Appendix

Affordable Housing Funding and Financing Recommendations Report

FEBRUARY 2024

Research and analysis to support recommendations from the Affordable Housing Leadership Council convened as part of implementation of San Francisco's 2022 Housing Element Update

Appendix prepared by Enterprise Community Partners

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To: San Francisco Planning; San Francisco Mayor's Office of Housing and Community Development
From: Enterprise Community Partners
Date: October 2, 2023
Re: Memo – Housing Finance Tools

Introduction and Context

Through the Mayor's Office of Housing and Community Development, the City and County of San Francisco deploys a variety of funding and financing tools to support the production and preservation of affordable housing. Additional tools, however, may be valuable for San Francisco to consider integrating into its affordable housing finance approach, primarily to unlock new, additional resources and grow the local funding and financing capacity. Examples from other cities and regions provide informative case studies. The following memo outlines four such financing tools: tax-increment financing, capitalized revolving funds, an open indenture, and bond recycling. As San Francisco considers utilizing new financing tools, it is important to assess whether these tools are best leveraged locally, by San Francisco directly, or by tapping into tools at the state or regional level. Additionally, the tools discussed below generally require significant up-front time and costs to design, establish, and begin utilizing these tools – often a year or multiple years.

San Francisco must conduct specific financial and feasibility analyses for each housing finance tool to consider best fits and determine optimum outcomes. These analyses should guide conversations for assessing whether San Francisco should embark on implementing a tool on its own and establishing its own programs, or partner with an existing entity that already does this work, such as a state or regional agency.

A. Tax-Increment Financing

Tax-increment financing (TIF) is a mechanism used to fund and finance public facilities and other improvements, often in infill locations where up-front investments are needed to enable real estate development. TIF captures incremental growth in tax revenues (usually property tax, although other types of revenue can also be collected) above and beyond what taxing entities currently receive, due to new development, within a designated geographic area. The incremental growth captured is the amount between the revenue from the increased assessed value and the base value that occurs during the life span of the district (usually anywhere between 10-40 years). In California, property taxes are applied to calculated assessed values and each county collects a general property tax equal to 1 percent of the assessed value. If a city in California wants to use TIF that captures the increase in property taxes specifically, they must be mindful of their share of the general one percent property tax. A good rule of thumb for jurisdictions considering the potential benefits of TIF for their context is that the jurisdictions should be able to at least receive a 15 percent share of its county's general one percent property tax. There are several TIF tools currently available in California to fund affordable housing and housing-related infrastructure (Exhibit 1).

California's Redevelopment Agencies (RDAs) were the most common venues for TIF historically, and since their dissolution, there have been several legislative attempts at re-creating the funding and financing authority of RDAs through new TIF mechanisms. However, TIF has been used sparingly across the state with common barriers to utilizing TIF including its limited revenue potential (as discussed above), the need for participation from multiple taxing entities, limited powers in comparison with RDAs[1] and technical complexity and administrative burden. In general, TIF tools, due to their varying requirements and implementation considerations, are not well known or understood; it is often an arduous task for local jurisdiction staff to design and implement them. The smooth administration of TIF tools would require a team of technical experts, practitioners, attorneys, and consultants with the resources and knowledge to know how communities in California may implement and leverage these tools. The detailed table below (Exhibit 1) lists eight different TIF mechanisms. Which TIF would require a more robust analysis of a neighborhood's existing conditions and planned development.

As a consolidated City and County, San Francisco is better equipped to generate higher revenue from TIF than most cities in California. There has only been one recent TIF initiative designed to directly fund affordable housing in San Francisco: San Francisco's Treasure Island Infrastructure and Revitalization Financing District (IRFD). The IRFD plans to dedicate a portion of tax increment revenues directly for affordable housing. Because Treasure Island is a former military base, its base taxable value is extremely low, allowing the district to generate a very large increment as private development occurs. The SF Treasure Island IRFD would create up to 8,000 residential units, 500 hotel rooms, 550,000 commercial and historic reuse units. The IRFD would allocate funding of $970 million for housing costs and $250 million in facilities costs.[2] As this IRFD demonstrates, TIF can be an additive funding tool for housing. There are also various state programs that can complement TIF to achieve state housing goals due to their focus on infill locations and/or giving preference for projects that use TIF revenues such as the Affordable Housing and Sustainable Communities Program and the Infill Infrastructure Grant Program.

West Sacramento Enhanced Infrastructure Financing District (EIFD): Several cities in California have TIF districts, including the City of West Sacramento EIFD that explicitly funds affordable housing. The West Sacramento EIFD is located in Yolo County within the City of West Sacramento, and it is comprised of 14 subareas, encompassing 4,144 acres of the city, located near the City's port and waterfront area, and represents about 25 percent of the entire city. In 2017, the City of West Sacramento became the first city in California to establish an EIFD. Prior to the creation of the EIFD, and since becoming incorporated 30 years ago, the City of West Sacramento had heavily relied on property tax financing because this resource was available to the City through its former redevelopment agency. However, with the dissolution of California redevelopment agencies in 2011, the City was left without a viable funding mechanism. With the implementation of the EIFD in 2017 and the City being the only taxing entity in the EIFD, the EIFD is projected to generate $535 million over the course of its life span. The West Sacramento EIFD funds public facility improvements, economic development, and housing with the aim of increasing mixed-use and commercial development. This program will create 11,920 homes and of them 350 will be affordable units. Overall, this EIFD is projected to fund $1.5 billion of infrastructure to catalyze high-density, mixed-use, transit-oriented development and potential bond proceeds of $535 million.[3]

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[1]A comparison table on the powers of RDAs and various TIF tools can be found in the Governor's Office of Planning and Research Report on the Use of Tax Increment Financing, page 23 and in the California Association for Local Economic Development's FAQs on California's New Tax Increment Financing Tools, page 5.

[2] The Governor's Office of Planning and Research Report on the Use of Tax Increment Financing, Page 39, Figure 8.

[3] Information for this section is adapted from the Report on the Use of Tax Increment Financing, Southern California Association of Governments Funding and Financing Case Studies, and City of West Sacramento's EIFD Formation Website.

Next Steps: Given the significant upfront planning and political support needed for a new TIF district, it would first be useful for San Francisco to identify any areas of the city slated for significant new development more broadly, ideally with infrastructure needs identified in an area specific plan and assess whether these areas are also target neighborhoods for additional affordable housing. If so, then it could be worth pursuing a more robust feasibility analysis and modeling to determine the costs and benefits of a TIF district in this area and which TIF tool is the best fit.

As San Francisco considers establishing additional TIF districts, there are several factors to consider:[4]

- **Strong real estate market to generate higher levels of revenue with lower risk.** While San Francisco has a competitive real estate market, further financial analysis would be needed to assess financial return and relative risk of specific neighborhoods.
- **Ability to capture a high proportion of the share of general 1 percent property tax, a general rule of thumb being to capture at least 15% of the general 1 percent property tax.** San Francisco captures a high proportion, 64%, of the share of the general 1 percent property tax.
- **Ability to partner with other taxing entities, such as partnering with the County of the respective City.** San Francisco benefits in this respect from being a consolidated city and county.
- **Availability of other sources of funding.** For example, SF Treasure Island IRFD being used in combination with a Mello-Roos Community Facilities district.
- **Community support.** TIF with at least 12 registered voters can be halted or protested.
- **A local champion, such as someone who can make the case to city departments, elected officials, property owners and other taxing entities.**
- **Focus on areas with an adopted specific plan that identifies infrastructure needs.**

[4] Adapted from The Governor's Office of Planning and Research Report on the Use of Tax Increment Financing.

Exhibit 1. Tax-Increment Financing Tools Available for Affordable Housing and Housing-Related Infrastructure

TIF Tool	Enabling Legislation	Description	Allowable Expenditures	CA Examples	Affordable Housing & Other Considerations
Infrastructure Financing Districts (IFDs)	SB 208 (1990-1991)	IFDs are a version of TIF available for use outside the boundaries of redevelopment areas. The IFD is governed by an Infrastructure Financing Plan and is authorized to collect tax increment from California's general one-percent property tax.	Capital improvements such as highways, transit, water/sewer, flood control, childcare facilities, libraries, parks, affordable housing, etc.	SF- Rincon Hill; SF- Port of SF; City of Carlsbad	Affordable Housing Requirement: 20% of units constructed must be affordable
Enhanced Infrastructure Financing District (EIFD)	SB 628 (2014-2015) Amended by: AB 313 (2015-2016), SB 1145 (2018-2019), AB 116 (2019-2020)	EIFDs are similar to IFDs, but EIFDs can be established without voter approval and may be initiated by any affected taxing authority, including a city, county, or special district.	Roads, transit and parking facilities, sewer treatment/water reclamation, flood control, childcare facilities, libraries, parks, recreational facilities, facilities for solid waste, brownfield restoration/mitigation, affordable housing, etc.	SF – Treasure Island; City of La Verne & LA County; City of West Sacramento; City of Sacramento; City of Placentia & Orange County	No Mandatory Affordable Housing Requirement EIFDs cannot finance ongoing operations or services
Infrastructure & Revitalization Financing Districts (IRFD)	AB 229 (2014-2015)	IRFDs are districts that finance housing development and other development projects with community importance in current and former redevelopment project areas. They are like EIFDs and fund many of the same types of projects.	Highways, transit, water/sewer, childcare facilities, libraries, parks, affordable housing, industrial structures, sewage treatment, and environmental mitigation, including watershed lands, flood management, brownfield restoration, etc.		Affordable Housing Requirement: 20% of units constructed must be affordable
Community Revitalization and Investment Authority (CRIA)	AB 2 (2015-2016 Reg. Session) and amended by AB 2492 (2016)	CRIAs were created with the express purpose of targeting investment to low-income, distressed areas. CRIA's must meet 1 of 3 affordable housing requirements: 1. 25% of revenues allocated to affordable housing 2. 30% of units constructed by the CRIA must be affordable 3. 15% of units constructed by other entities in CRIA must be affordable	Capital improvements such as highways, transit, water/sewer, flood control, childcare facilities, libraries, parks, affordable housing, hazardous substance remediation, etc. CRIAs can buy and sell property (including using eminent domain).		1 of 3 affordable housing requirements must be met (see description)

