

Affordable Housing Funding



San Francisco
Planning

Mayor's Office of
Housing and
Community
Development

Board of
Supervisors
Government Audit and
Oversight Committee

May 19, 2022

Who is being served by affordable housing?

AMI
Area Median
Income

2020 Data from Housing
Affordability Strategies

1 person household
at 25% AMI



A retiree receiving
social security

\$18,000

1 person household
at 35% AMI



A cashier living
alone

\$31,150

2 person household
at 55% AMI



A nursing assistant
with a child

\$53,670

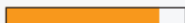
4 person household
at 60% AMI



A housekeeper and
a janitor with two children

\$71,340

3 person household
at 85% AMI



An entry level police officer
with a stay at home partner
and child

\$89,860

4 person household
at 100% AMI



An entry level fire fighter
and a childcare worker
with two children

\$117,300

3 person household
at 120% AMI



A carpenter and a first year
school social worker
with a child

\$130,037

2 person household
at 130% AMI



Two first year
SFUSD teachers

\$126,916

Who is being served by affordable housing?

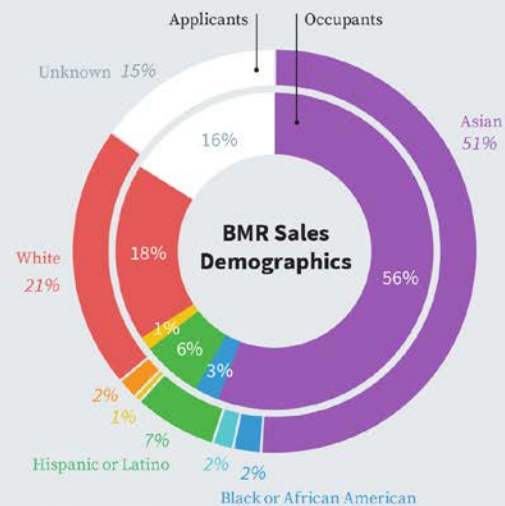
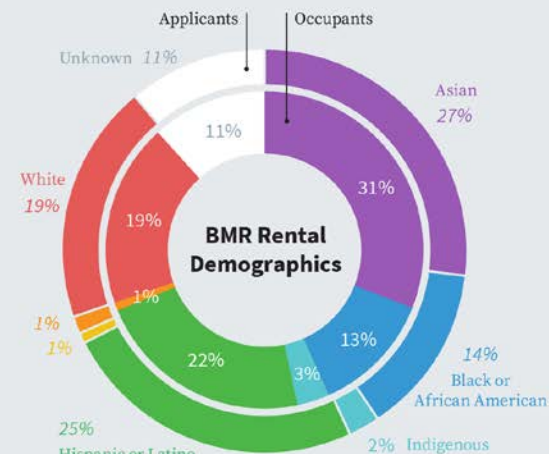
Demographics for BMR Rentals*		
405 units (new and re-rental)	Applicants**	Occupants**
Asian	31,919	139
Black	16,016	57
Indigenous	2,814	14
Latino	28,742	100
Middle Eastern/West Asian or North African	1,102	1
Pacific Islander	1,549	3
White	22,509	84
Unknown	12,846	52
Total	117,497	450
Unduplicated count	105,222	405

Demographics for BMR Sales*		
81 units (new and resale)	Applicants**	Occupants**
Asian	1,219	46
Black	53	2
Indigenous	40	0
Latino	157	5
Middle Eastern/West Asian or North African	17	1
Pacific Islander	35	0
White	506	15
Unknown	352	13
Total	2,379	82
Unduplicated count	2,251	81

