencumbered.

We have no idea of what specific, named projects the \$17.1 million has been spent on to date (between expenditures and encumbrances) in the Senior Housing category. No wonder CGOBOC is looking for an *in-depth update*, because it doesn't know what the \$17.1 million has been spent on to date, either!

We do know from other documents, that of the \$150 million allocated for Senior Housing projects funded by the *2019 Bond*, \$3 million has apparently been set aside to fund Mercy Housing's planned senior housing projects on the campus of Laguna Honda Hospital. Of that \$3 million only \$30,862 has been made in completed payments, possibly for a financial feasibility analysis of placing assisted living on LHH's campus.

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No kidding! So do members of the public.”

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Looking Forward

Unfortunately, the *2019 Bond* will not be heard again until CGOBOC's February 28, 2022 meeting, so we'll have to wait to see if MOHCD actually issues a *Bond* status report at the end of December 2021 as MOHCD had promised, or if we'll have to wait until February to obtain status updates for each project by street location.

By then, CGOBOC will have lost some historical and institutional knowledge about the three housing bonds still under CGOBOC's purview. Transgender bicycle activist Jane Natoli had been appointed as a CGOBOC member several years ago by Mayor Breed. Natoli became CGOBOC's liaison to MOHCD on the *2015 Affordable Housing Bond* and the 2016 Housing Bond, but not the liaison to MOHCD on the *2019 Affordable Housing Bond*. Natoli's six-month interval *Liaison Report's* to CGOBOC have not been that thorough, or even helpful, to members of the public. Breed recently picked Natoli to be a commissioner on the Airport Commission so Jane's no longer a CGOBOC member.

Natoli is being replaced by CGOBOC member Timothy Mathews as liaison to MOHCD on housing bonds. That is somewhat worrisome, because CGOBOC's annual report just released also reported that:

*“[CGOBOC] Member Mathews is interested [sic: in] the **potential** intersection of Prop K and Prop I from the November 2020 election authorizing the creation and funding of municipal social housing, and this 2019 Housing Bond.”*

Readers may recall that “Prop. K” in 2020 was titled “Affordable Housing Authorization,” that “*would authorize the City to own, develop, construct, acquire, or rehabilitate up to 10,000 units of low-income housing.*” For its part, “Prop. I,” titled “Real Estate Transfer Tax,” is the subject of a current messy battle between the Board of Supervisors and Mayor Breed. The Supervisors want to allocate \$64 million from the “Prop. I” increased tax revenues to “social housing” programs under the “Small Sites” program, which funds acquisition of small apartment buildings housing rent control tenants. Breed wants to allocate the \$64 million to the City’s “COVID reserves” budget account.

It's not known why member Mathews wants to create an “*intersection*” between the *2019 Bond* and “Prop. I” or “Prop. K.” As it is, the *2019 Bond* already allocates \$220 million to the low-income housing category and another \$150 million to public housing category for a total of \$370 million, which represents almost 62% of the \$600 million *2019 Bond*. In addition, the *2015 Bond* had allocated \$100 million to the low-income housing category, which was almost one-third of the \$310 million *2015 Bond*.

If any kind of “*intersection*” is needed, the intersection that needs the most help at this point is for middle-income housing units, which have been shortchanged for decades, driving middle-class, middle-income San Francisco households out of the City since Willie Brown was then the mayor, and even before.

Finally, flyers have begun arriving in residential San Francisco mailboxes put out by a group called “Build Affordable Faster San Francisco,” a so-called “*community information program*” of TODCO. The new flyers are calling for selling ASAP another \$1 billion in additional Affordable Housing Bonds in San Francisco.

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“ It’s not known why member Mathews wants to create an ‘intersection’ between the 2019 Bond and ‘Prop. I’ or ‘Prop. K’. If any kind of ‘intersection’ is needed, the intersection that needs the most help at this point is for middle-income housing units, which have been shortchanged for decades. ”

Between the three affordable housing bonds San Francisco already has (the 2015, 2016, and 2019 affordable housing bonds), we're already issued over \$1 billion in such bonds. And we've gotten little to show for it, even after having monitored MOHCD's performance with bonds since the *2015 Housing Bond*, making it questionable about issuing another \$1 billion in affordable housing bonds. After all CGOBOC's so-called "oversight" has been *de minimis*, when not utterly pathetic.

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