TIF Tool	Enabling Legislation	Description	Allowable Expenditures	CA Examples	Affordable Housing & Other Considerations
Affordable Housing Authority (AHA)	AB 1598 (2017-2018); amended by AB 2035 (2017-2018)	Cities and counties already had the ability to create AHAs but with AB 1598, they are allowed to create new housing authorities that are designed to use TIF to generate funds housing.	Can fund low and moderate-income and affordable workforce housing, including supportive and transitional housing. No requirement to spend revenues in "blighted" areas.		Affordable Housing Requirement: 95% of revenues allocated to affordable housing
Neighborhood Infill Finance and Transit District (NIFTI-1)	AB 1568 (2017-2018)	NIFTI-1 is an EIFD tool that grants cities and counties permission to allow EIFDs to funnel sales and use tax revenues toward affordable housing and supportive transit infrastructure projects.	Can fund a wide range of capital improvements as reflected in the allowable expenses of EIFDs, affordable housing and supportive transit infrastructure projects.		Affordable Housing Requirements (BOTH): - 20% of revenues allocated to affordable housing - 20% of units constructed within the district must be affordable
Second Neighborhood Infill Finance and Transit District (NIFTI-2)	SB 961 (2018-2019)	NIFTI-2 as an extension of NIFTI-1 would further require a TIF district be within one-half mile of a transit stop	Can fund a wide range of capital improvements as reflected in the allowable expenses of EIFDs, affordable housing and supportive transit infrastructure projects.		Affordable Housing Requirement: 40% of revenues allocated to affordable housing
The San Francisco Replacement Housing Act	SB 593	SB 593 will remove barriers to replace 5,842 units of low- and moderate-income housing that were demolished during the period of urban renewal (1955-1975) by authorizing the city to continue to use redevelopment financing tools secured by tax increment.	Financing the development, construction, repair, renovation, or reconstruction of up to 5,842 units of affordable housing that shall remain affordable to, people of low-, moderate-, extremely low, and very low-income households for no less than 55 years for rental units and 45 years for owner-occupied units.		Will create a limited funding source with property tax revenues using only the City and County's share of property tax revenues that remain after all existing commitments are funded.

Primary resources for the table: Governor's Office of Planning and Research Report on the Use of Tax Increment Financing and the California Association for Local Economic Development's FAQs on California's New Tax Increment Financing Tools

B. Capitalized Revolving Loan Fund

A Capitalized Revolving Fund is a financing mechanism that allows for a self-replenishing pool of money, using interest and principal payments on old loans to issue new loans. It is often initially funded through a combination of public and private sources. As borrowers repay their interest and principal, the money is returned to the revolving loan fund to make additional loans, enabling it to continue operating without exhausting its pool of capital. In relation to affordable housing, capitalized revolving loan funds are often established in partnership with community lenders and private foundations to fill funding gaps for affordable housing. These funds may often be used for construction, acquisition, rehabilitation, or predevelopment costs, and bridge financing of affordable housing. How a revolving loan fund is capitalized and what eligible projects and uses may be funded will vary depending on what is outlined for each specific revolving loan fund. There are several counties and housing-related entities that use a revolving loan fund to support the creation and maintenance of affordable housing (Exhibit 2).

Next Steps: The San Francisco Mayor's Office of Housing & Community Development currently lends through the Preservation Seismic Retrofitting Safety (PASS) program. Although it is not a revolving fund, it has been useful to demonstrating MOHCD's ability to lend and finance several complex deals. However, the funds for PASS will run out in 2024 and the interest rates are becoming too high, therefore the agency has explored the possibility of a revolving loan fund for preservation, the Preservation Loan Fund (PLF).[5] The PLF would leverage PASS funds and have the ability to recirculate funds to support the acquisition of at least 600 units and the rehabilitation of at least 200 units.[6] San Francisco should continue considering the implementation of this program as well as additional revolving funds for affordable housing production. Establishing one or more capitalized revolving funds would allow San Francisco to meet the low-cost debt needs of San Francisco developers, while also building its capacity as a financing agency. Targeting the priority lending need(s) as well as securing the initial seed funding are the two primary tasks that San Francisco would need to complete to begin this work.

[5] Preservation Loan Fund, Joseph Testa for San Francisco Mayor's Office of Housing and Community Development (SFMOHCD).
[6] Ibid.

Exhibit 2. Case Studies of Capitalized Revolving Funds used for Affordable Housing and Housing-Related Gap Financing

Name of Fund, Jurisdiction	Fund Amount	Public and/or Private Capitalization	Use of Funds	Administrator	Affordability Requirements and Other Considerations
Revolving Loan Fund for Affordable Housing, Santa Barbara County	$8 million	Both public and private funds. Led by a coalition of community leaders and private foundations including private, public, and non-profit.	• Site acquisition or land take-out • Predevelopment expenses • Construction and rehabilitation • Bridge financing loans • Tax Credit permanent gap financing loan • Permanent financing loans for small-scale projects that serve populations with special needs	The Housing Trust Fund of Santa Barbara County, Board of Directors and Loan Committee	• A minimum of 25% of the project units must be affordable • All assisted units must be structured with long-term affordability provisions • Loans will not fund agency operating expenses, services, or development reserves.
Housing Trust Fund Ventura County (HTFVC), Ventura County	$14.7 million	Both public and private funds. A grant from the California Department of Housing & Community Development, 10 local cities, Ventura County, businesses and financial institutions, and nonprofit organizations.	• Bridge loans • Acquisition of property and rehabilitation expenses for the conversion of market-rate homes or nonresidential property to affordable residential homes. • Construction and development expenses • Land acquisition; these loans are expected to be re-paid through a consolidated construction loan or through long-term permanent financing.	Housing Trust Fund Ventura County	• Must contain affordable housing units within the development, and priority is given to developments with a higher percentage of affordable units • Loans will not fund agency operating expenses, services, or development reserves • Affordability must be maintained for the longest feasible period, with the minimum standard being 30 years
L.A. County Housing Innovation Fund II (LACHIF II), Los Angeles County	$70 million	Both public and private funds, including community lenders.	• Financing for acquisition and predevelopment of multifamily affordable rental housing in Los Angeles County	Los Angeles County Development Authority in partnership with other CDFI lenders	• 60% area median income or less
Housing Production Fund by the Housing Opportunities Commission (HOC), Montgomery County	$100 million	Public - the Montgomery County Council approved an annual appropriation in bonds.	• Construction of mixed-income, mixed-use new developments in Montgomery County	Housing Opportunities Commission of Montgomery County (HOC)	• Affordability requirements: at least 30% of units income-restricted (20% of units affordable at or below 50% AMI and 10% at or below Moderately Priced Dwelling Unit (MPDU) income limits (65% - 70% AMI)

Name of Fund, Jurisdiction	Fund Amount	Public and/or Private Capitalization	Use of Funds	Administrator	Affordability Requirements and Other Considerations
The Revolving Loan Fund (RLF), Los Angeles County	$7.8 million	Public – an earmark from the FY22 State Budget.	• Site acquisition and preparation • Predevelopment expenses • Community engagement and outreach • Short-term construction loans for ownership housing (specific eligibility)	The San Gabriel Valley Regional Housing Trust	• Eligible rental housing projects shall be limited to those that serve households with incomes up to 80% of AMI • Rental housing, including SRO developments and permanent supportive housing, shall be income and rent restricted for not less than 55 years • Homeless facilities must have minimum term of 5 years • Loans will not fund agency operating expenses, services, or development reserves
Supportive Housing Fund, Santa Clara County	$41 million	Both public and private funds – the county and the housing trust itself (a nonprofit).	• Acquisition • Predevelopment • Permanent supportive housing	Housing Trust Silicon Valley and the Santa Clara County Board of Supervisors	• Eligible if projects that commit at least 50% of the units within the project as a combination of PSH and RRH units; OR projects that have 45% AMI have and commit a minimum of 1/3 of the affordable units as a combination of PSH or RRH, and 1/3 of the affordable units for households earning at/below 80% AMI
Golden State Acquisition Fund, State of California	$93 million	Public – The California Department of Housing and Community Development (HCD) from its Affordable Housing Innovation Fund.	• Acquisition financing to support the creation and preservation of affordable housing throughout the State of California	Low Income Investment Fund (LIIF), in partnership with other CDFI lenders	Affordability Requirements: • Rental: 100% of units restricted to households at/below 60% of AMI • Homeownership: restricted to households at/below 80% AMI • Mixed-Use: no less than 75% of sq ft acquired will be affordable housing (at/below 60% AMI) • Mixed-Income: at least 75% of proposed residential units are affordable housing (at/below 60% AMI)

C. Open Indenture

An open indenture is a legal and financial arrangement that a municipal finance agency can use to provide additional low-cost financing by issuing pooled bond issuances, which are secured by a combination of assets. An open indenture is distinct from traditional conduit bond issuances, which are generally issued and secured on a project-by-project basis without credit risk to the issuer (i.e., the jurisdiction). In the case of an open indenture, pooled bond issuances fund and are secured by multiple revenue streams and/or assets that the agency holds, such as loans, rental income, property taxes, or reserves.

