



# SAN FRANCISCO BOARD OF SUPERVISORS BUDGET & FINANCE COMMITTEE

## Housing Budget Preview

CITY AND COUNTY OF  
**SAN FRANCISCO**

MAYOR LONDON N. BREED

JUNE 24, 2020

# MOHCD's Mission



MAYOR'S OFFICE OF  
HOUSING & COMMUNITY DEVELOPMENT

## Who We Are

We support San Franciscans with affordable housing opportunities and essential services to build strong communities.

## What We Do

CREATE	PRESERVE	PROTECT	EMPOWER
<b>100% Affordable Housing</b> Multifamily	<b>Former Public Housing</b> Rental Assistance Demonstration	<b>Vulnerable Residents</b> Eviction Prevention Legal Services Job Readiness Financial Education Service Connection Supportive + Transitional Housing	<b>Communities + Neighborhoods</b> Cultural Districts Capacity Building Facility Improvement Leadership Development
<b>Mixed Income Housing</b> Inclusionary	<b>Vulnerable Properties</b> Small Sites Program Preservation + Seismic Safety		<b>People Seeking Housing</b> DAHLLIA SF Housing Portal Lottery Preferences Counseling Subsidies
<b>Transformed Communities</b> HOPE SF	<b>Existing Affordable Homes</b> Monitoring + Compliance Rehabilitation		
<b>Affordable Home Ownership</b> Downpayment Assistance Loan Program			

## How We Do It

Compassion. Excellence. Commitment. Equity.



# MOHCD Operating Structure

## Divisions

**Administration and Finance**

**HBMR**

**Housing**

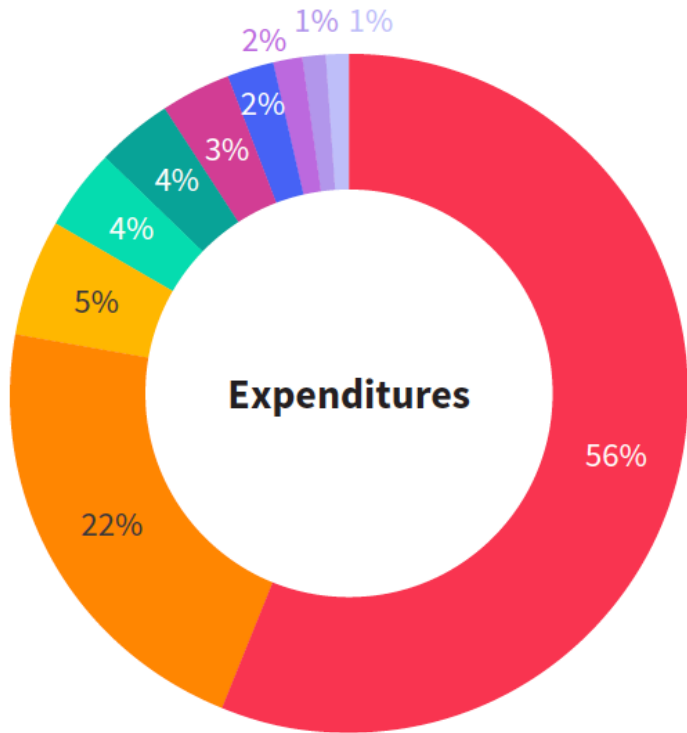
**Community Development**

TOTAL: 131.54 FTE in FY19-20, of which 17.83 FTE are temporary FTE placeholders for SFHA support

- Permanent Director appointed April 2020



# FY2018-19 Expenditures



Expenditure	\$ Amount
Multifamily Housing Grants & Loans	152,563,615
Grants to Nonprofit Organizations	59,149,920
Salaries & Fringe	14,777,744
Homeowner Loans	10,734,711
Purchase & Maintenance of Property	9,681,565
LOSP Program	9,152,898
Services of Other Departments	5,871,319
Debt Service & Issuance	4,168,450
Departmental Non-Personnel	2,878,721
Rental Assistance	2,420,505

**TOTAL** **\$271,399,447**



# Existing Affordable Housing

## ❖ Portfolio

- Multifamily: 377 developments with 23,551 affordable units
- Inclusionary: 1,583 rental units and 2,831 ownership units