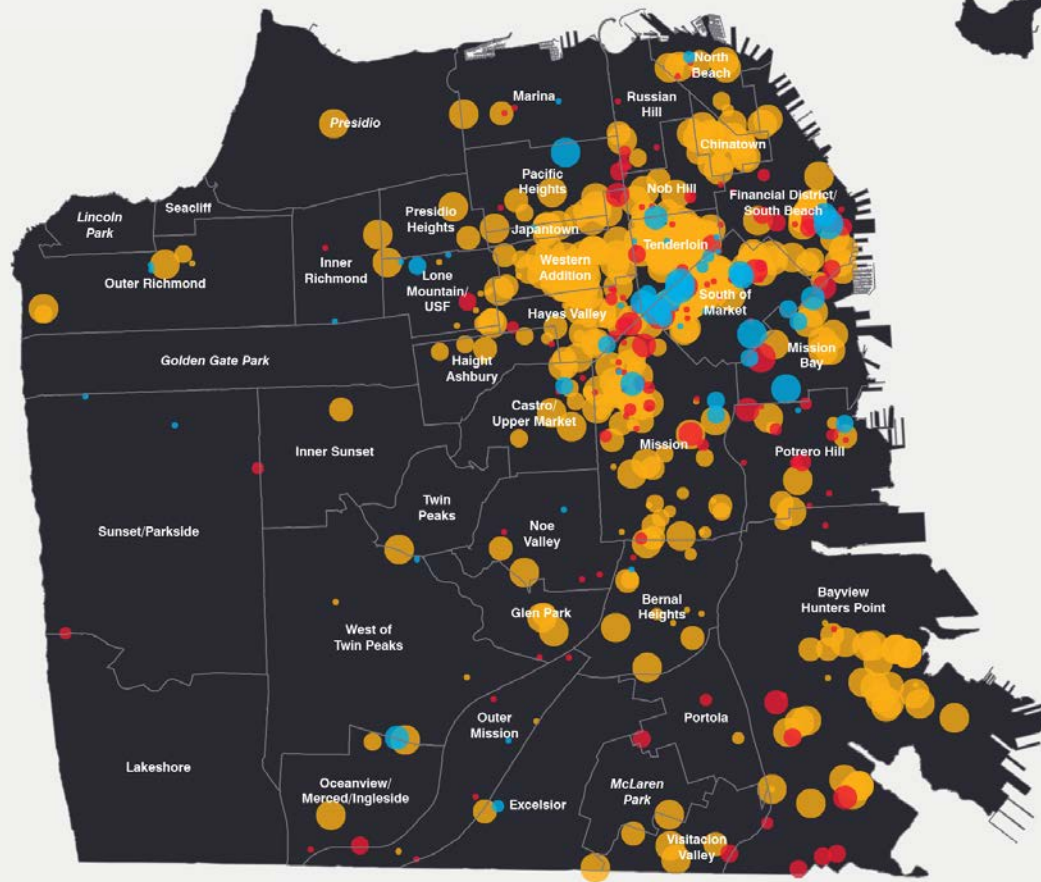
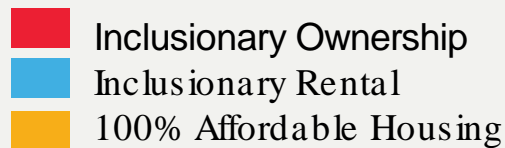
Represents inclusionary data only

* New developments in which the last unit was leased/sold, or re-rental/sale units that were leased/sold, in FY20-21.

**Duplicated counts are persons who identified with more than one race/ethnicity are counted under multiple race/ethnicity categories.



Which areas
are being
served by
affordable
housing?



What are the ways we build it?

80% of new and acquired units are publicly subsidized

Program		100% Projects	100% Preservation		Market-Rate
Year	Total Affordable Units	New Units	Small Sites Acquisition	Rental Assistance Demonstration (RAD)	Inclusionary
2017	3,547	842	119	2,276	310
2018	893	447	49	0	397
2019	2,443	744	181	1,167	351
2020	1,080	210	405	0	465
2021	1,391	986	4	0	401
Total	9,354	3,229	758	3,443	1,924

How many new units have we built?