The indenture, or resolution as it is sometimes referred, is "open," meaning that all the bonds issued are secured by all the loans funded by the agency, collectively; bonds that are part of the pooled issuance can also be issued over time, rather than all together.[7] Because of the aggregate nature of this model, the pooled financing requires complex bond structuring, due to multiple loans with varied terms, as well as technical assessment to determine its credit rating, which is based on the entirety of the open indenture, including all insurances. These tasks require significant capacity. To access the low-cost, more flexible financing that an open indenture affords, agencies must assume these administrative and legal costs, including insurance, as well as the increased issuer risks.[8]

One of the oldest open indenture programs for affordable housing is run by the New York City Housing Development Corporation (NYCHDC), known as their Multi-Family Housing Revenue Bond Resolution. This program allows NYCHDC to serve as its own financial engine – cyclically issuing bonds through the open indenture backed by a growing portfolio of assets, which can be continuously leveraged for future issuances. The New York City Housing Development Corporation Open Resolution is rated AA+ by S&P and Aa2 by Moody's; this credit rating allows NYCHDC to provide very low-cost borrowing. As described in Enterprise Community Partners' 2018 report, The Elephant in the Region: Charting a Path for Bay Area Metro to Lead a Bold Regional Housing Agenda[9]:

> *"Responding to a severe need for stabilizing the City's affordable housing stock, the state legislature created the New York City Housing Development Corporation (NYCHDC) in 1971. NYCHDC is a supplementary and alternative means of supplying financing for affordable housing independent from the City's capital budget. Initially the NYCHDC primarily financed large-scale rental development, but now it issues bonds and provides subsidy and low-cost loans to develop and preserve a variety of housing types and scales, including homeownership. Its authorizing statute includes flexibility for NYCHDC to amend its programs and goals in response to changing economic climates. Over the past fifty years this has happened at numerous points, with several subsidiaries and new bond programs created. NYCHDC has become the leading local finance agency in the nation, outperforming many of the country's largest banks in terms of volume and dollar amount of bonds issued.*
>
> *NYCHDC's Multi-Family Housing Revenue Bond Resolution ("MRHRB" or "Open Resolution") was established in 1993 and, as of 2014, has over $4 billion of bonds outstanding and more than $6.2 billion in multi-family loans, reserves, and other assets. With a growing balance sheet, 120%*

[7] Cooper, J. (2010). Multifamily Rental Housing: Financing with Tax-Exempt Bonds.
[8] Wilcox, W. (2020). How Bonds Are Putting San Francisco in a Bind.
[9] Hood, H. and Rao, G. (2018) The Elephant in the Region: Charting a Path for Bay Area Metro to Lead a Bold Regional Housing Agenda.

over-collateralization, and flexible funding that can be used to provide deeper affordable housing subsidy, this has created a substantial amount of new funding and has tapped federal and private sector resources to bring new financial tools to the table. NYCHDC has provided over $1.4 billion in 1% subordinate loans funded from its corporate reserves since 2003."

Next Steps: It is more common for state housing financing entities, rather than local entities, to create open indentures, due to the need for scale; typical issuances are at least $50 million. However, given San Francisco's size and considerable resources, it may be worth exploring further. A feasibility analysis for an open indenture for San Francisco would require specialized, San Francisco specific financial analysis to identify minimum thresholds for initial revenue and scale of issuances; a select set of consultants do this work, including Forsyth Advisors. The Bay Area Housing Finance Authority (BAHFA) is also currently exploring an open indenture, and it would be beneficial for San Francisco to explore whether there is any way to potentially partner with BAHFA in this work, rather than establishing its own open indenture.

D. Bond Recycling

Bond Recycling is a creative financial process that allows housing finance agencies, and developers, to preserve and recycle tax-exempt private activity bond cap from prior years. Because each state has a set cap on the amount of tax-exempt private activity bonds it can issue, recycling this finite resource means utilizing the resources as efficiently as possible to allow them to fund as many affordable homes as possible. For many affordable housing developments, tax-exempt private activity bonds are partially or wholly repaid very early on in the project's lifecycle via construction period financing. While projects require a significant amount of these bonds upfront, especially to leverage 4% Low-Income Housing Tax Credits (LIHTC), this debt is often only needed for this short time. Rather than allowing this private activity bond cap to expire, it is preserved and recycled into new projects. As a result, the projects that receive recycled bonds are removed from the overall demand for tax-exempt private activity bond cap.

While bond recycling has become more viable and important in the current conditions of oversubscription of California's tax-exempt bonds, importantly, recycled bonds cannot be used to qualify for 4% LIHTC. For this reason, recycled bonds tend to be a more appropriate financing option for specific kinds of projects, such as mixed income projects, preservation and/or rehabilitation, projects with very limited low-cost debt needs, or projects pursuing alternative financing to LIHTC.

San Francisco currently participates in the California Housing Finance Agency (CalHFA) bond recycling program. CalHFA's program is supported by the company Apple, which has provided the credit facility for the bond recycling, as part of its partnership with the State to support affordable housing production in California. The CalHFA program is only available to projects that meet its requirements for eligible projects, income-targeting, and a 55-year affordability period.[10] To date, the City has used recycled bonds or is planning to use recycled bonds for at least four projects, including new construction, inclusionary, and rehabilitation.

Next Steps: Given San Francisco's relatively new arrangement with CalHFA to engage in bond recycling, in the short term, the City can focus on how to continue leveraging this vehicle to the highest and best use – identifying projects with specific low-cost debt needs. Looking ahead, San Francisco could consider managing its own credit facility to do bond recycling in-house, which would include assessing costs and benefits of scale, capacity, administrative burden, risk mitigation, and level of control.

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[10] California Housing Finance Agency Bond Recycling Program Guidelines

To: San Francisco Planning; San Francisco Mayor's Office of Housing and Community Development
From: Enterprise Community Partners
Date: December 7, 2023
Re: Memo – Insurance Challenges for Affordable Housing

Recent Trends in Insurance for Affordable Housing

Insurance rates in the United States have been increasing for 24 consecutive quarters, according to third-quarter data from Marsh's Global insurance market index. This is the longest running increase since the index's inception in 2012. A recent survey conducted by the National Leased Housing Association of over 400 rental housing providers operating 2.7 million rental homes found that 29% experienced premium increases of 25% or more for 2022-23 renewals. As an owner and operator, syndicator and investor in affordable housing, Enterprise has experienced first-hand the drastic rise of insurance rates at our properties; for the 13,000 affordable units we operate, we saw the cost per unit increase from $297 in 2020, to $306 in 2021, $359 in 2022, and finally $968 per unit in 2023.

For the affordable housing industry in California, the impacts to the insurance market have been particularly acute. In one sample of affordable housing developments in Enterprise's California investment portfolio, insurance costs increased by 56% from 2020 to 2022. But from 2022-2024, housing providers are reporting increases from 50% up to 500%.

Housing providers are facing **limited availability** of insurance, **significant premium and deductible cost increases**, and **reductions in the scope and quality of coverage**; these issues are present in property, liability, and builder's risk insurance. These challenges are especially prominent for permanent supportive housing that serves people previously experiencing homelessness. Drivers of cost increases and access limitations include:

- Climate risks, especially wildfires and floods, which have prompted insurers to exit California
- Discrimination in risk assessment for permanent supportive housing and low-income housing
- Claims history and property financial performance

Rising insurance costs present a financial challenge for affordable housing providers. As prices rise and coverage becomes more limited, affordable housing developers are considering ways to cope with the unexpected costs, including using operating reserves, which are traditionally reserved for one-time issues, not ongoing costs; decreasing or postponing investments in improvements or updates to the building; decreasing operating expenses, such as services, laying off resident services or maintenance staff; and increasing rents beyond what they would otherwise (within the legally allowable range).

Recent Action by the Governor and Insurance Commission

On September 21, Governor Newsom issued an Executive Order requesting the Insurance Commissioner to take regulatory action on CA's insurance marketplace. The EO generally speaks to expanding coverage, improving rate approval processes, opening the door to using new methods to calculate risk, coverage availability, and solvency of the FAIR Plan (California's public option for fire insurance). After the EO was released, Insurance Commissioner Lara held a press conference, presenting on some initial findings of the state's insurance marketplace and outlining several regulatory changes to address these issues, including:

- Commitments from insurance companies to cover all parts of California by writing no less than 85% of their statewide market share in high wildfire risk communities. For example, if a company writes 20 out of 100 homes statewide, it must write 17 out of 100 homes in a distressed area;
- Giving FAIR Plan policyholders who comply with the new Safer from Wildfires regulation first priority for transition to the normal market;
- Expediting the Department's introduction of new rules for the review of climate catastrophe models that recognize the benefits of wildfire safety and mitigation actions at the state, local, and parcel levels;
- Directing the FAIR Plan to further expand commercial coverage to $20 million per building to close insurance gaps for homeowners associations and condominium developments to help meet the state's housing goals and to provide required coverage to other large businesses in the state;
- Improving rate filing procedures and timelines by enforcing the requirement for insurance companies to submit a complete rate filing, hiring additional Department staff to review rate applications and inform regulatory changes, and enacting intervenor reform to increase transparency and public participation in the process;
- Increasing data reporting by the FAIR Plan to the Department, Legislature, and Governor to monitor progress toward reducing its policyholders; and,
- Ordering changes to the FAIR Plan to prevent it from going bankrupt in the case of an extraordinary catastrophic event, including building its reserves and financial safeguards.

While these regulatory actions are important, they are not likely to yield significant relief for the affordable housing industry in California. First, the regulatory changes are primarily targeted at increasing the availability of insurance options in California and encouraging more insurers to re-enter the California market and write policies in all parts of the state. While these intended improvements to access will, ideally, result in lower costs due to a more competitive environment, this type of market adjustment is likely to take many years. Even on a longer-term horizon, it is unclear if lower rates will prove to be an outcome of this regulatory change since the changes also allow for insurance companies to use new modeling. Certainly, these changes will not address cost challenges in the near-term. Second, these regulatory changes are primarily targeted at the single-family home market. The multifamily and, specifically, the affordable housing market faces unique challenges due to the slim margins that housing providers work within. Implementation of these regulations is likely to continue to focus on the single family and market rate sectors of the market.

