

San Francisco 2015 Affordable Housing General Obligation Bond



CGOBOC Report March 2018



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Affordable Housing Bond – Overview

History of Bond Approval

In November 2015, the Affordable Housing General Obligation Bond (Bond) was passed by voters with the goal of helping to make San Francisco a more affordable place for residents to live. The Bond was proposed by Mayor Lee and San Francisco Board of Supervisors and approved by 74% of voters in the November 2015 election. The Bond is a component of the Mayor’s plan to construct 30,000 new and rehabilitated homes throughout the City by 2020, with half available for low and middle income San Franciscans.

GO Bond Investment Categories

Program Categories	GO Bond
Public Housing	\$80 Million
Low-Income Housing (up to 80% AMI)	\$100 Million
<i>set aside for Mission Area Plan Investments</i>	\$50 Million
Middle-Income Housing (121%-175% AMI)	\$80 Million
TOTAL	\$310 Million



Need for the Bond

The well-documented housing affordability gap that has arisen and expanded in the local housing market makes it a challenge for the City to ensure that economic diversity can be maintained. High housing costs inhibit healthy, balanced economic growth regionally when individuals and families are increasingly locked out of the local housing market and forced to leave the City and take on increasingly long employment commutes. In recent years, the impact of this affordability gap has expanded beyond the range of low- and moderate-income households for whom assistance has traditionally been provided. Strong housing production and the availability of housing affordable to a broader range of households has become more important than ever. The speed at which affordable housing is produced is also critically relevant to meeting the growing need for affordable housing, and the City is combining Bond revenue with other housing fund sources to expedite production. The 2015 Affordable Housing Bond will help to address the affordability gap, as well as mitigate the destabilization that occurs when market pressures in specific neighborhoods result in driving long-time residents out of the City. Further, through prioritized spending, the 2015 Housing Bond will help the City to provide housing for the specific income categories identified in the Regional Housing Needs Assessment.



Overview of Allocations and Target Beneficiaries

The Bond will relieve housing market pressure by:

- Investing in neighborhoods to promote and preserve economic diversity;
- Developing and acquiring housing for a broad population, including families, seniors, transitional-aged youth, single working adults, veterans, disabled households, and income levels ranging from extremely low to moderate; and,
- Meeting the need through a range of activities, including new multi-family construction, acquisition of existing apartment buildings, and other efforts that will effectively increase the affordable housing supply.

The Bond targets several priority populations in order to serve the City's vulnerable residents and households at risk of displacement:

- Low-income working families
- Veterans
- Seniors
- Disabled individuals



Overview of how this bond is different from most other City GO bonds



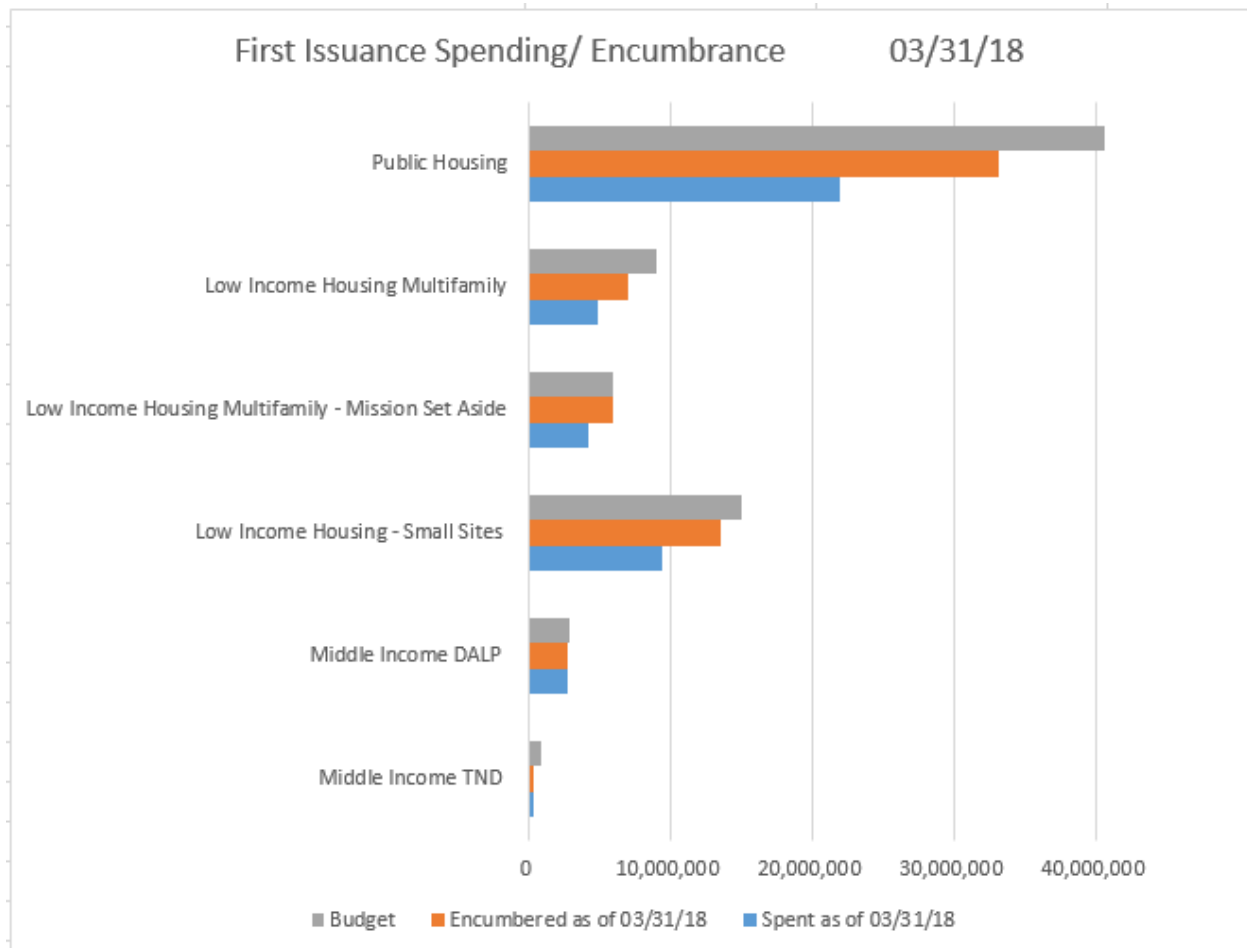
With most General Obligation bonds, the City hires contractors to complete infrastructure improvements. For affordable housing, the City does not engage contractors directly or own the improvements directly. Rather, the City will make loans to developers who then hire contractors and own the improvements through Limited Liability Companies (LLCs). This approach allows projects to leverage outside investment, including Federal Low Income Housing Tax Credits. City loans help jump start development, as it is usually the least costly funding the project will receive. Loans to developers include affordability covenants to ensure that projects are affordable for the long-term.

The Bond will also fund down payment assistance loans to individual first-time homebuyers to purchase their homes. Individual loans are directly paid into escrow and a lien is recorded in the title. Down payment assistance loans are repaid in full at time of sale with a proportional share of appreciation coming to the City in lieu of interest payments.

The Bond spending will occur in three major categories: Public Housing, Low-Income Housing (with a portion set aside specifically for the Mission neighborhood), and Middle-Income Housing.

Key Highlights - March 2018

- Over 84% of first issuance funds encumbered and over 59% spent
- First bond issuance is projected to be 93% expended by the end of 2018 and fully expended by late 2019
- Middle Income Down payment Assistance Loans (DALP) fully subscribed
- Reallocation planned for Second and Third Issuance (see page 26)
- The project at 250 Laguna Honda is no longer moving forward due to cost considerations. No bond funds will be spent on this project
- Second issuance not to exceed \$146M scheduled for May 2018



Investment in Public Housing

Public Housing in San Francisco – Overview of the Problems We are Trying to Solve

The majority of San Francisco’s public housing stock, much of which was built over 60 years ago, was not designed to be occupied into the 21st Century. The City is now working on two programs to transform public housing – Rental Assistance Demonstration (RAD) and HOPE SF. Bond funds will be used for HOPE SF to accelerate new construction of tax credit affordable and public housing replacement units at two distressed public housing sites, including infrastructure replacement. Bond funds will be spent on the most urgent capital needs and strive for creation of net new units where possible.

RAD and HOPE SF

RAD – RAD is a HUD program which allows public housing authorities to permanently convert public housing to private ownership while maintaining affordability through rental subsidies. In San Francisco, the Housing Authority has transferred ownership and operations of over 3,500 units to private partners. These private partners have access to Low Income Housing Tax Credits and commercial debt which can be used to rehabilitate distressed units. As of October 2016, all RAD loans have closed and rehabilitation is well under way.