## ❖ Housing Goals

- On track to produce and preserve 10,000 affordable units by 2020 - currently, at 9,694 affordable units
- Mayor Breed's production goal of 5,000 units annually

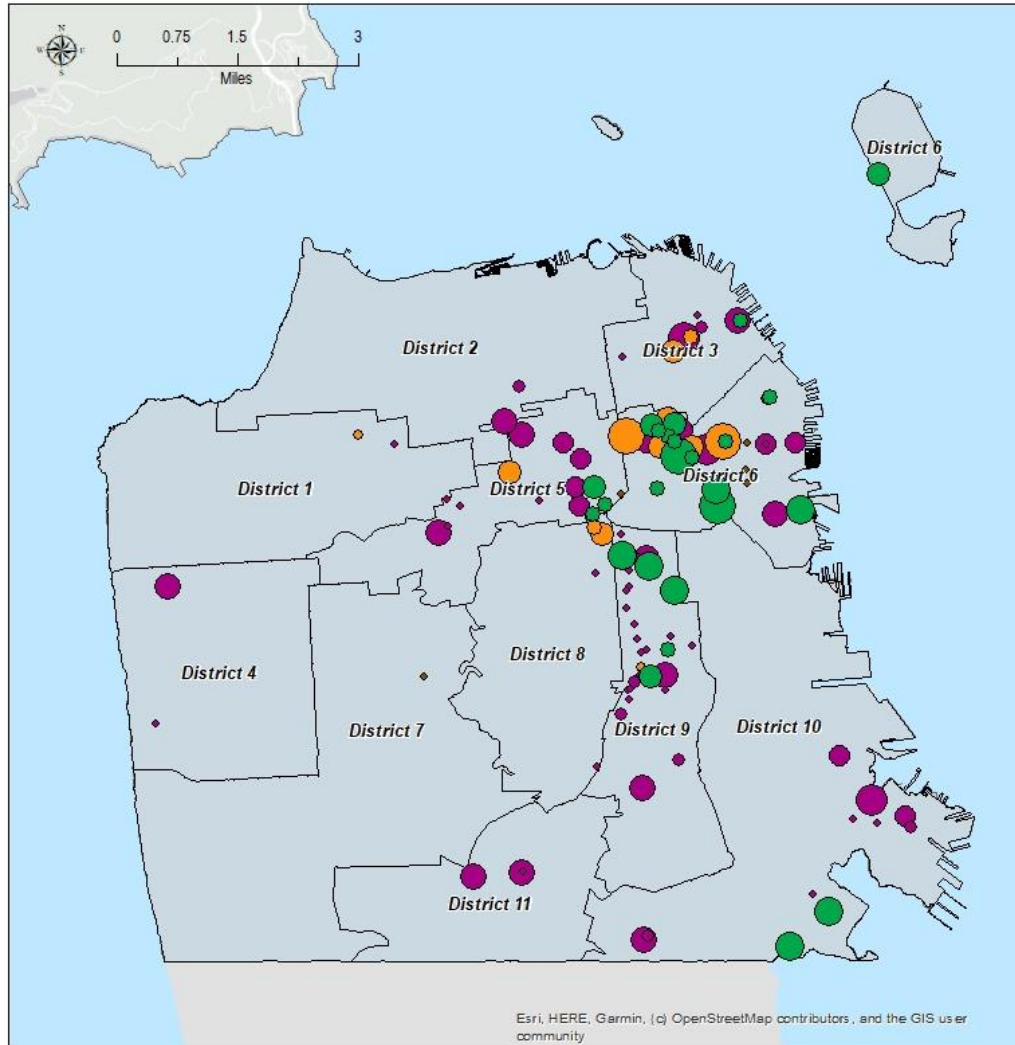
# Affordable Housing Pipeline

**Total: 133 projects with 11,725 units**

**Family Housing: 9,729 units**

**Senior Housing: 1,925 units**

**Supportive Housing: 1,806 units**

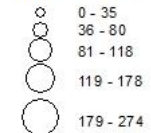


## Pipeline of Affordable Housing Developments

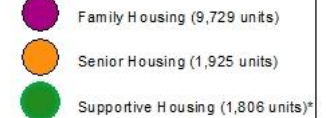
This map shows the entire MOHCD- and OCII-sponsored affordable housing development pipeline of 100% affordable and inclusionary units.

