



**San Francisco 2015 Affordable Housing
General Obligation Bond**

**General Obligation Bond
Oversight Committee: Update**

July 28, 2016

CITY AND COUNTY OF
SAN FRANCISCO
MAYOR EDWIN M. LEE

AFFORDABLE HOUSING GO BOND: 3 Investment Categories

The voter-approved, \$310 Million Housing Bond proposed 3 categories of investments, each supporting a range of incomes:

Program Categories	GO Bond
Public Housing	\$80 Million
Affordable Housing (up to 80% AMI)	\$100 Million
<i>set aside for Mission Area Plan Investments</i>	\$50 Million
Middle Income Housing (121%-175% AMI)	\$80 Million
TOTAL	\$310 Million



PRIORITY POPULATIONS

Among all housing categories, the stated goal of the Housing Bond is to serve the City's vulnerable residents and households at risk of displacement:

- Low-income working families
- Veterans
- Seniors
- Disabled individuals

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT



LOW-INCOME HOUSING USES

- Accelerate new affordable housing production through quick release of NOFAs and RFPs.
- Provide acquisition and rehabilitation funding for existing rent-controlled buildings.
- Purchase properties in highly-impacted neighborhoods, e.g., the Mission, for affordable housing development.
- Stabilize buildings at risk of losing affordable units.

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PUBLIC HOUSING USES

- Accelerate the reconstruction and rehabilitation of distressed public housing, including infrastructure replacement.
- Prioritize most urgent capital needs and strive for creation of net new units within reconstruction programs.

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MIDDLE-INCOME HOUSING USES

- Provide new or preserved middle-income rental opportunities.
- Increase the cap on Down Payment Assistance loans and the range of eligible households.
- Expand the Teacher Next Door program to help keep our teachers in SF neighborhoods.

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HOW THIS BOND IS DIFFERENT THAN MOST GO BONDS

- With most General Obligation bonds, the City hires contractors to complete infrastructure improvements.
- For affordable housing, the City does not engage contractors directly or own the improvements directly. Rather, we give loans to developers who then hire contractors and own the improvements through LLCs.
- This approach leverages Federal tax credits.

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SPECIFIC HOUSING BOND USES, BY YEAR

	15-16	16-17	17-18	18-19	19-20	Total	Units
Public Housing: \$80MM							
Potrero Acceleration	19,900,000					19,900,000	70
Potrero Acceleration		18,800,000				18,800,000	94
Sunnydale Acceleration	20,700,000					20,700,000	60
Sunnydale Acceleration		16,000,000				16,000,000	166
Sunnydale Acceleration		2,020,000				2,020,000	
<i>Share of cost of issuance & incidentals</i>						2,580,000	
<i>Subtotal</i>	40,600,000	36,820,000	-	-	-	80,000,000	390
Low-Income Housing: \$100MM							
Project #1 - Predev	3,000,000					3,000,000	
Project #2 - Predev	3,000,000					3,000,000	
Project #3 - Predev	3,000,000					3,000,000	
Small Sites Program	15,000,000	9,235,000				24,235,000	81
Project #1 Gap			21,180,000			21,180,000	97
Project #2 Gap			21,180,000			21,180,000	97
Project #3 Gap			21,180,000			21,180,000	97
<i>Share of cost of issuance & incidentals</i>						3,225,000	
<i>Subtotal</i>	24,000,000	9,235,000	63,540,000	-	-	100,000,000	371
Mission Neighborhood Housing: \$50MM							
Predevelopment Costs	6,000,000					6,000,000	
Acquisition & Vertical Development		20,000,000	22,385,000			42,385,000	110
<i>Share of cost of issuance & incidentals</i>						1,615,000	
<i>Subtotal</i>	6,000,000	20,000,000	22,385,000	-	-	50,000,000	110
Middle-Income Housing: \$80MM							
DALP Loan Expansion	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	14,500,000	49
Teacher Next Door	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	250
Middle-Income Teacher Housing		2,000,000	5,000,000			7,000,000	30
Middle-Income Buy-in Program		24,000,000				24,000,000	96
Middle-Income MOHCD Production		7,000,000	19,920,000			26,920,000	70
<i>Share of cost of issuance & incidentals</i>						2,580,000	
<i>Subtotal</i>	3,900,000	36,900,000	28,820,000	3,900,000	3,900,000	80,000,000	495
GRAND TOTAL	74,500,000	102,955,000	114,745,000	3,900,000	3,900,000	310,000,000	1,256

PROGRESS TO DATE: LOW-INCOME HOUSING

- Notice of Funding Availability issued April 2016 for Low-Income Housing Developments
 - Submissions received July 11, 2016. Currently under review.
 - Proposals located in the Mission, Forest Hills, Western Addition, Marina, Tenderloin, and the Excelsior neighborhoods.
 - Proposals included homeless housing, senior housing, family housing, childcare centers, PDR use, and extensive community-serving spaces.

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PROGRESS TO DATE: PUBLIC HOUSING

- The Sunnydale team acquired a vacant parcel for construction of new relocation housing. Bond funds will pay for master planning, predevelopment, acquisition and construction @ approximately \$21 million.
 - Construction to commence in Q4 2017
- The Potrero team acquired a vacant parcel for construction of new relocation housing. Bond funds will pay for predevelopment and construction @ approximately \$20 million.
 - Construction to commence Q4 2016

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PROGRESS TO DATE: MIDDLE-INCOME HOUSING

- Downpayment Assistance Loans (DALP) available now.
Implementation of the new down payment assistance loan program rules began July 1, 2016. More households are eligible (those earning up to 175% AMI), and loan amounts are larger (up to \$375,000 per household).
- Teacher Next Door forgivable loans available now. These loans may be used in addition to the above DALP loans.
- 15% of Seawall Lot 3221 devoted to middle-income units
 - Developer selection process complete and architectural work underway.
 - Construction loan closing estimated for FY 17-18, including \$7MM for middle-income units.
- MOHCD and SFUSD pursuing Teacher Rental Housing on SFUSD site. Predevelopment funding issuance anticipated 2017.

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FIRST BOND ISSUANCE: 2016 SCHEDULE

- May 24, 2016: Kick-off
- August 29: Capital Planning Committee
- September 7: Budget & Finance Committee
- September 13: First reading, Board of Supervisors
- October 12: Bond sale
- October 28: Close bonds

MOHCD will use non-bond funds to get programs started and be reimbursed upon bond sale.

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT



METRICS & ACCOUNTABILITY

- Extensive neighborhood outreach to community groups for every project.
- City-wide Loan Committee approval of all MOHCD-issued multifamily loans.
- BOS approval of all housing revenue bond issuances for individual projects.
- Regular reporting to Citizens' General Obligation Bond Oversight Committee (GOBOC).

Unlike a traditional GO Bond, the City has minimal control over the timing of construction of units and their occupancy, but that is our primary metric of completion.