HOPE SF – HOPE SF is the transformation of four of San Francisco’s largest and most severely distressed public housing sites into vibrant mixed income communities without displacement of residents. The scope of the work encompasses creating new affordable housing, including public housing replacement units, new market rate units, a new street grid with new infrastructure, new open spaces, retail spaces and community facilities. The four HOPE SF public housing sites are Alice Griffith, Hunters View, Potrero Terrace and Annex, and Sunnydale-Velasco.

Construction is underway on all four HOPE SF sites. As of May 2018, the first phases of vertical development are under construction at Sunnydale (Parcel Q) and Potrero (Block X). At Hunters View, Phase 2 new construction (including Block 10) is complete and leased, and Phase 3 old units have been demolished. At Alice Griffith, Phase 1, 2 and 3 are complete; construction on Block 5 (Phase 4) is 50% complete. Sunnydale and Potrero are the focus of the bond funds to expedite work due to their long development timelines with the goal of improving living conditions for existing residents as soon as possible.

Note: Bond funds will only be used for two of the HOPE SF Sites – Sunnydale & Potrero. Bonds will not be used for RAD.

How Local Public Housing Investment Protects Existing Public Housing Residents

The founding principles of the HOPE SF Initiative specifically address past failures of public housing rebuilding programs that caused mass displacement. Under the HOPE SF Initiative, no existing residents will be displaced, and public housing units will be replaced. Most residents will be relocated on-site while construction proceeds and new units are built. Residents will also be offered options to relocate to units within the MOHCD pipeline with appropriate resident services on a voluntary basis in order to improve living conditions. Residents relocated off-site will have a right of return once the rebuilding of their original sites are complete.



Project Status Summaries

Potrero Acceleration

EXISTING CONDITIONS



PROPOSED SITE PLAN



Potrero master plan

Project Highlights - Potrero Block X and Block B

Number of units	72 (Block X) & 110 (Block B)
Total Bond Funding	\$38.7M (all bond issuances)
Total Development Cost	\$68.4M (Block X) & TBD (Block B)

Project Update

- Block X Vertical loan agreement was executed in January 2017 and construction is over 35% complete. Estimated construction completion is December 2018.
- Block B Vertical loan agreement was executed in June 2017 and design development is underway.

Project Budget and Schedule – First Issuance

March 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - March 31, 2018	Amount Encumbered - March 31, 2018	Balance	Date Encumbered	Final Disbursement	Est. Completion
Public Housing									
Potrero Block X Predev	72	2,251,586	2,251,586	2,251,586	-	-	Jul 2016	Dec 2016	Dec 2018
Potrero Block X Vertical		14,148,414	15,441,507	15,441,507	-	-	Jan 2017	Mar 2018	Dec 2018
Potrero Infrastructure Predev	N/A	1,200,000	Included above	-	-	-	Jan 2017	Mar 2018	Dec 2018
Potrero Block B Predev	110	2,300,000	2,206,907	73,414	2,133,493	-	July 2017	TBD	TBD
<i>Potrero</i>	182	19,900,000	19,900,000	17,766,507	2,133,493	-			



Sunnydale Acceleration

EXISTING CONDITIONS



PROPOSED SITE PLAN



Sunnydale master plan

Project Highlights – Sunnydale Parcel Q and Blocks 6A & 6B

Number of units	226
Total Bond Funding	\$38.7M (all bond issuances)
Total Development Cost	\$54.8M

Project Update

- Since the Parcel Q predevelopment budget was approved by Loan Committee on April 2016, the Sponsor was able to decrease costs, significantly reducing MOHCD's contribution. The savings of \$3,433,153 was shifted to Block 6 for infrastructure. The purchase contract and ground lease were approved the Board of Supervisors in December 2017. Construction financing closed in January 2018 and expected to be encumbered in April 2018. Construction started in February and is expected to take 18 months.
- Sunnydale blocks 6A and 6B were originally proposed as two separate developments that would be built 6 months apart. Throughout the course of planning, it has become evident that there is a high need for the development to be built sooner, and as one project, which will help bring down costs. The remaining \$1,000,000 in predev was shifted to Block 6 infrastructure. Predevelopment design work with infrastructure integration is ongoing. The Sponsor hopes to start construction in March 2019.
- The Infrastructure Phase 1A-1 and 1A-2 is an 85,000 sq. ft. rectangular shaped area bordered by two new streets, pedestrian mews, and Blythdale Street. The Block 6 vertical development is located inside the rectangle, so that the surrounding streets and mews provide frontage to the housing development. Design work is ongoing. Residents within this infrastructure foot print will relocate onsite by summer 2018, for demolition to begin fall 2018.



