

EDUCATOR HOUSING

JOINT CITY-SCHOOL DISTRICT SELECT COMMITTEE
SEPTEMBER 24, 2015

Rec'd in Committee, File No. 150923. 9/24/15

BACKGROUND

- Currently there are **zero** market rate homes for sale in San Francisco that are affordable on the average SFUSD teacher's salary (Redfin)
- About **72%** of SFUSD teachers live in San Francisco, but housing costs remain a significant issue.
- Roughly **50%** of teachers in San Francisco leave the position after five years — the difficulty of affording housing in the city where they teach is clearly a factor.

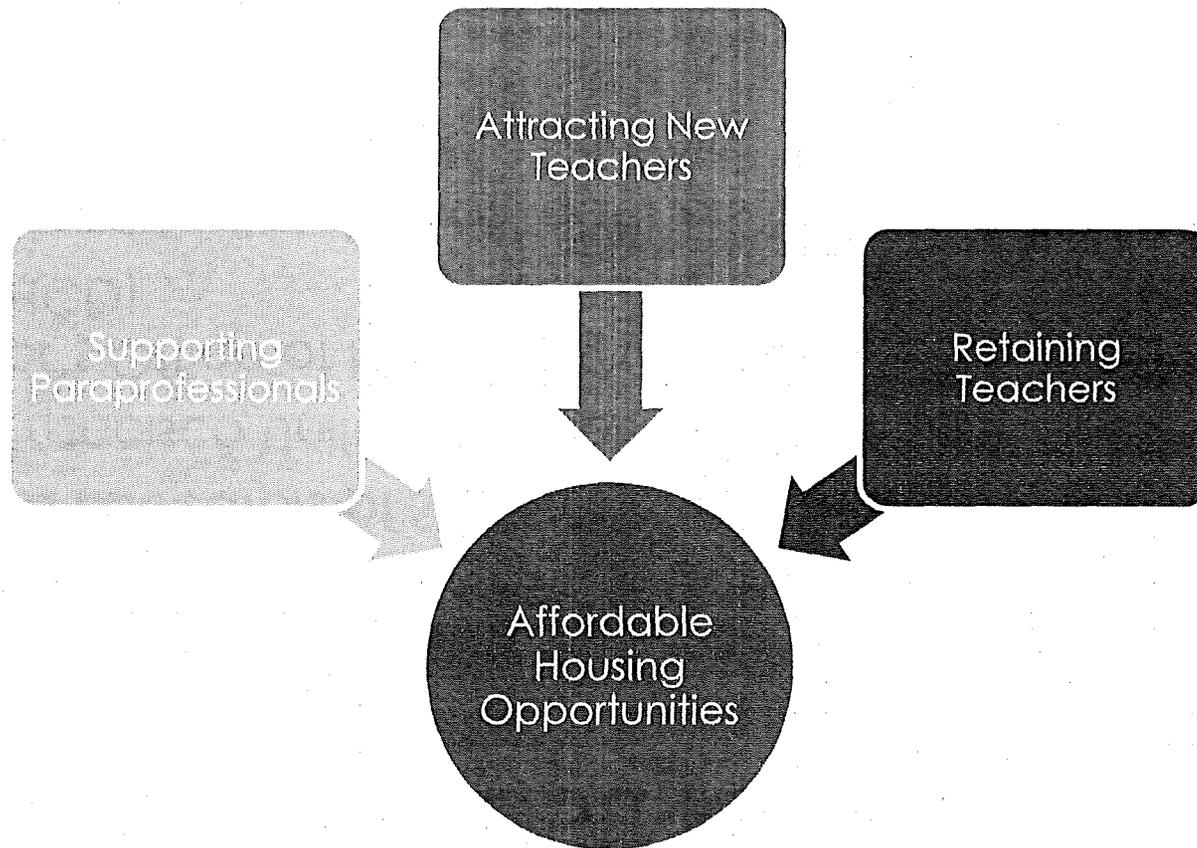
EDUCATOR HOUSING WORKGROUP

- Members

- United Educators of San Francisco (UESF)
- San Francisco Unified School District (SFUSD)
- Mayor's Office of Housing & Community Development (MOHCD)
- American Federation of Teachers (AFT)
- AFL-CIO Housing Investment Trust

