

Shifting Planned Uses of \$310 Million Affordable Housing Bond

January 27, 2015 — July 28, 2016

Table 1 MOHCD's January 27, 2015 Proposed Use of Bond

Value	Use	Units	Income Range
30,000,000	HOPE SF: shorten Sunnydale schedule from 20 years to 17 years	Approx. 140 accelerated	Extremely Low Income
35,000,000	Acquisition of existing rent-controlled housing / land acquisitions	Approximately 150	Extremely low to Middle Income
80,000,000	Affordable housing on Public Sites	Approximately 320	Very Low/Low Income
70,000,000	Middle Income Housing	Approximately 350	61% up to 150% AMI
20,000,000	Catalyst Fund Top Loss	Approximately 100	Low to Middle Income
5,000,000	Teacher Next Door Program	Approximately 250	Up to 200% AMI
10,000,000	Middle Income DALP	50	Up to 200%
250,000,000		Approximately 1360	

Source: E-mail From Kate Hartley to Olson Lee, Maria Bejamin, Teresa Yanga, Brian Cheu, Benjamin McCloskey, Lisa Motoyama, and Sphe Haywaryd, Subject Line: "Re: Housing Bond Allocations," dated January 27, 2015

Table 2 Mayor's Budget Director February 3, 2015 Proposed Use of Bond

\$250 Million G.O. Bond for Housing in 2015

Uses	\$ (millions)
Accelerate HOPE SF	\$ 80
Middle Income	\$ 80
Neighborhood Stabilization/Low Income	\$ 80
Additional Down Payment Assistance	\$ 10
<i>Totals</i>	\$ 250

Source: Mayor's Budget Director PowerPoint Presentation to Mayor Ed Lee on February 3, 2015, file name "Housing Pipeline of 2.3.15.pptx"

Table 3

June 23, 2015 MOHCD Presentation to Board of Supervisors Budget and Finance Committee
 Planed uses for Bond Spending

Background file #150489 posted as the packet to the Board of Supervisors Budget and Finance Committee hearing on June 23 showed that when the bond measure was being vetted for \$300 million in a PowerPoint presentation prepared by the Housing Bond's Budget and Finance Subcommittee dated June 10, a subtotal of \$57 million was earmarked for "middle-income housing," including \$25 million of the \$57 million for "Expiring Regulations Preservation" on page 26 of the background file, as the inset in red below shows.

SPENDING PROPOSAL. NEW & ACCELERATED PROJECTS

	15-16	16-17	17-18	18-19	19-20	Total	Notes
Public Housing			10,000,000			10,000,000	100% of the 2015-16 Public Housing
Public Housing Rehabilitation			10,000,000			10,000,000	100% of the 2015-16 Public Housing Rehabilitation
Public Housing Construction			10,000,000			10,000,000	100% of the 2015-16 Public Housing Construction
Public Housing			10,000,000			10,000,000	100% of the 2015-16 Public Housing
Public Housing Rehabilitation			10,000,000			10,000,000	100% of the 2015-16 Public Housing Rehabilitation
Public Housing Construction			10,000,000			10,000,000	100% of the 2015-16 Public Housing Construction
Public Housing			10,000,000			10,000,000	100% of the 2015-16 Public Housing
Public Housing Rehabilitation			10,000,000			10,000,000	100% of the 2015-16 Public Housing Rehabilitation
Public Housing Construction			10,000,000			10,000,000	100% of the 2015-16 Public Housing Construction

Middle-Income Housing	15-16	16-17	17-18	18-19	19-20	Total
DALP Loan Expansion	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Teacher Next Door	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Middle-Income Rental Program	3,000,000	3,000,000	3,000,000	3,000,000	5,000,000	17,000,000
Expiring Regulations Preservation		15,000,000		5,000,000	5,000,000	25,000,000
Subtotal						57,000,000
GRAND TOTAL						300,600,000

	15-16	16-17	17-18	18-19	19-20	Total	Notes
DALP Loan Expansion	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	100% of the 2015-16 DALP Loan Expansion
Teacher Next Door	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	100% of the 2015-16 Teacher Next Door
Middle-Income Rental Program	3,000,000	3,000,000	3,000,000	3,000,000	5,000,000	17,000,000	100% of the 2015-16 Middle-Income Rental Program
Expiring Regulations Preservation		15,000,000		5,000,000	5,000,000	25,000,000	100% of the 2015-16 Expiring Regulations Preservation
Subtotal						57,000,000	



Source: "Background File 150489," Board of Supervisors Budget and Finance Committee Hearing, June 23, 2015

Table 4 July 14, 2015 MOHCD Presentation to Board of Supervisors Budget and Finance Committee
Planned uses for Bond Spending

Three weeks later, Background File #150490 posted as the packet for the Board of Supervisors Budget and Finance Committee hearing on July 14, showed the bond measure was being increased to \$310 million in a report from the Mayor's Office titled "\$310 Million Affordable General Obligation Bond Report." Page 9 of Mayor's report increased the subtotal earmarked for "middle-income housing" to \$80 million (from \$57 million shown just a few weeks earlier in the PowerPoint presentation, a \$23 million increase), including "Expiring Regulations Preservation" on page 37 of the second background file, as the inset in red below shows, but it does not show the dollar amounts being allocated to each of the sub-category dollar amounts within the "Middle-Income Housing" section.