Project Budget and Schedule – First Issuance

March 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - March 31, 2018	Amount Encumbered - March 31, 2018	Balance	Date Encumbered	Final Disbursement	Est. Completion
Sunnydale Master Planning	N/A	2,800,000	2,800,000	2,042,805	757,195	-	Jul 2016	Jan 2020	Dec 2019
Sunnydale Parcel Q Predev	55	2,000,000	2,000,000	1,693,585	306,415	-	Nov 2016	Jan 2018	Dec 2019
Sunnydale Parcel Q Vertical		10,900,000	7,466,847	-	-	7,466,847	April 2018	Jan 2019	Jun 2020
Sunnydale 6A & 6B Predev	171	5,000,000	4,000,000	194,685	3,805,315		Nov 2017	Dec 2019	Nov 2020
Sunnydale Block 6 Infrastructure Phase 1A-1 and 1A-2		-	4,433,153	278,721	4,154,432		Mar 2018	Dec 2019	Oct 2021
<i>Sunnydale</i>	226	20,700,000	20,700,000	4,209,795	9,023,358	7,466,847			



Investment in Low-Income Housing – New Development

Low-Income Housing in San Francisco

Bond funds will allow the creation of at least four additional buildings in San Francisco which are 100% affordable to individuals and families earning less than 60% of the Area Median Income. Bond funds will accelerate new affordable housing production through quick release of funds.



Leveraging Federal and State Resources

Each dollar of bond funds used for new construction also leverages significant Federal and State funding, as demonstrated by the below.

	Affordable Housing Bond (First Issuance)	Total Development Cost (TDC)	Federal (A)	State (B)	Total Leveraged Funds (A) + (B)	Leverage Funds as % of TDC
500 Turk Predevelopment	\$ 3,000,000	\$ 77,827,919	\$ 29,029,691	\$ 16,421,417	\$ 45,451,108	58%
4840 Mission Predevelopment	\$ 3,000,000	\$ 71,699,234	\$ 25,770,583	\$ 12,000,000	\$ 37,770,583	53%
1990 Folsom Acquisition & Predevelopment	\$ 7,025,269	\$ 102,761,383	\$ 29,910,574	\$ 19,000,000	\$ 48,910,574	48%

Mission Neighborhood Set-Aside Notice of Funding Availability (NOFA)

The Mission Neighborhood has been particularly impacted by increased rents and displacement. Neighborhood residents advocated for a set-aside for the Mission in the Bond proposal which went before the voters in order to help preserve the neighborhood as an affordable community. Through a NOFA process concluded in September 2016, MOHCD selected 1990 Folsom for the Mission neighborhood development set-aside, a 143-unit family development with an artist workspace component that is greatly desired by community members. This initial identification of Low-Income bond funds for a predevelopment loan to 1990 Folsom adds to significant additional MOHCD investments in the Mission in recent years. Please see page 19 for status of 1990 Folsom project.



Low-Income Housing Predevelopment NOFA

In addition to the Mission set-aside NOFA, MOHCD also concluded its City-wide NOFA process in September 2016. MOHCD formally recommended predevelopment loans for three new multifamily developments located in the Excelsior (4840 Mission), Forest Hill (250 Laguna Honda), and Tenderloin (500 Turk Street) neighborhoods. Since the time of that selection process, one of the developments, 4840 Mission, encountered delays. In the interest of putting the Prop A bond funds to use as quickly as possible, MOHCD reallocated a portion of the funds designated for this site to another low-income family housing development. In addition, predevelopment work conducted for 250 Laguna Honda, a proposed 150-unit senior development in the Forest Hill neighborhood, revealed site conditions that posed risk to the development and potentially prohibitive costs. Funding reserved for this development from the first Bond issuance was therefore diverted to 500 Turk Street, and the remaining Bond funds allocated for 250 Laguna will go to 1296 Shotwell, a low-income senior housing development. Details on these funding reallocations are provided below in the section entitled “Reallocation of Second and Third Issuance Funds”. Note that the reallocations do not involve any new uses for the Low-Income category of the bonds: these funds will continue to be used for the development of housing that will serve families, seniors, and special needs populations. Amongst the four sites, there are also proposals for various community serving/public spaces.