Strategies Moving Forward

Given the unique challenges facing affordable housing providers, as well as the current state focus on the single-family home insurance market, it will be important for San Francisco to engage in strategies to address these insurance issues directly, and at multiple levels.

First, at the local level, to address near-term financial distress for affordable housing providers in San Francisco, the City and County should identify any necessary opportunities to allow greater flexibility in existing and planned funding to account for increased premiums. This may include flexibility on loan repayments, adjustment to program guidelines, as well as additional grants or other forgivable loans. Working closely with affordable housing providers in San Francisco to assess the extent of the financial hardship and plan for necessary supports will be critical in the short-term.

Looking ahead, the California Insurance Commission and the State Legislature and Governor are important partners in larger-scale solutions. San Francisco should collaborate with other local jurisdictions as well as housing provider partners to engage with state and federal entities on potential reforms and programs. Key areas to explore through legislation and/or regulation include:

- Emergency financial relief for affordable housing providers at risk of extreme financial precarity and/or default because of insurance cost increases;
- Greater transparency and data collection about rate increases and changes in coverage, including information about why rates and changes are being made and inputs into any new modeling tools available to insurance companies;
- Ensure that affordable housing providers are not forced to pay for policies at rates out of sync with their risk and claims history, especially if the organizations are putting risk-mitigation and best practices for building management and climate resilience in place;
- Implement regulations in partnership with the Insurance Commissioner to prevent exorbitant and/or disproportionate increases for insurance for smaller sized multifamily properties
- Creating insurance programs and/or group policy options specific for multifamily affordable housing;
- Adjustments to housing financing programs guidelines to reflect the new insurance reality.

Finally, San Francisco may consider working with housing providers in the City and County, especially smaller, nonprofit organizations to explore options to leverage scale as a group for cross-portfolio policies as well as implementing best practices for risk-mitigation through building management and maintenance as well as climate resiliency.

To: San Francisco Planning; San Francisco Mayor's Office of Housing and Community Development
From: Enterprise Community Partners
Date: February 21, 2024
Re: Memo - Inflation Reduction Act Implementation Opportunities

The Inflation Reduction Act (IRA) of 2022 is the single largest investment to address climate change in US history at an estimated $369 billion, with provisions for clean energy, climate resiliency, and building retrofit and efficiency. Of these investments, over $40 billion can be used towards housing that meets climate outcomes like solar installation, retrofits, and so forth. This memo provides an overview of four IRA programs most relevant to the production and preservation of affordable housing and how existing San Francisco developments, owners and developers of existing affordable housing, or the City and County of San Francisco can leverage these programs to make progress on affordable housing goals.

Upon assessment, we found that the impact of the four programs examined are likely to be relatively small given both the dollar amounts and the focus on energy efficiency (ITC for solar & Residential Rebate Programs), green retrofit (GGRP), and sustainability (GGRF). Utilization of these programs could free up a small amount of local subsidy dollars, but it would not be sufficient to significantly spur additional affordable housing production.

Department of the Treasury: Investment Tax Credit (ITC) Reform and Adders. Investment Tax Credits (ITC) provide additional tax credits on top of Low-Income Housing Tax Credits (LIHTC) for the installation of a solar energy system, up to 30% of the solar project's value, along with a 20% boost in ITC credits for affordable housing. The ITC can be accessed directly by affordable housing developers.

HUD: Green & Resilient Retrofit Program (GRRP). HUD's Green & Resilient Retrofit Program provides $2 billion for green rehab, retrofit, or construction of HUD-assisted multifamily properties. These funds are already available and can be accessed directly by developers through rolling NOFO deadlines until Spring 2024.

California Energy Commission: IRA Residential Rebate Programs. The IRA Residential Energy Rebate Programs will provide $292M in rebates for energy efficiency upgrades and $290M for the purchase and installation of qualified appliances and certain building materials. These funds will be available and accessible directly to developers beginning in early 2024.

Environmental Protection Agency: Greenhouse Gas Reduction Fund (GGRF). The Greenhouse Gas Reduction Fund's (GGRF) National Clean Investment Fund and Clean Communities Investment Accelerator will provide $20 billion in financing to promote clean technology projects locally, including net-zero emissions buildings. These funds will be accessed by hubs of nonprofits that can then sub-award to local housing finance agencies, with program rollout expected to begin in 2024.

A. Department of Treasury: Investment Tax Credit (ITC) Reform and Adders

Investment Tax Credits (ITC) provide additional tax credits on top of Low-Income Housing Tax Credits (LIHTC) for the installation of a solar energy system, up to 30% of the solar project's value, along with a 20% boost in ITC credits for affordable housing. The ITC can be accessed directly by affordable housing developers.

Overview: The Investment Tax Credit (ITC) provides tax credits for the installation of a solar energy system —up to 30% of the energy project's value. The ITC is not a new program, nor is it new to affordable housing development. However, developers have historically been disincentivized from using ITC because it decreased the eligible basis for Low-Income Housing Tax Credits (LIHTC). Eligible basis represents parts of the total project cost that would be eligible for LIHTC and is influential in how potential LIHTC awards are calculated. Programs that reduce eligible basis effectively reduce the amount of LIHTC that affordable housing developments can receive. The IRA has removed this disincentive for using ITC by leaving the LIHTC eligible basis intact should developers desire to layer ITC with LIHTC. Tax credits from ITC are now additive to LIHTC, bringing more investment into the project. Furthermore, the Low-Income Communities Bonus Credit program provides a 20% boost in ITC credits for affordable housing, further reducing the cost of solar installation.

Opportunity for San Francisco: Affordable housing developments may require moderately less local subsidy by using ITC, especially if they are already planning on incorporating solar into the development. The combination of layering ITC onto LIHTC and the bonus credit boost for affordable housing means that the installation of residential solar systems could be nearly or fully covered. There may be challenges in terms of program utilization due to developer unfamiliarity with the program. Also, ITC adds another layer of complexity to deals that could add additional time and some upfront costs.

Next Steps: MOHCD's review process includes verifying developments are maximizing their eligible tax credit equity and flags projects that may be able to leverage the ITC, but San Franscisco projects that are, or are considering, incorporating solar should be encouraged to proactively pursue the ITC. Doing so can help determine if a deal can pencil out, as well as provide for the learning curve that may be needed if pursuing the ITC for the first time. MOHCD could also explore providing technical assistance or partnering with a TA provider to assist developers seeking ITC to maximize success.

B. HUD: Green & Resilient Retrofit Program (GRRP)

HUD's Green & Resilient Retrofit Program provides $2 billion for green rehab, retrofit, or construction of HUD-assisted multifamily properties. These funds are already available and can be accessed directly by developers through rolling NOFO deadlines until Spring 2024.

Overview: HUD's Green & Resilient Retrofit Program seeks to improve the overall efficiency, sustainability, and climate resilience of affordable housing. The program is available to HUD-assisted multifamily properties, such as projects under the RAD and Section 8 Project-Based Rental Assistance program (see table note below). HUD released the Notice of Funding Opportunity (NOFO) in May 2023 along with the program guidelines. While the GRRP mainly focuses on rehab and recapitalization, new construction projects also are eligible to apply for the program, as detailed in the NOFO. The GRRP is split into three cohorts, each with a slightly different emphasis:

Cohort	Eligible Properties*	Funding	Awards	Remaining Application Deadlines
Elements	HUD-assisted Multifamily properties **with a materially advanced recapitalization effort underway**	$140 million	Up to $40K per unit or $750K per property	March 8, 2024
Leading Edge	HUD-assisted Multifamily properties that **can commit to achieving an advanced green certification**	$400 million	Up to $60K per unit or $10M per property	April 30, 2024
Comprehensive	HUD-assisted Multifamily properties **in need of rehab**	$1.47 billion	Up to $80K per unit or $20M per property	February 28, 2024 May 30, 2024

* HUD-assisted Multifamily properties includes Section 8 Project-Based Rental Assistance (PBRA) program, including properties that converted under the RAD Program prior to September 30, 2021; the Section 202 Housing for the Elderly program; the Section 811 Housing for Persons with Disabilities program; or the Section 236 program

Opportunity for San Francisco: The program has the potential to free up local capital dollars, enabling for more affordable housing production and preservation projects. This could free up tax credit dollars for other (non-HUD-assisted) rehab projects, or new affordable housing development. Developers and owners apply directly to HUD for these funds, therefore there is no administrative burden for the City. However, the program is relatively small in scale, with a total of only around $2 billion for the entire country (awards are made on a project merit basis, regardless of project location.)

Next Steps: MOHCD should notify developers of HUD-assisted projects, especially rehab and new construction projects under RAD and PBRA, about the program and encourage them to apply if eligible. The City could work with these developers in assessing eligibility and explore ways to support these projects to allow them to leverage the GRRP cohorts. MOHCD could also reach out to the HUD regional office for any available technical assistance.

C. California Energy Commission: IRA Residential Energy Rebate Programs

The IRA Residential Energy Rebate Programs will provide $292M in rebates for energy efficiency upgrades and $290M for the purchase and installation of qualified appliances and certain building materials. These funds will be available and accessible directly to developers beginning in early 2024.

