

San Francisco 2015 Affordable Housing General Obligation Bond

Funding Housing Equity in San Francisco



Potrero Block X

CGOBOC Report
December 2019



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Affordable Housing Bond – Overview

History of Bond Approval

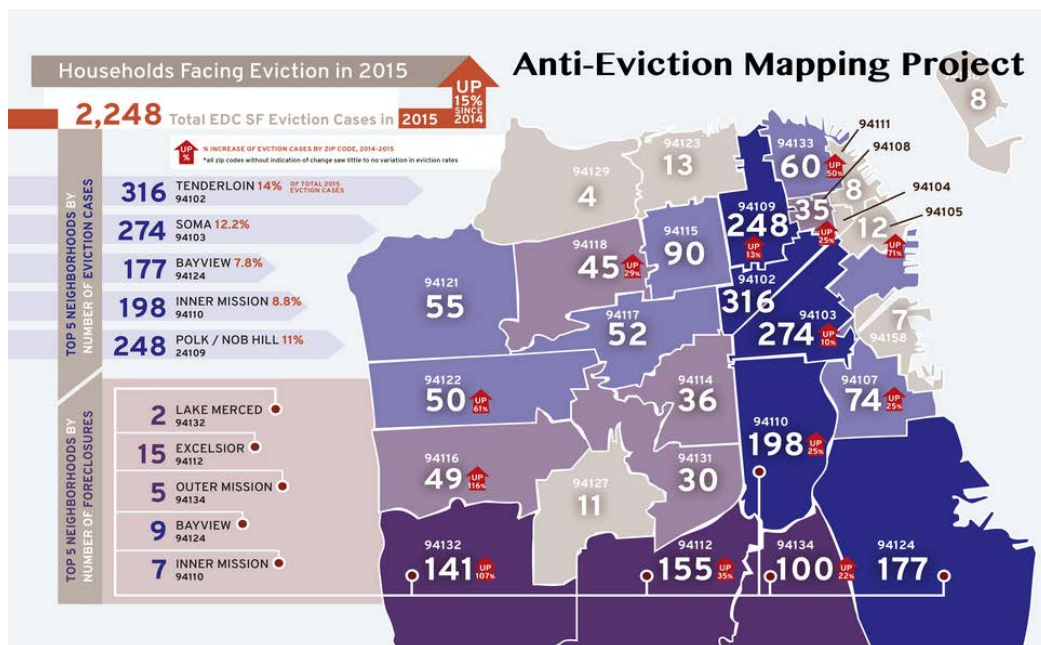
In November 2015, the Affordable Housing General Obligation Bond (Bond) was passed by voters with the goal of helping to make San Francisco a more affordable place for residents to live. The Bond was proposed by late Mayor Lee and San Francisco Board of Supervisors and approved by 74% of voters in the November 2015 election. The Bond is a component of the Mayor Breed’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
Affordable Housing (up to 80% AMI)	\$100 Million
<i>set aside for Mission Area Plan Investments</i>	\$50 Million
Middle Income Housing (80%-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 take on increasingly long employment commutes. In recent years, the impact of this affordability gap has expanded beyond the 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 is helping to address the affordability gap, as well as mitigating 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 is relieving 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



Chinatown Community
Development Center
華協中心



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 is also funding 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.

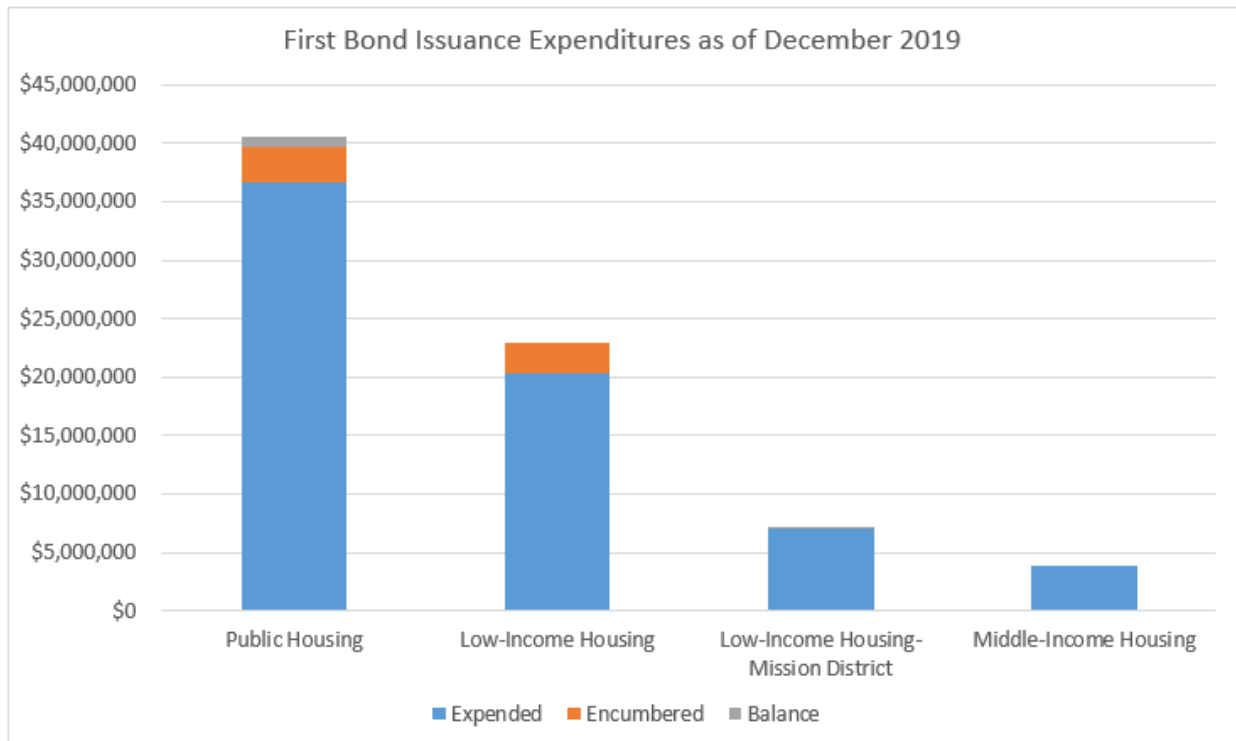
The Bond spending will occur in three major categories: Public Housing, Low-Income Housing (with a portion set aside specifically for the Mission neighborhood), and Middle-Income Housing.



