

File No. 1906646

Committee Item No. 3

Board Item No. 12

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date June 21, 2019

Board of Supervisors Meeting

Date July 9, 2019

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Power Point Presentation</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>2019 General Obligation Affordable Housing Bond Report</u> |
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Completed by: Linda Wong Date June 14, 2019
 Completed by: Linda Wong Date July 5, 2019

1 [2019 General Obligation Affordable Housing Bond Report]

2 **Motion urging the Mayor’s Office of Housing and Community Development to update**
3 **and amend the 2019 General Obligation Affordable Housing Bond Report to reflect the**
4 **increase to the Bond amount, updated allocations of proposed funding, and proposed**
5 **amendments on prioritized uses.**

7 WHEREAS, The Board of Supervisors will be voting on an ordinance calling and
8 providing for a special election to be held in the City and County of San Francisco on
9 Tuesday, November 5, 2019 for the purposes of submitting to the San Francisco voters a
10 proposition for a General Obligation Bond on Affordable Housing not to exceed \$600,000,000;
11 and

12 WHEREAS, The 2019 General Obligation Affordable Housing Bond Report (“Bond
13 Report”), on file with the Clerk of the Board of Supervisors in File No. 190495, which is hereby
14 declared to be a part of this motion as if set forth fully herein; and

15 WHEREAS, The Bond Report serves as a guiding document for 2019 Affordable
16 Housing Bond issuances as provided by the Mayor’s Office of Housing and Community
17 Development; and

18 WHEREAS, The Bond Report will also be utilized as a framework in the Citizens’
19 General Obligation Bond Oversight Committee’s review and approval of bond expenditures;
20 and

21 WHEREAS, The Board of Supervisors will be providing input on the Bond Ordinance
22 and the eligible and prioritized uses of the funding to address the critical need for affordable
23 housing throughout the City; and
24
25

1 WHEREAS, The Bond Report is not included in the Bond Ordinance, but would provide
2 more specificity on the eligible and prioritized uses that should reflect the deliberations at the
3 Board of Supervisors; now, therefore, be it

4 MOVED, That the Board of Supervisors does hereby urge the Mayor's Office of
5 Housing and Community Development to update and amend the 2019 General Obligation
6 Affordable Housing Bond Report as follows:

7 **1) Executive Summary**

- 8 a. Change the Bond amount in the Executive Summary text to reflect the
9 increase in bond capacity from \$500 million to \$600 million.
- 10 b. On page 5, update the table of "the estimated funding program for the bond"
11 with increased funding amounts and add a new category for "Educator
12 Housing":
- 13 i. Low-Income Housing (up to 80% AMI): \$220 Million
 - 14 ii. Affordable Housing Preservation (30% to 120% AMI) & Middle-Income
15 Housing (80% to 175% AMI for first-time homebuyers and 80% to
16 200% AMI for Teacher Next Door educators): \$60 Million
 - 17 iii. Senior Housing (up to 80% AMI): \$150 Million
 - 18 iv. Educator Housing (30% to 140% AMI): \$20 Million

19 **2) 2019 Affordable Housing Bond Program Elements.** On page 11, add "Educator
20 Housing" as a new category.

21 **3) Low-Income Housing.** On page 13, increase the funding amount for Low-Income
22 Housing from \$210 Million to \$220 Million; and include in the Priorities:

- 23 a. At least \$15 million dedicated for site acquisition and pre-development of
24 new housing projects either in neighborhoods which experience limited
25 affordable housing production; or in neighborhoods facing both limited

1 affordable housing production, as well as, a high number of housing units
2 removed from protected status. If these funds are not allocated within four
3 years from the date the Department of Elections certifies the passage of the
4 Bond, these funds may be used for other eligible uses in the "Low-Income
5 Housing" category. For the purposes of this Bond Report, an allocation shall
6 have occurred when the Board of Supervisors passes legislation authorizing
7 the issuance of bonds, the proceeds of which have been identified by the
8 Controller's Office of Public Finance in its report to the Board as allocated to
9 this specific priority.

10 b. \$5 Million dedicated to the acquisition of units to create permanent
11 supportive housing through scattered-site, communal housing for people with
12 chronic mental illness and/or substance use disorders.

13 c. Projects within neighborhoods with the greatest loss of existing protected
14 housing.

15 4) **Affordable Housing Preservation/Middle-Income Housing.** On page 14,
16 increase the amount for Middle-Income Housing in the title from "\$20M est." to
17 "\$30M est." and update the total amount to \$60 Million

18 5) **Senior Housing.** On page 15, increase the funding amount for "Senior Housing"
19 from \$90 Million to \$150 Million and include additional priorities for use of funds:

20 a. At least \$15 million dedicated for site acquisition and pre-development of
21 projects either in neighborhoods with limited affordable housing production;
22 or in neighborhoods facing both limited affordable housing production, as
23 well as, a high number of housing units removed from protected status. If
24 these funds are not allocated within four years of the date the Department of
25 Elections certifies the passage of the Bond, they may be used for other

1 eligible uses in the "Senior Housing" category. For the purposes of this Bond
2 Report, an allocation shall have occurred when the Board of Supervisors
3 passes legislation authorizing the issuance of bonds, the proceeds of which
4 have been identified by the Controller's Office of Public Finance in its report
5 to the Board as allocated to this specific priority.

6 b. LGBTQ (Lesbian, Gay, Bisexual, Transgender, Queer)-Welcoming senior
7 projects

8 **6) Add New Page for "Educator Housing," with the total value of \$20 Million and**
9 **the following text:**

10 a. **Eligible Uses:** Predevelopment and construction of permanently affordable
11 rental housing serving San Francisco Unified School District and City College
12 of San Francisco educators and employees earning between 30% and 140%
13 of AMI.

14 b. **Who Is Served:**

- 15 i. Low income San Francisco Unified School District and City College of
16 San Francisco educators and employees and their families
17 ii. Middle-income San Francisco Unified School District and City College
18 of San Francisco educators and employees and their families

19 c. **Priorities:**

- 20 i. Shovel ready projects able to start construction within 4 years.
21 ii. Projects able to leverage City funds with the most additional
22 resources, including state and federal funding and public land
23 iii. Proximity to public transit
24 iv. Units located in an Educator Housing Development (projects that
25 serve San Francisco Unified School District and City College of San

1 Francisco educators and employees earning between 30% and 140%
2 of AMI.)

3 d. If these funds are not allocated within four years of the date the Department
4 of Elections certifies the passage of the Bond, they may be re-allocated in
5 the following manner:

6 i. 50% of any unallocated funds may be used to assist qualified San
7 Francisco Unified School District and City College of San Francisco
8 Educators earning up to 200% of AMI with Down Payment Assistance
9 Loans and Teacher Next Door Down Payment Assistance. For the
10 purposes of this Bond report, an allocation shall have occurred when
11 the Board of Supervisors passes legislation authorizing the issuance
12 of bonds, the proceeds of which have been identified by the
13 Controller's Office of Public Finance in its report to the Board as
14 allocated to this specific priority.

15 ii. 50% of any unallocated funds may be used for any other eligible use
16 in the Low Income Housing category. For the purposes of this Bond
17 report, an allocation shall have occurred when the Board of
18 Supervisors passes legislation authorizing the issuance of bonds, the
19 proceeds of which have been identified by the Controller's Office of
20 Public Finance in its report to the Board as allocated to this specific
21 priority.

22 7) **Program Summary.** On page 16, updating the Program Summary table to reflect
23 the new increases to funding, estimated Affordable Homes Produced or Preserved,
24 and projected timeline for expenditures as necessary:

25 a. Low-Income Housing: \$220 Million

1 b. Middle-Income Housing: \$30 Million

2 c. Senior Housing: \$150 Million

3 d. Educator Housing: \$20 Million

4 i. Eligible & Priorities Uses: Predevelopment and construction for
5 permanent affordable rental housing serving San Francisco Unified
6 School District and City College of San Francisco educators and
7 employees earning between 30% and 140% of AMI

8 ii. Who It Serves:

9 1. Low-income San Francisco Unified School District and City
10 College of San Francisco educators and employees and their
11 families

12 2. Middle-income San Francisco Unified School District and City
13 College of San Francisco educators and employees and their
14 families

15 iii. Affordable Homes Produced or Preserved (est.): 60 units

16 iv. Timeline: 2020-2025

17 FURTHER MOVED, That the Mayor's Office of Housing and Community Development
18 will present a revised Bond Report to the Board of Supervisors with these changes.

File # 190501, 190495, 190666
Received in Committee - 6/13/19.



