

Affordable Housing Production Report

Fiscal Year 2016-17

Office of Community Investment and Infrastructure



Affordable Housing Production Report

FY 16-17

Office of Community Investment and Infrastructure

- **Activities for FY 16-17**
 1. Housing Obligations Summary
 2. Occupancy Preferences, Outreach, and Marketing
 1. Outcomes Highlights: Dr. Davis, 350 Freidell, or 72 Townsend
 3. OCII's Contribution to 10,000 Affordable Units by 2020
 4. Production Tracking by Project Area
 5. Individual Project Summaries by development status
- **FY17-18 Work Plan: Upcoming Requests for Proposals**

OCII Housing Division Activities

Mission: create affordable housing pursuant to State DOF approved Enforceable Obligations in our 3 major development projects

- Hunters Point Shipyard and Candlestick Point
- Mission Bay
- Transbay
- Other remaining housing obligations have been completed

OCII Housing Division Activities

Mayor's plan to create 30,000 housing units by 2020

- 10,000 (*one-third*) of those units to be permanently affordable
- **OCII is a Key Component to achieve Mayor's Plan**
- OCII's Retained Housing Obligations will result in almost 3,000 affordable units by 2020, or almost ***one-third*** Mayor's 10,000 affordable units goal
 - 2,100 units in stand-alone projects funded with OCII subsidy
 - 800 units in inclusionary projects provided through private development

Completed and Pipeline 2014-2020 Mayor's 10,000 Unit by 2020 Goal			
<i>Project Status</i>	<i>Affordable Stand-Alone Units</i>	<i>Affordable Inclusionary Units</i>	<i>Totals</i>
Completed & Occupied	1,069	130	1,199
In Construction	568	277	845
In Predevelopment	499	111	610
In Preliminary	-	299	299
Totals	2,136	817	2,953

OCII Housing Division Activities

- **Who are our clients:**
 - Very low-, low, and moderate-income households (typical SF household size 2.3 persons)
 - < 50% Area Median Income = **very low-income** \$57,650 4-person household
 - > 50% -80% = **low-income** \$92,250 4-person household at 80% AMI
 - > 81% -120% = **moderate income** \$115,300 4-person household at 100% AMI
 - Serving households with limited housing options
- **Programming: collaborate with MOHCD and Consolidated Plan**
 - Match affordable housing with demand
 - 64% of SF households are renters
 - 70% of OCII affordable housing (2014-2020) is family rental
 - Affordable rental housing finance leverages funding sources and allows almost double the production of rental housing compared to homeownership housing
 - Highest need for rental housing for very low and low-income households as measured by Rent Burden (Rental Costs to Income - 44% of households at 40%-60% AMI are rent burdened)
 - Public Policy
 - City's ongoing commitment to end homelessness, and current renewed focus on **homeless individuals, including homeless veterans**
 - Impact of national recession 2008-2012; unemployment rate 9.4% in January 2010; very low housing (market rate and affordable) production and still catching up
 - Strong economic rebound continues; unemployment rate in San Francisco 3.3% in September 2017
 - Demand far exceeds current supply; market rents increased more than 50% since 2011
 - Mayor's 10,000 affordable units goal

OCII Housing Division Activities

- **Housing Highlights in FY 16-17**

- 603 OCII sponsored affordable units delivered in FY 16-17
 - 552 OCII-funded stand alone
 - 51 OCII inclusionary
- More than 1,500 San Franciscans housed in these new units
- Housing team added new Development Specialist in FY 16-17
- Implemented COP survey to enhance effectiveness
- Collaborate with MOHCD's management of OCII's COP and marketing
- Bonding authority through SB 107 as affordable housing funding source to OCII
- Accelerating affordable housing: almost 1,400 units in construction and active predevelopment
- Strong COP marketing results 350 Friedell and Dr. Davis; early outreach is paying off

