



Mayor's Office of Housing and Community Development

Budget & Appropriations Committee

FY23-24 Budget Preview

May 10, 2023



MOHCD - Overview

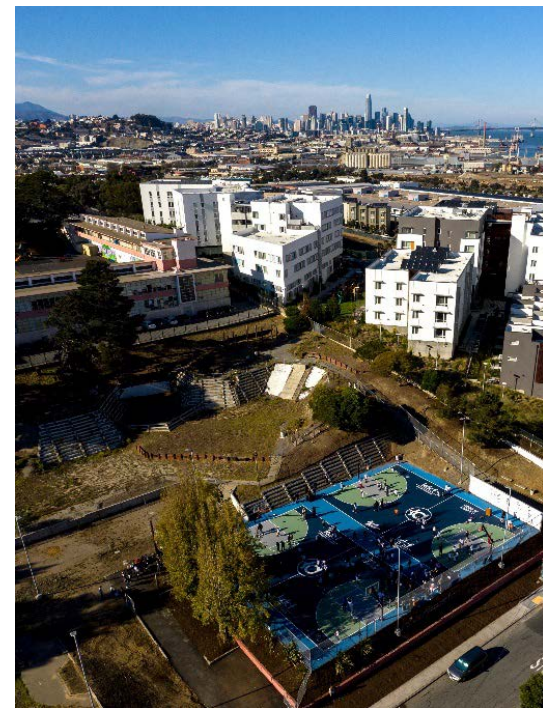
- Support San Franciscans with affordable housing opportunities and essential services to build strong communities
- The overall budget for FY 2022-23 is \$210 million and includes 127 positions
- Divisions include:
 - Housing
 - Community Development
 - Homeownership and Below Market Rate (HBMR)
 - Finance and Administration





MOHCD Divisions

- Housing division focuses on creating housing policies and programs that create safe, stable, and affordable housing.
- Community Development division works with a broad network of community-based partners to create an inclusive and equitable City where all residents can thrive.
- Homeownership and Below Market Rate (HBMR) division delivers affordable homeownership opportunities, implements inclusionary programs, and ensures that all City-sponsored affordable housing is accessible to the people it is intended to serve.
- Finance and Administration division ensures that the department has the financial, human, and technological resources necessary to manage our investments and policies.





MOHCD Budget Overview

- Approximately 60% of MOHCD's budget does not go through the Board's annual budget process (AAO) and is appropriated by the Board at other times.
- Fund sources not included in the AAO:
 - *GO Bonds* – FY21-22: 31% of expenditures
 - *Federal and State Grants* – FY21-22: 18% of expenditures
 - *Development impact fees* – FY21-22: 10% of expenditures
 - *Loan repayments* – FY21-22: 1% of expenditures
 - *Other* – fees supporting bond issuance and monitoring; legal settlements; development agreements – FY21-22: 2% of expenditures



MOHCD FY 22-23 AAO Budget

Total budget of \$209.8M, including:

- \$54.8M General Fund grants to CBOs, of which \$3.2M is one-time
- \$45.2M Housing Trust Fund (HTF)
- \$26.3M Local Operating Subsidy Program (LOSP)
- \$18.0M one-time market-rate housing developer contributions
- \$15.1M of renter and homebuyer assistance
- \$12.6M General Fund HOPE SF investment, of which \$11M is one-time
- \$10.9M housing impact fees and former SFRA housing assets
- \$10.0M one-time funding for rehab of existing affordable housing
- \$4.6M payments to other departments
- \$4.0M of one-time Senior Operating Subsidies
- \$2.9M Cultural Districts