Majority at Very Low and Low Income

Year	Total	% of all new housing	Extremely Low	Very Low	Low	Moderate
AMI levels			0-30%	30-50%	50-80%	80-120%
2017	1,152	23%	0	703	349	91
2018	844	29%	45	475	244	71
2019	1,095	27%	85	505	407	94
2020	675	16%	53	252	217	150
2021	1,387	32%	194	409	621	156
Total	5,153	25%	377	2,344	1,838	562

What are our goals?

Housing Element

SF's first housing plan centered in racial and social equity

2022 UPDATE



Racial and
social equity



Eliminate
community
displacement



Affordable housing
choices for everyone in
all neighborhoods



Thriving
neighborhoods
resilient to climate and
health crises

Policies & Priorities

Elevating affordable housing approach

2022 UPDATE



Communities Harmed by Past
Discriminatory Actions

Underserved Communities
Latina/es, LGBTQ+ , Seniors,
People with Disabilities, SRO
Families

Tenants Vulnerable To Displacement

- Offering reparations to American Indian, Black, Japanese, Filipinos, and other harmed communities including **improved access to affordable housing** rental and homeownership opportunities
- **Increasing supply of affordable housing** for extremely low-, very low-, low-, and moderate-income households
- Eliminate homelessness including **permanent supportive housing**
- Investment in Priority Equity Geographies toward **permanently affordable housing**
- **Affordable housing in neighborhoods that are gateways** serving vulnerable populations such as the Mission, Chinatown, Tenderloin, or Castro
- **Create benchmarks for affordable housing production and preservation** investments to avoid displacement
- **Reducing constraints** with local, permanent streamlining

Consolidated Plan

Plan Needs Assessment Objectives

1. Families and individuals are stably housed
2. Families and individuals are resilient and economically self-sufficient
3. Communities have healthy physical, social and business infrastructure
4. Communities at risk of displacement are stabilized
5. The City works to eliminate the causes of racial disparities

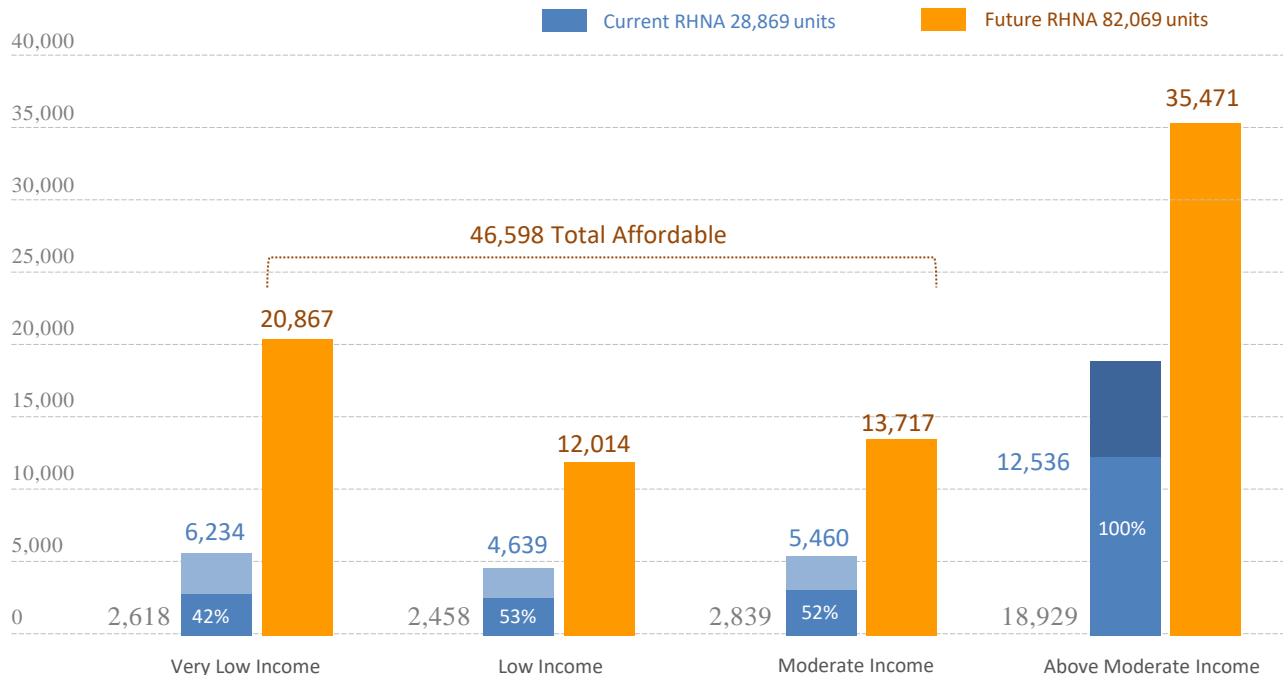
Regional Housing Needs Allocation (RHNA)