There are 11,725 total affordable units across 133 developments as of June 22, 2020.

### Number of Affordable Units



### Housing Type



\* Homeless Supportive Housing includes 71 units of TAY Housing.



2020 Mayor's Office of Housing and Community Development



# Access to Housing

## ❖ DAHLIA

- FY19-20 to date: 152,732 applicants entered 127 lotteries for 847 units
- FY 18-19: 129,111 applicants entered 89 lotteries for 586 units

## ❖ Coordinated housing counseling and flow of information

## ❖ Improved Data Collection and Systems

- Tracking the effects of federal, state and local eligibility requirements that are barriers to applicants
- Monitoring project lease up activities to ensure compliance and culturally appropriate interactions

## ❖ Neighborhood preference applied to State funded projects in addition to City sponsored projects

## ❖ Targeted marketing



# MOHCD Housing Programs

## ❖ Production

- 100% Affordable Housing
- BMR Inclusionary Program – rentals and ownership

## ❖ Preservation

- Acquisition Programs
- RAD and HOPE SF
- Sites with expiring affordability restrictions

## ❖ Homeownership

- BMR Inclusionary Housing Program
- Downpayment Assistance and Teacher Next Door





# Small and Large Sites Preservation

## ❖ Portfolio and Pipeline

- 40 buildings with 392 residential units, 30 commercial spaces preserved
- Pipeline includes 17 prospect sites with 315 residential units, 14 commercial spaces

## ❖ Small Sites Capacity Building Grants

- \$3.05 million to provide direct funding for non-profit staff and program innovations
- \$450,000 to fund West Side Initiatives

## ❖ Funding Sources

- Over \$35 million in PASS financing (since 2019)
- Over \$111 million in gap financing (since 2014)
  - ERAF, 2015 GO bond, Housing Trust Fund, Condo Conversion Fees, 10% of inclusionary and jobs-housing linkage fees, and geographic-specific sources (SOMA Stabilization, Eastern Neighborhoods, 50 1<sup>st</sup> Street)

## ❖ Partners

- BHNC, CCDC, MEDA, MHDC, PRC, SFHDC, SFCLT, SFHAF, TNDC, and YCD



# Public Housing Preservation

## ❖ **Developments**

- Alice Griffith completed 333 new affordable homes with 82% retention rate of former public housing residents
- Sunnydale Parcel Q completed 55 units with 41 right-to-return units
- Potrero Block B with 157 units scheduled to start construction in 2021
- Hunters View Phase III with 118 units scheduled to start construction in 2021

## ❖ **Right to Return Legislation**

- Implemented in January to give former public housing residents at HOPE SF sites the priority to return to a revitalized replacement unit after current HOPE SF residents have returned

## ❖ **San Francisco Housing Authority**

- Began transition to MOHCD and Controller's Office leadership of essential functions, third party property management, and conversion of public housing units to project-based Section 8



# MOHCD Production NOFA and RFQ

## ❖ 2019 Affordable Multifamily Rental Housing

- \$15M for acquisition/predevelopment for senior housing in underserved districts
- \$15M for acquisition/predevelopment for low and moderate-income housing in underserved districts

## ❖ Laguna Honda Hospital Campus RFQ

- Developer selection for affordable independent senior housing and master planning of campus



# Site Selection and Funding

## ❖ **How sites come into MOHCD's pipeline**

- Notice of Funding Availability
- Direct acquisition
- Land dedication / development agreements
- Surplus sites

## ❖ **How projects are advanced in the pipeline**

- Potential projects are assessed for feasibility
- Generally, projects receive funding in order of being added to pipeline and availability of leveraged resources
- MOHCD loan is programmed based on availability of funds and statutory restrictions tied to the sources

## ❖ **Funding decision approvals**

- Selection panel for NOFA
- Loan committee made up of MOHCD, OCII, HSH and Controller's Office reviews loans and makes recommendations
- Board of Supervisors approves real estate transactions and contracts over \$10MM