Overview: The IRA established two residential rebate programs for home energy efficiency and electrification projects through the Department of Energy that will be implemented at the state level by each state's respective energy departments – Home Energy Performance-Based, Whole House Rebates (HOMES) and the High-Efficiency Electric Home Rebate Program (HEEHRA). California was allotted more than $582 million, nearly evenly split between the two programs. The California Energy Commission (CEC) will be administering the programs in California and will be holding workshops to solicit feedback later this year and finalize the state program by the end of the year; rebates available in early 2024.

The Home Energy Performance-Based, Whole House Rebates, otherwise known as Homeowner Managing Energy Savings (HOMES) in California, provides rebates for energy efficiency upgrades for existing single-family homes and multifamily properties. HOMES provides a maximum rebate of $8,000 per eligible household or $400,000 for a multifamily building and eligible applicants include homeowners and aggregators. Aggregators are defined as "entities that engage with multiple single-family homes and/or multifamily buildings for the purpose of combining or streamlining projects as allowed by the state" per DOE's program guidelines. This could include governmental, commercial, or nonprofit entities. HOMES is available to households of any income, but with higher rebates for households below 80 percent area median income (AMI).

The High-Efficiency Electric Home Rebate Program (HEEHRA) provides point-of-sale rebates for qualified electrification projects for the purchase and installation of qualified Energy Star appliances as well as certain types of building materials such as insulation, air sealing, electric panel upgrades, and electric wiring. HEEHRA provides a maximum rebate of $14,000 per eligible household and eligible applicants include low- or moderate-income (LMI) households (< 80% AMI), owners of eligible LMI multifamily buildings, and governmental, commercial, or nonprofit entities carrying out a project for an eligible household or an owner of an eligible multifamily building. HEEHRA is available to households up to 150% AMI, but with higher rebates for households below 80% AMI.

Opportunity for San Francisco: While the DOE has released guidelines for state energy office, the design for California's state rebate programs is still in development, so the City and County of San Francisco still has an opportunity to influence what implementation could look like. This includes ensuring that new construction is eligible to receive rebates under HEEHRA. New construction is eligible under the DOE program requirements, but they are not required of states. Furthermore, the DOE's guidance allows for states to increase the maximum rebate per household under HOMES, upon DOE approval. HOMES and HEEHRA also have the potential to free-up a small amount of local subsidy dollars due to the cost savings it could provide developments, with a maximum rebate of $14,000 per eligible household for HEERHRA and up to $8,000 per eligible household or $400,000 per building for HOMES.

While MOHCD has already informed project sponsors about this program, the application requires additional capacity and technical expertise that could present a barrier to developers who do not have prior experience with the program. The steep learning curve, contrasted with the relatively low value of rebates for the level effort could hinder program uptake.

Next Steps: MOHCD could explore offering rebate bridge loans to developments as it already does with the Federal Home Loan Bank's Affordable Housing Program (AHP). The City of San Francisco should also engage with the California Energy Commission regarding program development and design to ensure that the implementation of the rebate programs is aligned with existing local programs and including new construction under its eligibility criteria for HEEHRA. San Francisco could also lobby the CEC to increase the maximum rebates under HOMES, which could help free up even more local subsidy dollars.

D. Environmental Protection Agency: Greenhouse Gas Reduction Fund (GGRF)

The Greenhouse Gas Reduction Fund's (GGRF) National Clean Investment Fund and Clean Communities Investment Accelerator will provide $20 billion in financing to promote clean technology projects locally, including net-zero emissions buildings. These funds will be accessed by hubs of nonprofits that can then sub-award to local housing finance agencies, with program rollout expected to begin in 2024.

Overview: The EPA's Greenhouse Gas Reduction Fund (GGRF) will be disbursing a total of $27 billion across three competitions focused on reducing greenhouse gas emissions – the National Clean Investment Fund (NCIF), the Clean Communities Investment Accelerator (CCIA), and Solar for All. The EPA released the NOFOs and program guidelines for all three competitions in June and July 2023.

The National Clean Investment Fund (NCIF) has $14 billion in funding available to fund 2-3 national nonprofits to partner with and leverage private capital to provide financing for clean technology projects. Net-zero emissions buildings are among the priority project categories of the program, which focuses on delivering affordable and sustainable housing benefits to low-income and disadvantaged communities. This includes activities that retrofit existing multifamily housing to achieve net-zero emissions status or the construction of new net-zero emissions buildings in low-income and disadvantaged communities. Awards will be disbursed March 2024.

The Clean Communities Investment Accelerator (CCIA) has $6 billion in funding available to fund 2-7 hub nonprofits that will provide funding and technical assistance to community lenders, such as housing finance agencies, that can deploy the capital to promote clean technology projects locally. Similar to NCIF, net-zero emissions buildings are among the priority project categories of the program, which focuses on delivering cost-effective and sustainable housing benefits to low-income and disadvantaged communities. This includes activities that retrofit existing multifamily housing to achieve net-zero emissions status or the construction of new net-zero emissions buildings in low-income and disadvantaged communities. Awards will be disbursed March 2024.

Solar for All has $7 billion in grants available to states, territories, Tribal & municipal governments, and nonprofits to expand access to residential rooftop and residential-serving community solar projects for low-income and disadvantaged communities, reducing energy costs for low- and moderate-income households. Awards will be disbursed in July 2024.

Opportunity for San Francisco: Once the competition winners are selected, the City and County of San Francisco can apply to be sub-awardees to deploy funds, grants, rebates, and subsidies locally and use this to further build MOHCD's capacity as a housing finance agency. In addition, being able to deploy GGRF funds locally could help free up local subsidy dollars that can then be to be reallocated towards more new construction projects.

Next Steps: The City of San Francisco should engage NCIF and CCIA hub awardees that include affordable housing or housing-related infrastructure and expenses as part of their scope of work once the competition decisions are released. This involves exploring any loan products or potentially available funds to capitalize a loan program that could fund affordable housing production. It is especially critical to ensure that any affordable housing loan products or loan programs are compatible with existing MOHCD programs.

E. Additional Opportunities for Housing-Supportive IRA Dollars

Through our conversations with HUD, we confirmed that the HUD-administered programs are likely to be the only programs from the IRA that can directly fund housing. However, there are likely other programs, administered by other federal agencies, that could fund housing-related infrastructure. At Enterprise's request, the HUD Region 9 office is currently developing an inventory of these programs and how they could work in tandem with HUD programs.

To: San Francisco Planning; San Francisco Mayor's Office of Housing and Community Development
From: Enterprise Community Partners
Date: December 12, 2023
Re: Memo – Best Practices and Opportunities for Integration of Local Housing Functions

Executive Summary

In this memo, we explore how local jurisdictions have organized and integrated their local housing functions, with a focus on how Public Housing Authorities (PHAs) are situated within the ecosystem of local housing functions. The memo looks in-depth at the multifaceted role of housing authorities to advance housing affordability goals in communities across the US, focusing on effective and creative programs, structures, and operations that have yielded significant success. Through case studies examining different cities and counties, the memo identifies common themes of success and innovation that offer important insights for San Francisco.

Public housing authorities play a pivotal role in the pursuit of more equitable, affordable housing in communities across the nation. PHAs are municipal agencies that facilitate the development and/or operation of housing for low-income households, as well as housing vouchers and other programs, and are regulated by the US Department of Housing and Urban Development (HUD). Since the 1980s, public housing authorities have been shifting their strategies away from developing new public housing and towards preserving and operating existing public housing as well as providing affordable housing choice through vouchers; many PHAs also delegate development and maintenance of housing to nonprofit and private developers. Public housing authorities are also responsible for providing rental assistance by administering vouchers programs.

The case study research explored the following research questions:

- How does the housing authority coordinate with the city or county across housing functions? How integrated are they with other city/county agencies?
- How does the housing authority support and sustain its operations? What do their income and revenue streams look like?
- What does their lending and financing capability look like?
- How are they managing Section 8 project-based vouchers (PBV)[1] to build their affordable housing development pipeline? If they are a Move-To-Work (MTW) agency, how have they leveraged this status to convert more vouchers to PBV? If they are not a MTW agency, how are

[1] The Project-Based Voucher (PBV) Program allows a PHA that administers tenant-based Housing Choice Vouchers to attach a portion of these voucher funds to specific housing units in designated affordable housing developments. PBVs are critical to affordable housing developments serving the lowest income households because this additional subsidy often fills the gap between the rents and the actual costs to operate the development.

they managing their PBVs, and have they reached their project-basing limit?[2] Are they exploring becoming a MTW agency?
- What types of innovative practices, if any, does the housing authority implement?

Key Findings

1. Resource coordination is central to advancing shared housing goals and streamlining funding efforts for developers.

Multiple PHAs, including Santa Clara County Housing Authority (SCCHA) and Oakland Housing Authority (OHA), describe the process of creating a synchronized project-based voucher distribution process that is coordinated in unison with city, county, and other government agencies' notice of funding availability (NOFA) for competitive affordable housing subsidy program dollars. SCCHA works with the City of San Jose NOFAs for Measure E, funds Real Estate Property Tax Funds for affordable housing for populations that need supportive housing and implemented a unified application process for both city funds and PBV. This coordinated resource distribution not only created a simpler process for developers, but also allowed the housing authority, city, and county housing partners to discuss what types of housing developments they wanted to prioritize and how to achieve regional goals together. Likewise, Oakland Housing Authority works with both city and county NOFAs to streamline the process of PBV awards. This coordination extends through the Continuum of Care, as many referrals are coordinated through OHA and the county.

2. Local jurisdictions have integrated their housing and homelessness functions in a variety of ways, with greater integration of functions often resulting in success in achieving goals more effectively and efficiently.

Across the case studies, effective housing authorities work to integrate housing functions across their jurisdiction. Integration ranged from informal partnerships with city, counties, and other housing agencies to more formal agreements with memorandums of understanding (MOUs) and synchronized work.