2019 Affordable Housing Bond Budget & Finance Committee

Mayor's Office of Housing and
Community Development

June 13, 2019

CITY AND COUNTY OF
SAN FRANCISCO

MAYOR LONDON N. BREED

Original Program Categories

Program Categories	Estimated Funds
Public Housing	\$150 million
Low-Income Housing (up to 80% AMI)	\$210 million
Affordable Housing Preservation (30% to 120% AMI) & Middle-Income Housing (80%-175% AMI, up to 200% AMI for teacher households)	<u>\$50 million</u> \$30 million (est.) \$20 million (est.)
Senior Housing (up to 80% AMI)	\$90 million
TOTAL	\$500 million

Recommended Allocation Change Summary

Program Categories	Original	Recommendation
Public Housing	\$150 million	\$150 million
Low-Income Housing	\$210 million	\$220 million
Affordable Housing Preservation	\$30 million (est.)	\$30 million (est.)
Middle-Income	\$20 million (est.)	\$30 million (est.)
Senior Housing	\$90 million	\$150 million
Educator Housing	--	\$20 million
TOTAL	\$500 million	\$600 million

392

Recommended Allocation Priorities

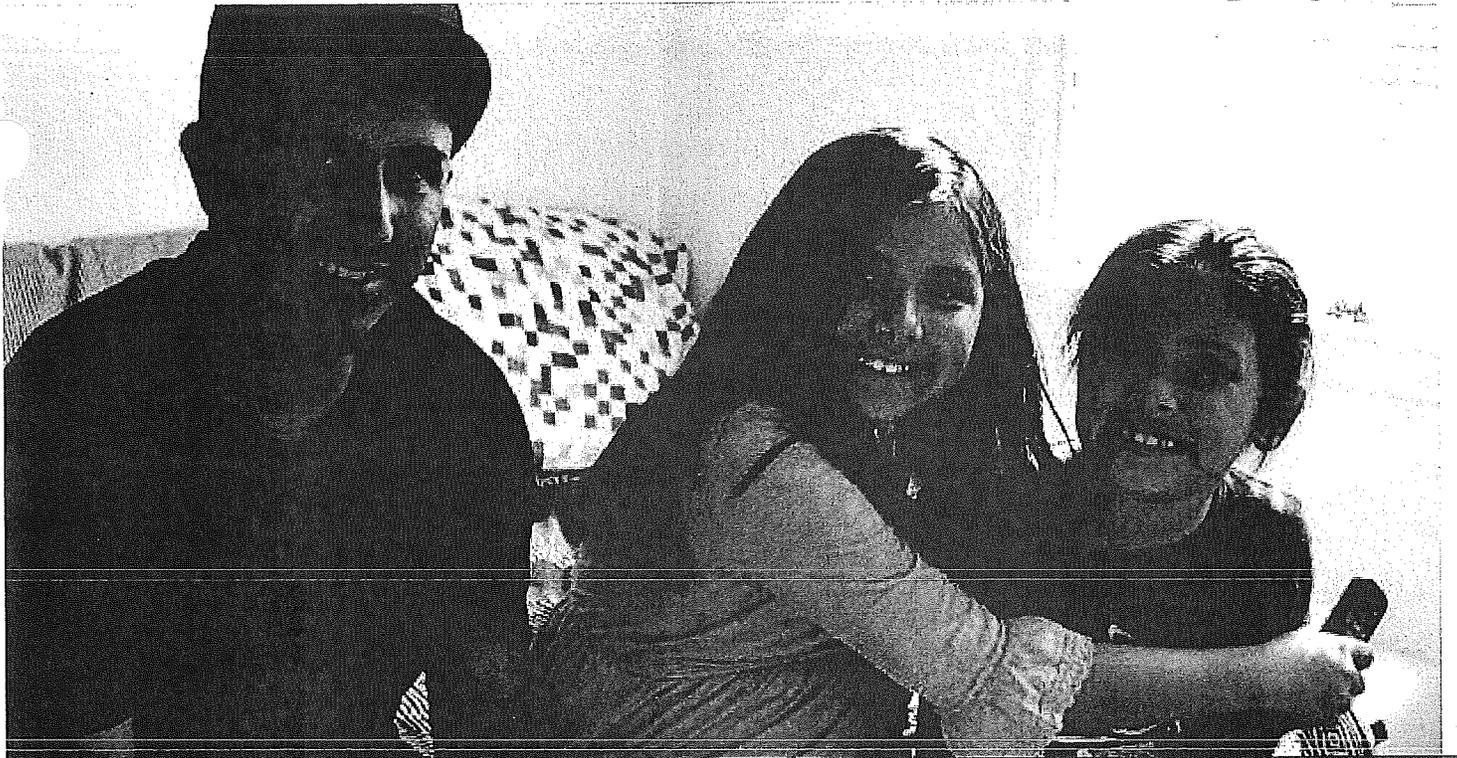
Program Categories	Value	Allocation Priorities
Low-Income Housing	\$230M	<ul style="list-style-type: none"> - \$10M PSH predevelopment - \$5M PSH scattered sites - \$15M low production, or low production + high displacement neighborhoods
Senior Housing	\$150M	<ul style="list-style-type: none"> - \$15M low production, or low production + high displacement neighborhoods
Educator Housing	\$20M	<ul style="list-style-type: none"> - New construction for SFUSD and CCSF educators and staff earning between 30-140% AMI

363

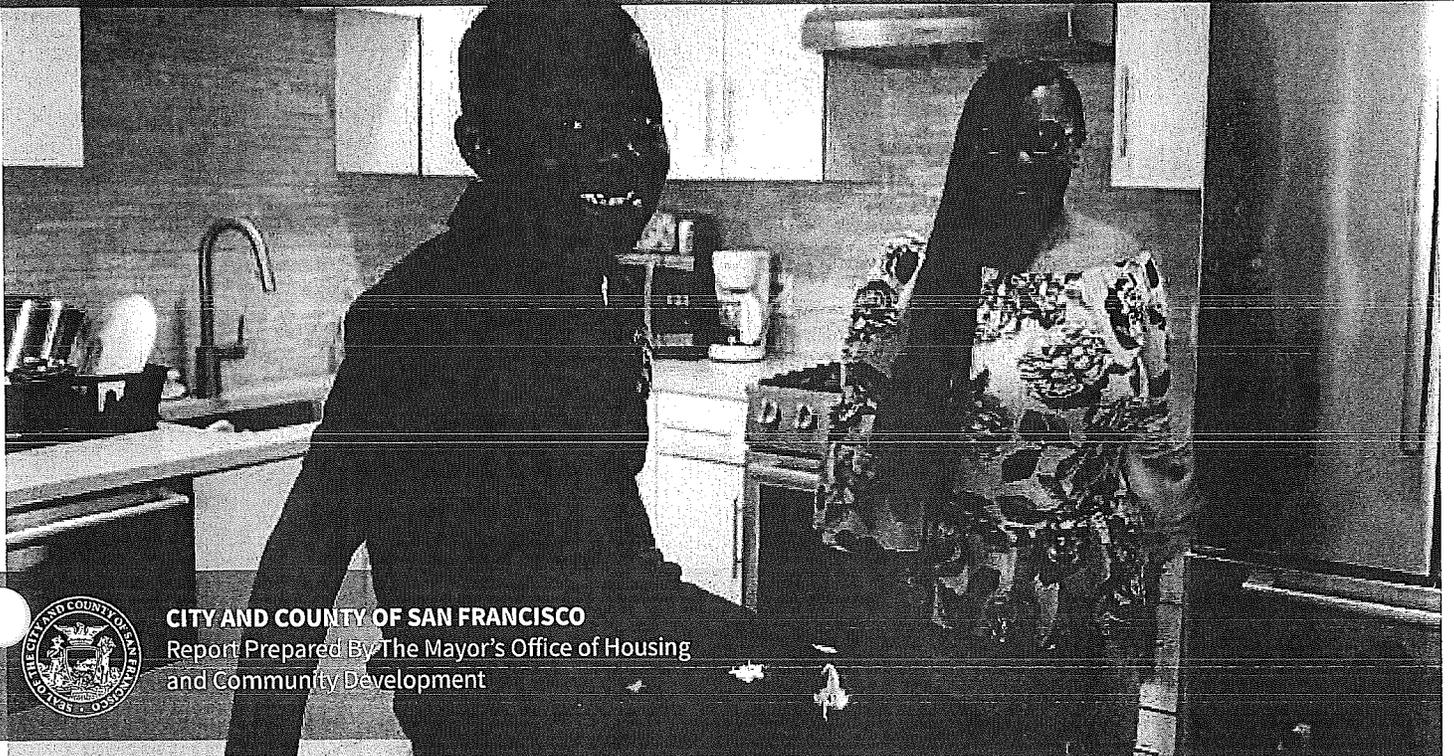


Additional Recommended Revisions – For Inclusion in the Bond Report

- If the Educator Housing category funds are unused after 4 years from the date of the election certification, the remaining funds will be reallocated: 50% to eligible low-income uses and 50% to Educator DALP and TND
- If funds allocated to achieve Geographic Balance in the Low-Income and Senior Housing categories are unused after 4 years from the date of the election certification, the funds will become available for any other eligible use in their respective categories
- Funds not otherwise geographically restricted should prioritize high displacement neighborhoods
- Senior housing project selection priorities should include LGBTQ-welcoming programs