# Production Highlights

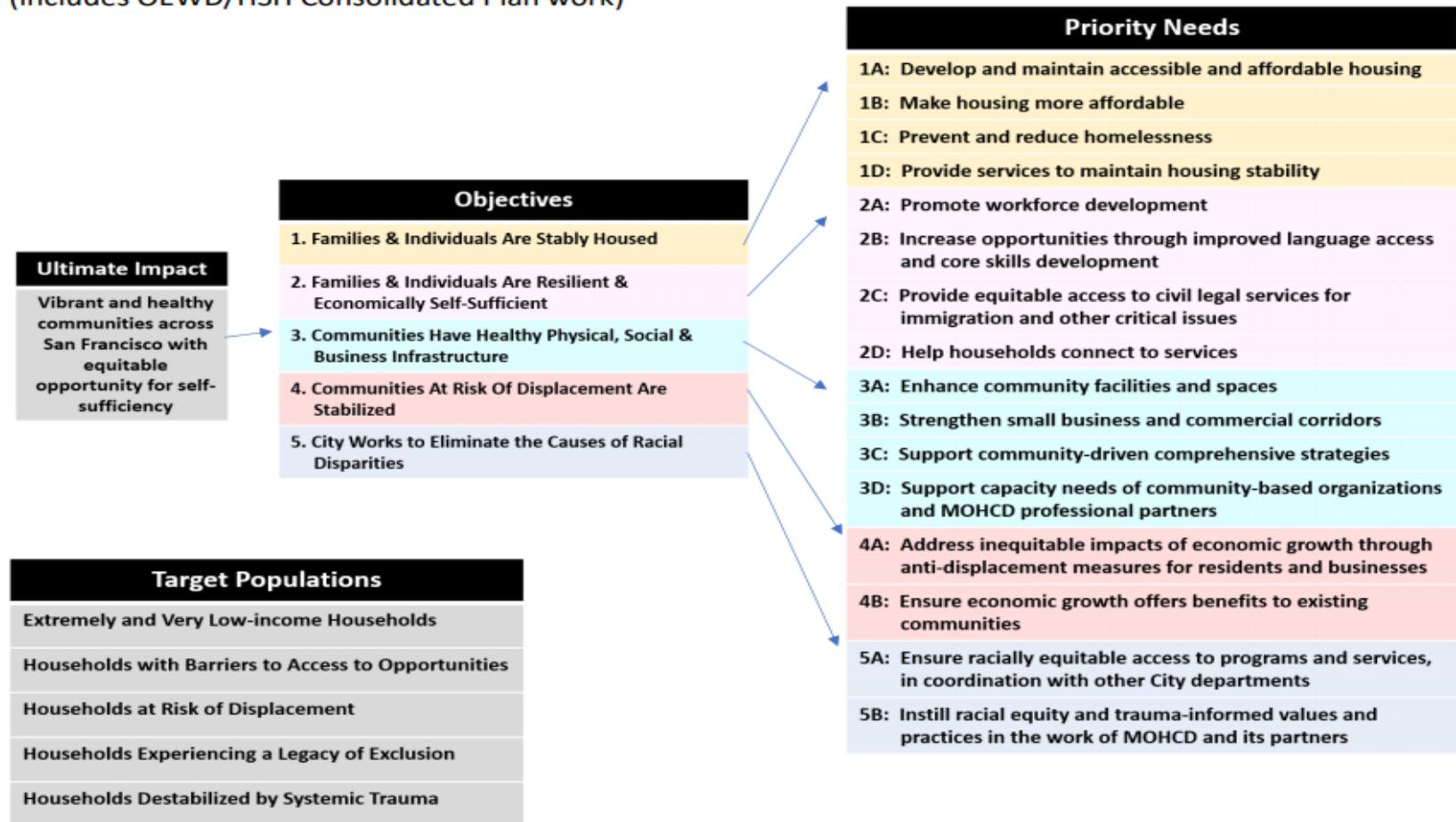
- ❖ MOHCD submits quarterly report on status of 100% affordable new construction projects
- ❖ Highlights from FY19-20 quarterly reports:
  - Started construction on Maceo May, 500 Turk and 1064-1068 Mission
  - Direct acquisition of 1515 South Van Ness and 1939 Market Street
  - Total 685 multifamily units under construction plus 2,036 units in active predevelopment



# Consolidated Plan

## MOHCD Theory of Change

(includes OEWD/HSH Consolidated Plan work)



