

San Francisco 2015 Affordable Housing General Obligation Bond



CGOBOC Report September 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



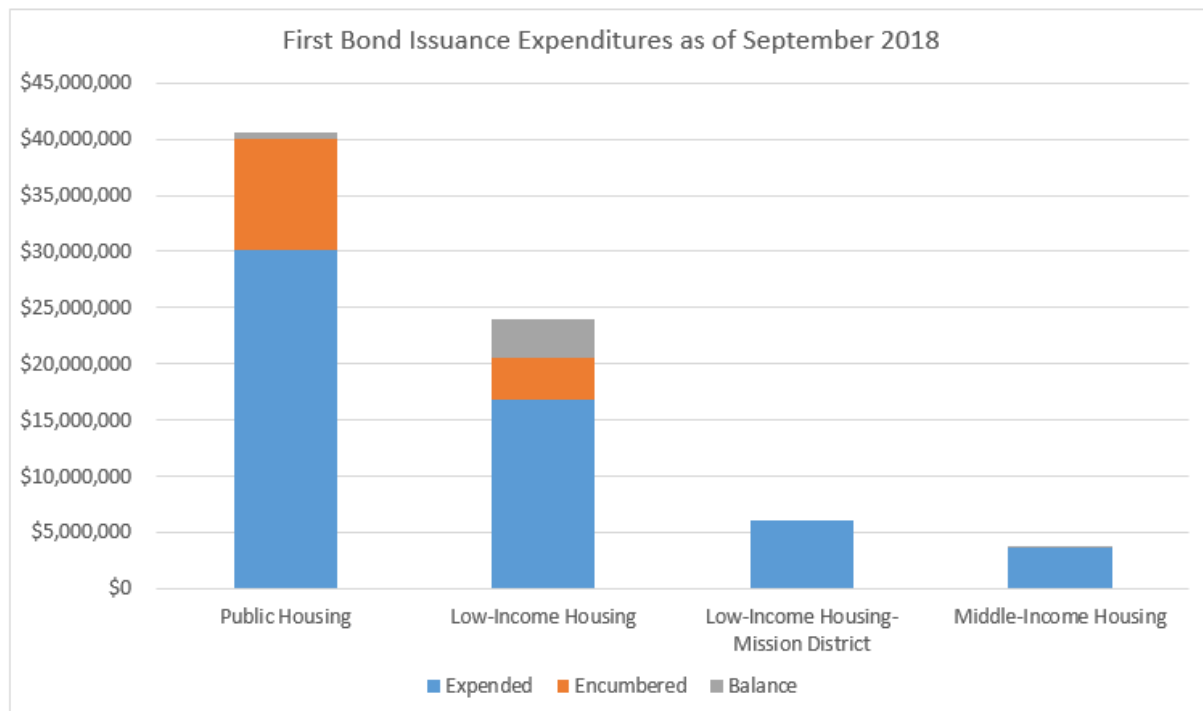
With most General Obligation bonds, the City hires contractors to complete infrastructure improvements. For affordable housing, the City does not engage contractors directly or own the improvements directly. Rather, the City will make loans to developers who then hire contractors and own the improvements 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 - September 2018

- Over 94% of first issuance funds encumbered and over 76% 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) first issuance fully expended
- Second bond issuance for \$146M completed in May 2018



	Public Housing	Low-Income Housing	Low-Income Housing-Mission District	Middle-Income Housing	TOTAL
Expended	\$30,106,506	\$16,811,590	\$6,000,000	\$3,613,256	\$ 56,531,352
Encumbered	\$9,932,446	\$3,759,681	\$0	\$0	\$ 13,692,127
Balance	\$561,048	\$3,428,729	\$0	\$189,758	\$ 4,179,535
Total	\$40,600,000	\$24,000,000	\$6,000,000	\$3,803,014	\$74,403,014

Issuance Breakdown

	Issuance 1	Issuance 2	Issuance 3 (mid-2019)	TOTAL
Public Housing	\$41.1	\$0.4	\$38.5	\$80.0
Low-Income Housing	\$24.3	\$68.9	\$6.8	\$100.0
Low-Income Housing (Mission)	\$6.1	\$43.4	\$0.5	\$50.0
Middle-Income Housing	\$3.9	\$30.4	\$45.7	\$80.0
TOTAL	\$75.4	\$143.1	\$91.5	\$310.0

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 2018, rehabilitation has been completed on 17 of the 28 RAD 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, 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 June 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's dilapidated units have been demolished. At Alice Griffith, Phase 1, 2 and 3 are complete; construction on Block 5 (Phase 4) is 80% 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) & 217 Infrastructure
Total Bond Funding	\$47.2M (all bond issuances)
Total Development Cost	\$68.4M (Block X) & TBD (Block B & Infrastructure)

Project Update

- Block X Vertical loan agreement was executed in January 2017 and construction is over 80% complete. Estimated construction completion is December 2018.
- Block B Vertical predevelopment loan agreement was executed in June 2017 and design development is underway.

