SAN FRANCISCO HOUSING TRUST FUND

Presentation to Committee on Housing and Community Development and Committee on Revenue and Taxation
March 18, 2013
Presenter: Olson Lee, Director Mayor’s Office of Housing
1. Housing Trust Funding Structure
2. Housing Trust Fund
   • Affordable Rental Production
   • Homeownership and Housing Stabilization
   • Market and BMR Stimulus
3. Summary
“Most state, federal, and local funding for affordable housing development has decreased since FY 2006-07. Local sources of funding have decreased due to economic and political uncertainty. The City has collected no or few affordable housing fees from FY 2008-09 through FY 2010-11 due to declines in market rate housing development. Although tax increment financing of affordable housing projects has been stable, dissolution of the SFRA will eliminate this source of funding. “

- Performance Audit of San Francisco’s Affordable Housing Policies and Programs, Budget and Legislative Analyst
City-Allocated Federal Housing Resources, 2007-2012

- CDBG Housing Resources + HOME Program Activities
- HOME Program Activities
- CDBG Housing Resources

2007 2008 2009 2010 2011 2012 (estimate)
FUNDING FOR HOUSING

San Francisco Housing Resources, MOH + SFRA, 2007-2012

Total Available, MOH and SFRA
San Francisco Redevelopment Agency
MOH Sources*

MOH Sources includes HOME, CDBG, Affordable Housing Fund, Hotel Tax Fund, Prop A Bonds, and General Fund. SFRA sources include tax increment revenue and bond proceeds.
SUMMARY:

1. Funds to support housing production are in steep decline
2. We continue to struggle to close the gap between what people need, and what people can afford
3. Matching housing production to housing need increases our economic competitiveness
4. Housing production plays an important role in our local economy
FUND STRUCTURE

1. Recycled RDA Tax Increment
2. Hotel Tax
3. A New Source: Transfer Tax or Gross Receipts
RDA Tax Increment - Housing

The HTF will capture former RDA Tax Increment as housing bond debt is retired.

The amount of Tax Increment available in year 1 is approximately $2 million. This grows to nearly $56 million in year 30.
RDA Tax Increment - Infrastructure

The HTF will capture 25% of former RDA Tax Increment as infrastructure bond debt is retired

The amount of Tax Increment available in year 1 is approximately $400 thousand. This grows to approximately $11 million in year 30.
Hotel Tax

The HTF will capture that portion of the existing Hotel Room Tax originally created to fund replacement senior housing lost in Yerba Buena Project Area.

$5 million in Hotel Tax will be included in the HTF set-aside every year. This is consistent with the typical annual allocation to affordable housing.
New Revenue

A companion ballot measure approved gross receipts tax reform

This measure will generate approximately $13 million in additional revenue for the Housing Trust Fund in year 1
HOUSING TRUST FUND PROGRAMS

1. Charter Amendment and Companion Legislation
2. Primary Goal: Balanced Growth
   • Affordable Housing Production
   • Homeownership and Housing Programs
   • Market Rate and BMR Stimulus
The HTF will support implementation of MOH’s aggressive affordable housing pipeline of nearly 9,000 units, including:

1. Completion of MOH’s supportive housing and transitional aged youth initiatives;
2. Development of affordable housing parcels in major project areas such as Transbay, Mission Bay, Treasure Island, and Hunter’s Point Shipyard;
3. Implementation of HOPE SF, the City’s initiative to revitalize distressed public housing sites; and,
4. Acquisition and development of new permanently affordable housing sites throughout the City.
HOUSING PRODUCTION

10th and Mission Family/Senior

The Ambassador Hotel

MAYOR’S OFFICE OF HOUSING
Carter Terrace

Mosaica Family/Senior
Over 30 years, the HTF will provide approximately $1.2 billion for affordable housing production;

Local funding for affordable housing for households at 60% AMI or below typically leverages state, federal, and private capital at a ratio of 1:1 or 2:1;

Total investment in housing and the economy through the HTF will be approximately $3 billion in today’s dollars.

Will allow San Francisco to return to affordable housing production levels under Redevelopment
The HTF will double the capacity of MOH’s current down payment assistance loan program by providing $15 million in the first five years.

MOH’s DALP is a revolving loan fund that sustains itself through repayments upon sale with a share of the appreciation.
The HTF will provide new revenue totaling up to $15 million in the first five years to extend and create housing stabilization programs.

The Housing Stabilization Fund will be used to reduce the risk to current occupants of loss of housing through foreclosure prevention, accessibility improvements, energy efficiency upgrades, life-safety improvements, etc.
MARKET RATE AND BELOW MARKET RATE (BMR) INCENTIVES AND STIMULUS
1. Lower residential production costs
2. Provide increased development certainty
3. Target growth to areas zoned for growth
4. Spur stalled projects
5. Provide incentives and flexibility for On-Site BMR Production
## SUMMARY

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SUMMARY:

THE HOUSING TRUST FUND WILL:

1. Create a 30-year funding source for affordable housing
2. Increase housing options for the City’s diverse population
3. Provide support to households to remain in their homes
4. Stimulate development to the benefit of our local economy
San Francisco Housing Resources, MOH + SFRA, 2007-2012

MOH Sources includes HOME, CDBG, Affordable Housing Fund, Hotel Tax Fund, Prop A Bonds, and General Fund. SFRA sources include tax increment revenue and bond proceeds.
Q&A