Of the case studies we observed, all public housing agencies expanded beyond management of public housing units and vouchers and found ways to cultivate either internal capacity or close partnerships with other entities that do development, whether public or nonprofit. Another example of strong integration of services is the formation of the Denver Office of Housing Stability (HOST), which is a one-stop-shop for housing opportunities and homelessness services. As a government agency, HOST partners with Denver Housing Authority to meet shared goals around the production of permanent supportive housing.

Further down the spectrum, other agencies merged financing functions with public housing agency functions. Integration of various functions into a single agency allowed public housing agencies to take

[2] PHAs are authorized to use a maximum of 20% of their authorized voucher units to project-base units in a specific development. However, if a PHA receives Moving to Work they can apply for HUD waivers to increase this cap.

on diverse roles and often led to these PHAs leveraging one role to support the goals of another. For example, the Housing Opportunities Commission of Montgomery County (HOCMC) showed how integration of diverse roles under one agency facilitates effective housing development with seamless coordination of different functions. As a voucher distributor, housing developer, and housing finance agency all under one organization, HOCMC can dedicate vouchers and issue bonds for its own projects and simplify development capital stacks. To take this a step further, the San Diego Housing Commission serves as the public housing agency, the local housing finance agency, and the implementor of the city's homelessness action plan.

These various organizational structures for how public housing agencies operate are dependent on the diverse roles that PHAs want to play, partnerships that are formed by organizations, and political will within the region. San Francisco already has several examples of effective integration and coordination across departments to advance shared goals around housing and homelessness, as well as the advantages of being a consolidated city and county. However, further integration of functions to maximize impact, align goals, and coordinate efforts is possible.

3. Innovative funding structures depend on thinking beyond typical funding sources and creating multiple revenue streams, particularly functions that extend beyond those of traditional PHAs.

Diverse revenue streams allow PHAs to expand goals and build out staff capacity. For example, Oakland Housing Authority generates revenue beyond their traditional stream of voucher funding and rent payments from their affordable housing units. OHA provides contract-based rental assistance administration services to jurisdictions that lack staff capacity to administer their own programs. Other ways PHAs have increased revenue streams is through voter approved bond funding and including critical provisions for designated staff capacity building. Denver HOST, for example, was able to establish its integrated model and build out their staff capacity by allocating a sizeable percentage of funds towards administrative costs during the establishment of an affordable housing fund.

In addition to creating additional revenue streams, successful PHAs supported additional opportunities for housing development that can complement development traditionally carried out with Low-Income Housing Tax Credit financing. HOCMC implements inclusionary zoning through their Moderately Priced Dwelling Unit Program (MDPU), which has created over 11,000 affordable units with an area median income (AMI) cap of 60 to 65 percent. While the program's inclusionary rate ranges between 12.5 to 15 percent, HOCMC also participates in some deals as a significant financial partner through their Housing Production Fund, which then provides HOCMC the leverage to require more affordable housing units and deeper affordability. The relatively low-interest rates of HOCMC's loans also help support the financial feasibility of these higher rates of affordable units and/or deeper levels of affordability.

4. Moving to Work Status is a critical tool for PHAs to innovate within their local context and provide the necessary funding to prioritize localized needs.

HUD's Moving to Work program provides PHAs the opportunity to create innovative strategies and local programs to improve self-sufficiency and increasing housing choice for PHA residents. While Moving to Work status does not grant PHAs additional funding, it does grant flexibility in oversight and processes to allow PHAs to cater to population needs and transform typical public housing processes and functions that do not currently serve the population well. From our case studies, PHAs with MTW status either blended funds, adapted processes, or created new programs to create care-centered solutions to challenges in public housing. For example, SCCHA transformed their waitlist process for voucher distribution by eliminating it completely and replacing it with an interest list that interested parties can sign up for at any point in time. Oakland Housing Authority's MTW Status has enabled several initiatives that expand the number of families they can serve and enhance the types of services and support offered. It also allowed OHA to serve families and individuals that were not eligible to join the waitlist or could not be served with long term housing. The strength of Oakland Housing Authority's innovations is its focus on community and providing greater quality and breadth of service for its most vulnerable residents. They created their own resident services department and have worked with local governments in order to conduct outreach and support with Oakland residents who are left behind in traditional processes.

Finally, MTW status has allowed PHAs to project-base a greater proportion of vouchers. Normally, PHAs can only project-base up to 25 percent of its vouchers whereas MTW PHAs can project-base up to 40-50 percent of its vouchers. In achieving the MTW status, PHAs are given license to design intentional programming and processes that are specific to their populations needs, allowing for a more significant impact with the same number of resources and staff capacity.

Public Housing Authority Case Studies

The following case studies examine best practices from select public housing authorities in California and other states that offer lessons for San Francisco. The criteria for selecting these case studies included PHAs with significant development pipelines, innovative partnerships and financing models, as well as having similar contexts to SFHA in the size of their existing or historic portfolio, market conditions, and geography. As part of the case study selection process, we spoke with and solicited feedback from HUD's regional Public and Indian Housing (PIH) Team, which oversees all the public housing authorities in California. We also consulted Enterprise Advisor's Public Housing Authority Team that provides consulting services to PHAs across the country.

Case Study 1: Santa Clara County Housing Authority (MTW)

PHA Background and Structure

Santa Clara County Housing Authority (SCCHA), and their partnership with the City of San Jose and Santa Clara County Office of Supportive Housing (OSH) is a successful example of coordinated and strategic use of bond funds and vouchers as well as partnership across agencies. SCCHA has an innovative partnership with the Santa Clara County Office of Supportive Housing, coordinating and streamlining project-based vouchers (PBVs) and general obligation bond awards that has allowed them to efficiently deploy funds and surpass the goals established by the bond. This strategy has had a particular emphasis on housing for extremely low-income households and permanent supportive housing.

The Santa Clara County Housing Authority runs jointly with the City of San Jose Housing Authority, with the same executive leadership team and staff. The Housing Authority is split into two divisions: the

Section 8 Voucher Team and the Development and Management of Affordable Housing Team. The SCCHA began developing its own affordable housing in the late 1980s, largely through tax credit financing. SCCHA also converted all public housing to low-income tax credit housing to be managed by private and non-profit developers through Rental Assistance Demonstration (RAD) nearly 10 years ago, with only one public housing four-plex remaining. SCCHA currently has 31 existing properties in its portfolio, with half their portfolio consisting of senior housing and the other half as family housing with PSH units distributed throughout. The Housing Authority also has 17 projects with an anticipated 2,000 affordable housing units in the pipeline. These pipeline projects consist of preservation projects, HUD properties in financial hardship, Homekey projects, and new construction projects.

Partnership and Coordination

Partnerships between SCCHA and city and county agencies are governed by formal collaborative agreements and shared housing and homeless goals. With funding available, the SCCHA has created a joint notice of funding availability (NOFA) with the City of San Jose and City of Santa Clara to distribute city bond proceeds and allocate project-based vouchers. This partnership between the cities and the housing authority has created a streamlined process for developers interested in pursuing both city and county funding and project-based vouchers while allowing all agencies to collaborate on shared goals.

SCCHA has an essential partnership with the Office of Supportive Housing that is bound by memorandums of understanding (MOU) to outline clear roles for collaboration. SCCHA has a Chronically Homeless Direct Referral (CHDR) MOU with the county's Office of Supportive Housing, which created a blueprint for the rating system to measure levels of acuity and the process to ensure that those who are most vulnerable can be prioritized in the Housing Authority's voucher distribution process. In addition, SCCHA also has a Special Needs Direct Referral (SNDR) MOU with the county's Office of Supportive Housing to outline how to prioritize transitional aged youth and elderly residents. SCCHA staff report that while this partnership between OSH and the Housing Authority is welcomed and supported by staff, having MOUs in place has made it feasible and allowed for long-term goals to remain in place despite staff turnover and potential changes in political will.

SCCHA also works with private partners to achieve its housing development and affordability goals. Destination Home is a public-private partnership that aims to end homelessness in the Silicon Valley and operates as a lender for deeply affordable and supportive housing, primarily in the form of soft loans to assist with acquisition and predevelopment costs.

Financing and Operations

Financing is coordinated with city and county partners in a shared NOFA. The Housing Authority has also entered into a mutual lending agreement with the county to take direct referrals of project base vouchers to new supportive housing. Like the MOUs described above, these written agreements outline how partners operate and what mutual goals look like. As a Moving To Work (MTW) Agency, SCCHA can allocate up to 40% of vouchers as project-based voucher for affordable housing, creating a critical funding source for deeply affordable housing development. Furthermore, Measure A was passed in November 2016 and allocated $950 million to an affordable housing fund. This housing bond has enabled the County of Santa Clara to tackle its housing priorities, particularly creating permanent supportive housing (PSH) and extremely low income (ELI) units and improve coordination among agencies and stakeholders in the affordable housing community.

Innovative/Best Practices

One major innovation unique to SCCHA is that they no longer operate a waitlist for section 8 vouchers. Instead, SCCHA has created an "interest list," through which eligible residents can sign-up at any point in time. Because people could be on a waitlist for years while their situation or contact information changes, SCCHA has opted for a process that allows people to opt in for possible voucher benefits at any given time. When SCCHA receives enough vouchers, staff will select two to three applicants per voucher.

Case Study 2: Denver Housing Authority

PHA Background and Structure

Together, the Denver Housing Authority (DHA) and the Denver Department of Housing Stability (HOST) are a compelling case study in collaboration and integrated governance. Notably, the City and County of Denver's unique approach to housing and homelessness, which consolidates these functions under a single Department of Housing Stability. This is distinct from the conventional model of separate Housing and Community Development (HCD) and Homeless Services Departments (HSD). This integrated structure influences DHA's operations, governance, and effectiveness. Like San Francisco, Denver is also a consolidated city and county.