2019 General Obligation ● Affordable Housing Bond Report



CITY AND COUNTY OF SAN FRANCISCO
Report Prepared By The Mayor's Office of Housing
and Community Development



**San Francisco Mayor's Office of Housing
and Community Development**

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Key Housing Terms

Affordable Housing: Refers to housing with a rent or cost of ownership equal to 30% or less of the household's income and/or housing that is funded by the government, rented or sold at prices that are below the local market rate, and restricted to qualifying households with limited incomes

AMI: Area median income; for 2018 100% of AMI for an individual is \$82,900, and for a family of four it is \$118,400

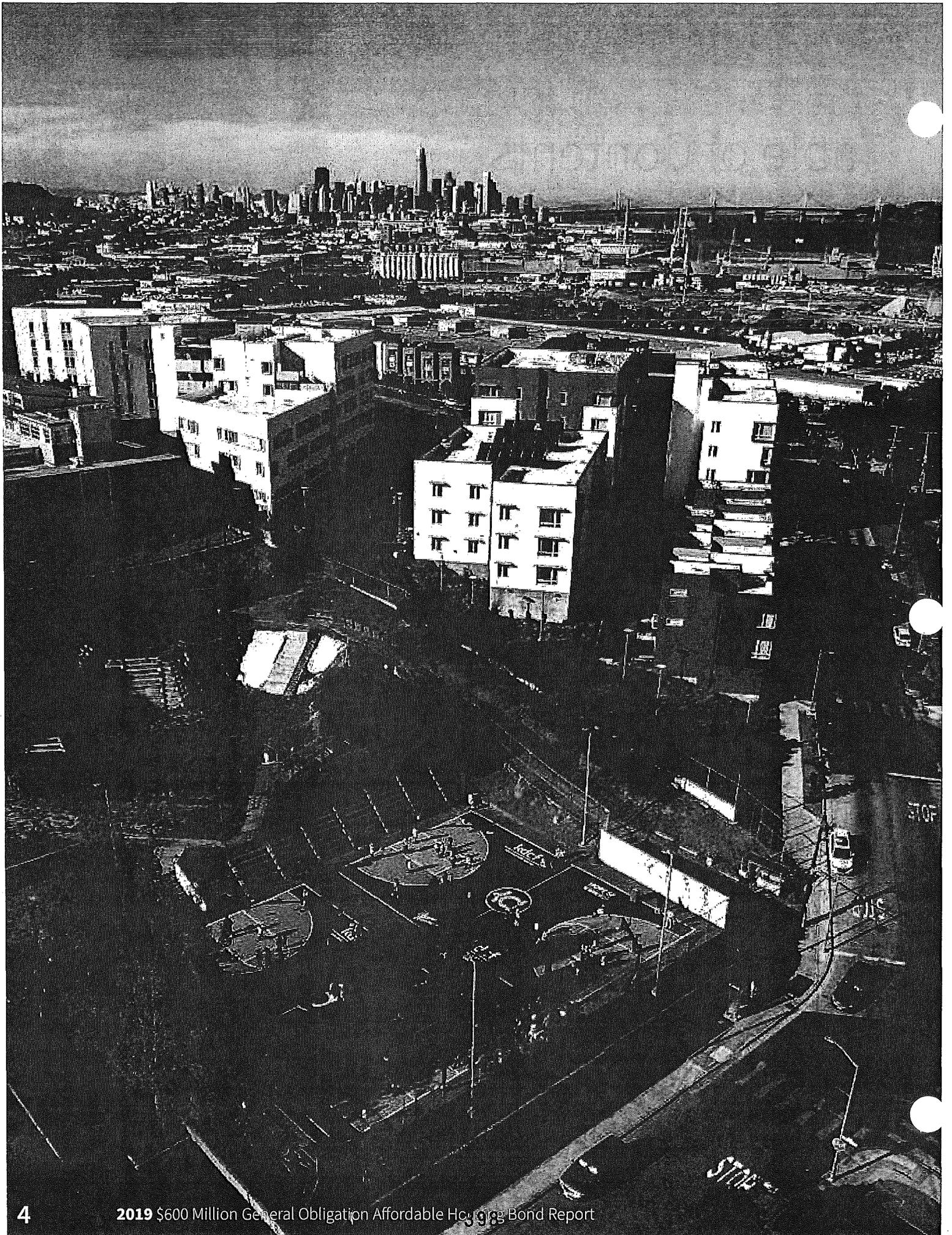
ELI: Extremely Low-Income; households earning 30% AMI or less

Low-Income: Households earning between 30% and 80% AMI

Middle-Income: Households earning between 80% and 200% AMI

Market-Rate Housing: No income limit restriction

Public Housing: Federally subsidized Low-Income housing restricted to households with incomes of up to 80% AMI



Executive Summary

The City and County of San Francisco is proposing a \$600 million General Obligation Affordable Housing Bond to address critical housing needs, protect residents, and stabilize communities. With this investment, the City can:

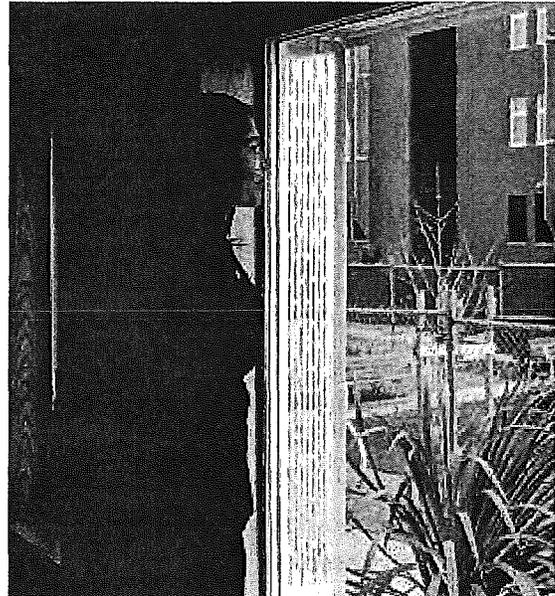
- Create new affordable homes, especially for our growing senior population
- Accelerate the rebuilding of distressed public housing sites for some of the City’s most vulnerable residents
- Preserve affordability in existing housing at risk of market-rate conversion or loss due to physical disrepair
- Protect San Franciscans living in apartments at risk of displacement, including those covered by rent-control
- Expand rental and homeownership opportunities for the City’s middle-income residents and workforce, including educators, first responders, non-profit workers, and service industry employees
- Set a goal for \$200M of the Bond’s funds to serve extremely Low-Income households (30% AMI or less)

The estimated funding program for the bond is as follows:

Program Categories	2019 GO Bond Funding
Public Housing	\$150 Million
Low-Income Housing (up to 80% AMI)	\$220 Million
Affordable Housing Preservation (30% to 120% AMI) & Middle-Income Housing (80% AMI to 175% AMI for first-time homebuyers and 80% to 200% AMI for Teacher Next Door Educators)	\$60 Million: \$30 Million (est.) - preservation \$30 Million (est.) - middle-income
Senior Housing (up to 80% AMI)	\$150 Million
Educator Housing (30% to 140% AMI)	\$20 Million
TOTAL	\$600 Million