Key Highlights – December 2019

First Issuance

- Over 99% of first issuance funds encumbered and over 91% spent
- First bond issuance is projected to be fully expended by early 2020
- **Sunnydale Parcel Q (Public Housing) completed in December 2019**

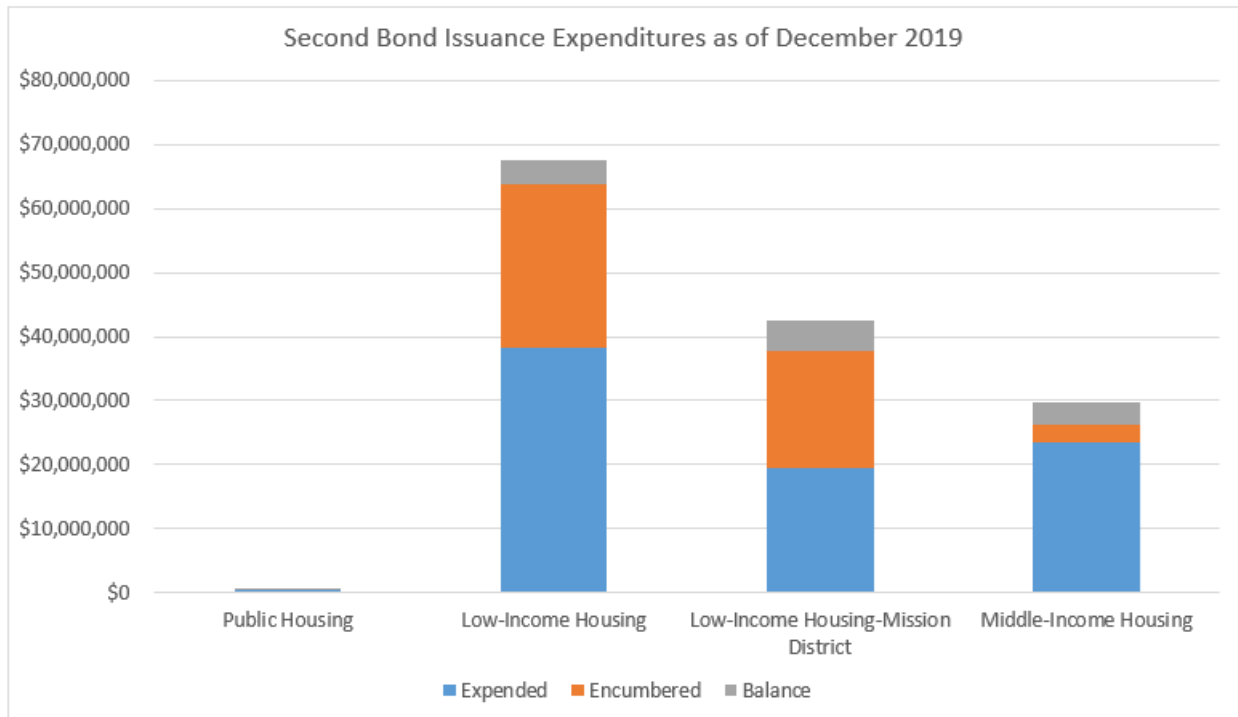


	<i>Public Housing</i>	<i>Low-Income Housing</i>	<i>Low-Income Housing-Mission District</i>	<i>Middle-Income Housing</i>	<i>TOTAL</i>
Expended	\$36,619,076	\$20,344,364	\$7,000,000	\$3,803,014	\$ 67,766,454
Encumbered	\$3,124,135	\$2,603,367	\$0	\$0	\$ 5,727,502
Balance	\$856,789	\$0	\$25,269	\$0	\$ 882,058
Total	\$40,600,000	\$22,947,731	\$7,025,269	\$3,803,014	\$ 74,376,014



Second Issuance

- Almost 91% of second issuance funds encumbered and almost 58% spent
- Second bond issuance is projected to be fully expended by late 2020
- **1296 Shotwell (Low-Income) completed in late 2019**
- 500 Turk (Low-Income) to begin construction early 2020