Project Budget and Schedule – First Issuance only **

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - Septeber 30, 2018	Amount Encumbered - September 30, 2018	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		14,148,414	15,441,507	15,441,507	-	-	Jan 2017	Mar 2018	Dec 2018
Potrero Infrastructure Predev	217	1,200,000	Included above	-	-	-	Jan 2017	Mar 2018	Dec 2018
Potrero Block B Predev	N/A	2,300,000	2,206,907	86,878	2,120,029	-	July 2017	July 2019	July 2019
<i>Potrero Subtotal</i>	289	19,900,000	19,900,000	17,779,971	2,120,029	-			

** Second issuance in May 2018 did not include program budget for Public Housing



Sunnydale Acceleration

EXISTING CONDITIONS



PROPOSED SITE PLAN



Sunnydale master plan

Project Highlights – Sunnydale Parcel Q and Blocks 6A & 6B, and Infrastructure Phase 1A1/2

Number of units	228
Total Bond Funding	\$60.4M (all bond issuances)
Total Development Cost	\$44.8M Parcel Q; \$140M Block 6; \$28M Infrastructure

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. Construction started in February 2018 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 predevelopment was shifted to Block 6 infrastructure. Predevelopment design work with infrastructure integration is ongoing. The Sponsor hopes to start construction in Summer 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 Winter 2018, for demolition to begin at the same time.

Project Budget and Schedule – First Issuance only **

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - September 30, 2018	Amount Encumbered - September 30, 2018	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
Sunnydale Master Planning	N/A	2,800,000	2,800,000	2,126,490	673,510	-	Jul 2016	Jan 2020	Jan 2020
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	7,466,847	6,830,799	75,000	561,048	April 2018	Jan 2019	Jun 2020
Sunnydale 6A & 6B Predev	N/A	5,000,000	4,000,000	896,376	3,103,624	-	Nov 2017	Dec 2019	Nov 2020
Sunnydale Block 6 Infrastructure Phase 1A-1 and 1A-2	173	-	4,433,153	472,870	3,960,283	-	Mar 2018	Dec 2019	Oct 2021
Sunnydale Subtotal	228	20,700,000	20,700,000	12,326,535	7,812,417	561,048			

* Parcel Q Vertical balance of \$561K to be added to Block 6 vertical request in 2019

** Second issuance in May 2018 did not include program budget for Public Housing



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.



Eddy and Taylor Family Apartments

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 September 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 20 for status of 1990 Folsom project.



Low-Income Housing Predevelopment and Development

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 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.



Project Status Summaries

4840 Mission



Project Highlights

Number of Units	0**
Total Bond Funding	\$3.0M (all issuances)
Total Development Cost	\$71.7M

** 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

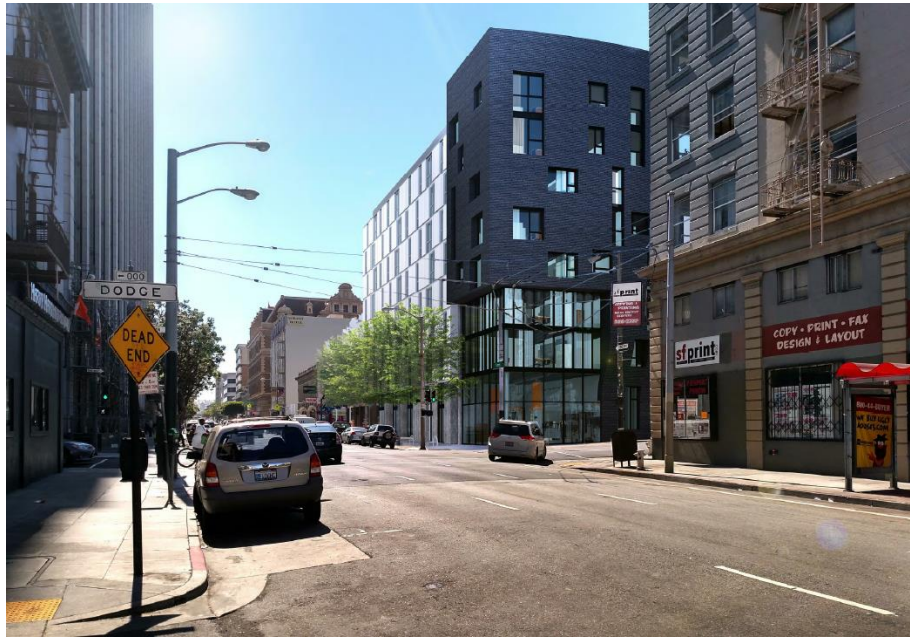
- Developer: Bridge Housing
- Units: 114 affordable family apartments, with 20%-30% set aside for homeless households (replacing a funeral home). Added to this affordable unit count will be approximately 75 family apartments, financed as part of the adjacent developer's inclusionary housing obligation.
- 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 to be reviewed by the Planning Commission in 2019.