Background

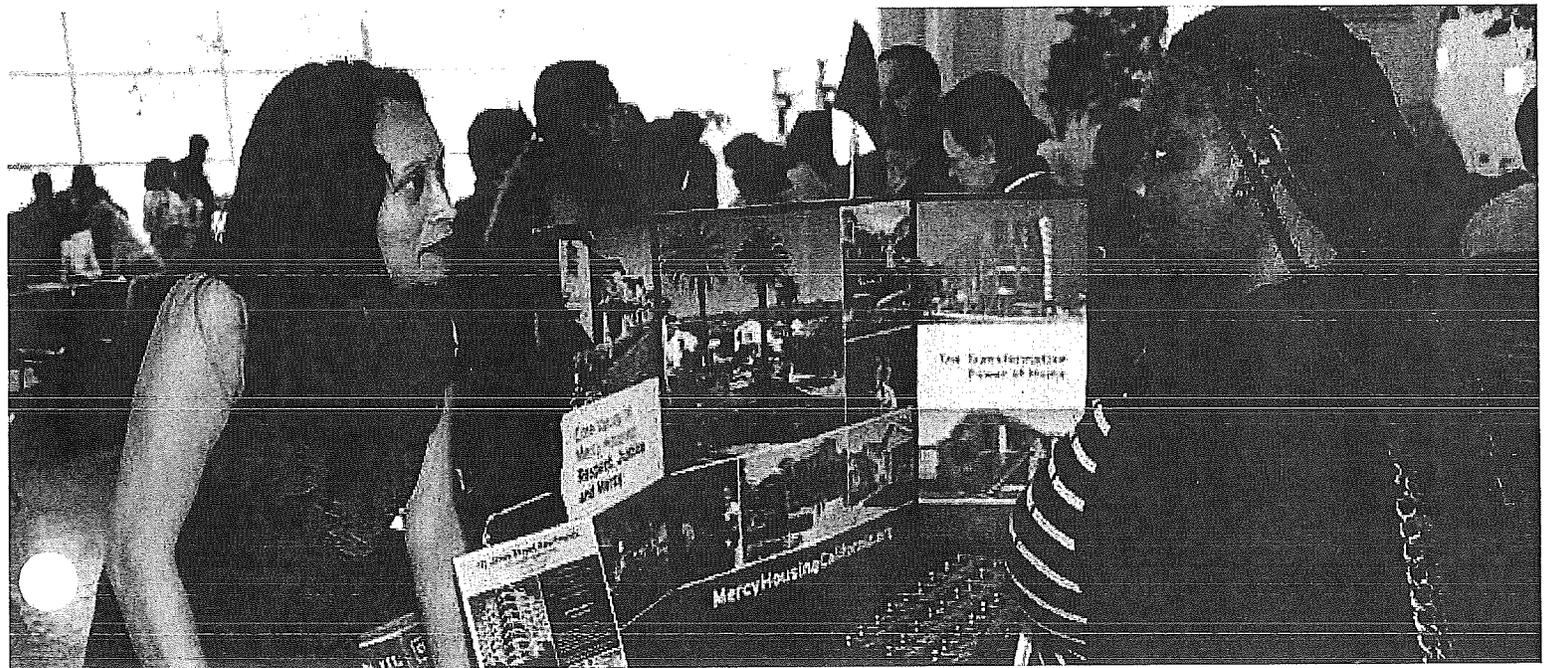
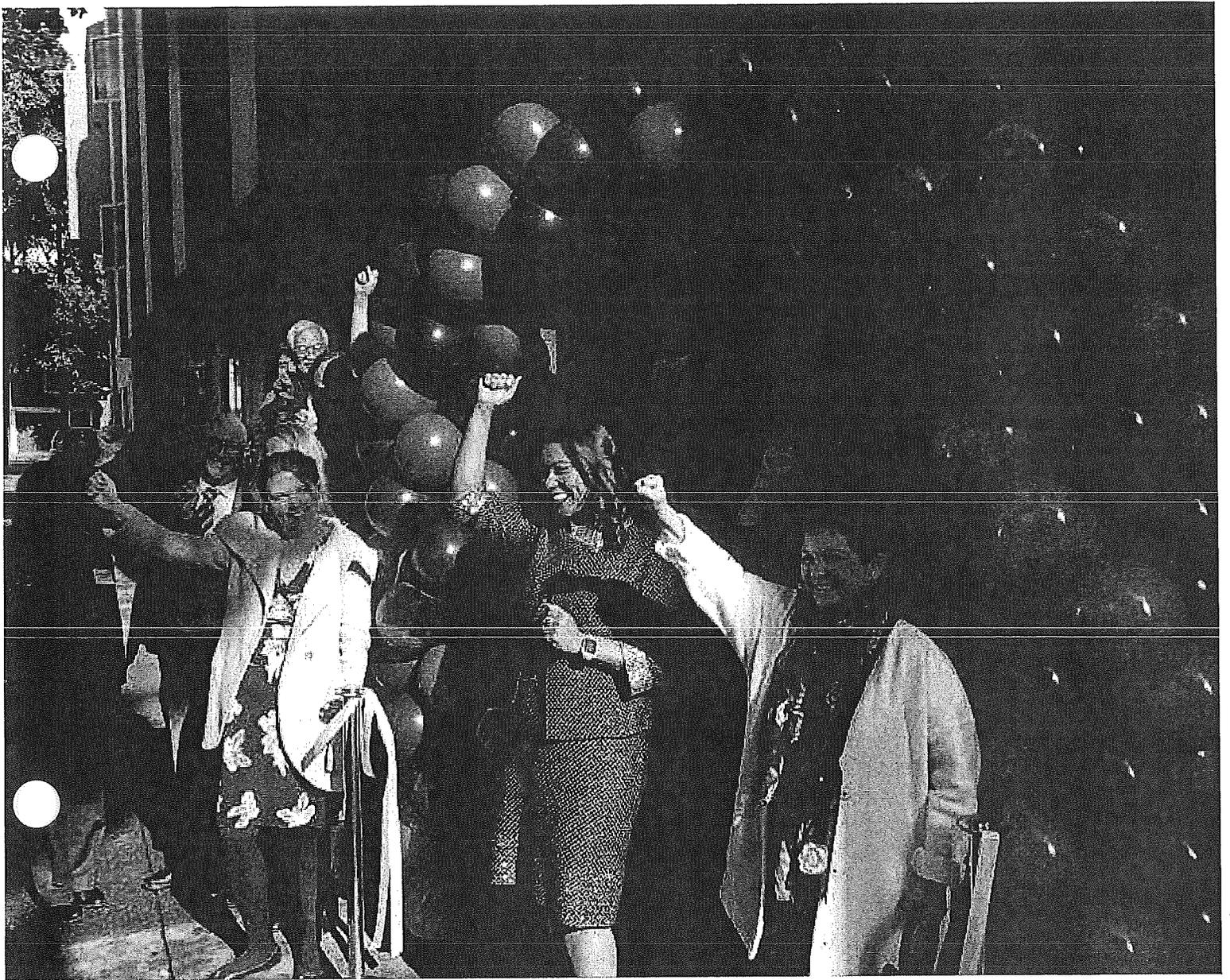
Since 2012, City leaders and voters have repeatedly demonstrated their support for policies and investments that address the housing needs of San Francisco’s workforce and vulnerable residents. In 2012, voters approved the creation of the Housing Trust Fund. In 2015, 74% of voters approved Proposition A, a \$310 million general obligation affordable housing bond. Then in 2016, voters passed Proposition C to repurpose \$260 million in unused bond capacity to fund the Preservation and Seismic Safety (PASS) program to acquire, rehab, and convert at-risk buildings to permanent affordable housing. In 2018, over 60% of voters said yes to Proposition C, which created a gross receipts tax on high-earning corporations for the purpose of providing homelessness prevention measures, shelters, and permanent exits from homelessness.



Mayor London Breed has moved swiftly to expand and enhance these important efforts. With the partnership of Board of Supervisors President Norman Yee, they launched the 2019 Housing Bond proposal by convening a working group of over 100 affordable housing developers, neighborhood leaders, construction and finance experts, property owners, elected officials, tenant advocates, and business and philanthropic professionals to help define and prioritize the 2019 Affordable Housing Bond uses described in this report.

The 2019 Affordable Housing Bond builds upon the goals and successes of the 2015 Housing Bond. That earlier measure, which provided \$310 million for low- and middle-income housing, public housing, and affordable housing built specifically in the Mission neighborhood, will be fully disbursed by July 2019 and produce or preserve over 1,600 affordable homes. The specific program breakdown and accomplishments of the 2015 Housing Bond follow below (dollar values in millions):

2015 General Obligation Housing Bond Program	Total Bond Funding	New or Preserved Affordable Housing Opportunities Created
Public Housing	\$80 Million	517
Low-Income Housing	\$100 Million	548
Affordable Housing in the Mission	\$50 Million	273
Middle-Income Housing	\$80 Million	275
TOTAL	\$310 Million	1,613



2019 Housing Bond:

Need For The Investment

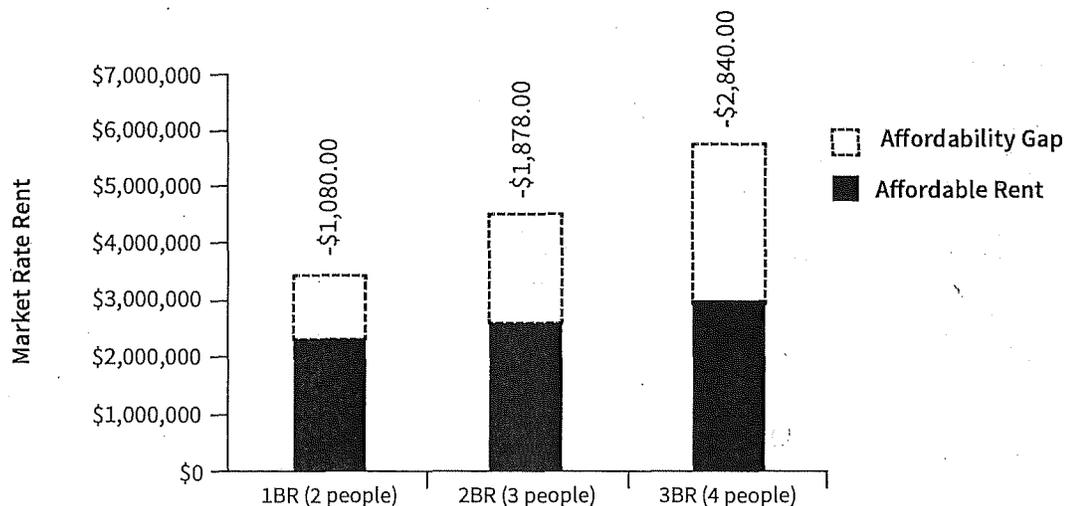
Since 2011, market-rate rental costs and homeownership prices have far outpaced income increases for most working households. This “Affordability Gap” leaves families and individuals vulnerable to displacement and homelessness. Though there has been significant affordable housing production and preservation in the last five years, a critical need for more affordable housing continues. High costs and low supply bring personal hardship, accelerate displacement, undermine balanced economic growth, and cause environmental damage as workers endure longer daily work commutes.

