



# 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

CITY AND COUNTY OF  
**SAN FRANCISCO**

MAYOR EDWIN M. LEE



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# FUNDING FOR HOUSING

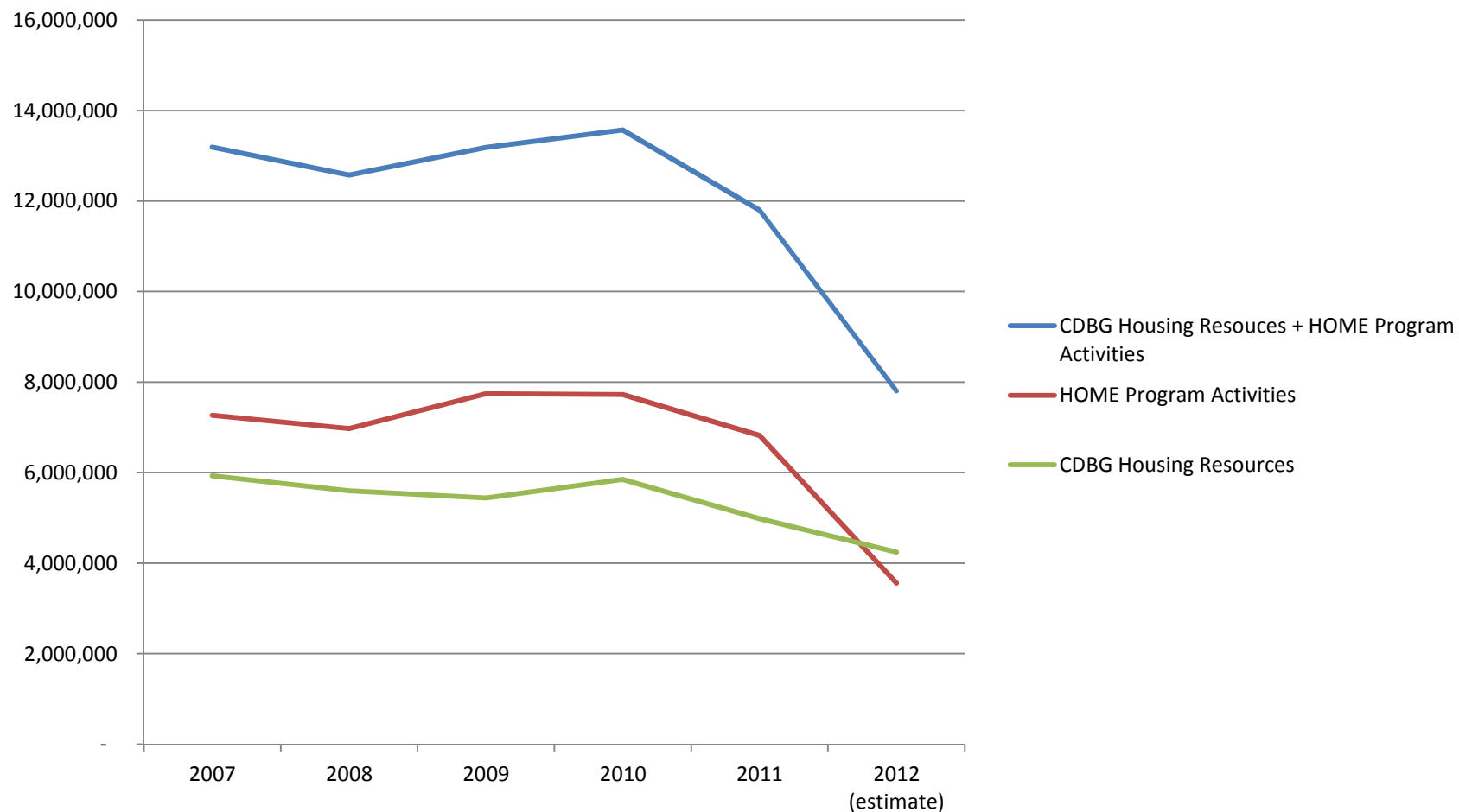
“Most state, federal, and local funding for affordable housing development has decreased since FY 2006-07. Local sources of funding have decreased due to economic and political uncertainty. The City has collected no or few affordable housing fees from FY 2008-09 through FY 2010-11 due to declines in 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*



