



**NOTICE OF PUBLIC MEETING REGARDING MAYOR'S OFFICE and
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT
PROPOSED BUDGET**

The Office of Mayor London N. Breed and the Mayor's Office of Housing and Community Development (MOHCD) invite interested parties to attend a public meeting on the agencies' proposed budgets. This public meeting is being held pursuant to Ordinance 294-19.

PUBLIC MEETING DATE & TIME

Monday, February 12, 2024
2:00 p.m.

PUBLIC MEETING LOCATION

Virtual Zoom Meeting

<https://us02web.zoom.us/j/82447537047?pwd=dnBzRkJoahHhYbEF2U2JhejFDV21vdz09>

The public meeting is an opportunity for the Office of the Mayor and MOHCD to provide information pursuant to Ordinance 294-19, including agency divisions; budget totals and major changes, including new or reduced initiatives and staffing changes; changes in service levels; projected salary savings; and how the agency is meeting budget target instructions. The meeting is open to the public and all attendees will have the opportunity to provide two minutes of oral public comments during the meeting. If you are interested in providing written comments before or after the meeting, please send written comments to the address below.

The presentation portion of this public meeting will not cover the allocation of funding to Community Based Organizations through MOHCD Community Development Division's previous Request for Proposals process.

SEND WRITTEN COMMENTS TO:

mohcd-budget-comments@sfgov.org

Public Meeting Regarding Proposed Budget

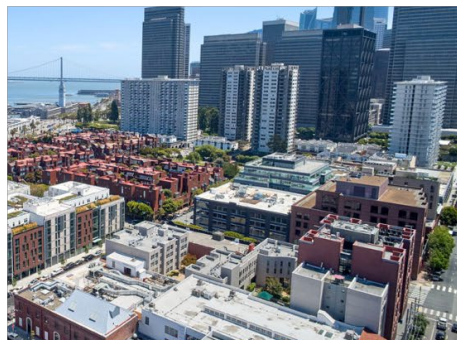
February 12, 2024



OFFICE OF **MAYOR LONDON N. BREED**



MAYOR'S OFFICE OF
HOUSING & COMMUNITY DEVELOPMENT





MISSION

Support San Franciscans with affordable housing opportunities and essential services to build strong communities.



FY 2023-24 BUDGET
\$190.3 million



POSITIONS
126

DIVISIONS

Housing

Community Development

**Homeownership and Below
Market Rate (HBMR)**

Finance and Administration

HOUSING division focuses on funding affordable housing development and creates housing policies and programs that build safe, stable, and affordable housing.

COMMUNITY DEVELOPMENT division works with a broad network of community-based partners to create an inclusive and equitable City where all residents can thrive.

HOMEOWNERSHIP AND BELOW MARKET RATE (HBMR) division delivers affordable homeownership opportunities, implements inclusionary programs, and ensures that all City-sponsored affordable housing is accessible to the people it is intended to serve.

FINANCE AND ADMINISTRATION division ensures that the department has the financial, human, and technological resources necessary to manage our investments and policies.

DIVISIONS





MOHCD POLICY PRIORITIES **RACIAL EQUITY**

Center and operationalize our racial equity goals by using a racial equity lens in all our work, including each of the following policy priorities.

MOHCD POLICY PRIORITIES

ECONOMIC SELF-SUFFICIENCY, ANTI-DISPLACEMENT, AND HOUSING STABILIZATION

CONTINUE PARTNERSHIPS with community-based organizations and the communities they serve to assist residents.

PROTECT vulnerable residents from displacement through eviction prevention programs, targeted rental assistance, and rental subsidies.

ACQUIRE AND PRESERVE properties throughout the city as permanently affordable housing.

SUPPORT current affordable housing residents by stabilizing and supporting the operations of the properties where they live.

MOHCD POLICY PRIORITIES

HOUSING OPPORTUNITIES FOR VULNERABLE COMMUNITIES

CONTINUE TO DEVELOP AND MAINTAIN accessible and affordable housing, including an expansion of our affordable housing portfolio and pipeline.

CONTINUE DEVELOPMENT of housing application system to meet applicant and project sponsor needs and minimize length of vacancies.



MOHCD POLICY PRIORITIES

EFFECTIVE PARTNERSHIPS



STRENGTHEN COORDINATION with other city departments and leverage resources and investments to advance shared goals.

CONTINUE TO ENGAGE with federal, state, and philanthropic partners on investment strategies to advance housing production, preservation, and tenant protections.



STRENGTHEN AGENCY COMMUNICATION AND PROCESSES to further housing production, preservation, and placement priorities, and advance affordable housing funding and implementation strategies produced through the Mayor's Housing for All Directive.

BUDGET OVERVIEW

MOHCD FY 22-23

APPROXIMATELY 60% of MOHCD's budget does not go through the Board's annual budget process (AAO) and is appropriated at other times.