Sizing the Affordability Gap

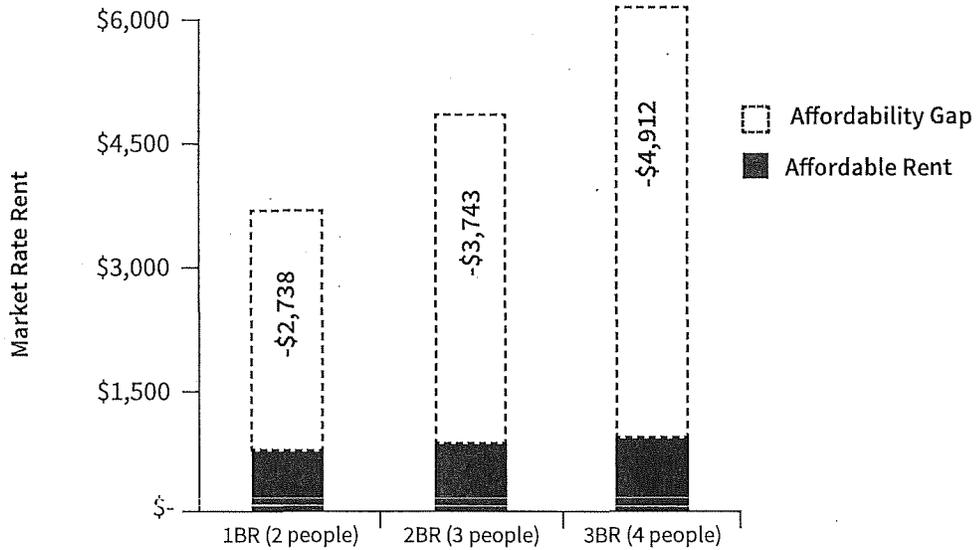
The Affordability Gap is the difference between what housing costs and what households of various sizes can afford to pay. It is pegged to income level using the percentage of San Francisco’s Area Median Income (AMI) and household size.

San Francisco has among the highest AMI in the nation, but for many it is still not enough to afford a market-rate apartment. For example, in 2018 the AMI was \$94,700 for a two-person household, which translates to an affordable rent of approximately \$2,368 for a one-bedroom apartment. Average one-bedroom market-rate apartments rent for \$3,450, leaving a gap of approximately \$1,080 more than is affordable. Larger households face an even greater Affordability Gap, and for those earning less than 100% AMI a market-rate apartment can be completely out of reach. For a household of four earning 30% of AMI, the monthly shortfall is nearly \$5,000.

Market Rate Rent vs. Affordability Gap
(100% AMI Households)

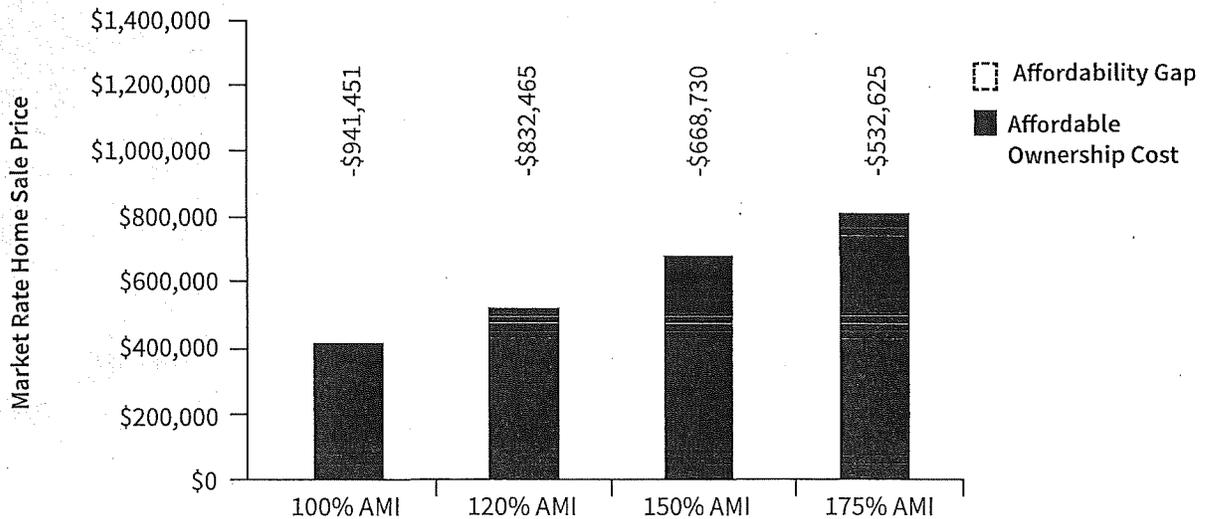


Market Rate Rent vs. Affordability Gap (30% AMI Households)



Homeownership is likewise out of reach for many. A household earning 100% AMI faces a nearly one million dollar homeownership gap. Even a household earning 175% AMI can only afford two-thirds of what it takes to become a homeowner.

Homeownership Gap

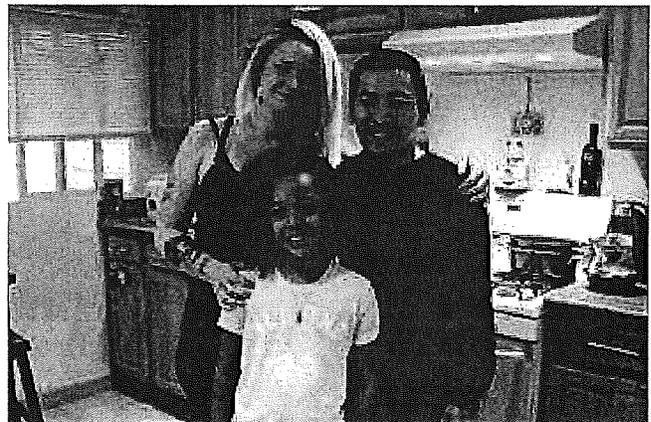
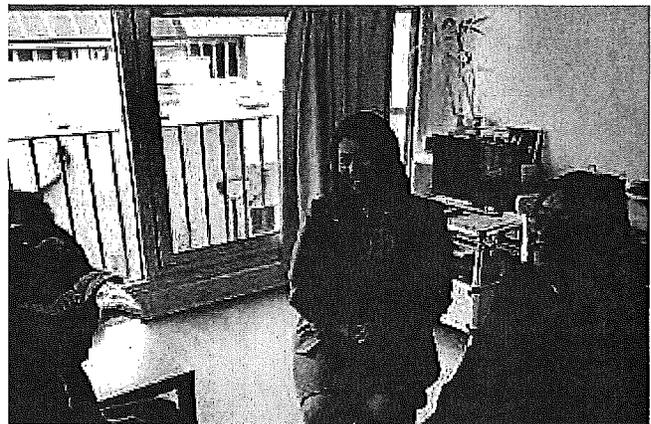
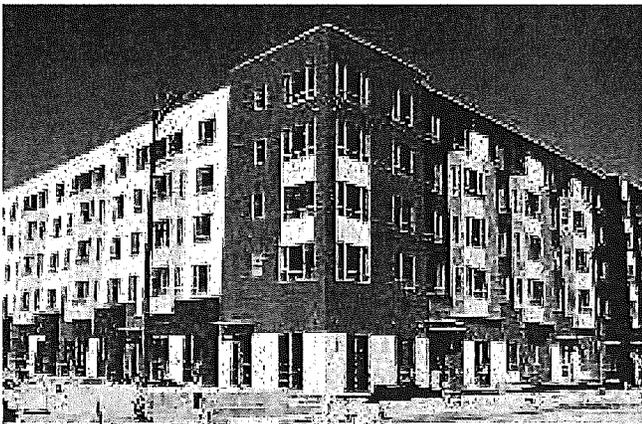


2019 Affordable Housing Bond Program Elements

To address the immediate and serious need for more affordable housing in San Francisco, the 2019 Affordable Housing Bond proposes five categories of investments, each of which supports people earning a range of incomes:

- Public housing
- Low-Income housing
- Affordable housing preservation & Middle-Income housing
- Senior housing
- Educator housing

For all investment categories, State Constitutional requirements regarding eligible uses of general obligation bond funding apply. For each investment, specific eligible uses will be prioritized with the overall goal of protecting our City's most vulnerable residents; stabilizing communities, especially neighborhoods in which there has been limited affordable housing production; enhancing the City's economic health; and planning for a future San Francisco that maintains its diversity and vibrancy.