MOHCD FY 23-24 Proposed AAO Budget

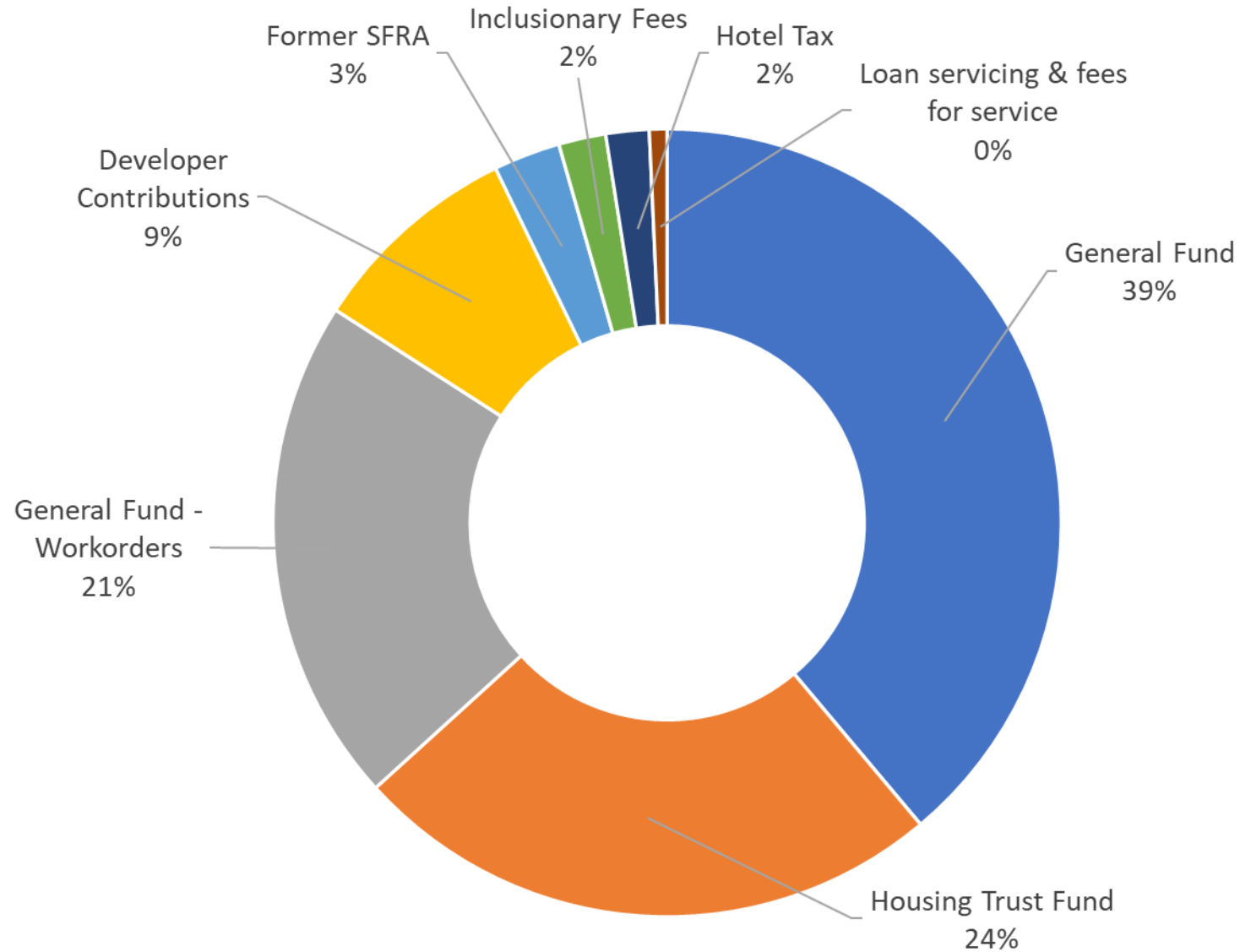
Total Department Phase proposed budget of approximately \$182.5M, a reduction of \$27.3M from FY 22-23.

Major decreases include elimination of one-time items:

- \$11M for Sunnydale HOPE SF community center
- \$10M for Existing Nonprofit Housing NOFA
- \$4M for Senior Operating Subsidy program
- \$3.7M net decrease in grants to non-profits
- \$2.5M net decrease from market-rate housing developers

