



# San Francisco 2015 Affordable Housing General Obligation Bond

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## Addressing our Housing Needs

CITY AND COUNTY OF  
**SAN FRANCISCO**

MAYOR EDWIN M. LEE

# AFFORDABLE HOUSING GO BOND: CAPITAL PLANNING FRAMEWORK

- The 2015 Housing Bond fits 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>37.4%</b>



# DIMINISHING RESOURCES

## ***San Francisco must address the housing affordability crisis in a climate of declining resources***

- Dissolution of Redevelopment in 2012: reduction of \$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: LONGER-TERM SOURCES

Source (\$M)	FY 16-20 (Estimated)
<b>Housing Trust Fund (includes \$50M in accelerated HTF)</b>	196
<b>General Fund</b>	108
<b>Tax Increment (OCII)</b>	164
<b>Fees Paid By Developers</b>	277
<b>Federal/State/Other Sources</b>	117
<b>Affordable Housing GO Bond</b>	<b>310</b>
<b>Total</b>	<b>1,172</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



# AFFORDABLE HOUSING GO BOND: Investment Categories

The 2015 \$310 Million Housing Bond proposes four categories of investments, each supporting a range of incomes:

Program Categories	GO Bond
Public Housing	\$80 Million
Affordable Housing (up to 80% AMI)	\$100 Million
Mission Area Plan Investments (up to 120%)	\$50 Million
Middle Income Housing (80% AMI and Above)	\$80 Million



# PROPOSED BOND: SPECIFIC PROGRAMS

## ***Public Housing:***

- Accelerate development timeline for Sunnydale and Potrero.
- Allow earlier purchase and development of relocation parcel(s) which will allow development to move forward
- Allow earlier infrastructure development to prepare sites for vertical 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, e.g., the Mission, for affordable housing development;
- Stabilize buildings at risk of losing affordable units.



# PROPOSED BOND: SPECIFIC PROGRAMS

## ***Middle-Income Housing:***

- Provide new or preserved middle-income rental opportunities;
- 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

- 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;
- Regular reporting to Citizens' General Obligation Bond Oversight Committee (GOBOC).



# BOND ISSUANCE SCHEDULE

- Currently finalizing inclusion of bond revenues into the housing development pipeline and optimizing fund sources and cash flow to minimize interest costs
- Anticipated first tranche of bonds issued in Q1 or Q2 of 2016
- Possible Notice of Funding Availability to kick start 3 categories of production and/or land acquisition:
  - Public Housing
  - Mission Area
  - Low-Income Housing
- Reimbursement resolution in process