1. Public Housing: \$150 Million

Eligible Uses: The repair and rebuilding of distressed public housing and its underlying infrastructure.

Who is Served?

- Existing public housing residents, including families, seniors, and people with disabilities
- New generations of residents earning 0-80% AMI
- Low-Income families living in new units added to public housing sites
- Communities and neighborhoods in which the developments are located

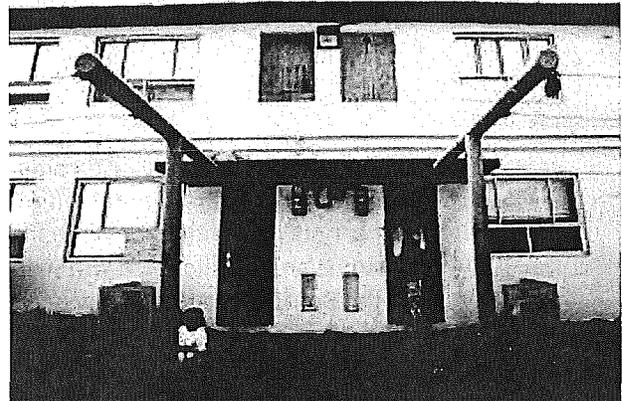
San Francisco has made tremendous progress towards fulfilling its commitment to renovate or rebuild all of the City's public housing. In 2013, the City, the San Francisco Housing Authority (SFHA), the U.S. Department of Housing and Urban Development (HUD), and San Francisco's affordable housing development community came together to convert 3,500 underfunded and dilapidated public housing apartments to nonprofit ownership. This conversion allowed the development teams to bring almost \$800 million in rehab investments to the buildings, thereby preserving this critical affordable housing and improving residents' daily lives.

The City also launched a nationally-acclaimed public housing rebuilding effort known as HOPE SF. Commencing in 2008, two of the four developments identified for HOPE SF investments are largely complete, and the transformation is profound. Two additional HOPE SF sites, Sunnyside and Potrero, are underway, and the Bond will help keep construction moving forward without delay. SFHA has other, smaller developments that are also converting to private ownership with a substantial rehabilitation goal. The Bond will help ensure that the habitability concerns of all remaining public housing residents can be addressed.

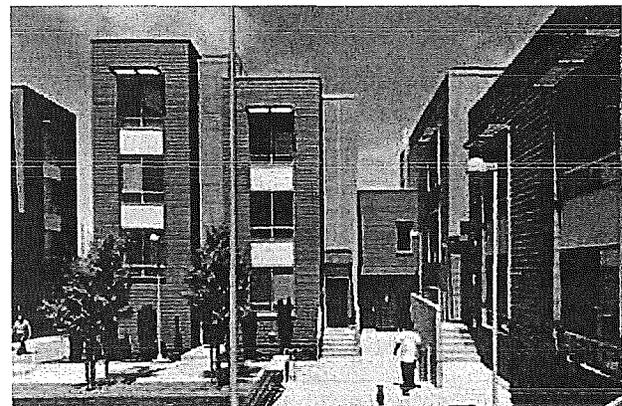
While SFHA has encountered financial issues, the City is committed to ensuring its public housing investment is efficiently managed and is providing full oversight and responsibility for SFHA's essential functions.

Priorities: Projects that address the following goals and needs will be prioritized:

- Urgent capital needs to address life safety risks, including:
 - Elevator repair
 - Mold remediation
 - Lead paint abatement
 - Plumbing repair
- Additional creation of net new homes
- Acceleration of long construction timelines
- Reduction of adverse community impacts caused by long construction timelines



Hunters View public housing before HOPE SF transformation



Hunters View public housing after HOPE SF transformation

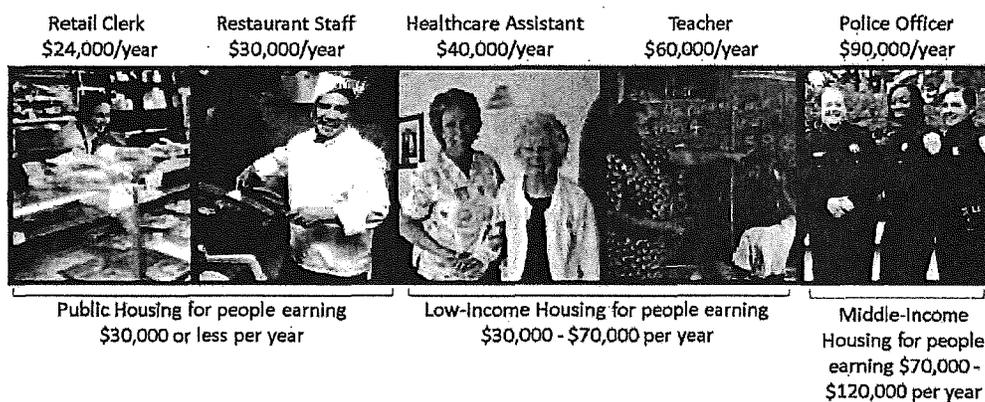
2. Low-Income Housing: \$220 Million

Eligible Uses: The construction, acquisition, and rehabilitation of permanently affordable rental housing serving individuals and families earning from 0% to 80% AMI.

Who is Served? Low-Income housing protects vulnerable populations, such as

- Working families
- Veterans
- Seniors
- People with disabilities
- Transitional aged youth
- People experiencing homelessness

Low-Income housing also serves vital members of the City's workforce in jobs with traditionally low pay scales, such as school district employees, nonprofit workers, health care attendants, and hotel, restaurant, and retail employees.



Priorities:

- At least \$15 Million dedicated for site acquisition and pre-development of new housing projects either in neighborhoods which experience limited affordable housing production; or in neighborhoods facing both limited affordable housing production as well as a high number of housing units removed from protected status. If these funds are not allocated within four years from the date the Department of Elections certifies the passage of the Bond, these funds may be used for other eligible uses in the “Low-Income Housing” category. For the purposes of this Bond Report, an allocation shall have occurred when the Board of Supervisors passes legislation authorizing the issuance of bonds, the proceeds of which have been identified by the Controller’s Office of Public Finance in its report to the Board as allocated to this specific priority
- Shovel-ready projects able to start construction within 4 years
- Pre-development funding to jump-start new construction with \$10 Million reserved for permanent supportive housing development
- \$5 Million dedicated to the acquisition of units to create permanent supportive housing through scattered-site, communal housing for people with chronic mental illness and/or substance use disorders
- Proximity to public transit
- Projects able to leverage City funds with the most additional resources, including state and federal funding and public land
- Projects located in neighborhoods with limited affordable housing production
- Projects within neighborhoods with the greatest loss of existing protected housing

3. Affordable Housing Preservation (\$30M est.) & Middle-Income Housing (\$30M est.): \$60 Million

A. Affordable Housing Preservation Eligible Uses: The acquisition and/or rehabilitation of rental housing at risk of losing affordability, whether through market forces or a building's physical decline.

Who is Served? Low to middle-income households earning between approximately 30% and 120% of AMI, such as:

- Current residents living in housing at-risk of losing affordability (e.g. unlawful evictions and physical disrepair)
- Future generations of tenants

Priorities:

Acquisitions and/or rehabilitation

- To create or enhance permanent affordability
- For buildings at imminent risk of conversion to market-rate rents
- In neighborhoods with limited affordable housing production
- In neighborhoods with high documented eviction rates