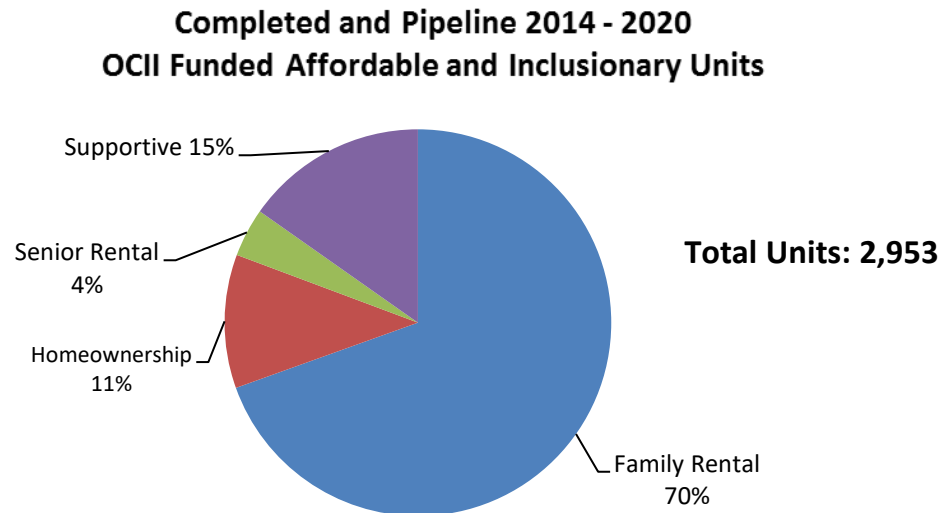
OCII Housing Division Activities

- **Current Issues Affecting Affordable Housing Finance and Development**
 - Extremely high construction costs in San Francisco
 - Continuing construction boom influencing higher costs
 - Issues affecting funding sources OCII's affordable housing leverages
 - Per unit cost caps now in place with CDLAC and TCAC and HCD
 - Tax reform and proposed reduction of corporate tax rate to 20%
 - Tax credits generate less equity
 - Private Activity Bonds and 4% tax credits at risk of being eliminated
 - Corporations reduce their tax liability by providing equity to low-income housing tax credit projects
 - 40%-45% of our housing development costs are covered by tax credit equity
 - Tax credit market has already reacted to the possibility of tax reform - narrowing the available pool of investors and dropping pay-in values significantly
 - Currently, the only source of funding to make up for this loss is additional subsidy from OCII
 - Possible legislative or regulatory strategies to mitigate: expand housing credit authority and setting depreciation rules at advantageous rates

OCII Housing Division Activities

- **Clients:**

- Very low and low-income rental
- Low and moderate-income homeownership
- Very low-income seniors
- Formerly homeless individuals and families (supportive)
- Formerly homeless veterans
- Developmentally disabled
- Transition Aged Youth



OCII Housing Division Activities

Day to Day Activities:

- Requests For Proposals
- Community Meetings
- Schematic Design Review and Approvals
- Development Agreements Negotiating
 - Exclusive Negotiations Agreement, Loan Agreements, OPA/DDA/Ground Leases
- Robust Marketing Activities, Senior Development Specialist
- Housing Asset Transfer Protocol to MOHCD
- Affordable Housing Financing (each with unique restrictions):
 - Low Income Housing Tax Credits (4% and 9%)
 - Tax-Exempt Multi-Family Revenue Bonds
 - State and Federal funding sources (No Place Like Home, AHSC, VHHP, MHP, TOD, Section 8, and more)
 - Private bank construction and permanent loans
 - AHP with Federal Home Loan Bank

Housing Production Obligations by Project Area and Units Completed during FY 16-17

- OCII Stand-alone (subsidy) Affordable Units
- Obligation by Project Area

	TOTAL AFFORD. UNITS	Shipyard & Candlestick	Mission Bay	Transbay	Other*
<i>OCII Sponsored Funded Units</i>					
Production Obligation	4,771	1,842	1,613	787	529
<i>Completed Units</i>	1,651	182	751	189	529
Completed Prior FY 13-14/14-15	404	0	404	0	0
Completed FY 13-14/14-15	506	0	149	120	237
Completed FY 15-16	189	0	0	69	120
Completed FY 16-17	552	182	198	0	172
<i>Remaining Obligation</i>	3,120	1,660	862	598	0
In Construction	568	152	142	274	0
Predev & Prelim Planning	1,099	636	463	0	0
Future Sites	1,453	872	257	324	0

Housing Production Obligations by Project Area and Units Completed during FY 16-17