FUND SOURCES NOT INCLUDED IN THE AAO:

GO BONDS	FY 22-23: 24% of expenditures
FEDERAL AND STATE GRANTS	FY 22-23: 14% of expenditures
DEVELOPMENT IMPACT FEES	FY 22-23: 12% of expenditures
LOAN REPAYMENTS	FY 22-23: 2% of expenditures
OTHER (fees supporting bond issuance and monitoring; legal settlements; development agreements)	FY 22-23: 1% of expenditures

AAO BUDGET
MOHCD FY 23-24

TOTAL BUDGET OF \$190.3M, INCLUDING:

\$57.5M General Fund grants to CBOs (including capital grants), of which \$11.4M is one-time or reduced for FY24-25 in last year's budget cycle

\$44.5M Housing Trust Fund (HTF)

\$31.1M Local Operating Subsidy Program (LOSP)

\$15.8M of renter and homebuyer assistance

\$15.7M one-time market-rate housing developer contributions

\$7.7M housing impact fees and former SFRA housing assets

\$5.8M debt service

\$4.9M payments to other City departments

\$3.2M Cultural Districts

PROPOSED BUDGET MOHCD FY 24-25

TOTAL PROPOSED BUDGET OF APPROXIMATELY \$207.6M, an increase of \$17.3M from FY 23-24.



MAJOR INCREASES INCLUDE:

\$20M from residential vacancy tax (on reserve until litigation resolved)

\$9.5M increase in debt service, primarily from Affordable Housing & Community Facilities COPs

\$2.5M net increase in contributions from market-rate housing developers

\$2.5M increase in LOSP workorder

\$2.4M increase in Housing Trust Fund per Charter

PROPOSED BUDGET MOHCD FY 24-25

TOTAL PROPOSED BUDGET OF APPROXIMATELY \$207.6M, an increase of \$17.3M from FY 23-24.



MAJOR DECREASES INCLUDE:

\$11.4M reduction in CBO grants (including one-time capital projects) previously included in the 2nd year of the FY23-25 budget

\$6M decrease in first-time homebuyer assistance as part of FY23-24 mid-year balancing

\$3.7M net reduction in CBO grants to meet target, partially offset by CODB increase

\$675K (currently) in attrition savings from not filling 4 currently budgeted vacant positions

PROPOSED BUDGET
MOHCD FY 25-26

TOTAL PROPOSED BUDGET OF APPROXIMATELY \$201.0M, a decrease of \$6.5M from FY 24-25.

MAJOR DECREASES:
\$17.9M

in contributions from market-rate
housing developers

MAJOR INCREASES:
\$10M

from residential vacancy tax
(on reserve until litigation resolved)

MOHCD BUDGET INSTRUCTION TARGETS



MOHCD'S BUDGET INSTRUCTION TARGETS

include a reduction of \$5.52M in FY 24-25 and FY 25-26, with an additional \$2.76M contingency reduction.

These reductions will be realized by not filling selected vacant MOHCD positions and reducing General Fund budget for CBO grants.

We are working on internal funding adjustments and one-time solutions to minimize the impacts to CBOs in FY24-25. However, total budget available for CBO grants in FY25-26 is currently estimated to be approximately \$5.85M less than what is available in FY23-24.



MAYOR'S OFFICE **OVERVIEW**

THE MAYOR'S ADMINISTRATION supports the Office of the Mayor through policy, budget, communications, and some constituent services.



FY 2023-24 BUDGET
\$10.7 million



POSITIONS
48

DIVISIONS

Mayor and Senior Staff

Policy and Government Affairs

Communications

Budget

Administrative and Operations

MAYOR'S OFFICE
BUDGET SUMMARY

SPENDING CATEGORY	FY 23-24 (Current Year)	FY 24-25 BASE	FY 25-26 BASE
Salaries and Benefits	8.5	8.8	9.2
Non-Personnel, Projects, Materials, and Supplies	1.4	1.4	1.4
Services of Other Departments	0.8	0.8	0.8
TOTAL	\$10.7 million	\$11.0 million	\$11.4 million

ADOPTED FY 2023-24 AND FY 2024-25 BUDGET included salary and benefit increases based on projected COLA increases.

The Mayor's Office will review budgeted staff savings due to turn-over and reductions that can be made in non-personnel spending to find budget savings.

MAYOR'S OFFICE
BUDGET PRIORITIES AND FEEDBACK

SUPPORT THE MAYOR'S PRIORITIES FOR THE CITY BUDGET, WHICH INCLUDE:

IMPROVING public safety and street conditions

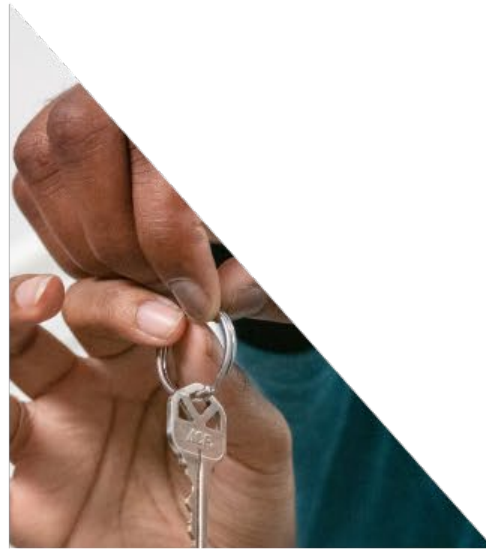
Citywide economic **VITALITY**

REDUCING homelessness and **TRANSFORMING** mental health service delivery

ACCOUNTABILITY AND EQUITY in services and spending

Public meeting on Mayor's budget priorities before April 1

Feedback regarding the Mayor's Office budget *and* the Mayor's budget priorities may be sent to:
budget@sfgov.org



THANK YOU