Project Budget and Schedule - First Issuance Only

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - September 30, 2018	Amount Encumbered - September 30, 2018	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
4840 Mission - Predevelopment	N/A	3,000,000	3,000,000	3,000,000	-	-	Feb 2017	May 2017	Nov 2021





Project Highlights

Number of Units	108
Total Bond Funding	\$26.2M (all issuances)
Total Development Cost	\$77.8M

Project Update Highlights

- Developer: Tenderloin Neighborhood Development Corporation (TNDC)
- Units: 108 family apartments, with 25% set aside for HOPE SF families
- Status: Project is replacing a tire and auto repair shop. CEQA process is complete. Sponsor successfully applied for and was awarded a project-based Section 8 contract for HOPE SF families. Sponsor continuing work on architectural and finance plans. In October 2018, Loan Committee will review a request to refinance the acquisition mortgage in an effort to save predevelopment financing interest. Site construction anticipated to begin at end of 2018.

Project Budget and Schedule - First & Second Issuance

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - Septeber 30, 2018	Amount Encumbered - September 30, 2018	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	2,376,806	623,194	-	Jan 2017	Dec 2019	Mar 2022
500 Turk - Reallocated Predev (First Issuance)		1,974,731	1,974,731	-	-	1,974,731	Nov 2018	Dec 2019	Mar 2022
500 Turk - Construction (Second Issuance)		15,500,000	15,500,000	-	-	15,500,000	Sep 2019	Dec 2019	Mar 2022
Subtotal		20,474,731	20,474,731	2,376,806	623,194	17,474,731			

Note – need to add \$5.68 million from the 3rd issuance, so that the total bond funding equals \$26.2 million as indicated above.



Project Highlights

Number of Units	143
Total Bond Funding	\$48.4M (all issuances)
Total Development Cost	\$112M

Project Update Highlights

- Developer: MEDA and TNDC joint venture
- Units: 143 family apartments, with 25% set aside for HOPE SF families relocating offsite
- Status: Project is replacing a vacant banked goods manufacturing plant with affordable housing, a childcare center, and community arts space. Project was fully entitled on January 25, 2018. Loan Committee approved additional predevelopment and acquisition financing on March 2, 2018. Project is expected to start construction in February 2019.

Project Budget and Schedule – First and Second Issuance

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - September 30, 2018	Amount Encumbered - September 30, 2018	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	1,025,269	1,000,000	-	25,269	Apr 2017	Dec 2018	Sep 2020
1990 Folsom - Predevelopment (Mission Set Aside - First Issuance)		2,000,000	3,622,300	3,622,300	-	-	Apr 2017	Dec 2018	Sep 2020
1990 Folsom - Acquisition (Mission Set Aside - First Issuance)		4,000,000	2,377,700	2,377,700	-	-	Apr 2017	Apr 2017	Sep 2020
1990 Folsom - Construction (Second Issuance)		41,359,731	41,359,731	-	-	41,359,731	Feb 2019	Jun 2020	Sep 2020
<i>Subtotal</i>		48,385,000	48,385,000	7,000,000	-	41,385,000	-	-	-

Note: Balance of \$25k from first issuance to be added to the construction loan



Project Highlights

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

Project Update Highlights

- Developer: MEDA and CCDC joint venture
- Units: 94 Affordable Senior Housing, with 20% set aside for formerly homeless seniors
- Status: Project funding was encumbered and construction began in May 2018, with completion anticipated in September 2019.