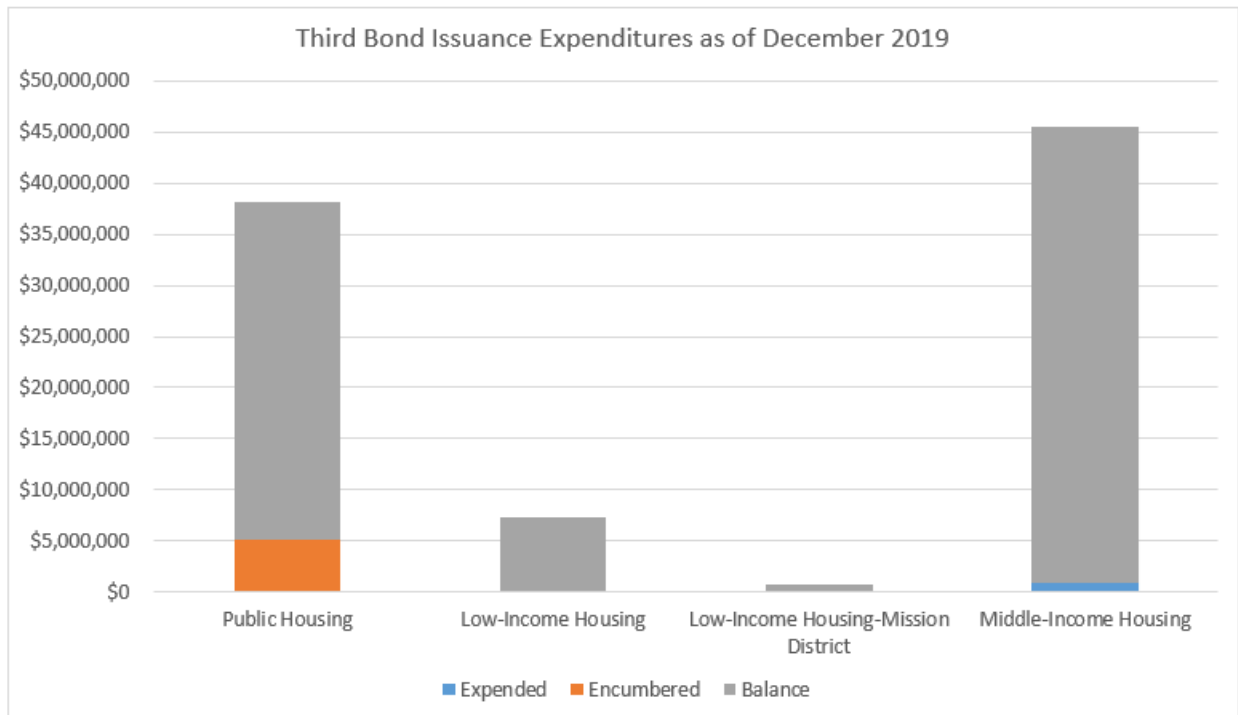


	<i>Public Housing</i>	<i>Low-Income Housing</i>	<i>Low-Income Housing-Mission District</i>	<i>Middle-Income Housing</i>	<i>TOTAL</i>
Expended	\$386,828	\$38,249,330	\$19,416,858	\$23,597,789	\$ 81,650,805
Encumbered	\$0	\$25,590,942	\$18,407,634	\$2,514,621	\$ 46,513,197
Balance	\$13,172	\$3,754,728	\$4,810,508	\$3,744,576	\$ 12,322,984
Total	\$400,000	\$67,595,000	\$42,635,000	\$29,856,986	\$ 140,486,986



Third Issuance

- Third and final issuance sold in October 2019
- Third bond issuance is projected to be fully expended by late 2023. Third issuance expenditure schedule is driven by \$25M allocation to educator housing at 43rd and Irving which will start construction late 2021



	<i>Public Housing</i>	<i>Low-Income Housing</i>	<i>Low-Income Housing-Mission District</i>	<i>Middle-Income Housing</i>	<i>TOTAL</i>
Expended	\$131,688	\$0	\$0	\$840,106	\$ 971,794
Encumbered	\$5,068,312	\$0	\$0	\$0	\$ 5,068,312
Balance	\$32,888,366	\$7,316,887	\$803,201	\$44,688,288	\$ 85,696,742
Total	\$38,088,366	\$7,316,887	\$803,201	\$45,528,394	\$ 91,736,848



Issuance Breakdown

	Issuance 1	Issuance 2	Issuance 3	TOTAL
Public Housing	\$ 41.0	\$ 0.4	\$ 38.6	\$ 80.0
Low-Income Housing	\$ 24.2	\$ 68.4	\$ 7.4	\$ 100.0
Low-Income Housing (Mission)	\$ 6.1	\$ 43.1	\$ 0.8	\$ 50.0
Middle-Income Housing	\$ 3.8	\$ 30.2	\$ 46.0	\$ 80.0
TOTAL	\$ 75.1	\$ 142.1	\$ 92.8	\$ 310.0

** Figures include issuance costs

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 was built over 60 years ago and 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 December 2019, rehabilitation is complete on all 29 projects.

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, additional affordable 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 planned or underway on all four HOPE SF sites. The first phase of vertical development at Sunnydale (Parcel Q) completed in late 2019 and is expected to be fully leased by mid-2020; Block 6, the next vertical development bringing 167 new units to the Sunnydale community, closed its financing in December 2019. Block 3, with approximately 165 units and 30,000 square feet of community space, is in predevelopment. Potrero’s first vertical development, 1101 Connecticut (Block X), is complete and fully leased; Block B, with approximately 160 units, is in predevelopment and will start construction in 2021. At Hunters View, predevelopment activities for approximately 150 additional affordable units are underway, with construction scheduled to begin in 2021. At Alice Griffith, Phase 1, 2 3, and 4 are complete; Phase 4 has leased up and is home to the remaining 19 original Alice Griffith public housing residents, meeting the HOPE SF commitment to rehouse all residents on site with no displacement. Phases 5 and 6 will start predevelopment in 2022. Sunnydale and Potrero are the focus of new bond funds to expedite work due to their long development timelines and multiple development phases, 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 to return to subsidized units once the rebuilding of their original sites are complete.



Potrero residents at the grand opening of Potrero Block X in May 2019



City Officials and Potrero residents at the ribbon cutting of Potrero Block X

Project Status Summaries

Potrero Acceleration

EXISTING CONDITIONS



PROPOSED SITE PLAN



Potrero master plan

Project Highlights - Potrero Block X, Block B, Block R, and Block Q

Number of units	72 (Block X), 217 Infrastructure (Block B) **, 0 Block R, and 0 Block Q ***
Total Bond Funding	\$49.2M (all bond issuances)
Total Development Cost	\$68.4M (Block X), TBD (Block B & Infrastructure), Block R, Block Q

** We will track infrastructure related units together with Block B construction. We note that infrastructure investment will support 92 affordable housing units and 125 market rate units. We are including the market rate units in the unit count as they provide cross-subsidy for affordable housing units.

*** Block R and Block Q will result in 55 and 40 units respectively but since these projects are only receiving predevelopment funding, we are not counting the units in our GO Bond accomplishment tracking.

Project Update

- **Block X** construction is complete. The building is 100% occupied.
- **Phase II Infrastructure** – This is the 1st onsite infrastructure phase. The sponsor is currently working on abatement and demo units within this footprint. Work on the horizontal infrastructure should start in mid-2020, with completion expected in late 2021.
- **Block B** Vertical predevelopment loan agreement was executed in mid-2017 and design development is underway. The sponsor intends to start construction in early 2021.
- **Block R** and **Block Q** comprise an estimated 95 units and are the first affordable projects in Potrero’s Phase 3. Predevelopment activity is expected to begin in mid-2020.



Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
Potrero Block X Predev	72	2,251,586	2,251,586	2,251,586	-	-	Jul 2016	Dec 2016	Dec 2018
Potrero Block X Vertical Gap		14,241,507	15,441,507	15,441,507	-	-	Jan 2017	Mar 2018	Dec 2018
Potrero Infrastructure Predev		1,200,000	Included above	-	-	-	Jan 2017	Mar 2018	Dec 2018
Potrero Block B Predev	217	2,206,907	2,106,907	142,529	1,964,378	-	July 2017	Dec 2020	Dec 2020
Potrero Block B Gap (First Issuance)			236,000	-	-	236,000	Dec 2020	Dec 2022	Dec 2022
Potrero Block B Gap (Third Issuance)		3,125,366	3,125,366	-	-	3,125,366	Dec 2020	Dec 2022	Dec 2022
Potrero Phase II Infrastructure Development		20,503,000	20,503,000	-	-	20,503,000	Jun 2020	Jun 2022	Jun 2023
Potrero Block R Predev Infrastructure		4,000,000	4,000,000	131,688	3,868,312	-	Dec 2019	Dec 2020	Dec 2022
Potrero Block Q Predev Vertical and Infrastructure		1,600,000	1,600,000	-	1,200,000	400,000	Dec 2019	Dec 2020	Dec 2022
<i>Potrero Subtotal</i>	289	49,128,366	49,264,366	17,967,309	7,032,691	24,264,366			

* Please refer to note in page 13 about units assigned to Potrero Infrastructure Predev.



Block B



Block X (circled in red above)



Potrero Parcel Map

Block Q & Block R



Block B

Block X



Sunnydale Acceleration

EXISTING CONDITIONS



PROPOSED SITE PLAN



Sunnydale master plan

Project Highlights – Sunnydale Parcel Q, Block 6, Infrastructure Phase 1A1/2, Block 3, Infrastructure Phase 1A3

Number of units	55 (Parcel Q); 167 (Block 6); 0 (Block 3) **
Total Bond Funding	\$29.4M (all bond issuances)
Total Development Cost	\$44.8M Parcel Q; \$132M Block 6; \$28M Infrastructure Phase 1A1 & 2; Block 3 and Infrastructure 1A3 TBD

** We will track infrastructure related units together with Block 6 as we are providing both predevelopment and gap financing. However, we will not count Block 3 units as we are only providing predevelopment.

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 \$3.4M was shifted to Block 6 infrastructure. The purchase contract and ground lease were approved the Board of Supervisors in December 2017. **Construction completed in late 2019.** Residents are currently moving in with full lease up expected in mid-2020.
- 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 \$1M in predevelopment was shifted to Block 6 infrastructure. **Block 6** started construction in late 2019, with completion expected in late 2021.
- 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



have been relocated to rehabbed units on site. Abatement and demolition started early 2019, with infrastructure work finalizing by mid-2020.

- Sunnydale **Block 3** is the third affordable housing site to be built and sits within Infrastructure Phase 1A3. The Sponsor received Loan Committee approval in mid-2019 and is currently in predevelopment planning.
- **Infrastructure Phase 1A3** is the second infrastructure phase for the site. The Sponsor received Loan Committee approval in June 2019 and is currently in predevelopment planning.

**Project Budget and Schedule – All issuances
December 2019**

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
Sunnydale Master Planning		2,800,000	2,664,000	2,258,987	405,013	-	Jul 2016	May 2020	Jun 2025
Sunnydale Parcel Q Predev	55	2,000,000	2,000,000	2,000,000	-	-	Nov 2016	Jan 2018	Dec 2019
Sunnydale Parcel Q Vertical		10,900,000	6,905,799	6,812,606	33,452	59,741	April 2018	Jun 2020	Jun 2020
Sunnydale Infrastructure Phase 1A1/2	167		4,433,153	4,433,153	-	-	Feb 2018	Apr 2019	Jun 2020
Sunnydale 6 Vertical Gap & Predev		5,000,000	4,561,048	3,278,708	721,292	561,048	Nov 2017	Mar 2020	Nov 2021
Sunnydale Infrastructure Phase 1A3		5,200,000	5,200,000	-	-	5,200,000	Jan 2020	Nov 2021	Nov 2022
Sunnydale 3 Vertical Predev		3,600,000	3,600,000	-	-	3,600,000	Jan 2020	Jan 2022	Jan 2024
<i>Sunnydale Subtotal</i>	222	29,500,000	29,364,000	18,783,454	1,159,756	9,420,789			

Parcel Q construction complete and lease-up in progress. Ribbon cutting scheduled for March 2020



Sunnydale Parcel Map

Block 3 & Parcel Q (circled)



Block 6



Investment in Low-Income Housing – New Development

Low-Income Housing in San Francisco

Bond funds will allow the development of at least seven additional projects 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.



88 Broadway/ 735 Davis Site



88 Broadway/ 735 Davis Plan

Mission Neighborhood Set-Aside

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 Notice of Funding Availability (“NOFA”) process concluded in December 2016, MOHCD selected 1990 Folsom for the Mission neighborhood development set-aside, a 143-unit family development with a childcare center and 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 26 for status of 1990 Folsom project.

Due to project savings a portion of the funds budgeted for the 1990 Folsom project has been reallocated to 681 Florida. The 681 Florida development team was procured via an RFP that was published October 13, 2016. Two development teams responded, and the selection panel recommended MEDA/TNDC to be selected on February 15, 2017.



Mission District Mural

Low-Income Housing Predevelopment and Development

In addition to the Mission set-aside NOFA, MOHCD also concluded its City-wide NOFA process in December 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 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 reallocated to 500 Turk Street, and the remaining Bond funds allocated for 250 Laguna were allocated to 1296 Shotwell, a low-income senior housing development in the Mission neighborhood.



Non-Profit Developers CCDC & MEDA partnering for to develop 1296 Shotwell - Casa Adelante

Rev. Norman Fong, Executive Director, Chinatown Community Development Center; and Luis Granados, Chief Executive Officer, Mission Economic Development Agency. Photo by Alain McLaughlin.

Project Status Summaries

4840 Mission



Project Highlights

Number of Units	0**
Total Bond Funding	\$3.0M (all issuances)
Total Development Cost	\$133.0M

** Note that since this project is only receiving predevelopment funding, we are not counting the units in our 2015 GO Bond accomplishment tracking.