Partnership and Coordination

In 2019, Denver Housing Authority formed an intergovernmental agreement with the city and county of Denver known as DHA Delivers for Denver, or D3. The D3 agreement was developed as a result of a 5-year strategic plan to maximize the impact of an affordable housing fund in the city and county. The goal of this agreement was to balance investments across a continuum of need, with a greater proportion of this funding going towards lower income levels and those at risk of homelessness. Through the D3 agreement, DHA and the city and county of Denver pursued a bond issuance to create an affordable housing fund and facilitate and expedite a greater affordable housing pipeline. As a partner, DHA allocated 300 vouchers to the agreement while the city of Denver issued over $143 million in bonds. This partnership is supported with the management of the Denver Office of Housing and Stability and allows for all parties to achieve shared regional goals for housing and homelessness.

Financing and Operations

Denver Housing Authority does not provide financing or lending for developers. Affordable housing funds are generated through the city and county and consist of revenues from linkage fees on all development, and marijuana taxes. Like other developers, DHA applies for tax credits through the state finance authority and finances their projects through tax credits and bonds from the city or state.

On the other hand, Denver HOST offers gap financing funding for affordable housing projects, funding 10 to 20% of the development cost through the form of a cash loan or a performance-based loan, given that a developer reaches the supportive needs and income requirements within the project. In Denver, most of the projects that are currently supported through gap financing are temporary shelter developments as determined by HOST's strategic plan, driven by the identified need for shelter due to cold winters. Denver HOST supports over 8,000 units through both housing choice vouchers and project-based vouchers. Within its pipeline, HOST plans to develop two former public housing into neighborhood projects with higher density, mixed income row home housing. Their partnership with

DHA enables them to negotiate a local preference policy for those experiencing homelessness so that a greater proportion of vouchers can be allocated for people who are at risk of sleeping on the streets.

Innovative/Best Practices

Denver HOST emerges as a one-stop shop, streamlining efforts to combat homelessness and expand housing opportunities within the city of Denver. The integrated nature of HOST allows them to address the entire housing system and coordinate responses and resources more easily based on how local housing needs change. Furthermore, HOST’s structure makes it easier to set strategy at the leadership level and has made the agency more nimble and better able to adjust and respond to crisis.

With an allocation of 8% of Denver’s affordable housing linkage fees dedicated to administration, the HOST team has been able strategically expand its capacity, growing from 16 employees to over 100 since its inception in 2018. Denver also boasts the impressive innovation of creating a locally funded voucher program. The adoption of a new dedicated sales tax in 2020, approved by the city council, has proven instrumental in locally funding a voucher program. This initiative, coupled with investments in services and gap financing, has been employed to support supportive housing projects. While currently utilized as a project-based voucher, there is potential for expansion into a housing choice voucher in the future.

Case Study 3: San Diego Housing Commission (MTW)

PHA Background & Structure

The San Diego Housing Commission (SDHC) leverages its innovative organizational structure and diverse funding and financing mechanisms to achieve its housing affordability goals. SDHC performs three primary functions:

- to serve as the public housing authority, overseeing the development, preservation, and management of housing-authority-owned affordable housing, and administering HUD rental assistance programs, such as the Housing Choice Voucher Program;
- to serve as an affordable housing developer and a housing finance agency (HFA), facilitating development by investing and lending to affordable housing developments; and
- to implement HOUSING FIRST – SAN DIEGO, the city’s homelessness action plan, which includes coordinated outreach, homelessness prevention, rapid rehousing, and rental assistance.

As an integrated public housing authority and housing finance agency, SDHC carries out the primary housing functions in the City of San Diego. The San Diego Housing Commission administers the housing programs of the Housing Authority of the City San Diego, which created and formally transferred its responsibilities to SDHC through a formal Housing Authority resolution in 1979.

SDHC is governed by the Housing Authority of the City of San Diego, which in turn is governed by the nine members of the San Diego City Council. Therefore, the city council has direct oversight and control over the Housing Commission. SDHC also has an advisory Board of Commissioners, with all seven members appointed by the mayor and approved by the city council.

Partnership and Coordination

In 1990, SDHC created its own affiliate nonprofit developer, Housing Development Partnership (HDP), to be able to leverage funding sources that PHAs are not eligible for, such as tax credits. Despite its subsidiary status, HDP is still required to competitively apply to SDHC NOFAs. HDP has since developed and preserved at least 1,300 units of affordable housing across San Diego. SDHC also has another nonprofit affiliate, Building Opportunities Inc, which was created to leverage philanthropic and other private dollars that are otherwise ineligible for PHAs. Building Opportunities Inc typically engages in community development program in San Diego.

Financing and Operations

SDHC administers the City of San Diego's Affordable Housing Fund (AHF), which is composed of the city's Inclusionary Housing Fund, funded by inclusionary housing fees, and the Housing Trust Fund, funded by commercial development linkage fees. AHF is the primary permanent funding source for affordable housing in San Diego. In FY 2022-23, $10.2 million from AHF was committed towards affordable rental housing production which will produce 400 affordable homes, far exceeding SDHC's goal of 142 units. As of October 31, 2023, 2,387 units with SDHC financing are approved and pending completion. SDHC also invests in affordable housing through multifamily housing revenue bonds and recycled bonds. The Commission has a $1.9 billion total bond portfolio, which includes 8,635 affordable units.

Of note, SDHC's notices of funding availability (NOFAs) tend to have a single streamlined application, e.g. PSH NOFAs tend to include both capital funding and vouchers (VASH, PBV Section 8, etc.) in one process, allowing for an efficient allocation of already scarce vouchers. This streamlining reduces transaction costs for both the city and developers since there are fewer processes to administer and apply for. SDHC also uses an online NOFA submission platform that centralizes all materials and allows different departments to concurrently review their relevant sections, further streamlining the process.

Innovative/Best Practices

SDHC is an example of an integrated housing agency that covers the full spectrum of the housing system, being involved in homelessness, public housing, affordable housing development, preservation, and lending. This allows for greater coordination across housing issues and allows SDHC to better address the housing system as a whole. Its governance structure also facilitates a strong and close relationship between SDHC and the City of San Diego and helps ensure that the activities of the Commission are directly aligned with the city's goals.

The origin of SDHC as a local agency created specifically to assume the authority and functions of the Housing Authority highlights the possibilities of how PHAs can be reimagined and the potential path to do so. SDHC serves as a successful example of how restructuring local housing functions can help a city achieve better efficiency and integration to better facilitate meeting housing goals.

Case Study 4: Housing Opportunities Commission of Montgomery County

PHA Background and Structure

The Housing Opportunities Commission of Montgomery County (HOCMC) is an example of a PHA that has utilized both inclusionary zoning mandates and unique financing tools, in combination with traditional PHA programs, to provide a robust inventory of diverse housing opportunities for their county. HOCMC Commissioners are appointed by the County Executive with the concurrence of the County Council, serving on a volunteer basis for five-year terms. They represent the policy-making body of the agency, which ensures that HOCMC remains committed to its mission and adapts to the evolving needs of the community. HOCMC's structure consists of three primary roles:

1. to serve as the acting public housing authority, taking charge of the development, preservation, and management of affordable housing, as well as administer vouchers;
2. to serve as a public developer and create affordable housing stock for the county; and
3. to operate as a housing finance agency (HFA) and facilitate development by issuing bonds.

HOCMC's unique dual role as both an HFA and a PHA enables it to effectively bridge the gap between policy planning and on-the-ground implementation, making it a vital player in Montgomery County's housing ecosystem. The Moderately Priced Dwelling Unit (MPDU) program, in its 30-year existence, has generated more than 11,000 affordable housing units. This program's success underscores the importance of Montgomery County's commitment to affordable housing initiatives.

Oversight, Partnership, and Coordination

HOCMC works with the Montgomery Housing Alliance (MHA), a group of leaders in the affordable housing and development industry, to steer policies and processes to maximize affordable housing development. The Montgomery Housing Alliance provides a critical guiding vision for the work that HOCMC carries out at the county level. HOCMC has also built strong relationships with both private and public developers. Within public-private partnerships, HOCMC operates as the owner, while private developers develop the project to extend capacity.

The Department of Housing and Community Affairs (DHCA) is also a critical partner to HOCMC, working side-by-side to preserve and increase the affordable housing supply and provide resources for tenants. The DHCA works largely on policy and planning, regulatory oversight, and financial assistance while the HOCMC takes on the role of a housing authority and is responsible for development, preservation, and management of affordable housing.

Financing and Operations

Staff from HOCMC underscore the importance of the "dual" role of both being a housing authority and being an HFA that can administer fees and issue its own bonds. Roughly one third of the revenue comes from administering housing choice vouchers, one third from nearly the 10,000 units of affordable housing that they have ownership over, and another third generated from the new development pipeline and receiving revenue from the properties that HOCMC manages.

HOCMC has developed a robust set of financing tools, including multiple lines of credit and several funds. The Opportunity Housing Reserve Fund is the primary source of HOCMC capital and is funded by real estate transaction taxes.

Innovative/Best Practices

HOCMC acts as its own finance agency. By combining efforts and leadership within the county housing authority and finance authority, HOCMC is able to create its own source of funding for new construction through limited obligation bonds, also known as revenue bonds. These funds can revolve and are dependable, given that HOCMC can access funds directly through the HOCMC Board and have enabled them to create their $100 million Housing Production Fund. These bonds have a 5% interest rate and are repaid to the county and go out for a second issuance every 3 to 6 months for another $100 million and cycles every 5 to 6 years. By acting as its own housing finance agency, HOCMC is able to leverage further state and federal funds while securing greater financial independence.