CONSTRUCTION COMPLETION FY 16-17 - OCII Funded			
Project Area	Project Name	Type of Housing	Affordable Units
Other: South of Market	Bill Sorro Community	Family Rental	66
Other: Bayview Hunters Point	Hunters View IIa	Public Housing Replacement/ Family Rental	106
Mission Bay South	Mission Bay Block 7W	Family Rental	198
Shipyard & Candlestick	Alice Griffith Phase 1**	Public Housing Replacement/ Family Rental	92
Shipyard & Candlestick	Alice Griffith Phase 2**	Public Housing Replacement/ Family Rental	90
			552

Housing Production Obligations by Project Area and Units Completed during FY 16-17

- OCII Inclusionary (no subsidy) Affordable Units
- Obligation by Project Area

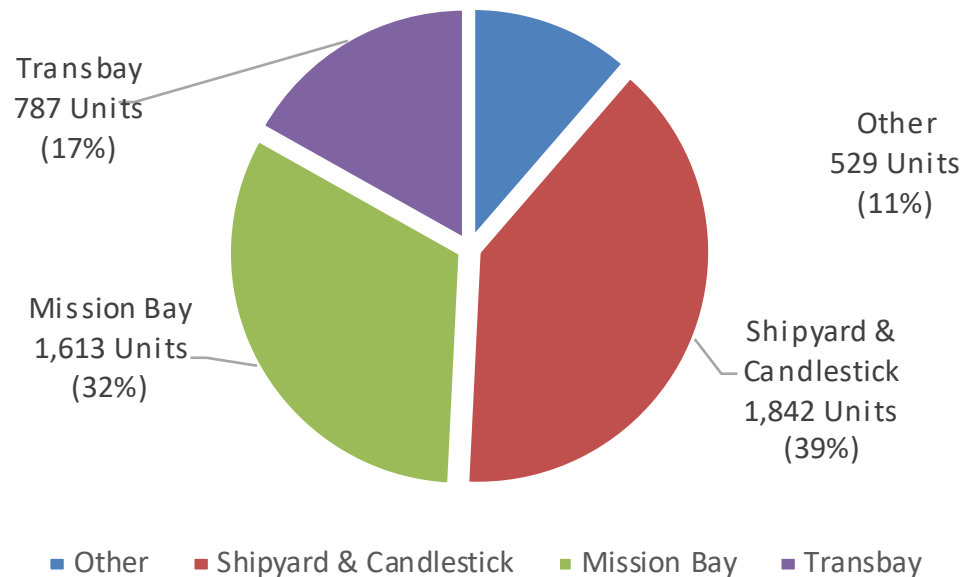
	TOTAL AFFORD. UNITS	Shipyard & Candlestick	Mission Bay	Transbay	Other*
<i>OCII Sponsored Inclusionary Units</i>					
Production Obligation	2,903	1,915	291	677	20
<i>Completed Units</i>	395	84	291	0	20
Completed Prior FY 13-14/14-15	265	0	265	0	0
Completed FY 13-14/14-15	3	3	0	0	0
Completed FY 15-16	76	65			11
Completed FY 16-17	51	16	26	0	9
<i>Remaining Obligation</i>	2,508	1,831	0	677	0
In Construction	277	18	0	259	0
Predev & Prelim Planning	532	233	0	299	0
Future Sites**	1,699	1,580	0	119	0

Housing Production Obligations by Project Area and Units Completed during FY 16-17

CONSTRUCTION COMPLETION FY 16-17 - Inclusionary				
Project Area	Project Name	Type of Housing	Market Rate Units	Affordable Units
Mission Bay North	Eviva	Family Rental	103	26
Other: Western Addition	1450 Franklin	For Sale	58	9
Shipyard & Candlestick	Alma & Engel (Shipyard Phase I - Block 53)	For Sale	84	9
Shipyard & Candlestick	Thayer & Tides (Shipyard Phase I - Block 54)	For Sale	89	7
			334	51