Project Update Highlights

- Developer: Bridge Housing
- Units: 137 affordable family apartments, with 29% of the units (40 units) set aside for families relocating from HOPE SF sites. The development includes a 10,000 square foot clinic serving low-income households and a 6,000 square foot commercial space. The adjacent developer's inclusionary housing obligation is no longer part of the project.
- Status: Predevelopment funds were disbursed to Borrower to provide a portion of the purchase price for 4840 Mission. Project received its SB 35 approval in July 2019. In October 2019, the Borrower received additional Affordable Housing Funds to pay off an acquisition loan and interest and to provide for additional predevelopment funding. The anticipated construction start date is June 2021.



Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
4840 Mission - Predevelopment		3,000,000	3,000,000	3,000,000	-	-	Feb 2017	May 2017	Jun 2022





Project Highlights

Number of Units	108
Total Bond Funding	\$26.2M (all issuances)
Total Development Cost	\$82.4M

Project Update Highlights

- Developer: TNDC
- Units: 108 family apartments, with 25% set aside for HOPE SF families
- Status: The project received Loan Committee approval for an up to \$32.4M in City funds. Wells Fargo was selected as the construction lender and tax credit investor for the project, with California Community Reinvestment Corporation (CCRC) as the permanent lender. Project was awarded tax credit and bond allocation in October 2019, with an estimated construction start date of late January 2020.

Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
500 Turk - Predevelopment (First Issuance)	108	3,000,000	3,000,000	3,000,000	-	-	Mar 2017	Dec 2018	Mar 2022
500 Turk - Reallocated Predev (First Issuance)		1,974,731	1,974,731	-	1,974,731	-	Dec 2018	Feb 2020	Mar 2022
500 Turk - Predev (Second Issuance)		15,500,000	15,500,000	14,707,962	792,038	-	Dec 2018	Feb 2020	Mar 2022
500 Turk - Construction (Third Issuance)		5,680,000	5,680,000	-	-	5,680,000	Jan 2020	Mar 2020	Mar 2022
<i>500 Turk Subtotal</i>	108	26,154,731	26,154,731	17,707,962	2,766,769	5,680,000			





Project Highlights

Number of Units	143
Total Bond Funding	\$44.8M (all issuances)
Total Development Cost	\$108.0M

Project Update Highlights

- Developer: MEDA and TNDC joint venture
- Units: 143 family apartments, with 25% set aside for HOPE SF families wishing to relocate from HOPE SF sites.
- Status: Project is replacing a vacant banked goods manufacturing plant with affordable housing, a childcare center, and community arts space. The project financing closed in March 2019 and construction has started. Completion expected in late 2020.



Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
1990 Folsom - Acquisition & Predev (Low Income - First Issuance)	143	1,025,269	1,000,000	1,000,000	-	-	Dec 2018	Dec 2018	Sep 2020
1990 Folsom - Predev (Mission Set Aside - First Issuance)		2,000,000	3,622,300	3,622,300	-	-	Dec 2018	Dec 2018	Sep 2020
1990 Folsom - Acquisition (Mission Set Aside - First Issuance)		4,000,000	2,377,700	2,377,700	-	-	Apr 2015	Apr 2017	Sep 2020
1990 Folsom - Predev & Construction (Second Issuance)		41,359,731	37,773,659	19,366,025	18,407,634	-	Jun 2018	Jun 2020	Sep 2020
1990 Folsom Subtotal	143	48,385,000	44,773,659	26,366,025	18,407,634	-			



1990 Folsom
Groundbreaking





Project Highlights

Number of Units	94
Total Bond Funding	\$22.2M (all issuances)
Total Development Cost	\$55.8M

Project Update Highlights

- Developer: MEDA and CCDC joint venture
- Units: 94 Affordable Senior Housing, with 23% set aside for formerly homeless seniors
- Status: Construction started in May 2018 and the project received Temporary Certificate of Occupancy in November 2019. Seniors started moving in December 2019, with full lease up expected by April 2020. The team has held \$10M of the total MOHCD funds until permanent financing conversion, at which time bond funds will be used will take out the construction lender. This is expected by October 2020.

Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
1296 Shotwell - Construction	94	22,205,269	22,205,269	11,809,479	10,350,187	45,603	May 2018	Oct 2020	Oct 2020



1296 Shotwell construction complete and ready for occupancy





Project Highlights

Number of Units	125, including 10 middle income + 53 units at 735 Davis for low-income seniors funded with non-GO bond sources.
Total Bond Funding	\$24.1M (all issuances)
Total Development Cost	\$140.5M

Project Update Highlights

- Developer: Bridge Housing and John Stewart Co. joint venture
- Units: 125 units for low-income families of which 10 units are for middle income residents, and childcare center at 88 Broadway + 53 units at 735 Davis for low-income seniors funded with non-GO bond sources.
- Status: Project financing closed May 2019 and construction is expected to be completed in June 2021.



Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
88 Broadway/ 735 Davis - Low-Income Construction	115	21,180,000	16,777,438	2,330,817	14,446,621	-	Jun 2019	Mar 2020	Mar 2021
88 Broadway/ 735 Davis - Middle Income Construction	10	10,000,000	7,331,238	7,331,238	-	-	Jun 2019	Mar 2020	Mar 2021
<i>88 Broadway/ 735 Davis Subtotal</i>	125	31,180,000	24,108,676	9,662,055	14,446,621	-			



88 Broadway/735 Davis Groundbreaking in July 2019





Project Highlights

Number of Units	0**
Total Bond Funding	\$4.4M (all issuances)
Total Development Cost	\$98.5M

** Note that since this project is only receiving predevelopment funding, we are not counting the units in our GO Bond accomplishment tracking.