MOHCD commenced predevelopment loans for the Low-Income projects in Q4 2016, and the Citywide Affordable Housing Loan Committee approved a loan request for 500 Turk before 12/31/16 and for 1990 Folsom the first week of January 2017. The predevelopment loan for 4840 Mission was approved in May 2017. The project at 250 Laguna Honda is no longer moving forward. No bond funds have been or will be spent on this project.



Project Status Summaries

4840 Mission



Project Highlights

Total Bond Funding, First Issuance	\$3.0M (predevelopment)
Total Development Cost	\$71.7M

Project Update Highlights

- Developer: Bridge Housing
- Units: Approximately 100 affordable family apartments financed with a \$3 million GO Bond predevelopment loan and additional MOHCD funds, with 20%-30% set aside for homeless households (replacing a funeral home). Added to this affordable unit count will be approximately 75 family apartments, financed as part of the adjacent developer’s inclusionary housing obligation.
- Status: On June 7, 2017, \$3,000,000 was disbursed to Borrower to provide a portion of the purchase price for 4840 Mission. This will be the final disbursement of Prop A bond funding for this development.

Project Budget and Schedule (First Issuance Only)

March 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - March 31, 2018	Amount Encumbered - March 31, 2018	Balance	Date Encumbered	Final Disbursement	Est. Completion
4840 Mission - Predevelopment	114	3,000,000	3,000,000	3,000,000		-	Feb 2017	May 2017	Nov 2021





Project Highlights

Total Bond Funding, First Issuance	\$7.0M (acquisition and predevelopment)
Total Development Cost	\$112M

Project Update Highlights

- Developer: Mission Economic Development Agency and TNDC joint venture
- Units: 143 family apartments, with 25% set aside for HOPE SF families relocating offsite (replacing a vacant baked goods manufacturing plant)
- Status: Project fully entitled on January 25, 2018. Loan Committee approved additional predevelopment and acquisition financing on March 2, 2018. Project expected to close and start construction February 2019.



Project Budget and Schedule (First Issuance only)

March 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - March 31, 2018	Amount Encumbered - March 31, 2018	Balance	Date Encumbered	Final Disbursement	Est. Completion
1990 Folsom - Acquisition & Predev (Low Income)		1,025,269	1,000,000	380,080	619,920	-	Apr 2017	April 2018	Sep 2020
1990 Folsom - Predevelopment (Mission Set Aside)	143	2,000,000	3,622,300	1,884,799	1,737,501	-	Apr 2017	Dec 2018	Sep 2020
1990 Folsom - Acquisition (Mission Set Aside)		4,000,000	2,377,700	2,377,700			Apr 2017	Apr 2017	Sep 2020
<i>Subtotal</i>	143	7,025,269	7,000,000	4,642,579	2,357,421	-			



Investment in Low-Income Housing – Rehabilitation of Small Sites

Description of Small Sites program

The Small Sites Program (SSP) is an acquisition and rehabilitation loan program created to protect older, typically rent-controlled, buildings of up to 25 units throughout San Francisco. In the face of increasing pressure on tenants who are particularly vulnerable to property sales, increased evictions and rising rents, the City developed the Small Sites Program in order to support non-profit and for-profit entities to successfully remove these sites from the market and restrict them as long-term affordable housing. The overarching program goals are to:

- 1) Protect and stabilize housing for current tenants at a range of income levels
- 2) Remove SSP properties from the speculative market while increasing the supply of permanently affordable rental housing
- 3) Create financially stable, self-sustaining housing that serves multiple generations of low to moderate income households



Project Status Summary

- All but one project to be funded by first issuance has an executed loan agreement.
- If available, second issuance funds will be used to acquire properties that are currently in escrow.
- Site renovations are currently underway.