Minimum goals have nearly tripled since last cycle

2022 UPDATE



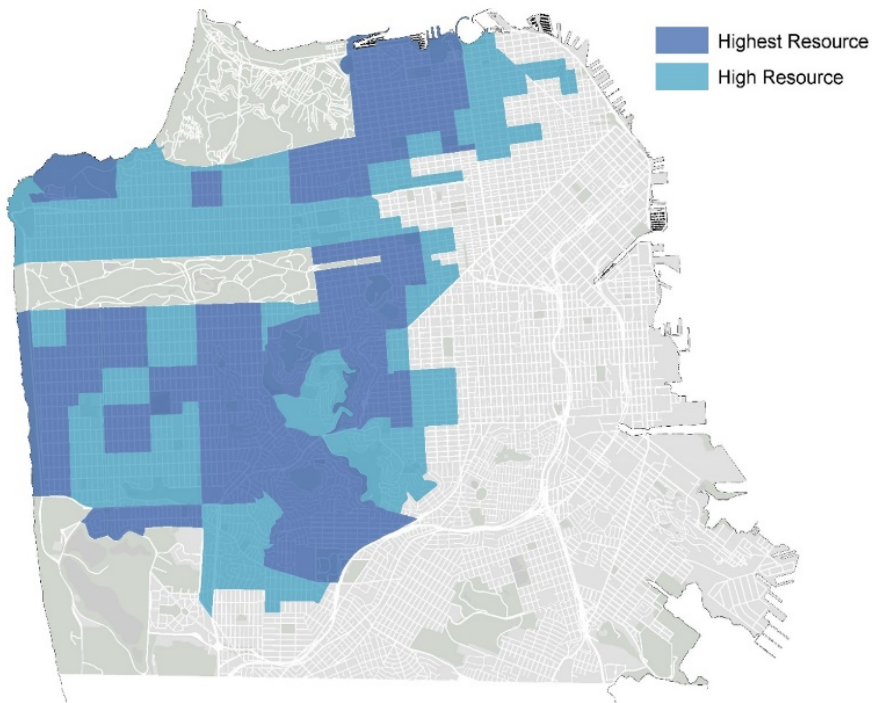
Percent indicates amount of minimum goal accomplished by 2021



Affirmatively Furthering Fair Housing (AFFH)

Placed-based approach

2022 UPDATE



Goal of 25% of Affordable Housing
in Well-Resourced Neighborhoods

	How many units is this?
Very Low and Low income	8,220
Moderate Income	3,429
Total	11,649

Aligns with the State Tax Credit Allocation Committee map

What is the big picture?

New Scale of Commitment

In the past five years, we have produced and preserved **almost 2,000** units per year

In the next eight years, we need to produce and preserve **almost 6,000** units per year

*

much of it in places we haven't been building it

*To meet minimum RHNA goals for very low-, low-, and moderate-income units.

Can be met with new units, preservation, ADUs based on rent research, and inclusionary.

What are the recent funding resources?