Project Budget and Schedule – Second Issuance

September 2018

	Number of Loans	Proposed Budget	Revised Budget	Amount Disbursed - Septeber 30, 2018	Amount Encumbered - September 30, 2018	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
1296 Shotwell - Construction	94	22,205,269	22,205,269	1,849,398	20,355,871	-	May 2018	Jan 2019	Sep 2019





Project Highlights

Number of Units	199, incl. 21 middle income (see below)
Total Bond Funding, Second Issuance	\$31.2M (all issuances)
Total Development Cost	\$90.7M

Project Update Highlights

- Developer: Bridge Housing, John Stewart Co.
- Units: 178 units for low-income families and seniors and 21 units for middle income residents, and childcare center.
- Status: Project expected to be encumbered by March 2019 and completed in December 2020

Project Budget and Schedule – Second Issuance

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - September 30, 2018	Amount Encumbered - September 30, 2018	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
88 Broadway/ 735 Davis - Low Income Construction	178	21,180,000	21,180,000	-	-	21,180,000	Mar 2019	Mar 2020	Dec 2020
88 Broadway/ 735 Davis - Middle Income Construction	21	10,000,000	10,000,000	-	-	10,000,000	Mar 2019	Mar 2020	Dec 2020
Subtotal	199	31,180,000	31,180,000	-	-	31,180,000			

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

- All but one project to be funded by first issuance has an executed loan agreement.
- Second issuance sites have been budgeted.
- Site renovations are currently underway.

September 2018

	Number of Units	Proposed Budget	Revised Budget	Amount Disbursed - September 30, 2018	Amount Encumbered - September 30, 2018	Balance	Date Encumbered/ Est. First Encumbrance	Final Disbursement / Est. Final Disbursement	Completion/ Est. Completion
5030 3rd St	5	1,414,000	1,751,929	-	-	1,751,929	Jul 2018	Aug 2019	Aug 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	4,035,271	2,478,375	1,556,896	-	May 2017	Sep 2018	Sep 2018
3800 Mission	5	2,099,000	2,099,000	1,425,768	673,232	-	Feb 2017	Jul 2018	Jul 2018
269 Richland	6	2,100,000	2,100,000	1,772,974	327,026	-	Mar 2017	Jun 2018	Jun 2018
4042 Fulton	5	2,125,000	2,125,000	2,125,000	-	-	Mar 2017	May 2018	May 2018
63 Lapidge	6	1,827,000	1,827,000	1,711,660	115,340	-	Apr 2017	Jul 2018	Jul 2018
Second Issuance Pool		9,235,000							
289 9th Avenue	16		3,750,000	-	-	3,750,000	Oct 2018	Aug 2019	Aug 2019
1411 Florida	7		1,668,200	-	-	1,668,200	Dec 2018	Jan 2019	Jan 2019
3280 17th Street	11		1,027,700	-	-	1,027,700	Jan 2019	Feb 2019	Feb 2019
305 San Carlos	10		2,465,900	-	-	2,465,900	May 2019	May 2019	May 2019
<i>Small Sites Program Subtotal</i>	77	24,235,000	24,235,000	10,434,784	3,136,487	10,663,729			



4042 Fulton Street - completed May 2018

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

Middle Income DALP – 120 Total units

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

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

Project Status Summary

September 2018

	Number of Loans	Proposed Budget	Revised Budget	Amount Disbursed - Septeber 30, 2018	Amount Encumbered - September 30, 2018	Balance
DALP Loan Expansion - First Issuance	9	2,900,000	2,900,000	2,900,000		-
DALP Loan Expansion - Second Issuance	19	15,260,000	15,260,000	6,173,271		9,086,729
Teacher Next Door - First Issuance	18	1,000,000	903,014	713,256		189,758
Teacher Next Door - Second Issuance	8	1,196,986	1,196,986	1,006,850		190,136
Subtotal	54	20,356,986	20,260,000	10,793,377		9,466,623



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**
 - 21 units for middle income residents
 - Please see project update on page 24
- **43rd and Irving**
 - 82 units for middle income SFUSD teachers
 - 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.

