

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST  
FOR AMENDMENT OF BUDGET ITEMS  
FY 2014-15 AND FY 2015-16**

**DEPARTMENT:** MYR – MAYOR

- \$2.2 million from Office of Community Investment to partially repay a loan from the City's Housing Asset Fund.

**FY 2015-16**

The Department's revenues of \$85,818,616 in FY 2015-16, are \$997,725 or 1.1% less than FY 2014-15 estimated revenues of \$86,816,341. General Fund support and allocations of \$33,933,584 in FY 2015-16 is \$1,259,485 or 3.9% more than FY 2014-15 General Fund support and allocation of \$32,674,099.

Significant changes in the Department's FY 2015-16 revenues include:

- \$28 million from another issuance of Certificates of Participation to provide \$25 million of additional revenues for the Housing Trust Fund to develop more affordable housing.
- \$2.8 million growth in General Fund monies for the Housing Trust Fund, as mandated by Proposition C approved in 2012.
- Reduction of one-time \$2.9 million partial loan repayment revenue in FY 2014-15.
- Reduction of one-time grant funds of \$281,115 in FY 2014-15 from California Pay for Success for the new Office of Strategic Partnerships.

**PROPOSED LEGISLATION**

**Item 5 - File 14-0591:** Ordinance amending the City's Administrative Code to eliminate the Mayor's Office of Housing and Community Development escrow account administration fee.

- Currently, Section 8.43 of the City's Administrative Code authorizes the Mayor's Office of Housing to charge a \$200 Escrow Account Administration Fee to each borrower to defray the cost of issuing, administering and processing documents related to certain housing transactions. The proposed ordinance would eliminate this \$200 fee. According to Mr. Benjamin McCloskey, Chief Financial Officer for the Mayor's Office of Housing and Community Development, this fee was never charged to borrowers because the City changed its processes for handling financing. As a result, this fee has never generated any revenue and the elimination of this fee would result in no fiscal impact.
- **Recommendation: Approve the proposed ordinance.**

**Item 10 - File 14-0632:** Resolution approving a waiver of the Payment in Lieu of Taxes (PILOT) for FY 2014-15 and FY 2015-16 from the San Francisco Housing Authority to the City and County of San Francisco.

- The San Francisco Housing Authority is obligated to make a payment to the City in lieu of paying real and personal property taxes and special assessments. However, the City has historically agreed to exempt all public housing developments under the Housing Authority from making such payments. The Budget and Legislative Analyst's audit report

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on June 3, 2013 on the Housing Authority recommended that the Housing Authority seek annual approval from the Board of Supervisors for a waiver of the PILOT.

- **Recommendation: Approve the proposed resolution.**

**RECOMMENDATIONS:**

**FY 2014-15**

The Budget and Legislative Analyst's recommended reductions to the proposed budget total \$77,079 in FY 2014-15, which would be one-time savings. These reductions would still allow an increase of \$34,649,600 or 66.5% in the Department's FY 2014-15 budget.

In addition, the Budget and Legislative Analyst recommends closing out prior year unexpended General Fund encumbrances, which would allow the return of \$41,216 to the General Fund.

Together, these recommendations will result in \$118,295 savings to the City's General Fund in FY 2014-15.

The Budget and Legislative Analyst also includes a policy decision for the Board of Supervisors regarding issuance of an additional \$28.125 million of Certificates of Participation for affordable housing in FY 2014-15, which will result in ongoing General Fund debt service payments for 25 years. If the Board of Supervisors approves these funds, \$28.125 million should be placed on Controller's Reserve, pending future approval and sale of the COPs.

**FY 2015-16**

The Budget and Legislative Analyst also includes a policy decision for the Board of Supervisors regarding issuance of an additional \$28.125 million of Certificates of Participation for affordable housing in FY 2015-16, which will result in ongoing General Fund debt service payments for 25 years. If the Board of Supervisors approves these funds, \$28.125 million should be placed on Controller's Reserve, pending future approval and sale of the COPs.