March 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - March 31, 2018	Amount Encumbered - March 31, 2018	Balance	Date Encumbered	Final Disbursement	Completed/ Est. Completion
5030 3rd St	5	1,414,000	1,414,000			1,414,000	Jul 2018	Jul 2019	Jul 2019
344 Precita	3	1,385,000	1,385,000	921,008	463,992	-	Mar 2017	Aug 2018	Aug 2018
3198 24 th Street	8	4,050,000	4,050,000	2,478,375	1,556,896	14,729	May 2017	Sep 2018	Sep 2018
3800 Mission	5	2,099,000	2,099,000	1,007,249	1,091,751	-	Feb 2017	Jul 2018	Jul 2018
269 Richland	6	2,100,000	2,100,000	1,257,595	842,405	-	Mar 2017	Jun 2018	Jun 2018
4042 Fulton	5	2,125,000	2,125,000	2,074,624	50,376	-	Mar 2017	May 2018	Feb 2018
63 Lapidge	6	1,827,000	1,827,000	1,711,660	115,340	-	Apr 2017	Jul 2018	Jul 2018
<i>Small Sites Program</i>	33	15,000,000	15,000,000	9,450,511	4,120,760	1,428,729			



4042 Fulton Street - completed Feb 2018

Investment in Middle-Income Housing – Down Payment Assistance & Teacher Next Door

Middle Income DALP

The Middle-Income Down Payment Assistance Loan Program (DALP) provides down payment assistance, in the form of a deferred payment loan up to \$375,000, to qualified middle-income (120% - 175% AMI), first-time homebuyers for the purchase of a market-rate principal residence in San Francisco. The DALP is a “silent second” loan that requires no monthly payments for 30 years. The principal amount plus an equitable share of appreciation are due and payable at the end of the term, or repaid upon sale or transfer.

Teacher Next Door

The Teacher Next Door (TND) Program helps educators employed by the San Francisco Unified School District (SFUSD) to purchase their first home in San Francisco. Educators can use TND funds to cover closing costs or for a down payment on a below market-rate (BMR) or a market-rate home. The term of the TND is 10 years. There is no interest, nor shared appreciation. After the 5th year, the loan is forgiven at rate of 20% per year, and at the end of the 10th year, the loan is forgiven in its entirety.

Why do middle-income households need help?

- San Francisco’s median home price exceeds \$1M
- High home prices require a higher proportion of income for housing expenses
- High rent prevents middle-income households from saving for a down payment
- Prior to the Affordable Housing Bond, highest household income assisted was at 120% AMI

Annual Target Incomes (120% - 175% AMI)

- \$97K - \$141K for individuals
- \$111K - \$161K for a family of two
- \$138K - \$202K for family of four



Project Status Summary

March 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - March 31, 2018	Amount Encumbered - March 31, 2018	Balance
DALP Loan Expansion	9	2,900,000	2,900,000	2,713,342		186,658
Teacher Next Door	21	1,000,000	903,014	420,000		503,014
<i>Subtotal</i>	30	3,900,000	3,803,014	3,133,342		689,672



Investment in Middle-Income Housing – Other Efforts in Future Issuances

- 15% of 88 Broadway (Seawall Lot 322-1) is devoted to middle-income units
 - Construction is expected to commence in early 2019
 - Project financing will include \$10MM in Prop A funds for middle-income units
- MOHCD and SFUSD issued a Request for Development Proposals for educator rental housing on 1360 43rd (Francis Scott Key Annex) on October 3, 2017. At the recommendation of a selection panel, MOHCD awarded development rights to MidPen Housing in April 2018. MOHCD expects to issue up to \$3MM in predevelopment funding to MidPen in 2018. Construction completion is expected by 2022.



Reallocation of Second & Third Issuance Funds

Following a competitive Request for Proposals, MOHCD allocated funds in the Low-Income Housing Multifamily category (excluding the Mission Neighborhood funds), as follows:

Project	Units	Prop A Funding
500 Turk St.	108	24,180,000
250 Laguna	150	24,180,000
4840 Mission St.	114	24,180,000
Totals	372	72,540,000

Despite good progress in this first phase of Bond-funded activities, one Low-Income Housing Multifamily project, 4840 Mission, encountered delays, due principally to the emergence of a development opportunity that promised more affordable housing for 4840 Mission.