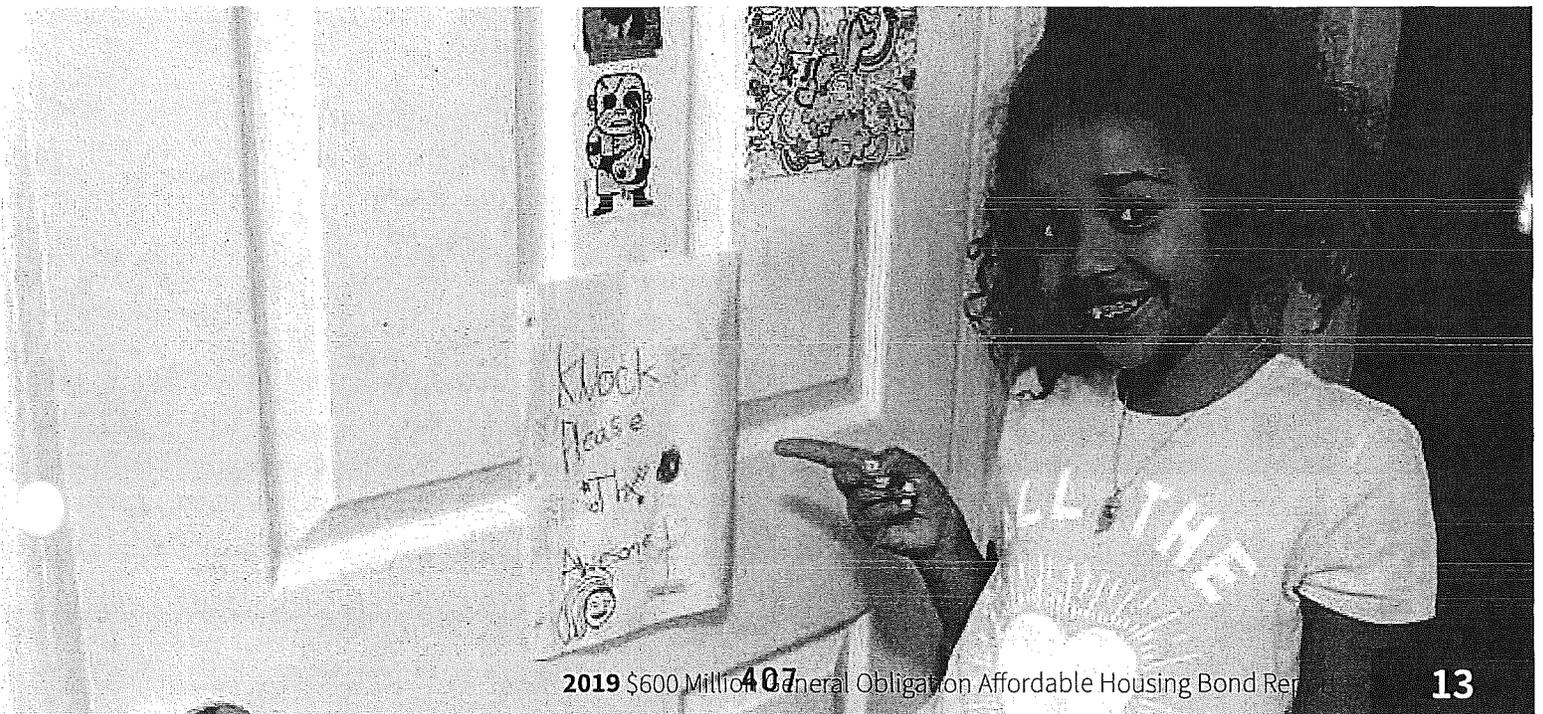
B. Middle-Income Eligible Uses: The creation of new affordable housing opportunities through down payment assistance loans and the purchase of buildings or land for new affordable construction.

Who is Served?

- Households earning between 80% and 175% of AMI
- Teacher Next Door-eligible educators earning up to 200% of AMI

Priorities:

- Households eligible for the Down Payment Assistance Loans (DALP)
- SFUSD educators eligible for Teacher Next Door Down Payment Assistance Loans (TND)



4. Senior Housing: \$150 Million

Eligible Uses: The creation of new affordable senior housing rental opportunities, through new construction and acquisition.

Who is Served? Seniors on fixed incomes earning from 0% AMI to 80% AMI, who are especially vulnerable in San Francisco's inflated housing market. Senior housing currently makes up only 12% of the City's pipeline for affordable housing, but 24% of residents are seniors living under the poverty line.

Priorities:

- At least \$15 Million dedicated for site acquisition and pre-development of projects either in neighborhoods with limited affordable housing production; or in neighborhoods facing both limited affordable housing production as well as a high number of housing units removed from protected status. If these funds are not allocated within four years of the date the Department of Elections certifies the passage of the Bond, they may be used for other eligible uses in the "Senior Housing" category. For the purposes of this Bond report, an allocation shall have occurred when the Board of Supervisors passes legislation authorizing the issuance of bonds, the proceeds of which have been identified by the Controller's Office of Public Finance in its report to the Board as allocated to this specific priority
- New construction
- Projects able to leverage the most additional resources, including state and federal funding, public land, and especially ongoing rental subsidies for Extremely Low-Income seniors
- Developments located in neighborhoods with limited affordable senior housing production
- LGBTQ (Lesbian, Gay, Bisexual, Transgender, Queer)- welcoming senior projects
- Proximity to public transit



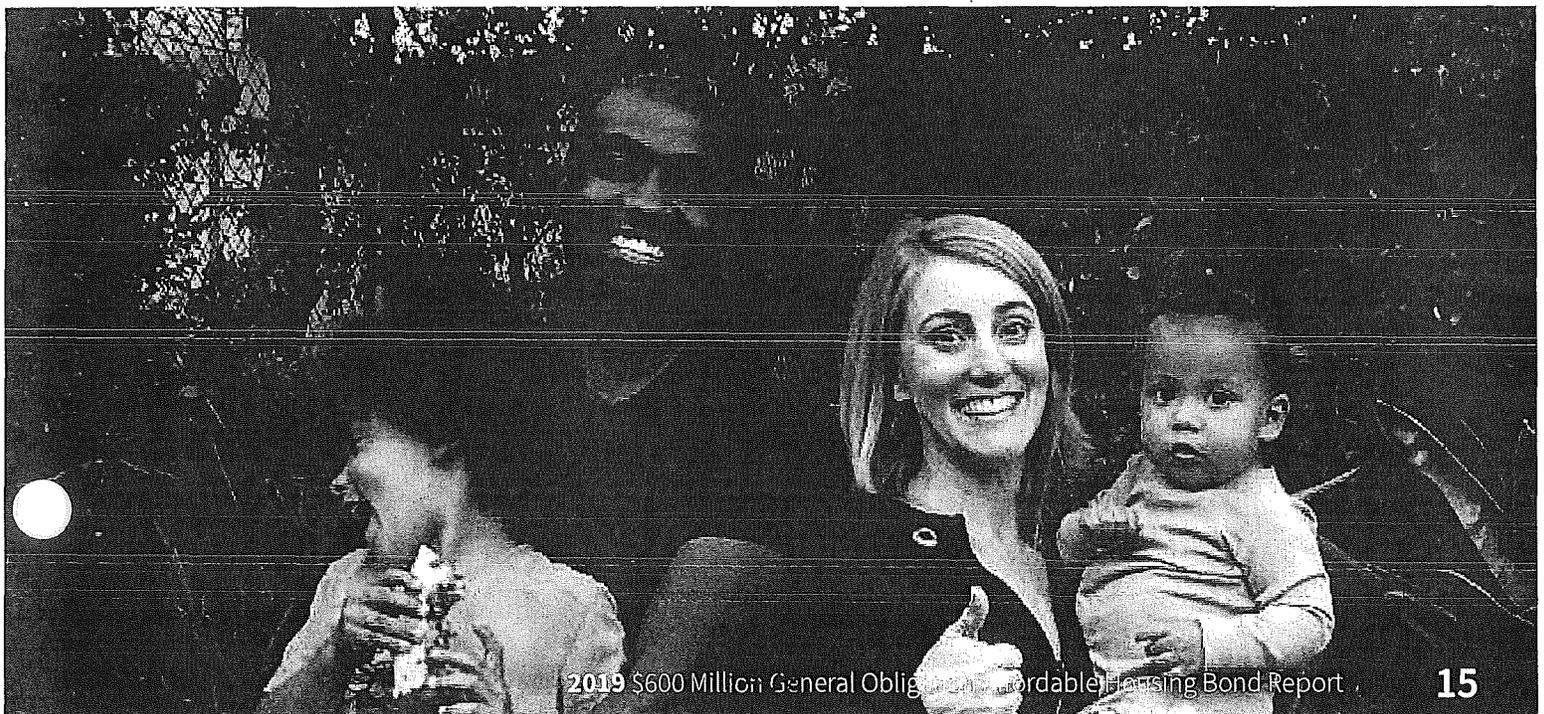
5. Educator Housing: \$20 Million

Eligible Uses: Pre-development and construction of permanently affordable rental housing serving San Francisco Unified School District and City College of San Francisco educators and employees earning between 30% and 140% of AMI.

Who is Served? Low-income San Francisco Unified School District and City College of San Francisco Educators and employees and their families, as well as middle-income San Francisco Unified School District and City College of San Francisco Educators and employees and their families.

