

MOHCD Responses to Questions from May 15, 2024 Report-Back Webinar

Q1: Can we submit questions any other way besides through tonight's chat?

You may submit questions to frolayne.carlos-wallace@sfgov.org.

Q2: I would like to know if your initial plan was substantively changed because of these forums and focus groups. I often would like to participate but feel it never leads to anything.

Your participation is valued by MOHCD and community participation is very much needed for MOHCD to assess how we're doing. This recent community engagement process, which included the forums, focus groups, and an online survey, confirmed that all of the programs and services that MOHCD is currently funding/providing are important and essential for MOHCD's target populations. The community engagement also confirmed that MOHCD programs and services needed improvement.

More specifically, we need to do a better job at ensuring that our target populations are aware of our programs and services, and that the programs and services are coordinated and accessible. As a result of this community engagement process, MOHCD is proposing to reframe and revise our overarching objectives, including adding a new objective to strengthen coordination, accessibility, and effectiveness of services.

Current FY 2020-2024 Objectives	Proposed FY2025-2029 Objectives
Objective 1: Families and individuals are stably housed	Objective 1: Expand affordable housing opportunities
Objective 2: Families and individuals are resilient and economically self-sufficient	Objective 2: Provide services to maintain housing stability and reduce displacement
Objective 3: Communities have healthy physical, social, and business infrastructure	Objective 3: Strengthen coordination, accessibility, and effectiveness of services
Objective 4: Communities at risk of displacement are stabilized	Objective 4: Advance housing equity by embedding racial equity and trauma-informed policies and practices in the work of MOHCD (including providing identity-centered services)
Objective 5: The City works to eliminate the causes of racial disparities	

Q3: If SROs are not considered adequate housing, will the priority for more low, moderate and middle housing be expanded to include Very low income?

Yes, households earning extremely and very low incomes are a priority, along with low-, moderate- and middle-income households. One of the proposed strategies will be to increase housing opportunities for populations intentionally excluded from affordable housing, including seniors, persons with disabilities, TAY, homeless or formerly homeless and veterans, extremely low-income households, and large households with dependent children.

SRO housing can be appropriate as a first step in the housing ladder in San Francisco when the rent is affordable and there is no over-crowding, especially for small households exiting homelessness.

To improve building conditions, the Department of Homelessness and Supportive Housing is in the process of deploying \$10 million towards SRO elevator repairs in 2024. In Summer 2023, MOHCD issued a Notice of Funding Availability (NOFA) representing the investment of \$20 million towards a variety of building repairs - SRO buildings were amongst the awardees. The [Residential Hotel Unit Conversion Ordinance \(HCO\)](#) managed by the Department of Building Inspection continues to protect SROs from being removed from the housing market, and the City remains committed to preserving this essential component of San Francisco's housing portfolio.

Q4: Did the black community - immigrant or non-immigrant - participate in the conversation?

The community engagement process included 30 focus groups and 13 forums and an on-line survey. Of the 528 survey respondents, 12.5% identified as Black. 15% of forum participants identified as Black. Forums held in Bayview Hunter's Point, OMI, Tenderloin, Western Addition, and Visitacion Valley included the largest proportion of residents and stakeholders identifying as Black.

Q5: Do you encourage the development of rental housing that is large enough to house intergenerational families, including grandmothers/fathers or aunts/uncles? What do you have for groups within families who want to live together or side-by-side?

Yes. Units that are 3 bedrooms or larger are intended for larger households. We are not able to offer side-by-side units through our lottery process.

Q6: Can you include assisted living facilities in your plans, particularly for the elderly?

Strategies related to assisted living facilities are not included in MOHCD's strategic plans because MOHCD partners with other City departments to ensure that residents living in senior housing have access to appropriate services to remain independently housed.

MOHCD is also the recipient of Housing Opportunities for Persons With AIDS (HOPWA) funds, which includes HIV residential care and transitional care facilities. These are not permanent housing. We fund operations and services in these facilities in partnership with the Department of Public Health.

Q7: It would help if you had an economic analysis that explains why affordable housing is not being built.

It's widely agreed that households who spend 30% or less of their income on housing are more financially stable as it allows households to pay for other expenses and save for the future. In areas with high housing costs like San Francisco, rent burdens over 50% are not uncommon. Income-restricted housing such as San Francisco's 100% affordable housing developments helps ensure that households are not overly rent burdened.

San Francisco is in a housing affordability crisis with housing costs that have increased far faster than inflation since the late 1990s and become acutely expensive during the economic boom after 2011. Due in part to lack of affordable housing coupled with insufficient overall housing production and an influx of higher income households, the city has seen an increase in cost burdens and a drop in low- and moderate-income households, certain racial/ethnic groups, and certain household types.

Additionally, while nearly all costs have increased since 2019, rents have not kept pace in larger cities such as San Francisco and in some instances have fallen. This dynamic creates challenges

for new housing development as developers cannot always absorb higher construction costs if projected revenues do not rise enough to cover cost increases. In the City of San Francisco, local funding accounts for approximately 40% of the total cost of development. We rely on funding from the State and Federal government to cover the remaining development costs, however those resources continue to be extremely limited and the process for securing these funds is extremely competitive and often unpredictable.

Even in the face of increasing costs and market volatility, affordable housing is being built in San Francisco. In Fiscal Year 2022-2023 alone, the City started construction on more than 1,400 new affordable homes, representing a total investment of \$378 million. In the same year, the City closed on more than \$21 million in predevelopment loans representing approximately 784 new homes, as well as \$115 million to preserve more than 220 existing affordable homes in San Francisco.

For more in-depth economic analysis, please see these recent reports:

- [Making It Pencil: the Math Behind Housing Development – 2023 Update](#)
- [Exploring 2023's Housing Trends and Challenges](#)
- [Making It Pencil: Can We Get Housing for Middle-Income Households to Work?](#)