In late May 2017, the parcel adjacent to 4840 Mission became available for development. In order to maximize potential economic and housing benefits related to this block, the owner/developer of the adjacent site approached the City to discuss the possibility of merging the development programs and creating more affordable units, with neighborhood-desired retail space on the ground floor. MOHCD staff believes that this expanded program does offer the potential for a better long-term outcome for residents of the neighborhood. For that reason, we have slowed the progress of 4840 Mission, which requires an Environmental Impact Report, in order to investigate merger opportunities.

As described earlier in this report, another Low-Income Housing Multifamily project also encountered issues that resulted in MOHCD's reallocation of funds. Predevelopment work conducted in 2017 revealed safety issues at the site and the potential for prohibitively high costs. Proceeds from the first issuance reserved for 250 Laguna Honda (approximately \$1.97 million) will be dedicated instead to the project at 500 Turk.

Given the importance of moving forward with the next Bond issuance for the benefit of the Small Sites program, the remaining Low-Income Housing Multifamily Projects, and the Middle-Income housing expenditures, we have reallocated the remaining Bond funds from future issuances designated for 250 Laguna and 4840 Mission to two MOHCD projects that are well underway: 1296 Shotwell and 88 Broadway.

1296 Shotwell: This project is 96 units of affordable housing for low-income seniors. It received its environmental and land use approvals in March 2017, is expected to begin construction in February 2018, and will be complete by early 2020.

88 Broadway: This 104-unit site for low-income families, plus 21 middle-income families, is expected to receive its environmental and land use approvals in January 2018. Project construction is expected to begin in early 2019 and be concluded in late 2020.



See below for the transfer details:

From	Units/Type	Amount	Neighborhood	To	Units/Type	Neighborhood
4840 Mission	114 / Family	\$21,180,000	Excelsior	88 Broadway	104/ Family	Northeast Waterfront
250 Laguna Honda	150 / Seniors	\$22,205,269	Forest Hill	1296 Shotwell	96 / Seniors	Mission
Total	264	\$43,385,269			200	

Funding for 4840 Mission will come from other MOHCD sources when that project is ready. In addition, both 88 Broadway and 1296 Shotwell will require additional, non-Bond funding from MOHCD in order to meet their full gap financing need.

Shifting the Bond funding from the two originally selected sites to 88 Broadway and 1296 Shotwell, both of which have achieved substantial entitlement progress so that their construction starts will occur in 2018-19, will more efficiently move all projects forward and not delay a second Bond issuance needed for Middle-Income Housing, Small Sites and the balance of the Low-Income Housing Multifamily Sites. In addition, for 4840 Mission, the reallocation allows MOHCD the potential to participate in an expanded development program that could provide greater benefit to the residents of the neighborhood.



Specific Housing Bonds Uses, by Issuance (Revised)