Priorities:

- Shovel ready projects able to start construction within 4 years
- Projects able to leverage City funds with the most additional resources, including state and federal funding and public land
- Proximity to public transit
- Units located in an Educator Housing Development (projects that serve San Francisco Unified School District and City College of San Francisco educators and employees earning between 30% and 140% of AMI)
- If these funds are not allocated within four years of the date the Department of Elections certifies the passage of the bond, they may be re-allocated in the following manner:
 - 50% of any unallocated funds may be used to assist qualified San Francisco Unified School District and City College of San Francisco educators earning up to 200% of AMI with Down Payment Assistance Loans and Teacher Next Door Down Payment Assistance. For the purposes of this Bond report, an allocation shall have occurred when the Board of Supervisors passes legislation authorizing the issuance of bonds, the proceeds of which have been identified by the Controller's Office of Public Finance in its report to the Board as allocated to this specific priority.
 - 50% of any unallocated funds may be used for any other eligible use in the "Low-Income Housing" category. For the purposes of this Bond report, an allocation shall have occurred when the Board of Supervisors passes legislation authorizing the issuance of bonds, the proceeds of which have been identified by the Controller's Office of Public Finance in its report to the Board as allocated to this specific priority.



Program Summary

The table below summarizes the 2019 Affordable Housing Bond program and projected timeline for expenditures.

PROGRAM CATEGORY	VALUE	ELIGIBLE & PRIORITIZED USES	WHO IT SERVES	AFFORDABLE HOMES PRODUCED OR PRESERVED (est.)	TIMELINE
Public Housing	\$150 Million	Repair and rebuilding of distressed public housing developments and their underlying infrastructure	<ul style="list-style-type: none"> Existing public housing residents New generations of assisted residents, at 10%-80% AMI Low-Income families living in new units added 	965 <u>Projected:</u> 550 Rehab 415 Newly rebuilt + infrastructure	2020-2025
Low-Income Housing	\$220 Million	Construction, acquisition, and rehabilitation of affordable rental housing, focusing on shovel-ready projects and predevelopment for permanent supportive housing	<ul style="list-style-type: none"> Extremely low- and Low-Income households Chronically homeless households and other vulnerable populations (\$10M is reserved for supportive housing predevelopment) 	1,050 Assumes funding will primarily go to new construction. By leveraging outside funds, gap funding will be approximately \$210,000 per unit.	2020-2024
Affordable Housing Preservation	\$30 Million (est.)	Acquisitions and/or rehabilitation of existing buildings at risk of losing affordability, either to market-rate rents or through physical decline	<ul style="list-style-type: none"> Existing residents earning between approximately 30% and 120% AMI 	90 Assumes an acquisition/rehab cost of \$330,000 per unit.	2020-2025
Middle-Income Housing	\$30 Million (est.)	Housing opportunities for households earning between 80% and 200% AMI, focusing on DALP and TND	<ul style="list-style-type: none"> Households earning between 80% and 200% AMI First-time homebuyers earning between 80% and 175% AMI SFUSD educators up to 200% AMI 	90 Assumes an average down payment assistance loan of \$330,000.	2020-2021
Senior Housing	\$150 Million	New affordable senior rental opportunities	<ul style="list-style-type: none"> Seniors on fixed incomes at 30% AMI or lower Low-Income seniors up to 80% AMI 	500 Assumes a new construction gap funding need of \$300,000 per unit.	2020-2025
Educator Housing	\$20 Million	Pre-development and construction for permanent affordable rental housing serving San Francisco Unified School District and City College of San Francisco educators and employees earning between 30% and 140% of AMI	<ul style="list-style-type: none"> Low-Income San Francisco Unified School District and City College of San Francisco educators and employees and their families Middle-Income San Francisco Unified School District and City College of San Francisco educators and employees and their families 	60 Assumes a new construction gap funding need of \$330,000 per unit.	2020-2025
TOTALS	\$600 Million			2,755	

Accountability

The 2019 Affordable Housing Bond will include strict standards of accountability, fiscal responsibility, and transparency. In addition to California state bond accountability requirements, the Mayor's Office of Housing and Community Development (MOHCD), in collaboration with other relevant City departments, such as the Controller's Office and City Attorney's Office, will create a comprehensive public oversight and accountability process for the duration of the Bond program.

The following principles apply to all related programs funded through the 2019 Affordable Housing Bond:

Policy Compliance: The proposed bond funding levels complies with the City's policy to keep property taxes constrained at or below their 2006 level. The 2019 Affordable Housing Bond program is also consistent with the Housing Element of the San Francisco General Plan and with the eight priority policies set forth in Planning Code Section 101.1 of the Planning Code.

CGOBOC Audits: The City's Citizens' General Obligation Bond Oversight Committee (CGOBOC) is responsible for auditing the implementation of the 2019 Housing Bond per the Administrative Code (Section 5.30 to 5.36). This independent, nine member committee is appointed by the Mayor, the Board of Supervisors, the Controller, and the Civil Grand Jury. One-tenth of one percent (0.1%) of the bond funds would pay for the committee's audit and oversight functions. Should CGOBOC determine that any funds were not spent in accordance with the express will of the voters, they are empowered to deny subsequent issuances of bond funds.



Annual Public Review: The proposed bond funds are subject to the approval processes and rules described in the San Francisco Charter Administrative Code. The bond will be subject to annual public reviews before the Capital Planning Committee and Board of Supervisors.

Bond Accountability Reports: Per the Administrative Code (Section 2.70 to 2.74), 60 days prior to the issuance of any portion of the bond authority, MOHCD will submit a 2019 Affordable Housing Bond accountability report to the Clerk of the Board, the Controller, the Treasurer, the Director of Public Finance, and the Budget Analyst describing the current status and description of each project and whether it conforms to the express will of the voters.

Transparency: For project selections, MOHCD will issue and advertise transparent Requests for Proposals or Requests for Qualifications that clearly set forth selection criteria and rules, including objective means of prioritizing projects in conformance to the Affordable Housing Bond's express eligible and priority uses.

10-Year Capital Plan

Adopted through legislation by the Mayor and Board of Supervisors in 2005, the Capital Planning Committee was created to guide and prioritize capital needs citywide. The Capital Plan is developed by the committee and adopted annually by the Board of Supervisors prior to adoption of the City budget. The City invests significant General Fund dollars into the repair and rehabilitation of our capital assets every year. However, the City cannot rely on annual funds alone to address these critical infrastructure needs. Where annual funds are not adequate to pay the costs of major capital improvements, the Plan recommends using one of two sources of long-term debt financing:

- General Obligation (G.O.) bonds backed by property taxes upon approval by voters
- General Fund debt programs backed by the City's General Fund upon approval by the Board of Supervisors and the Mayor

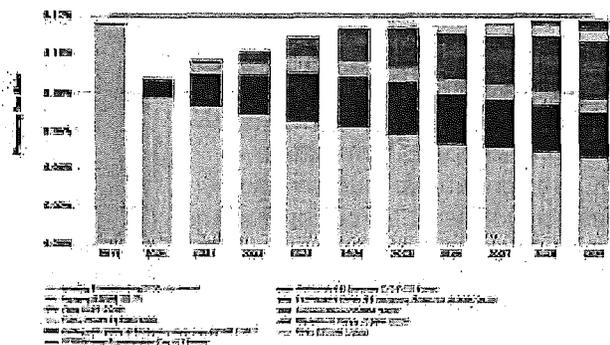
General Obligation bonds and General Fund debt programs are appropriate means of funding capital improvements as they spread the costs over their long, useful lives and across the generations of San Franciscans that will reap their benefits.

The Plan prioritizes critical capital projects to protect the public's safety and well-being; places a strong emphasis on accountability and transparency; and most importantly, demonstrates the highest levels of fiscal restraint and responsibility. Since its inception, the top priorities of the Capital Plan have been improvement of critical City infrastructure, including San Francisco's public health and safety, transportation, and parks and open space. As the City's unaffordability crisis has grown, affordable housing has entered the G.O. Bond Program, first in 2015. The most recent Capital Plan includes \$500 million for the 2019 Affordable Housing Bond.

The Capital Plan G.O. Bond Program chart below illustrates the relationship between the G.O. Bond Program and the local tax rate, including existing and outstanding issuance and voted-approved bonds. This view shows the City's policy constraint that G.O. Bonds will not increase the property tax rate above 2006 levels.

For more information on the City's capital plan, please visit www.onesanfrancisco.org

Capital Plan G.O. Bond Program (Certified AV 8-1-18) 2019-2029





Project Schedule

- | | |
|--------------------------|--|
| May 6, 2019: | Presentation of the 2019 Affordable Housing Bond to the Capital Planning Committee |
| May 7, 2019: | Introduction to the Board of Supervisors |
| November 5, 2019: | Election Day |
| January 2020: | Project Implementation Begins |



Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
4/4/2019 05:08pm
AS
Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Supervisor Yee

Subject:

Hearing on the Proposed 2019 General Obligation Housing Bond Report

The text is listed:

Hearing on the proposed 2019 General Obligation Housing Bond Report prepared by the Mayor's Office of Housing and Community Development.

Signature of Sponsoring Supervisor: [Signature]

For Clerk's Use Only