Project Update Highlights

- Developer: MEDA and TNDC joint venture
- Units: 130 units for low-income families, with 30% set aside for formerly homeless families; 8,000 sf of ground floor commercial space for community-based arts organizations.
- Status: Project expected to be encumbered by June 2020 and completed in April 2022

Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
681 Florida - Predevelopment (Second Issuance)			3,611,341	-	-	3,611,341	Jun 2020	Sep 2020	Apr 2022
681 Florida - Predevelopment (Third Issuance)		803,201	803,201	-	-	803,201	Jun 2020	Sep 2020	Apr 2022
<i>681 Florida Subtotal</i>		803,201	4,414,542	-	-	4,414,542			

482 Geneva/ 2340 San Jose – Upper Yard



Childcare Play Space Childcare Entrance Childcare Windows Residential Lobby Residential Roof Garden Community Services Neighborhood-Serving Commercial Space

Project Highlights

Number of Units	130
Total Bond Funding, Second Issuance	\$7.1M (all issuances)
Total Development Cost	TBD

Project Update Highlights

- Developer: Mission Housing and Related California joint venture
- Units: 112 units for low-income families and 18 are for middle-income residents
- Status: Project expected to be encumbered in January 2021 and construction to complete in March 2023

Project Budget and Schedule – All issuances

December 2019

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
482 Geneva - Low-Income	112	-	4,402,562	-	-	4,402,562	Jan 2021	Mar 2022	Mar 2023
482 Geneva - Middle-Income	18	-	2,668,762	-	-	2,668,762	Mar 2021	Mar 2022	Mar 2023
482 Geneva Subtotal	130	-	7,071,324	-	-	7,071,324			

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



Ani Rivera - Small Sites Property
Ani is Director of Galeria de la Raza
Renter for 20 years



Project Status Summary

- Third issuance funds allocated to 305 San Carlos and 520 Shader
- Bond funds for small sites to be fully expended by the end of 2020

Project Budget and Schedule – All issuances

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
First Issuance Pool		15,000,000							
344 Precita	3		1,385,000	921,008	463,992	-	Aug 2017	Dec 2020	Dec 2020
3198 24 th Street	8		4,050,000	3,858,356	191,644	-	Mar 2017	Jun 2020	Jun 2020
3800 Mission	5		2,099,000	2,099,000	-	-	Feb 2017	Jun 2019	Jun 2019
269 Richland	6		2,100,000	2,100,000	-	-	Jun 2016	Jun 2018	Jun 2018
4042 Fulton	5		2,125,000	2,125,000	-	-	May 2016	May 2018	May 2018
63 Lapidge	6		1,827,000	1,827,000	-	-	Jul 2016	Jul 2018	Jul 2018
60 28th Street (First Issuance)	6		1,414,000	1,414,000	-	-	May 2019	May 2019	May 2019
Second Issuance Pool		9,235,000							
289 9th Avenue	16	-	3,749,973	3,747,878	2,095	-	Dec 2018	Aug 2020	Aug 2020
60 28th Street (Second Issuance)		-	677,000	677,000	-	-	May 2019	May 2019	May 2019
1411 Florida	7	-	1,780,327	1,780,327	-	-	Jul 2019	Jul 2019	Jul 2019
3280 17th Street	11	-	3,027,700	3,027,700	-	-	Jul 2019	Jul 2019	Jul 2019
Third Issuance Pool		1,636,887							
305 San Carlos Street	12	-	1,498,000	-	-	1,498,000	Mar 2020	Mar 2020	Mar 2020
520 Shrader Street	7	-	138,887	-	-	138,887	Mar 2020	Mar 2020	Mar 2020
<i>Small Sites Program Subtotal</i>	92	25,871,887	25,871,887	23,577,269	657,731	1,636,887			

** We note that projects with the same encumbrance, disbursement, and completion dates are permanent loan funding only. Unlike regular rehab loans where MOHCD does periodic disbursements, for some small sites projects the initial rehab funding is first done through the San Francisco Housing Accelerator Fund (SFHAF) which allows for quicker loan approval as it is only bridge funding. Once the rehab is complete the SFHAF loan is replaced with permanent financing using bond funds.



3800 Mission Street – completed June 2019



Remodeled Kitchen & Bath



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

Middle Income DALP – 117 Total units (estimate)

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 – 60 Total units (estimate)

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. In addition to TND funds, bond funds for teachers may also be utilized to fund full DALP loans for SFUSD educators.

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



DALP Recipients

Project Status Summary

December 2019

	Number of Loans	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance
DALP Loan Expansion (First Issuance)	9	2,900,000	2,900,000	2,900,000	-	-
DALP Loan Expansion (Second Issuance)	45	15,260,000	15,260,000	14,558,806	-	701,194
DALP Loan Expansion (Third Issuance)	-	16,678,394	16,678,394	-	-	16,678,394
Teacher Next Door (First Issuance)	20	903,014	903,014	903,014	-	-
Teacher Next Door (Second Issuance)	10	1,196,986	1,196,986	1,196,986	-	-
Teacher Next Door (Third Issuance)	7	2,900,000	2,900,000	840,106	-	2,059,894
<i>DALP Subtotal</i>	91	39,838,394	39,838,394	20,398,912	-	19,439,482



Ruiz Family - DALP & TND Recipients

Maria is a pre-school teacher and Rony is a driver

Purchased home rented for over 20 years

Investment in Middle-Income Housing

88 Broadway/ 735 Davis

- 10 units for middle income residents
- Please see project update on page 30

43rd and Irving

- 82 units for middle income SFUSD teachers and para-educators. Possible additional units serving low-income SFUSD teachers and para-educators TBD.
- 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. Construction completion is expected Q1 of calendar year 2023.

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - December 31, 2019	Amount Encumbered - December 31, 2019	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
43rd & Irving (Second Issuance)	82	3,000,000	3,000,000	485,379	2,514,621	-	Dec 2018	Dec 2020	Feb 2023
43rd & Irving (Third Issuance)		25,950,000	25,950,000	-	-	25,950,000	Apr 2021	Apr 2022	Feb 2023
<i>43rd & Irving Subtotal</i>	82	28,950,000	28,950,000	485,379	2,514,621	25,950,000			