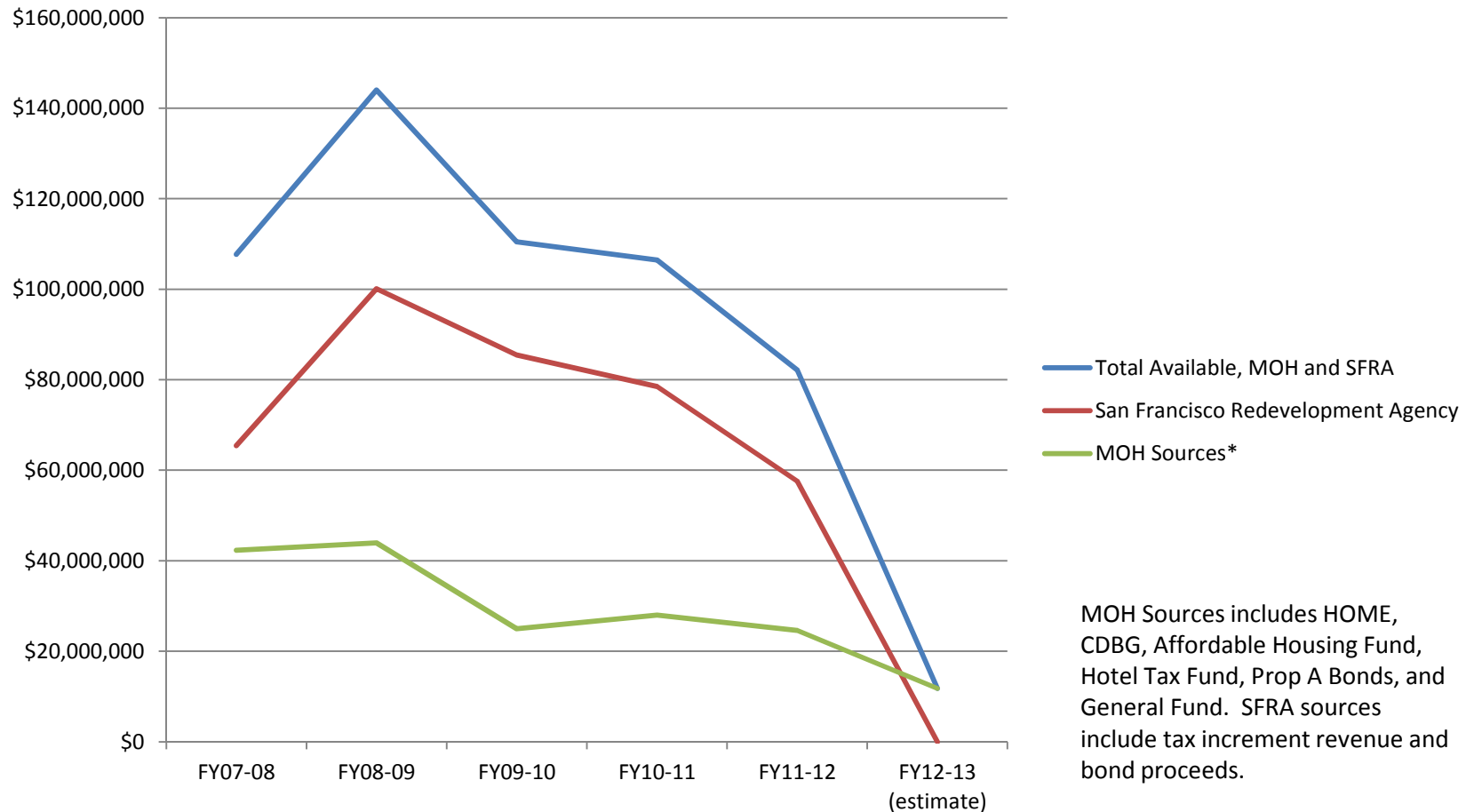
# FUNDING FOR HOUSING

## City-Allocated Federal Housing Resources, 2007-2012



# FUNDING FOR HOUSING

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





## 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



# FUND COMPOSITION

## **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





# FUND COMPOSITION

## **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

# FUND COMPOSITION

## **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



# FUND COMPOSITION

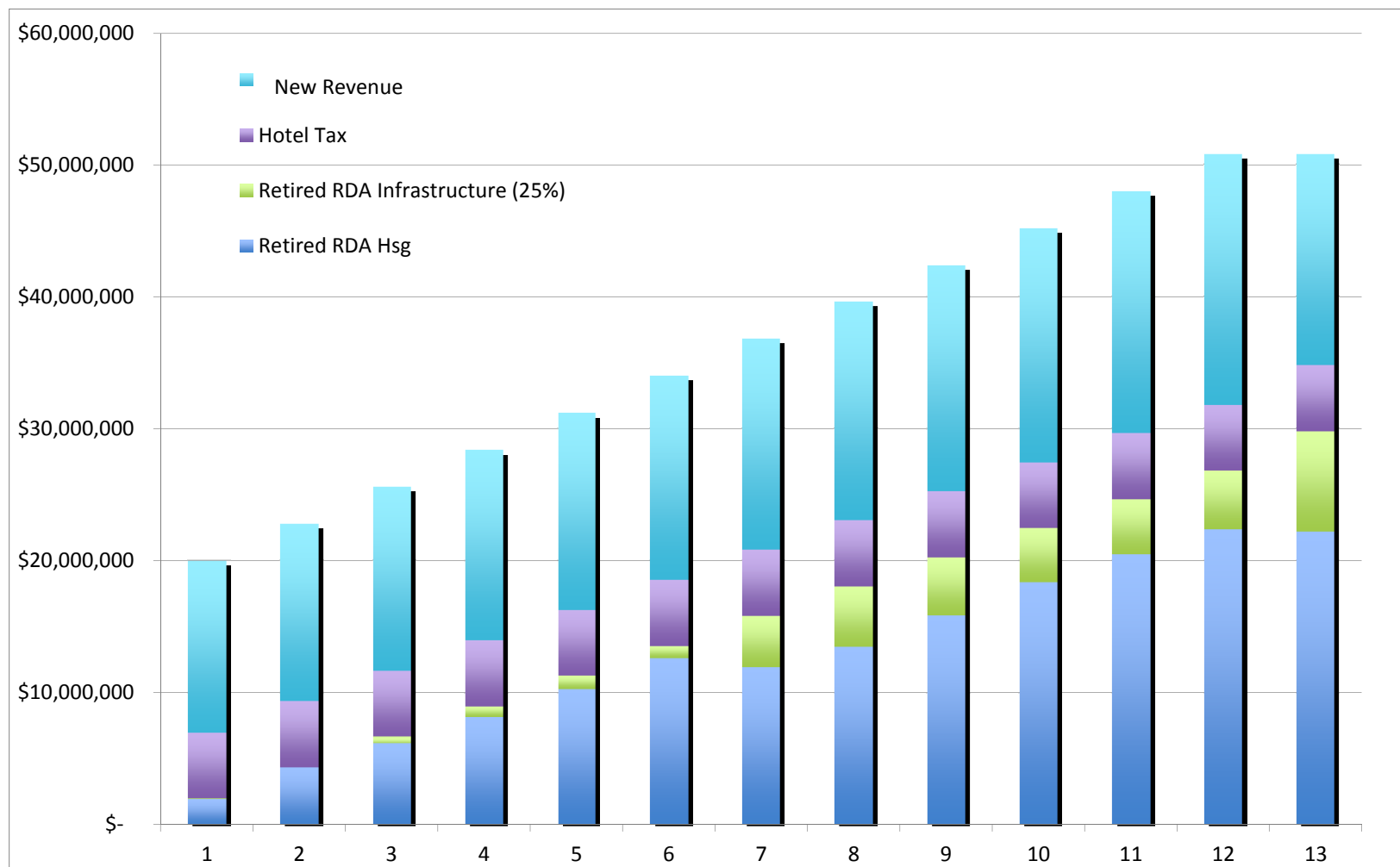
## **New Revenue**

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



# FUND COMPOSITION





## 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



# HOUSING PRODUCTION

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



10<sup>th</sup> and Mission Family/Senior



The Ambassador Hotel



# HOUSING PRODUCTION



Carter Terrace



Mosaica Family/Senior



# HOUSING PRODUCTION

*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*



# HOMEOWNERSHIP PROGRAMS

*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*



# HOUSING STABILIZATION

*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

Revenue	Charter Amendment	Ordinance	Admin Policy
Payroll Tax Reform – Gross Receipts Tax	General fund revenue capture/ capped at GF growth in year 12	5 to 9 unit exclusion from inclusionary program	Expansion of DALP
	Funding for BMR housing production and programs up to 120% AMI	Citywide onsite BMR “buy up” program (20%)	Housing Stabilization Programs
	Authorize use for complete neighborhoods	Inclusionary “Dial” program	
	Housing obligation reduction and cap	Limited fee deferral 120’ and higher	
	30 Year Term		