	Projected			Total	Affordable Units
	ISSUANCE #1	ISSUANCE #2	ISSUANCE #3		
	16-17	17-18	18-19 / 19-20		
Public Housing: \$80MM					
Potrero Parcel X Predev	2,251,586			2,251,586	
Potrero Parcel X Vertical Gap	14,241,507			14,241,507	72
Potrero Infrastructure Predev	1,200,000			1,200,000	
Potrero Block B Predev	2,206,907			2,206,907	
Potrero Infrastructure Development			18,800,000	18,800,000	110
Sunnydale Master Planning	2,800,000			2,800,000	
Sunnydale 6A & 6B Predev	5,000,000			5,000,000	
Sunnydale Parcel Q Predev	2,000,000			2,000,000	
Sunnydale Parcel Q Vertical	10,900,000			10,900,000	55
Sunnydale 6A & 6B Infrastructure Development			16,000,000	16,000,000	171
Sunnydale 3A/B Predev & Infrastructure			2,020,000	2,020,000	173
<i>Cost of issuance</i>	575,440	-	387,715	963,155	
<i>Legal and other incidentals</i>		400,000		400,000	
<i>Reserve/contingency</i>			1,216,845	1,216,845	
<i>Subtotal</i>	41,175,440	400,000	38,424,560	80,000,000	581
Low-Income Housing: \$100MM					
4840 Mission Predevelopment Only	3,000,000			3,000,000	
250 Laguna Predevelopment, to be reallocated to 500 Turk	1,974,731			1,974,731	
Small Sites Program	15,000,000	9,235,000		24,235,000	81
500 Turk Street Predevelopment, Acq & Con Financing	3,000,000	15,500,000	5,680,000	24,180,000	108
1296 Shotwell Construction Financing		22,205,269		22,205,269	96
88 Broadway Construction Financing		21,180,000		21,180,000	104
Adjustment for 1990 Folsom	1,025,269	(1,025,269)		-	
<i>Cost of issuance</i>	340,161	717,306	59,810	1,117,278	
<i>Legal and other incidentals</i>		500,000		500,000	
<i>Reserve/contingency</i>			1,607,722	1,607,722	
<i>Subtotal</i>	24,340,161	68,312,306	5,739,810	100,000,000	389
Mission Neighb. Housing: \$50MM: 1990 Folsom					
Predevelopment Costs	6,000,000			6,000,000	
Predevelopment, Acq & Con Financing		41,359,731		41,359,731	143
Adjustment for 1990 Folsom		1,025,269		1,025,269	
<i>Cost of issuance</i>	85,040	435,518	-	520,558	
<i>Legal and other incidentals</i>		250,000		250,000	
<i>Reserve/contingency</i>			844,442	844,442	
<i>Subtotal</i>	6,085,040	43,070,518	-	50,000,000	143
Middle-Income Housing: \$80MM					
DALP Loan Expansion	2,900,000	15,260,000	15,260,000	33,420,000	112
Teacher Next Door	903,014	1,196,986	2,900,000	5,000,000	60
Middle-Income Teacher Housing: 43rd & Irving		3,000,000	26,000,000	29,000,000	82
Middle-Income MOHCD Production: 88 Broadway		10,000,000	-	10,000,000	21
<i>Cost of issuance</i>	53,902	310,182	465,005	829,089	
<i>Legal and other incidentals</i>		400,000		400,000	
<i>Reserve/contingency</i>			1,350,911	1,350,911	
<i>Subtotal</i>	3,856,916	30,167,168	45,975,916	80,000,000	275
Additional Cost of Issuance expenses as estimated by OPF		305,008			
Reserve for Market Uncertainty		3,745,000			
<i>(both amounts be allocated proportionally to Public/Low/Mission/Middle Income Categories once amounts are finalized)</i>					
Proportional reduction of reserve/contingency lines once 2nd issuance amount is finalized			(1,597,843)		
GRAND TOTAL	75,457,557	146,000,000	88,542,443	310,000,000	1,388

Metric of Success

The primary metric of success for the Affordable Housing Bond is number of units produced, protected, or assisted. We have estimated the projected number of affordable units through all phases of the bond process, and will track progress and provide regular updates accordingly.

It's important to note that new housing development in San Francisco can easily take five years from start to finish. Newly constructed public housing units are projected to be completed in 2019-2020, low income units are projected to be completed in 2021-2022, and middle income units may be completed in 2022-2023. In future reports, we will be providing benchmarks of progress for each individual project.

Unit Production Summary as of 03/31/18 (All Issuances)

	Estimated Progress Toward Construction Completion	Affordable Units Completed	Projected Total Affordable Units
Public Housing	35%	0	581
Low Income Housing - Small Sites	50%	5	81
Low Income Housing Multifamily - Mission Set Aside	15%	0	143
Low Income Housing Multifamily	15%	0	308
Middle Income DALP	N/A	9	112
Middle Income TND	N/A	21	60
Middle Income Teacher Housing	10%	0	82
Middle Income Production	10%	0	21
TOTAL		33**	1,388

** Note 3 Middle Income Loans also received TND Loans. One of which received two TND loans as both borrowers were employed by SFUSD.



Glossary

- Acquisition:** Costs associated with acquisition of real property
- Estimated Completion:** Building completed and units leased
- Infrastructure:** Costs which are secondarily related to housing development, including large-scale site grading, streets, sidewalks, utility work, etc. Predominantly needed in the HOPE SF context where we are creating entire new neighborhoods.
- Master Planning:** Development of an overall strategy for the complete transformation of a public housing site. Master Planning work sets forth a comprehensive vision, schedule, communications plan, financing strategy, services program, and, most importantly, stakeholder participation process that highlights resident needs.
- NOFA:** Notice of Funding Availability, a competitive process used to identify projects and developers
- Predevelopment:** Costs prior to actual construction, including architectural, engineering, environmental, and permitting costs. May be related directly to housing development, or may be infrastructure predevelopment which supports
- Vertical Gap and/or Vertical Development:** Costs starting with actual construction through and including occupancy and conversion to permanent financing