Local funds leverage federal and state funds

Federal

- Low Income Housing Tax Credits (LIHTC)
- Private Activity Bonds (PBA)
- HOME program
- Public Housing funding
- Rental subsidy like Section 8

Federal caps make them competitive, placing funding at risk

State

- Affordable Housing and Sustainable Communities program
- Multifamily Housing Program
- Infill Infrastructure Grants

Local

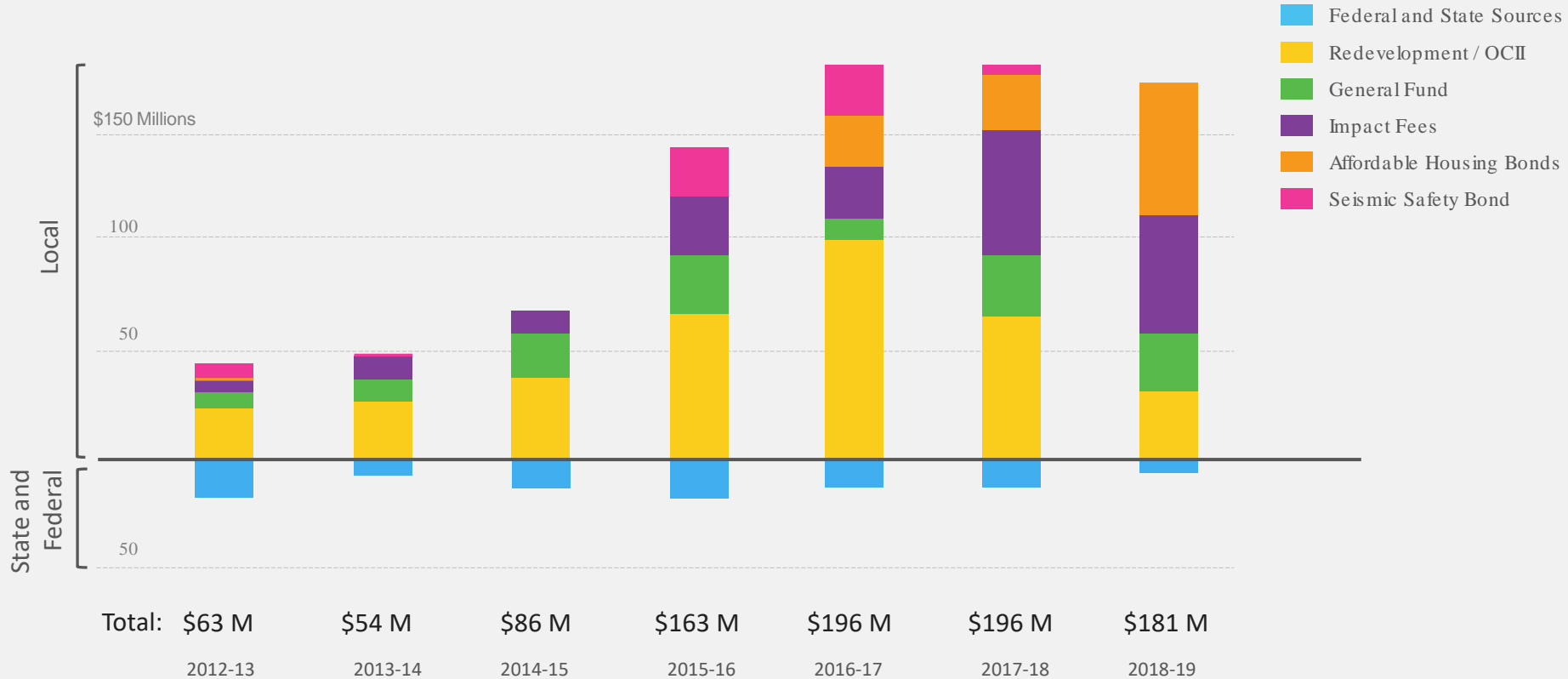
- General Obligation bonds in 2015 & 2019
- ERAF and General Fund (\$8.3 M FY2023)
- Housing Trust Fund
- Inclusionary Fees