Francis Scott Key Site



Specific Housing Bonds Uses, by Issuance

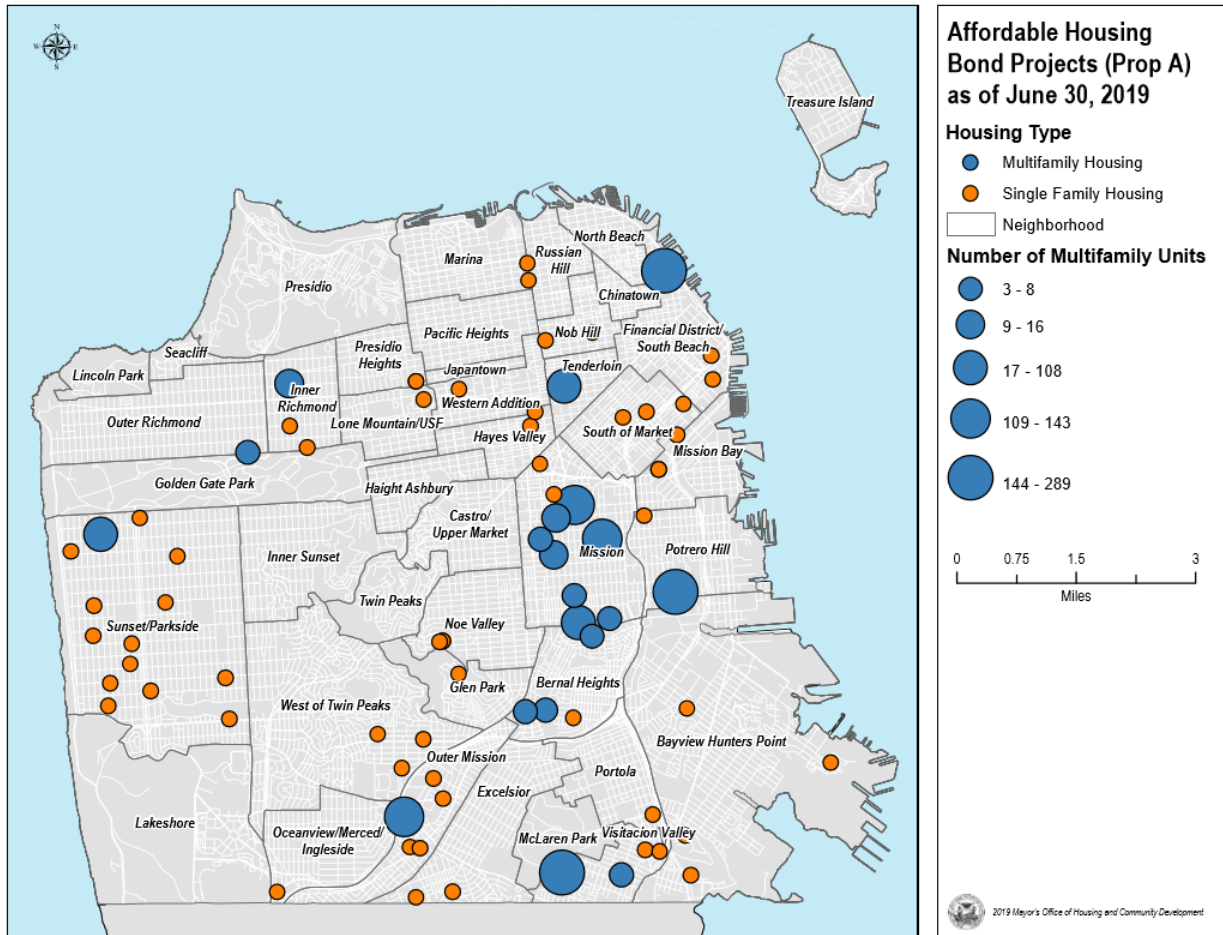
	ISSUANCE #1	ISSUANCE #2	ISSUANCE #3			
	16-17	17-18	19-20	Revisions	Total	Affordable Units
Public Housing: \$80MM						
Potrero Parcel X Predev	2,251,586				2,251,586	
Potrero Parcel X Vertical Gap	14,241,507				14,241,507	72
Potrero Infrastructure Predev	1,200,000				1,200,000	
Potrero Block B Predev	2,206,907			(100,000)	2,106,907	
Potrero Phase II Infrastructure Development			20,503,000		20,503,000	217
Potrero Block B Gap			3,125,366	236,000	3,361,366	(Above includes 125 market rate units)
Potrero Block R Predev Infrastructure			4,000,000		4,000,000	
Potrero Block Q Predev Vertical and Infrastructure			1,600,000		1,600,000	
Sunnydale Master Planning	2,800,000			(136,000)	2,664,000	
Sunnydale Parcel Q Predev	2,000,000				2,000,000	
Sunnydale Parcel Q Vertical	6,905,799				6,905,799	55
Sunnydale Infrastructure Phase 1A1/2	4,433,153				4,433,153	
Sunnydale 6 Vertical Gap & Predev	4,561,048				4,561,048	167
Sunnydale Infrastructure Phase 1A3			5,200,000		5,200,000	
Sunnydale 3 Vertical Predev			3,600,000		3,600,000	
Legal and other incidentals		400,000	60,000		460,000	
Cost of issuance	396,700	4,721	510,213		911,634	
<i>Subtotal</i>	<i>40,596,700</i>	<i>404,721</i>	<i>38,538,579</i>	<i>-</i>	<i>80,000,000</i>	<i>511</i>
Low-Income Housing: \$100MM						
4840 Mission Predevelopment Only	3,000,000				3,000,000	
Small Sites Program	15,000,000	9,235,000	1,636,887		25,871,887	92
500 Turk Street Predevelopment, Acq & Con Financing	3,000,000	15,500,000	5,680,000		24,180,000	108
500 Turk reallocated from 250 Laguna Predevelopment	1,974,731				1,974,731	
1296 Shotwell Construction Financing		22,205,269			22,205,269	94
88 Broadway Construction Financing		16,777,438			16,777,438	115
Balboa Park Upper Yard Construction Financing		4,402,562			4,402,562	112
Adjustment for 1990 Folsom	1,000,000	(1,000,000)			-	
Legal and other incidentals		500,000			500,000	
Cost of issuance	234,502	797,750	55,861		1,088,113	
<i>Subtotal</i>	<i>24,209,233</i>	<i>68,418,019</i>	<i>7,372,748</i>	<i>-</i>	<i>100,000,000</i>	<i>521</i>
Mission Neighb. Housing: \$50MM: 1990 Folsom						
1990 Folsom Predevelopment Costs	6,000,000				6,000,000	
1990 Folsom Predevelopment, Acq & Con Financing		39,033,659		(1,260,000)	37,773,659	143
Adjustment for 1990 Folsom		1,000,000			1,000,000	
681 Florida	25,269	2,326,072	803,201	1,260,000	4,414,542	
Legal and other incidentals		250,000			250,000	
Cost of issuance	58,625	503,174			561,799	
<i>Subtotal</i>	<i>6,083,894</i>	<i>43,112,905</i>	<i>803,201</i>	<i>-</i>	<i>50,000,000</i>	<i>143</i>
Middle-Income Housing: \$80MM						
DALP Loan Expansion	2,900,000	15,260,000	16,678,394		34,838,394	117
Teacher Next Door	903,014	1,196,986	2,900,000		5,000,000	60
Middle-Income Teacher Housing: 43rd & Irving		3,000,000	25,950,000		28,950,000	82
Middle-Income MOHCD Production: 88 Broadway		7,331,238			7,331,238	10
Middle-Income MOHCD Production: Balboa Park Upper Yard		2,668,762			2,668,762	18
Legal and other incidentals		400,000			400,000	
Cost of issuance	37,159	352,369	422,078		811,606	
<i>Subtotal</i>	<i>3,840,173</i>	<i>30,209,355</i>	<i>45,950,472</i>	<i>-</i>	<i>80,000,000</i>	<i>287</i>
Total Affordable Units						1,337
Total Market Rate Units ***						125
GRAND TOTAL	75,130,000	142,145,000	92,725,000	-	310,000,000	1,462