- Resumed in February 2015

WORKGROUP FOCUS



Overview:

- **MOHCD's Mission and Who We Serve**
- **Affordable Housing Needs of Teachers and Paraprofessionals**
- **MOHCD Programs**
- **MOHCD and SFUSD Partnership**

MOHCD's Mission

- **Coordinate the City's housing policy;**
- **Provide financing for and facilitate the development, rehabilitation, purchase, and preservation of affordable housing in San Francisco;**
- **Strengthen the social, physical, and economic infrastructure of San Francisco's neighborhoods and communities in-need.**



Affordability Crisis

**Current Average Rent for 2 Bedroom Apartment:
\$4750**

Salary Needed to Afford Average Rent: \$171,000

**Percentage of Average Median Income:
210% for 2 person household
168% for 4 person household**

Rent Data from Zumper, as of July 2015



Area Median Income (AMI)

MOHCD determines eligibility for assistance based on income, as a percentage of the median income based on household size.

2015 AMI

1 Person	= \$71,350
2 People	= \$81,500
3 People	= \$91,700
4 People	= \$101,900



INCOME LEVELS: CONTEXT

ANNUAL INCOME, BY HOUSEHOLD SIZE

	1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	5 PEOPLE	6 PEOPLE
VERY LOW-INCOME HOUSEHOLDS <i>Earn up to 55% of Area Median Income</i>	\$39,250	\$44,850	\$50,450	\$56,050	\$60,550	\$65,000
LOW-INCOME HOUSEHOLDS <i>Earn up to 80% of Area Median Income</i>	\$57,100	\$65,200	\$73,350	\$81,500	\$88,050	\$94,550
MODERATE-INCOME HOUSEHOLDS <i>Earn up to 120% of Area Median Income</i>	\$85,600	\$97,800	\$110,050	\$122,300	\$132,050	\$141,850

ANNUAL INCOME, BY PROFESSION

												
RETIREE RESERVING SOCIAL SECURITY	DISHWASHER	CASHIER	HOUSEKEEPING CLEANER	LANDSCAPER OR GROUNDS- KEEPER	CONSTRUCTION WORKER	POSTAL CLERK	ELEMENTARY/ SECONDARY SCHOOL TEACHER	POST SECONDARY TEACHER	POLICE, FIRE, AMBULANCE DISPATCH	ELECTRICIAN	ACCOUNTANT	ELECTRICAL ENGINEER
\$14,000	\$22,000	\$27,000	\$34,000	\$41,000	\$48,000	\$54,000	\$61,000	\$68,000	\$75,000	\$82,000	\$88,000	\$95,000
20%	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%



Sample Area Median Income Calculation

100% of Median \$ 71,350 \$ 81,500 \$ 91,700 \$ 101,900

		1 Person HH	2 Person HH	3 Person HH	4 Person HH
New Teacher					
\$ 55,762	Salary Schedule II 1 Yr. of Service	78%	68%	61%	55%
New Teacher + New Teacher					
\$ 111,524		NA	137%	122%	109%
Experienced Teacher					
\$ 67,894	Salary Schedule III 10 Yrs. of Service	95%	83%	74%	67%
Experienced Teacher + Experienced Teacher					
\$ 135,788		NA	167%	148%	133%
Paraprofessional					
\$ 29,057	Classroom Aide, 0.75 FTE, School-term	41%	36%	32%	29%
Paraprofessional + Paraprofessional					
\$ 58,114		NA	71%	63%	57%