Property taxes are biggest underlying source

Many local sources are episodic or variable

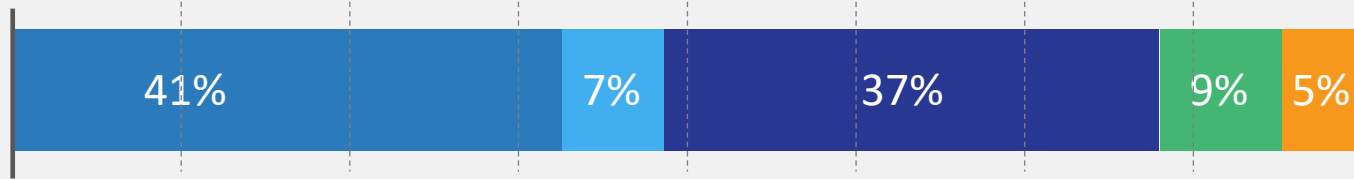
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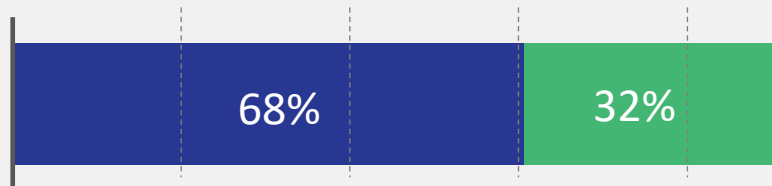


Funding stack example

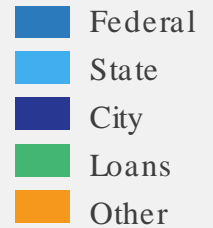
Local funding goes farther for new units



New Project affordable unit Total Cost per unit ~\$700,000 – 900,000



Small Sites affordable unit Total Cost per unit ~\$450,000





Homelessness funding sources

Federal pandemic relief & local gross receipts tax are dropping

Source	Proposed Budget \$M			Change from Prior Year \$M	
	2020-2021	2021-2022	2022-2023	2020-2021	2022-2023
FEMA Revenue	\$ 142	\$ 0	\$ 0	\$ -142	\$ 0
State Homelessness Aid	69	0	0	-69	0
Prop C Funding	295	299	266	-4	-33
Additional funds	110	101	89	-9	-12
Revenue Subtotal	616	400	355	-216	-45
General Fund Support	236	272	241	+36	-31
Total	852	672	596	-180	-76

Fees on market-rate projects

Fees decline with decreased construction starts

Year	Inclusionary & Impact Fees Collected	Other Contributions From Large Projects
2017	\$107,299,676	Land dedications Offsite inclusionary Development Agreements
2018	\$51,133,873	
2019	\$30,922,187	
2020	\$14,826,324	
2021	\$4,379,076	
Total	\$ 208,561,136	

What are other challenges?

Removing constraints makes funding go farther

Shared

- Regulatory burdens
- High construction costs
- Pandemic recovery
 - Supply chain disruptions
 - Interest rates
- Site acquisition
- Community resistance