** Market rate units at HOPE SF provide cross-subsidy for HOPE SF affordable units

** Revisions column used to reallocate budget between projects. Budget revisions are primarily driven by unneeded excess budget that was initially allocated to projects.



Map of Affordable Housing Bond Projects (Prop A) as of June 30, 2019



Change in Unit Counts

MOHCD has made several changes in the allocation of funds and corrections to the methodology in how units are counted. Please see table below comparing current unit count to first CGOBOC report as of 12/31/16.

	Number of Units as of 12/31/16 GOBOC Report	Number of Units as of 12/31/19 GOBOC Report	Variance	Variance	Comments
Potrero Parcel X Vertical Gap	72	72	-	0%	
Potrero Block B Predev	94		(94)	-100%	Predev funding only - no futher bond investment
Potrero Infrastructure Development	-	217	217	100%	Extensive infrastructure investments will support 92 affordable units and 125 market rate units. We note that Market rate units at HOPE SF provide cross-subsidy for HOPE SF affordable units
Sunnydale Parcel Q Vertical	55	55	-	0%	
Sunnydale Infrastructure Development	187	167	(20)	-11%	Size of supported buildings decrease slightly
Public Housing Subtotal	408	511	103	25%	
Project # 1 Predev - 250 Laguna	150	-	(150)	-100%	Project did not move forward
Project # 2 Predev - 500 Turk Street	122		(122)	-100%	Predev funding only - no futher bond investment
Project # 3 Predev - 4840 Mission	114	-	(114)	-100%	Predev funding only - no futher bond investment
Project # 1 Acquisition & Development - 1296 Shotwell	97	94	(3)	-3%	
Project # 2 Acquisition & Development - 500 Turk	96	108	12	13%	Project scope increased
Project # 3 Acquisition & Development - 88 Broadway/ 735 Davis	97	115	18	19%	Project scope increased
482 Geneva (Upper Yard)	-	112	112	100%	Savings from 88 Broadway/ 735 Davis reallocated to 482 Geneva
Small Sites Program	81	92	11	14%	
Low Income Housing Subtotal	757	521	(236)	-31%	
Mission set aside -1990 Folsom	143	143	-	0%	
Mission set aside - 681 Florida	-	-	-	0%	Predev funding only - no futher bond investment
Mission Set-aside Subtotal	143	143	-	0%	
DALP Loan Expansion	49	117	68	139%	Increased funding for DALP from \$15M to \$33M
Teacher Next Door	75	60	(15)	-20%	Increased loan amount size
Middle Income Teacher Housing - 43rd & Irving	30	82	52	173%	Increase in funding for teacher housing from \$7M to \$29M
Middle Income Production - 88 Broadway	166	10	(156)	-94%	Decreased in funding for middle income production from \$50M to \$10M
482 Geneva (Upper Yard)	-	18	18	100%	Savings from 88 Broadway/ 735 Davis reallocated to 482 Geneva
Middle Income Subtotal	320	287	(33)	-10%	
<i>Total Affordable Units</i>		1,337			
<i>Total Market Rate Units</i>		125			
Total	1,628	1,462	(166)	-10%	



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 2019-2022, low income units are projected to be completed in 2021-2023, and middle-income units may be completed in 2022-2023.



Unit Production Summary as of December 31, 2019 (All Issuances)

	Affordable Units in Predevelopment	Affordable Units in Construction	Affordable Units Completed	Projected Total Affordable Units
Public Housing – Potrero Parcel X Vertical	0	0	72	72
Public Housing – Potrero Infra (Affordable)	92	0	0	92
Public Housing – Potrero Infra (Market Rate)*	125	0	0	125
Public Housing – Sunnydale Parcel Q Vertical	0	0	55	55
Public Housing – Sunnydale Infra	167	0	0	167
Low Income Housing – 500 Turk	108	0	0	108
Low Income Housing – 1296 Shotwell	0	0	94	94
Low Income Housing – 88 Broadway/ 735 Davis	0	115	0	115
Low Income Housing – 482 Geneva	112	0	0	112
Low Income Housing - Small Sites (Rehab)	19	35	38	92
Low Income - Mission Set Aside 1990 Folsom	0	143	0	143
Middle Income DALP ***	63	N/A	54	117
Middle Income TND ***	23	N/A	37	60
Middle Income Teacher Housing	82	0	0	82
Middle Income Prod – 88 Broadway/ 735 Davis	0	10	0	10
Middle Income Prod – 482 Geneva	18	0	0	18
TOTAL	809	303	350**	1,462
Percent of Phase	55%	21%	24%	100%

* We are including infrastructure supporting Market Rate units at Potrero as they provide cross-subsidy for affordable housing units also supported by the infrastructure investment.

** We note that several units received both DALP and TND Loans. For the purposes of this summary we only counted units receiving both types of loans once as a DALP loan.

*** We note that loans not yet issued are tracked under Predevelopment so that the percentages will equal to 100%
Newly completed projects



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