OCII Affordable Units Overall Obligations by Project Area

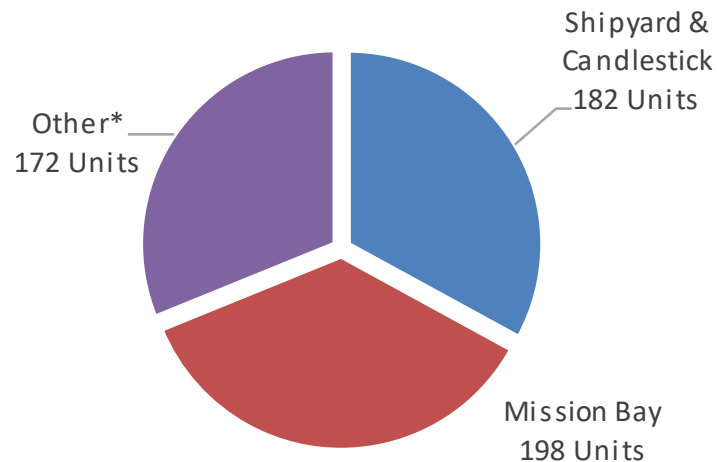
Obligations for OCII Funded Units



* Other includes former project areas Bayview Hunters Point and South of Market projects funded prior to redevelopment dissolution; as of FY 16-17 OCII's remaining affordable housing obligations in these areas are completed.

OCII Affordable Units Delivered FY 16-17 by Project Area

OCII Funded, 552 Units FY 16-17



■ Shipyard & Candlestick ■ Mission Bay ■ Transbay ■ Other*

* Other includes former project areas Bayview Hunters Point and South of Market projects funded prior to redevelopment dissolution; as of FY 16-17 OCII's remaining affordable housing obligations in these areas are completed.

FY 16-17 Completions Former Project Areas

1009 Howard Street – Bill Sorro Community

- Completed by Mercy Housing California
- Completed in December 2016
- 66 affordable rental units (families and developmentally disabled), plus one manager's unit
- 8 Studios, 24 1-BR, 25 2-BR, 10 3-BR
- Up to 50% AMI



FY 16-17 Completions Former Project Areas

112 Middle Point Road – Hunters View, Phase IIa

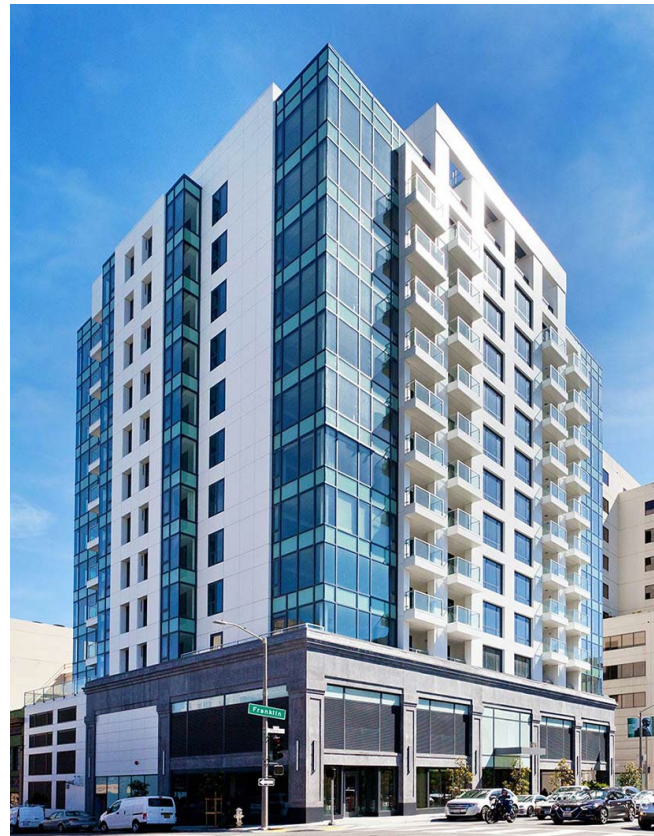
- Completed by John Stewart Company
- Completed in February 2017
- 107 affordable rental units, plus one manager's unit
- 30 1-BR, 32 2-BR, 36 3-BR, 8 4-BR, and 1 5-BR
- Up to 50% AMI



FY 16-17 Completions Former Project Areas

1450 Franklin Street

- Completed by Pacific Heights Franklin Partners
- Completed in December 2016
- 67 units for-sale units (9 Studios, 14 1-BR, 40 2-BR, 4 3-BR)
- 9 inclusionary units at 95% AMI