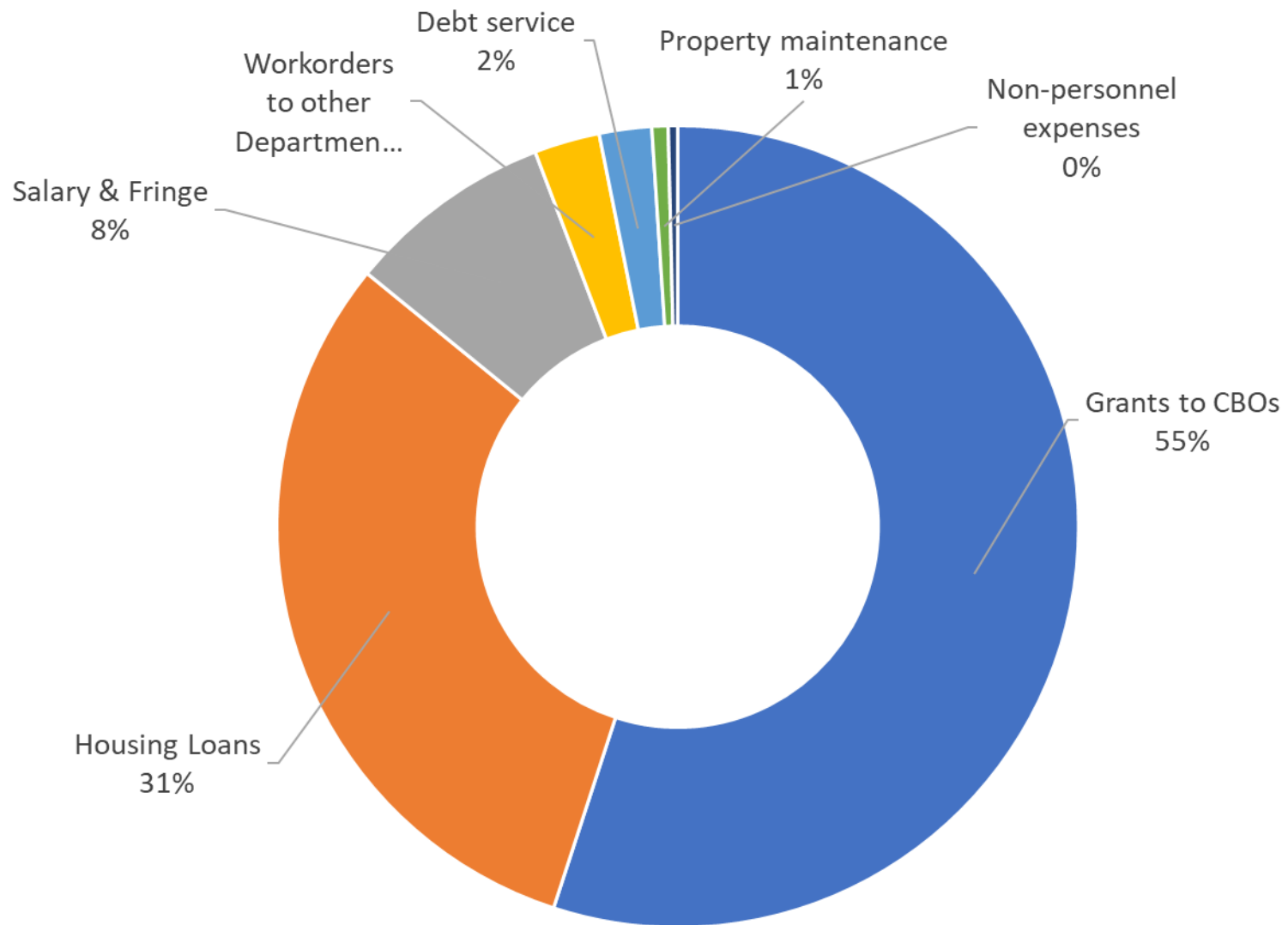
MOHCD FY23-24 Department Budget Proposal

Sources of Funds



MOHCD FY23-24 Department Budget Proposal

Uses of Funds





MOHCD Budget Instruction Targets

MOHCD's initial Department Phase Budget Instruction Targets were a reduction of \$3.1M in FY23-24 and \$4.9M in FY24-25. These reductions were from our CBO grants & short-term rental assistance line items. The specific reduction methodology is still to be determined.

We do not yet know the scope of any potential reductions in the Mayor's proposed June 1 budget.



Multifamily Housing Development Sources

	FY23-24 Anticipated Fund Available	FY23-24 Anticipated Loans Executed
AAO: General Funds	11,222,017	10,571,669
AAO: Housing Trust Fund	69,918,269	55,123,250
<i>SUBTOTAL</i>	81,140,286	65,694,919
Non-AAO: COPs	126,181,905	99,000,000
Non-AAO: Grants	47,198,269	32,225,560
Non-AAO: Impact Fees	53,741,629	16,950,000
Non-AAO: Development Agreements	88,163,477	17,478,101
Non-AAO: Former SFRA Housing Assets	22,164,517	10,322,920
Non-AAO: Project Specific Sources	4,423,734	1,044,810
<i>SUBTOTAL</i>	341,873,531	177,021,391
Non-AAO: GO Bonds (including amounts not issued)	269,680,953	64,101,282
TOTAL	692,694,770	306,817,592



Multifamily Housing Development Uses

Capital maintenance	46,000,000
Debt Service	2,250,000
HOPE SF Infrastructure	76,880,000
Production	180,887,592
Acquisition	86,200,000
Capacity Building & Predev	10,000,000
Gap	41,593,012
Predev	43,094,580
Project-Related Legal Costs	800,000
Grand Total	306,817,592



Small Sites Sources

	FY23-24 Anticipated Fund Available	FY23-24 Anticipated Loans Executed
AAO: Housing Trust Fund	3,330,000	2,191,080
Non-AAO: General Fund (ERAF & Housing Stability Fund)	56,506,869	17,496,488
Non-AAO: Impact Fees	5,478,111	2,634,997
Non-AAO: Development Agreements	16,571,515	16,571,515
Non-AAO: GO Bonds (including amounts not issued)	9,734,000	6,734,000
TOTAL	91,620,495	45,628,080



Senior Housing Subsidies Budget

- Senior Operating Subsidies (SOS) – Project Based
 - \$9,192,562 - General Fund carried forward to FY23-24
 - \$52,000,000 – State of California PLHA program allocation through April 2028
 - SOS subsidies will be capitalized in project development budgets to reduce rents over a 15-year period
- Tenant-Based Rental Subsidies for Seniors
 - FY23-24 Proposed budget is \$2.7M
 - Grant to CBO administrator



Tenant Right to Counsel

Department Proposed FY23-24 Funding Sources - \$17.7M