Serving the Continuum of Housing Needs

MOHCD Affordable Rental	Up to 60% AMI
BMR Inclusionary Rental	Up to 55% AMI
BMR Inclusionary Ownership	Up to 90% AMI
Down Payment Assistance Loan Program (DALP)	Up to 120% AMI
<u>Teacher Next Door Down Payment Assistance (TND)</u>	<u>Up to 200% AMI</u>

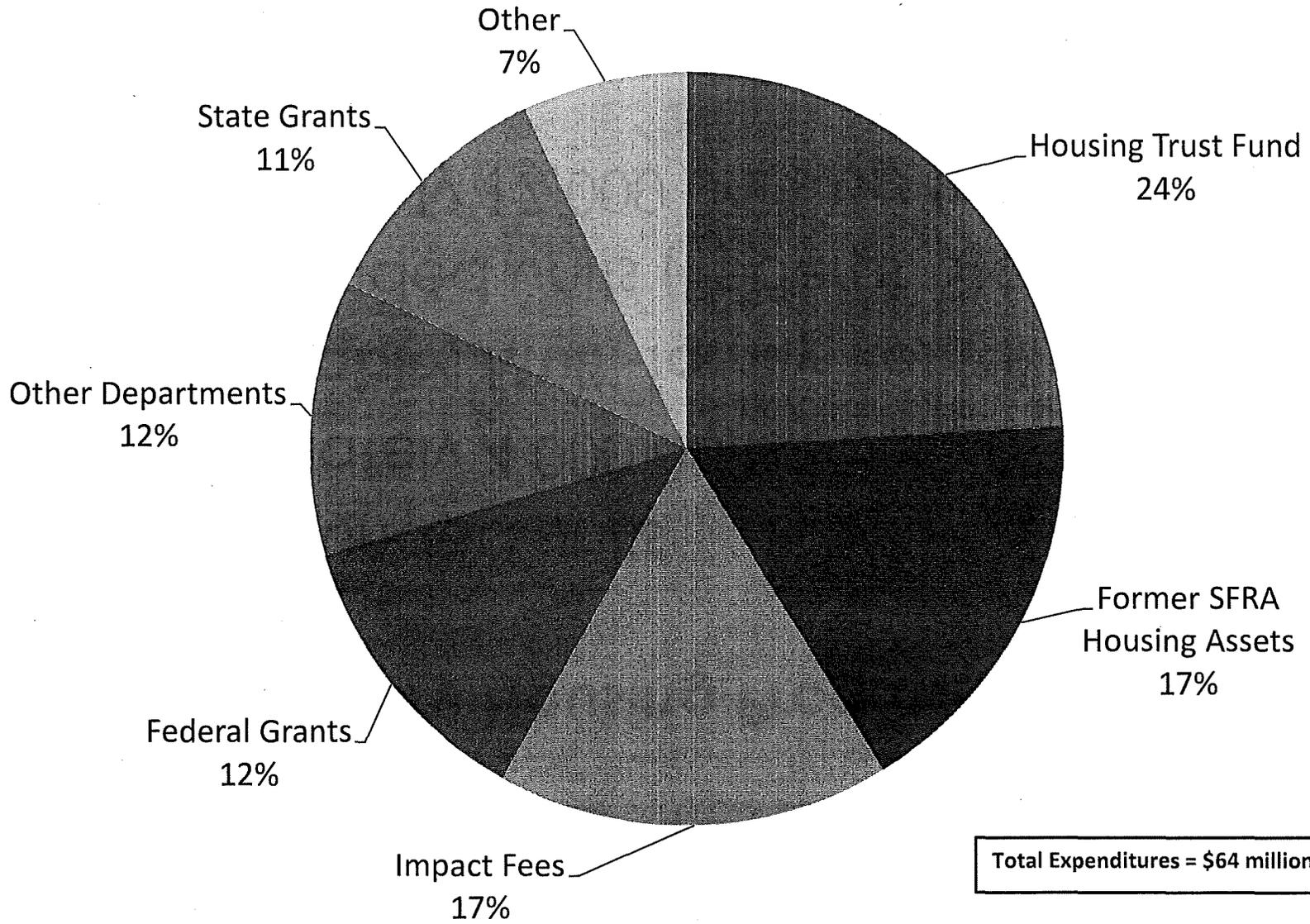


MOHCD Programs that May Apply

		Affordable Rental	BMR/ Inclusionary Rental	BMR/ Inclusionary Ownership	Down payment Assistance Loan Program	Teacher Next Door
New Teacher						
\$ 55,762	Salary Schedule II 1 Yr. of Service					
New Teacher + New Teacher						
\$ 111,524						
Experienced Teacher						
\$ 67,894	Salary Schedule III 10 Yrs. of Service					
Experienced Teacher + Experienced Teacher						
\$ 135,788						
Paraprofessional						
\$ 29,057	Classroom Aide, 0.75 FTE, School-term					
Paraprofessional + Paraprofessional						
\$ 58,114						



Sources of MOHCD Housing Loans, FY 2014-15



Housing Production Programs

- **BMR Inclusionary Housing Program – Rental & Ownership**
 - Privately-funded units
 - Approximately 4,000 units from 60-120% of AMI
- **100% Affordable, Multi-family Rental**
 - Publicly-funded units (Federal, State and City)
 - Approximately 17,000 units up to 60% of AMI
- **Public Housing**
- **Supportive Housing for Formerly Homeless**



Housing Preservation Programs

- Small Sites Program
- Eviction Prevention Programs
- Rental Assistance Programs
- Public Housing



Downpayment Assistance Programs

- Up to \$200,000 of down payment assistance for purchase of a market-rate unit;
- Up to \$57,000 for purchase of BMR unit;
- Targeted programs for teachers and first responders;
- “Shared appreciation” loans – no payments due until sale, and then principal and share of appreciation is repaid.
- Revolving loan pool – repayments fund new loans



MOHCD and SFUSD Partnership

Successes so far:

1950 Mission Street