# Community Development Investments

- ❖ **All CD grants tied to Consolidated Plan and other policy legislative guidance**
- ❖ **CDBG, ESG, and HOPWA funds overseen by 9-member Citizens Committee on Community Development appointed by Mayor and Board of Supervisors**
- ❖ **FY20 Funding Opportunities**
  - 2020-2025 Community Development Services RFP: \$41,743,347
    - General Fund, CDBG and HOPWA
  - Capital Project and Public Space Improvements RFPs: \$1,048,155
  - Board and Mayoral Enhancements RFP: \$7,796,000
  - African American Community Stabilization RFP: \$1,000,000



# Grant Funding Process

- ❖ RFP priorities established through extensive neighborhood meetings, surveys, and constituent focus groups
- ❖ Each proposal reviewed and scored by four reviewers (81 separate reviewers participated)
- ❖ Proposals evaluated as to alignment with Consolidated Plan and target populations, commitment to equity, and the agency's past performance and fiscal health
- ❖ Preliminary funding recommendations established based on strategy, racial equity, geographic coverage, continuity and availability of service, and score
- ❖ Citizens' Committee on Community Development approved preliminary recommendations
- ❖ Preliminary recommendations published and public hearing held to receive public oral and written comments
- ❖ Recommendations submitted to Mayor's Office for final approval





# Cultural Districts

## ALL CULTURAL DISTRICTS MONTHLY MTG:

- Japantown Cultural District
- Calle 24 Latino Cultural District
- SOMA Pilipinas Cultural District
- Transgender Cultural District
- Leather LGBTQ District
- African American Arts & Cultural District
- Castro LGBTQ Cultural District
- American Indian Cultural District

## CITY STEERING COMMITTEE MONTHLY MTG:

MOHCD, Planning Department, OEWD & Arts Commission work together to respond to & support real time requests from Districts and support the evolution of each CHHESS process.

## COMMUNITY POLICY PLANNING:

Facilitates their CHHESS (Cultural History Housing Economic Sustainability Strategies Report) in partnership with City Depts to be reviewed and approved by BOS.

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## LEADERSHIP SUPPORT:

Participates in 'Leadership Accelerator' receiving over 30 hours of TA, training, coaching and financial/org plng as well connection to pro-bono legal advice & trng.

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## FUNDING:

**\$230k each** for operational needs & activities. Maintains Community Advisory Board, hosts monthly community mtgs, manages District website, and works to be a beacon of resources & info for their cultural communities.



# Rental and Operating Subsidies

- ❖ **Local Operating Subsidy Program (LOSP)**
  - 1,175 units in portfolio, 1,328 units in pipeline
  - FY20-21 budget is \$12,551,774; FY21-22 budget is \$19,749,743
- ❖ **Senior Operating Subsidy (SOS)**
  - \$5M one-time allocation
  - 1296 Shotwell: 20 units at 15% AMI, 20 units at 25% AMI
  - Balance of funds for future senior housing projects
- ❖ **Tenant-Based Rental Subsidies, including HOPWA**
  - Seven vulnerable populations
    - \$6.5 million – 566 households
- ❖ **Emergency Rental Assistance**
  - Give2SF & eviction prevention
    - \$10.1 million – at least 1,000 households



# Eviction Prevention

## ❖ **Tenant Right to Counsel**

- \$9.3 million for FY20-21
- First 6 months of implementation: 1,088 households facing eviction received full scope legal assistance, resulting in 729 households staying in their homes (67% of cases)

## ❖ **Other Strategies**

- Rental assistance – \$10.1 million serving at least 1,000 households
- Tenant counseling, outreach & education – \$2 million serving 1,020 households
- Tenant-landlord mediation – \$944,000 serving 950 households



# Monitoring, Technical Assistance, Capacity Building

- ❖ Conduct site visits and review self-assessments of all grantees to ensure they are responsible stewards of public funds and in compliance with City regulations and standards
- ❖ Support grantees with advice and assistance related to budgeting, financial reporting, and policies and procedures
- ❖ Provide educational and skill-building workshops, free consulting and coaching opportunities, and direct grants to community groups to ensure sustainability
- ❖ Provides quarterly training opportunities and ongoing assistance for housing counselors and housing case managers





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