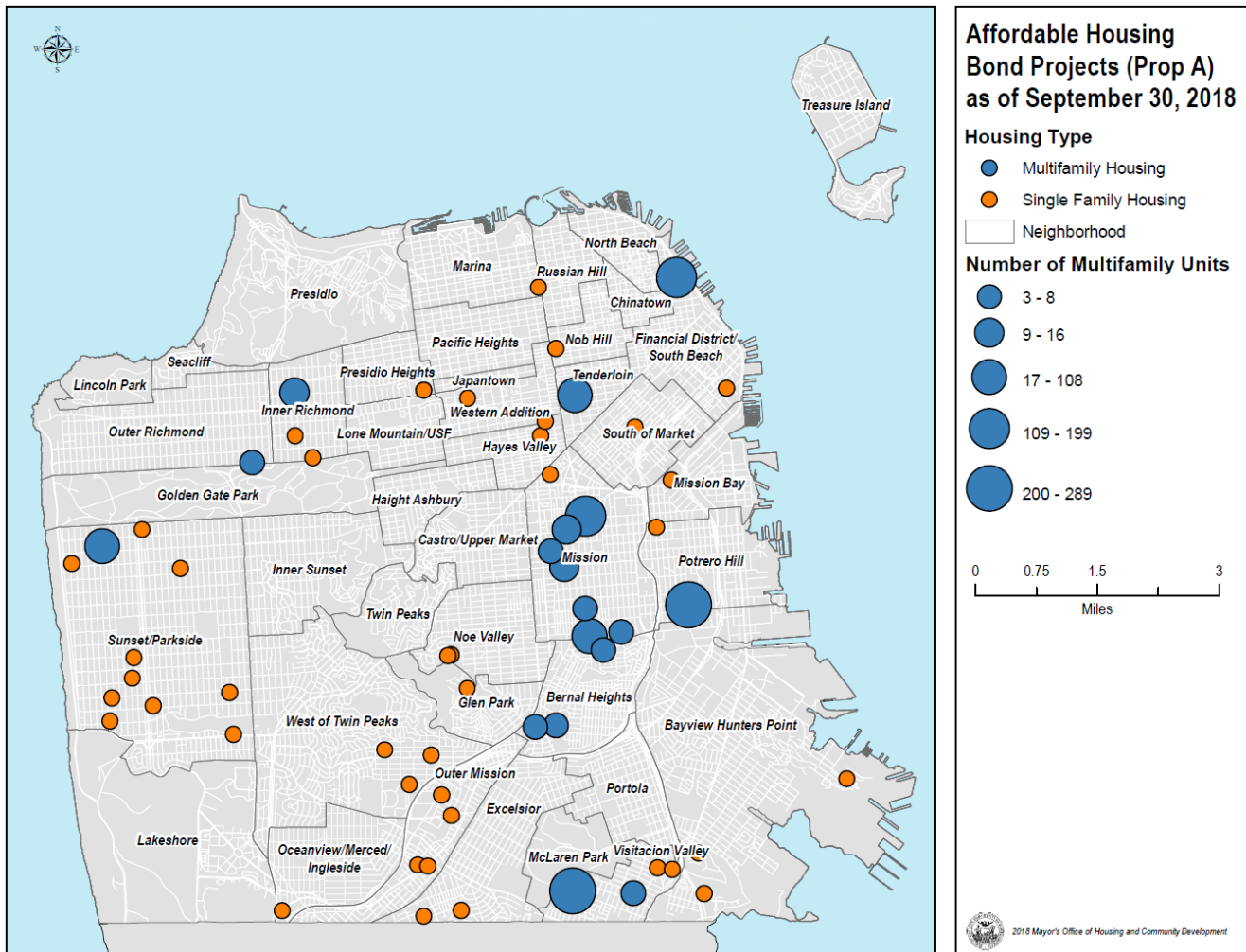


Francis Scott Key Site

Specific Housing Bonds Uses, by Issuance

			Projected		
	ISSUANCE #1	ISSUANCE #2	ISSUANCE #3		
	16-17	17-18	18-19 / 19-20	Total	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			2,206,907	
Potrero Phase II Infrastructure Development			19,800,000	19,800,000	217
Potrero Block B Gap			1,920,000	1,920,000	(above includes
Potrero Block Q Predev Infrastructure			4,000,000	4,000,000	125 market rate
Potrero Block R Predev Vertical and Infrastructure			1,600,000	1,600,000	units)
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/Block 6 Infra Predev	10,900,000			10,900,000	55
Sunnydale 3A/B Predev Vertical & Infrastructure			9,500,000	9,500,000	173
Legal and other incidentals		400,000		400,000	
Cost of issuance	575,440	7,528	387,715	970,683	
Reserve/contingency			1,209,317	1,209,317	
<i>Subtotal</i>	41,175,440	407,528	38,417,032	80,000,000	517
Low-Income Housing: \$100MM					
4840 Mission Predevelopment Only	3,000,000			3,000,000	
250 Laguna Predevelopment, reallocated to 500 Turk	1,974,731			1,974,731	
Small Sites Program	15,000,000	9,235,000		24,235,000	77
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	94
88 Broadway/ 735 Davis Construction Financing		21,180,000		21,180,000	178
Adjustment for 1990 Folsom	1,025,269	(1,025,269)		-	
Legal and other incidentals		500,000		500,000	
Cost of issuance	340,161	1,272,065	59,810	1,672,036	
Reserve/contingency			1,052,964	1,052,964	
<i>Subtotal</i>	24,340,161	68,867,065	6,792,774	100,000,000	457
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	
Legal and other incidentals		250,000		250,000	
Cost of issuance	85,040	802,344	-	887,384	
Reserve/contingency			477,616	477,616	
<i>Subtotal</i>	6,085,040	43,437,344	477,616	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
Legal and other incidentals		400,000		400,000	
Cost of issuance	53,902	561,875	465,005	1,080,783	
Reserve/contingency			1,099,217	1,099,217	
<i>Subtotal</i>	3,856,916	30,418,862	45,724,222	80,000,000	275
GRAND TOTAL	75,457,557	143,130,799	91,411,644	310,000,000	1,392

Map of Affordable Housing Bond Projects



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 09/30/18 GOBOC Report	Variance	Variance	Comments
Potrero Parcel X Vertical Gap	72	72	-	0%	
Potrero Block B Predev	94	-	(94)	-100%	Predev funding only - no further bond investment
Potrero Infrastructure Development		217	217	100%	Extensive infrastructure investments will support 92 affordable units and 125 market rate units
