



City and County of San Francisco
Citizen’s General Obligation Bond Oversight Committee Meeting
 May 21, 2018

Partial Verbatim Transcript of
Citizen’s General Obligation Bond Oversight Committee Meeting
 May 21, 2018

Transcription from MP3 Audio Posted on SFGOV TV Web Site
by Patrick Monette-Shaw

Note: Material contained in bracketed text — [between brackets] — includes elliptical inferences made by various speakers, or include explanatory information added by the transcriptionist. Any errors in transcription are unintentional, given Monette-Shaw’s life-long hearing loss. The footnotes place comments into context. Information contained in the extensive footnotes offer clarifying rebuttal information, that should be read closely.

| Hour:Min:Second on MP3 Audio | Speaker | Verbatim Text |
|---------------------------------|-------------------------------------|---|
| 0:31:26 | Kate Hartley. Director, MOHCD | Good morning Committee members. [I’m] Kate Hartley. I’m the Director of the Mayor’s Office of Housing and Community Development. We are pleased to be here today to report good progress on our \$310 million Affordable Housing Bond. ... |
| 0:32:15 | Hartley | We do have a little bit of news to follow up on. We presented this information at our last meeting [in November 2017] and we did reallocate funds in our low-income housing category. We took funding that we had reserved for 250 Laguna Honda Road [sic: “Boulevard”] for senior housing and we instead applied it to senior housing at 1296 Shotwell. ... |
| 0:32:48 | Hartley | I just want to state for the record — and this is something I think that you’ll be interested in — there were some news reports regarding our reallocation of funding for 250 Laguna Honda that suggested that the reason that we pulled away from that project was because of neighborhood opposition. And there was strong neighborhood opposition. MOHCD does get some kind of neighborhood opposition on virtually every project we work on. It’s a job hazard for building affordable housing development in a dense city. But I want to assure the public and you that the reason that we pulled away from 250 Laguna Honda was <i>solely</i> due to the need to be very cost effective in our application of bond funds. There was site due diligence that our development team did on the site, which showed a very unstable hillside above our parcel. And the geotechnical engineers advised us that there would be a stream of debris that would be constantly flowing down onto our project. In addition, more seriously, that there was severe seismic safety risk for the homes above our parcel and that created what we thought was potentially an unsafe condition with serious cost implications. |

| Hour:Min:Second on MP3 Audio | Speaker | Verbatim Text |
|---------------------------------|---------|---|
| | | <p>As well, there was a church on the site that had been deemed an historic resource. And so we were unable to use that land that we thought we could replace with housing for housing. So the combination of fewer units and high costs, and high long-term liability led us to the decision that it made sense to reallocate those funds in a more cost effective development, and into a development that we could get going immediately so the public could see the benefit of their bond funds.</p> <p>So just wanted to state that for the record.</p> |
| ... | | |
| 0:43:55 | Hartley | <p>We've had to spend more on a per-unit basis. The same is true with our middle-income housing. We projected ... Even a year ago, we projected a certain per-unit subsidy, but because of the costs and also at the federal level — I didn't mention this — but with the federal Tax Reform Act that was finalized in December 2017, <i>we lost approximately \$50,000 in equity per unit</i> from our low-income housing tax credit [equity] program. The only source of replacement for those funds is the City. So we are facing dual challenges: Less assistance at the state and federal level, and higher costs. So that is resulting in ... um ... higher <i>gap funding</i> on a per-unit basis from us.</p> |
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