SFUSD surplus site to become
affordable housing for families



MOHCD's Areas of Focus

- **Implementing the Mayor's housing goals:**
 - Developing new affordable units;
 - Preservation of existing affordable and rent controlled units;
 - Rehabilitation of public housing.
- **Expanding down payment assistance programs.**
- **Widening the band of households served to include middle income programs.**



HOUSING BOND SPENDING PROPOSAL

PUBLIC HOUSING:	
Accelerate Sunnydale	Accelerate HOPE SF housing and infrastructure long-term development programs
Accelerate Potrero	Up to 80% AMI; Likely 30% AMI or less
Subtotal	\$80 million
MISSION AFFORDABLE HOUSING:	Site acquisition, unit rehab, and predevelopment
Site acquisition, unit rehab, and predev	Up to 120% AMI; likely 50% AMI or 80% AMI targets
Subtotal	\$50 million
LOW-INCOME HOUSING:	New construction and acquisition/preservation of existing rental housing; focus is low-income families, veterans, seniors
New Construction	Up to 60% AMI
Preservation of Existing Rental Housing	Target 80% AMI, Up to 120% AMI
Subtotal	\$100 million
MIDDLE-INCOME HOUSING:	Educators, Middle-Class Families
DALP Loan Expansion	Up to 175% AMI
Teacher Next Door	Up to 200% AMI
Middle-Income Rental Program	Between 80-150% AMI
Expiring Regulations Preservation	Up to 120% AMI
Subtotal	\$80 million
GRAND TOTAL	\$310 million



Support from the Housing Bond

- Maximum amount of each DALP loan would be increased to \$350,000
- The household income cap for DALP eligibility would be increased from 120% of AMI to 175%
- More affordable multifamily rental units can be added to the housing pipeline



2015 AFFORDABLE HOUSING GO BOND

With your support and the approval of San Francisco voters, MOHCD will help create new, high-quality, affordable developments that will strengthen and beautify San Francisco



MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