Sunnydale Parcel Q Vertical	55	55	-	0%	
Sunnydale Infrastructure Development	187	173	(14)	-7%	Size of supported buildings decreased slightly
Public Housing Subtotal	408	517	109	27%	
Project # 1 Predev - 250 Laguna	150	-	(150)	-100%	No bond funds spent on 250 Laguna; 2016 report should not have counted units with predev funding.
Project # 2 Predev - 500 Turk Street	122	-	(122)	-100%	Predev funding only; 2016 report should not have counted units with predev funding.
Project # 3 Predev - 4840 Mission	114	-	(114)	-100%	Predev funding only - no further bond investment; 2016 report should not have counted units with predev funding.
Project # 1 Acquisition & Development - 1296 Shotwell	97	94	(3)	-3%	
Project # 2 Acquisition & Development - 500 Turk	96	108	12	13%	
Project # 3 Acquisition & Development - 88 Broadway/ 735 Davis	97	178	81	84%	Project scope has increased
Small Sites Program	81	77	(4)	-5%	
Low Income Housing Subtotal	757	457	(300)	-40%	
Mission set aside	143	143	-	0%	
Mission Set-aside Subtotal	143	143	-	0%	
DALP Loan Expansion	49	112	63	129%	Increase in funding for DALP from \$15M to \$33M
Teacher Next Door	75	60	(15)	-20%	Increase in 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	21	(145)	-87%	Decrease in funding for middle income production from \$50M to \$10M
Middle Income Subtotal	320	275	(45)	-14%	
Total	1,628	1,392	(236)	-14%	

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 09/30/18 (All Issuances)

	Affordable Units in Predevelopment	Affordable Units in Construction	Affordable Units Completed	Projected Total Affordable Units
Public Housing – Potrero Parcel X Vertical	0	72	0	72
Public Housing – Potrero Infrastructure	0	217	0	217
Public Housing – Sunnydale Parcel Q Vertical	0	55	0	55
Public Housing – Sunnydale Infrastructure	173	0	0	173
Low Income Housing – 500 Turk	108	0	0	108
Low Income Housing – 1296 Shotwell	0	94	0	94
Low Income Housing – 88 Broadway/ 735 Davis	178	0	0	178
Low Income Housing - Small Sites (Rehab)	44	28	5	77
Low Income - Mission Set Aside 1990 Folsom	143	0	0	143
Middle Income DALP	N/A	N/A	28	112
Middle Income TND	N/A	N/A	15	60
Middle Income Teacher Housing	82	0	0	82
Middle Income Prod – 88 Broadway/ 735 Davis	21	0	0	21
TOTAL	749	466	48**	1,392
Percent of Phase	54%	33%	3%	100%

** 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.



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