PUBLIC HOUSING:	programs	
Accelerate Sunnydale	Up to 80% AMI; Likely 30% AMI or less	2017-2018
Accelerate Potrero		2018-2019
Subtotal	\$80 million	
MISSION AFFORDABLE HOUSING:	Site acquisition, unit rehab, and predevelopment	Site Acquisitions & predev: 2016-2020
Site acquisition, unit rehab, and predev	Up to 120% AMI; likely 50% AMI or 80% AMI targets	Building Acquisitions & Rehab: 2016-2018
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 50% AMI	2016-2020
Preservation of Existing Rental Housing	Target 80% AMI; Up to 120% AMI	2016-2020
Subtotal	\$100 million	
MIDDLE-INCOME HOUSING:	Educators, Middle-Class Families	
DALP Loan Expansion	Up to 175% AMI	2016-2020
Teacher Next Door	Up to 200% AMI	2016-2020
Middle-Income Rental Program	Between 80-150% AMI	2016-2020
Expiring Regulations Preservation	Up to 120% AMI	2016-2018
Subtotal	\$80 million	
GRAND TOTAL	\$310 million	

The 2015 Affordable Housing Bond was reviewed by the Capital Planning Committee on May 11, 2015 and introduced at the Board of Supervisors on May 12th, 2015. Following its introduction at the Board of Supervisors, the 2015 Housing Bond will roll out to the following:

MIDDLE-INCOME HOUSING:	Educators, Middle-Class Families	
DALP Loan Expansion	Up to 175% AMI	2016-2020
Teacher Next Door	Up to 200% AMI	2016-2020
Middle-Income Rental Program	Between 80-150% AMI	2016-2020
Expiring Regulations Preservation	Up to 120% AMI	2016-2018
Subtotal	\$80 million	
GRAND TOTAL	\$310 million	

Source: "Background File 150490," Board of Supervisors Budget and Finance Committee Hearing, July 14, 2015

Table 5

January 28, 2016 MOHCD Presentation to CGOBOC, Page 9
 Planed uses for Bond Spending

2015 HOUSING GO BOND SPENDING		
SPENDING CATEGORY	USE OF FUNDS	TIMELINE
PUBLIC HOUSING: Accelerate Sunnydale Accelerate Potrero	Accelerate HOPE SF housing and infrastructure long-term development programs Up to 80% AMI; Likely 30% AMI or less	2017-2018 2018-2019
<i>Subtotal</i>	\$80 million	
MISSION AFFORDABLE HOUSING:	Site acquisition, unit rehab, and predevelopment	Site Acquisitions & predev: 2016-2020 Building Acquisitions & Rehabs: 2016-2018
Site acquisition, unit rehab, and predev	Up to 120% AMI; likely 50% AMI or 80% AMI targets	
<i>Subtotal</i>	\$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 50% AMI	2016-2020
Preservation of Existing Rental Housing	Target 80% AMI, Up to 120% AMI	2016-2020
<i>Subtotal</i>	\$100 million	
MIDDLE-INCOME HOUSING:	Educators, Middle-Class Families	
DALP Loan Expansion	Up to 175% AMI	2016-2020
Teacher Next Door	Up to 200% AMI	2016-2020
Middle-Income Rental Program	Between 80-150% AMI	2016-2020
Expiring Regulations Preservation	Up to 120% AMI	2016-2018
<i>Subtotal</i>	\$80 million	
GRAND TOTAL	\$310 million	

Source: "2015 \$310 Million Affordable Housing General Obligation Bond Report," Executive Report to CGOBOC, January 28, 2016

Table 6 July 28, 2016 MOHCD Presentation to CGOBOC, Slide #4 :
Planned uses for Bond Spending

Note: Spending of the Bond was initially set to begin in FY 2015–2016.

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

Source: "General Obligation Bond Oversight Committee: Update," PowerPoint Presentation to CGOBOC, July 28, 2016

Table 7

September 12, 2016 MOHCD Presentation to CGOBOC, Page #7
 How \$310 Million Affordable Housing Bond Fits Into MOHCD's Funding Plans

Note: Readers should note that Table 7 pushes planned spending back a full Fiscal Year set to begin in FY 2016–2017, compared to MOHCD's planned spending in Table 6 on the previous page that was set to begin in FY 2015–2016.

How 2015 General Obligation Bond for Affordable Housing Fits into Overall Funding Strategy						
	FY16-17		FY17-18		FY18-19	
	Bond	Non-Bond	Bond	Non-Bond	Bond	Non-Bond
Public Housing						
HOPE SF	40,600,000	46,750,000	36,820,000	22,400,000	-	74,350,000
RAD	-	21,472,291	-	30,000,000	-	-
Low-Income Housing						
New development: Mission	6,000,000	99,500,000	20,000,000	17,200,000	22,385,000	28,000,000
New development: Other Neighborhoods	9,000,000	92,716,266		32,500,000	63,540,000	-
Acquisition/Rehab: Small Sites	15,000,000	15,123,165	9,235,000	3,592,506		5,000,000
Acquisition/Rehab: Other	-	52,844,424		5,842,000		28,000,000
Middle-Income Housing						
Downpayment Assistance	2,900,000	3,500,000	2,900,000	4,500,000	8,700,000	4,500,000
Teacher Next Door	1,000,000	-	1,000,000	-	3,000,000	-
Other Middle-Income Programs	-	-	33,000,000	-	24,920,000	-
TOTAL	74,500,000	331,906,146	102,955,000	116,034,506	122,545,000	139,850,000
<i>Note: FY18-19 Bond values for downpayment assistance and Teacher Next Door may be spent over three years.</i>						
Units estimated to be created and/or substantially rehabilitated from bond funds:						1,069
First-time homeowners estimated to be assisted from bond funds:						189
Units estimated to be created and/or substantially rehabilitated from other fund sources, 2015-2020:						12,870

Source: Untitled MOHCD Letter Dated September 12, 2016, Submitting Responses to Questions CGOBOC Members Had Raised During CGOBOC Meetings on January 28, 2016 and July 28, 2016, and inbetween meetings.