In addition, HOCMC has created a robust inclusionary zoning program, the Moderately Priced Dwelling Units (MPDU) Program, creating over 11,000 affordable units without LIHTC. While the program's inclusionary rate ranges between 12.5 to 15 percent, HOCMC also participates in some deals as a significant financial partner through their Housing Production Fund, which then provides HOCMC the leverage to require more affordable housing units and deeper affordability. The relatively low-interest rates of HOCMC's loans also help support the financial feasibility of these higher rates of affordable units and/or deeper levels of affordability. Beyond their targeting of moderate-income households, HOCMC has also worked to target deeper affordability, using rental assistance funds to buy down moderate-income (60-70% AMI) units to lower AMI levels (30-40% AMI) for a certain number of years while also channeling rental assistance funding into In-Home Supportive Services (IHSS) funds.

Case Study 5: Oakland Housing Authority (MTW)

PHA Background & Structure

Oakland Housing Authority was recommended by HUD's regional PIH Team due to its proximity to San Francisco, having similar market conditions, similar sized portfolios, having a high-capacity development team, and having diversified revenue streams that promote operational sustainability. The Oakland Housing Authority has 456 new units currently in development and has done substantial work in innovating how a housing authority can fit into the urban fabric of a community. Oakland Housing Authority currently serves 18,000 families and owns, manages, or has a significant subsidy in over 300 properties across Oakland. Within its portfolio, OHA still maintains a significant number of public housing units but has repositioned many of the housing authority's existing land and buildings to mixed income developments and affordable housing developments.

Partnership and Coordination

Oakland Housing Authority works closely with the City of Oakland, County of Alameda, and other nonprofit affiliates to expand housing opportunities and provide resident services. OHA primarily collaborates with the City of Oakland by synchronizing project-based voucher distribution and notice of availability of city funding. Since 2016, Oakland Housing Authority has entered a "piggy-back" cooperative agreement and allowed the city to issue a notice of funding availability (NOFA) and Oakland

Housing Authority would follow up with project-based voucher availability and any other operating subsidies. This allows OHA to look at projects that have already been approved at the city level.

OHA also works with the city and county to create local programs to support particularly vulnerable community members that are otherwise ineligible for or have trouble accessing services in more traditional housing navigation routes, such as people experiencing homelessness, transitional aged youth, parents with children, and sex offenders reuniting with family. These programs provide funding for tenant-based rental assistance or transitional housing for people that are unable to get on the waitlist or are not qualified for assistance. OHA coordinates with the county particularly around their shared goals for a Continuum of Care and works together to manage referrals for many of the different programs.

In addition, OHA has partnered with nonprofit and external service providers to expand funding pipelines for resident services. For example, OHA has partnered with UCSF to provide funded health services to families. Unique to this case study, Oakland Housing Authority has worked with the Oakland Unified School District to create a data sharing agreement to better help schools that have challenges with chronic absenteeism. OHA works directly with eight schools to create relationships with teachers, OHA staff, parents, and students to support greater student attendance.

Financing and Operations

Oakland Housing Authority is a well-established housing agency with long-term revenue streams from maintaining public housing properties and expansion of existing services. Voucher revenue consists of a significant portion of OHA's revenue stream, and OHA has a dedicated voucher team that manages eligibility and ongoing program participation for 15,000 voucher recipients.

Expanding beyond vouchers, Oakland Housing Authority formed a team called the Office of Real Estate and Development (ORED) to reposition existing OHA buildings for more resources and expand development opportunities through tax credit development. OHA also seeks to rehabilitate existing units to better accommodate the needs of a growing population. For example, Oakland has a shortage of affordable 1-to-2-bedroom units and OHA has been working to convert public housing buildings built in the last century to create unit types that better fit current needs. In addition, OHA is one of the agencies that manage project-based rental assistance (PBRA) for the regional Bay Area and works with the California Affordable Housing Initiative (CAHI) to help administer rental assistance for other municipalities that don't have staff capacity to do so. This contracted work with CAHI acts as a business arm for Oakland Housing Authority and generates significant revenue.

Innovative/Best Practices

Oakland Housing Authority's Moving to Work (MTW) Status has enabled a number of initiatives that not only expand the number of families they can serve, but also enhance the types of services and support that can be offered. The strength of Oakland Housing Authority's innovations is its focus on community and providing greater quality and breadth of service for its most vulnerable residents.

With its reserve funds and MTW status, Oakland Housing Authority has created its own police department that promotes community safety with a proactive approach, rather than a reactive approach, with a goal to build trust and relationships within communities under Oakland Housing

Authority. Another innovation of Oakland Housing Authority is its Landlord Benefit Program, which serves to provide incentives and capacity building for mom-and-pop landlords serving Section 8 vouchers and housing choice vouchers. This program serves over 5,000 landlords in Oakland and provides signing bonuses, a grant-based rehabilitation program for potential units, and other incentives for landlords that rent to voucher holders.

Conclusion

The five case studies explored in this memo offer many lessons for San Francisco on how to reimagine its affordable housing delivery infrastructure into a system that can better help advance it affordable housing goals. The case studies demonstrate the benefits of deploying resources in coordinated programs, streamlining public processes, creating innovative funding and revenue structures, leveraging Moving to Work status, and coordinating and integrating local housing functions, both organizationally and politically. These qualities of success are often built and refined over decades, and the featured cities and counties are continuing to explore ways to improve. The balance of these common strategies, as well as the distinct local customization, offer insight and inspiration for San Francisco to chart its own path to increased efficacy, efficiency, and impact.

Appendix

Table 1. Summary of San Francisco Housing Agencies

Name of SF Housing Agency	Role of the Agency: What does it do?	What kind of financing does it offer?	How is it situated in the city?	Leadership Structure and Relationship to Mayor / BoS	Commissioners & Other Oversight
San Francisco Housing Authority (SFHA)	Administers the Housing Choice Voucher (HCV) and Public Housing programs, serving over 15,000 residents. In recent years, shifted from property management to leased housing through HUD Rental Assistance Demonstration (RAD) program	Housing Choice Vouchers (federally funded) Housing Choice Vouchers (HCV) (Section 8) Lottery (federally funded) Rental Assistance Demonstration (RAD) (federally funded)	Memorandum of Understanding with the City on January 18, 2020, for the City to assume responsibility and oversight over some of the Authority's essential functions. The City has direct oversight over the functions of SFHA. The City has pledged to cover SFHA shortfalls with City dollars. Under broad policy direction from the Housing Authority Board of Commissioners and the Mayor, the CEO guides the organization ensuring HUD compliance and consistency with City practices.	The San Francisco Board of Supervisors established the Authority in 1938 Director appointed by the mayor.	SFHA is governed by a Seven-Member Board of Commissioners that is jointly appointed by the Mayor and Board of Supervisors. Finance, Development, and Operations Committee
Mayor's Office of Housing and Community Development (MOHCD)	MOHCD monitors and supports long-term affordability of 25,000 units of affordable housing. MOHCD monitors over 3,000 units produced through the inclusionary housing program. MOHCD plays an active role in coordinating and funding the rebuilding of public housing at the HOPESF sites	General Fund Housing Trust Fund HUD Community Development Block Grant (CDBG) Housing Opportunities for Persons with AIDS (HOPWA) Emergency Solutions Grant (ESG)	MOHCD is a department of the City and County of San Francisco. MOHCD is organized into two divisions – Housing and Community Development. The director is appointed by the mayor.	MOHCD directly reports to the mayor. The mayor must sign all contracts (of any size) that MOHCD enters into. The BOS must approve any expenditure of over $10M, or any contract of more than 10 years.	Board of Supervisors - MOHCD formally provides regular reports (20+ kinds of reports) to the Board on various programs including housing-related work.

Name of SF Housing Agency	Role of the Agency: What does it do?	What kind of financing does it offer?	How is it situated in the city?	Leadership Structure and Relationship to Mayor / BoS	Commissioners & Other Oversight
Department of Homelessness and Supportive Housing (HSH)	Focus on preventing and ending homelessness Combines key programs and contracts from the Department of Public Health (DPH), the Human Services Agency (HSA), the Mayor's Office of Housing and Community Development (MOHCD), and the Department of Children Youth and Their Families (DCYF).	Administers Our City, Our Home funding for: housing, shelter, and homelessness prevention, including the SF Emergency Rental Assistance Program (SF ERAP)	HSH is a department of the City and County of San Francisco.	Executive Director appointed by the mayor.	There are seven seats on the Homelessness Oversight Commission (HOC) launched in May 2023.
Office of Community Investment and Infrastructure (OCII)	A state-authorized local entity serving as the successor to the former SF Redevelopment Agency responsible for development in Mission Bay, Transbay, and the Hunters Point Shipyard/Candlestick Point Ability to secure funding through public financing and make direct loans to affordable housing developers for predevelopment and constriction.	Taxable housing bonds authorized under Redevelopment Dissolution law "Pay-go" tax increment Developer fees such as jobs-housing linkage fees	OCII is a department of the City and County of San Francisco. OCII is one of two governing bodies created by the City and County of San Francisco as the Successor Agency to the San Francisco Redevelopment Agency pursuant to AB 26 and AB 1484. MOHCD receives OCII's affordable housing assets after they are fully funded and completed.	The City, through the Mayor's Office of Housing, manages affordable housing funds and assets. OCII consists of various levels of leadership including Executive Management (five), Project Management and Development Services (four), and Technical Services (eight).	Commission on Community Investment and Infrastructure (CCII) was created in 2012 and has five positions. The Oversight Board is the other governing body of the Successor Agency with four positions, including the two chairs appointed by the mayor.

Information for this table was adapted from the San Francisco Housing Authority (SFHA), the Mayor's Office of Housing and Community Development (MOHCD), the Department of Homelessness and Supportive Housing (HSH) and the Office of Community Investment and Infrastructure (OCII).