100% Affordable Housing Projects

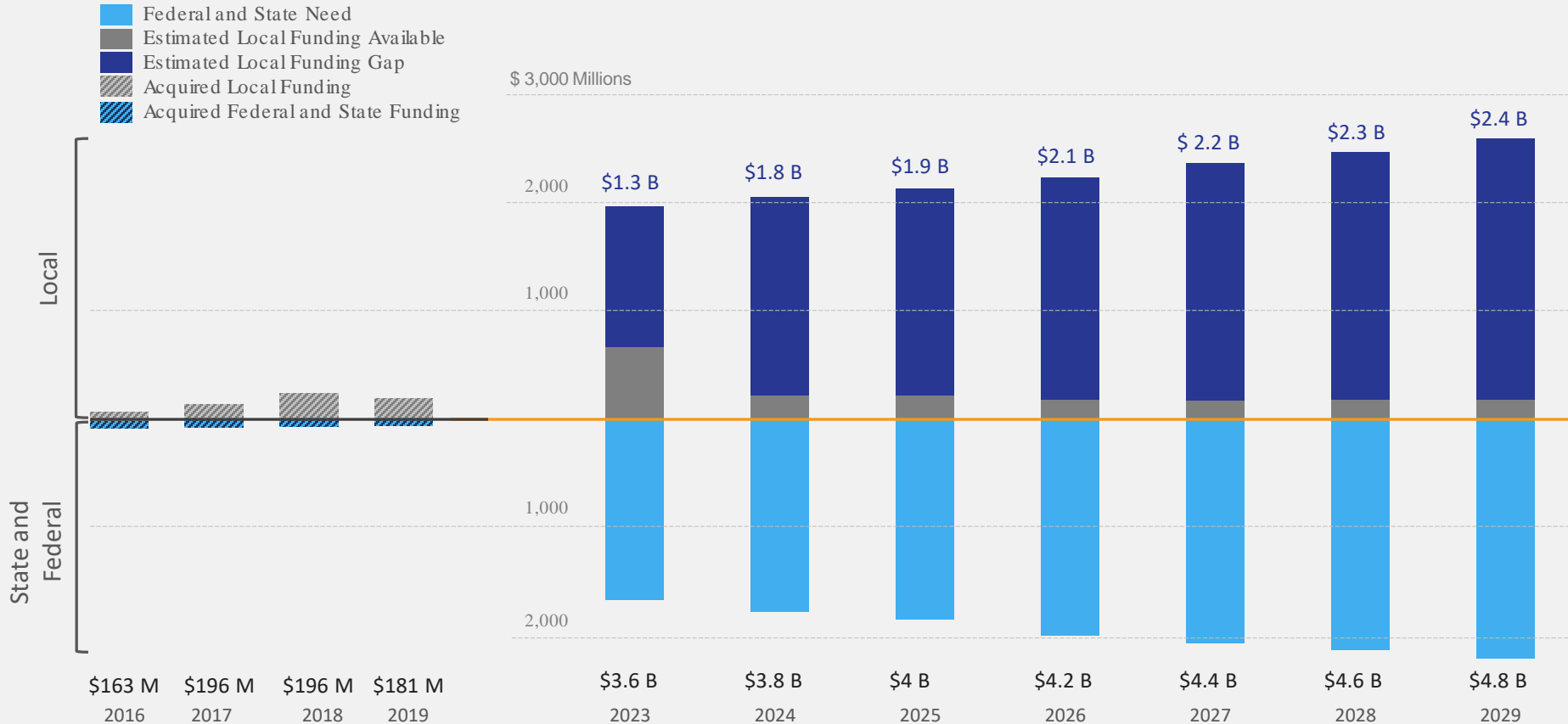
- Federal and State funding uncertainty

Market-rate Projects

- Inclusionary rate evaluation process
- Small, multifamily less able to accommodate fee

How much is the funding gap?

Funding needs to grow substantially



How do we reach our goals?

Local action required

Support the Housing Element approval and State certification

Hundreds of millions of dollars at stake in State funds

Sustainable and Sizeable funding commitments

Local tools:

- Employer Gross Receipts Tax (Prop C) for Supportive Housing
- General Fund / Real Estate Transfer Tax (Prop I)
- New Local Housing Bonds
- New tools are needed: EIFD, More General Fund, other?

Must be renewed

For discussion

Continued advocacy at the state and federal level:

- Regional Funds such as Bay Area Housing Finance Authority (BAHFA)
- Prop 13 Tax Reform
- State actions including surplus land, adaptive re-use funding
- Federal actions, for example Build Back Better, Housing Supply Action Plan

Thank you.

Contact staff for more information:

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