**SUMMARY:**

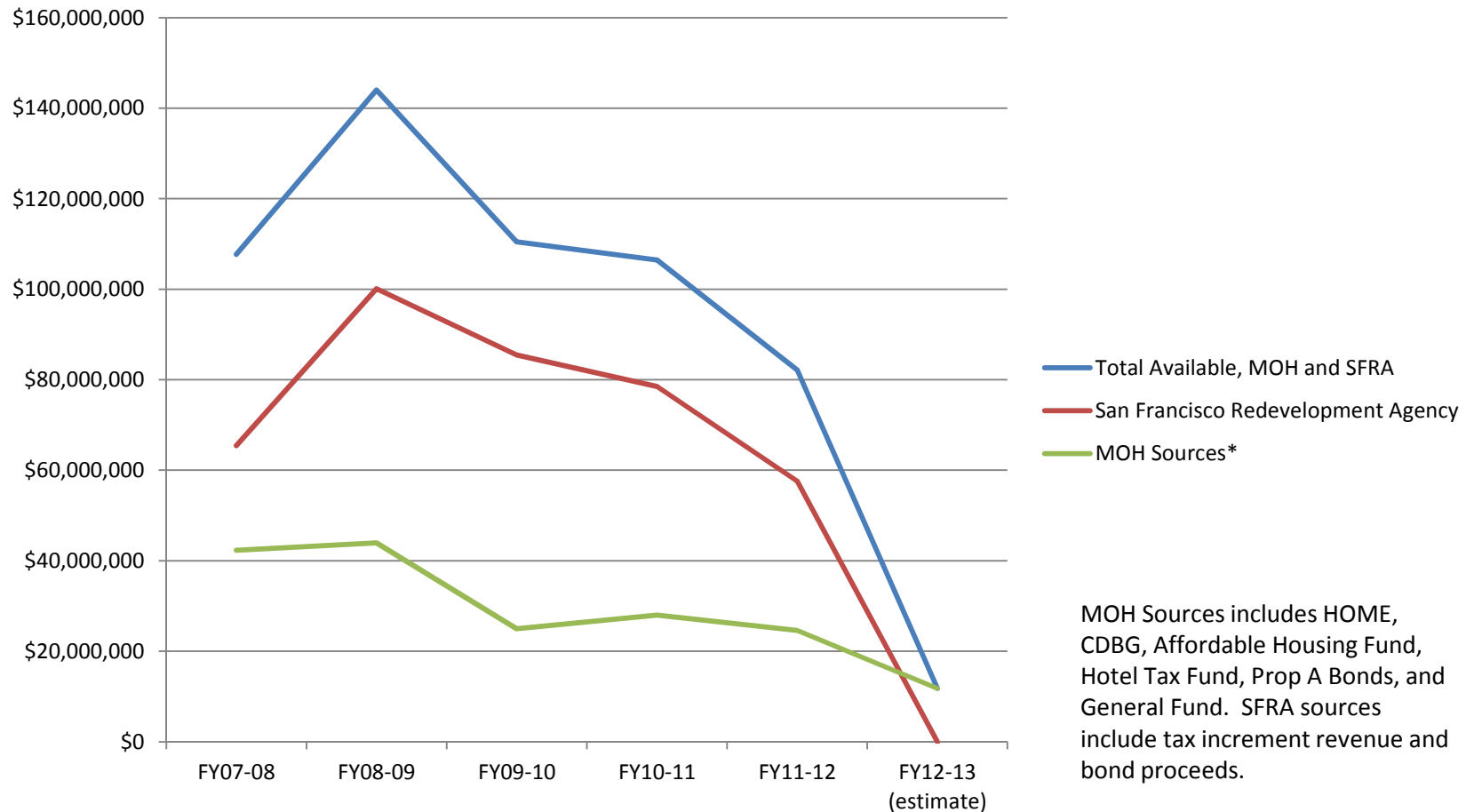
**THE HOUSING TRUST FUND WILL:**

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



# FUNDING FOR HOUSING

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





MAYOR'S OFFICE OF HOUSING



# Q&A