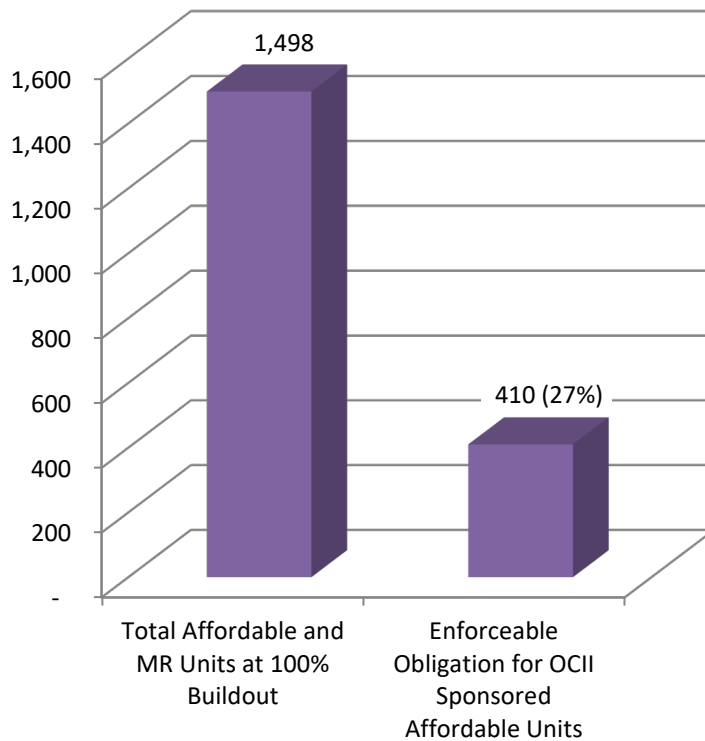
Hunters Point Shipyard/Candlestick Point

- 780 acres along southeastern waterfront
- Approximately 12,000 homes, approximately one-third below market rate
- Revitalization of the Alice Griffith Housing Project
- HPS Phase 1 with up to 1,600 new homes including up to 432 (27%) affordable homes
- HPS Phase 2 and CP approx 10,500 new homes including 3,345 (32%) affordable home and BMRs

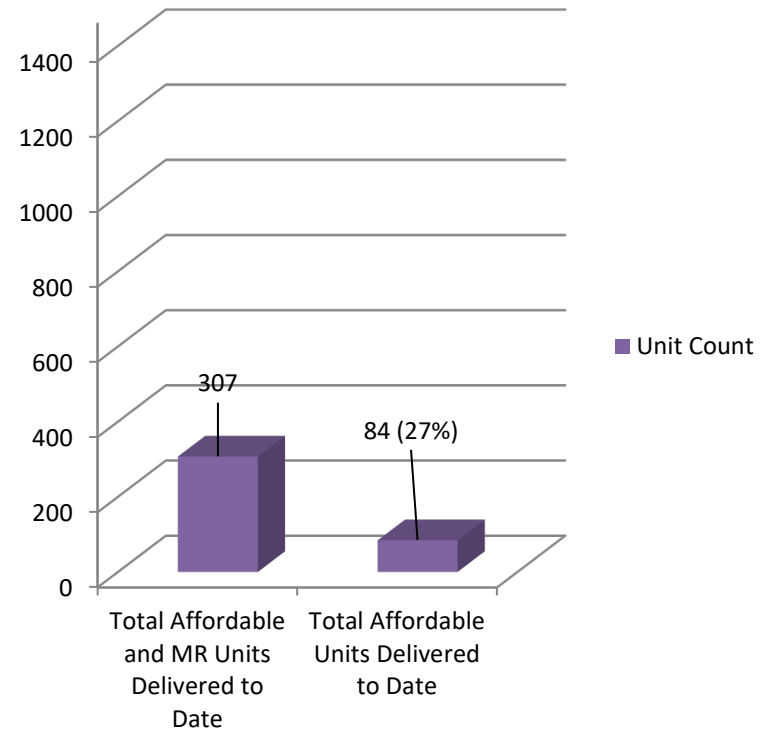


Hunters Point Shipyard Phase 1 Affordable Unit Obligation and Status to Date

HPS I
Unit Production at 100% Buildout



HPS I
Affordable Production to Date



Hunters Point Shipyard Phase 1 Affordable Unit Obligation and Status to Date

Hunters Point Shipyard – Block 53 (Alma and Engel)

- Third Shipyard Project completed by Lennar Urban in February 2017
- 93 units (26 1-BR, 46 2-BR, and 21 3-BR)
- 9 inclusionary units at 80% AMI



Hunters Point Shipyard Phase 1 Affordable Unit Obligation and Status to Date

Hunters Point Shipyard – Block 54 (Thayer and Tides)

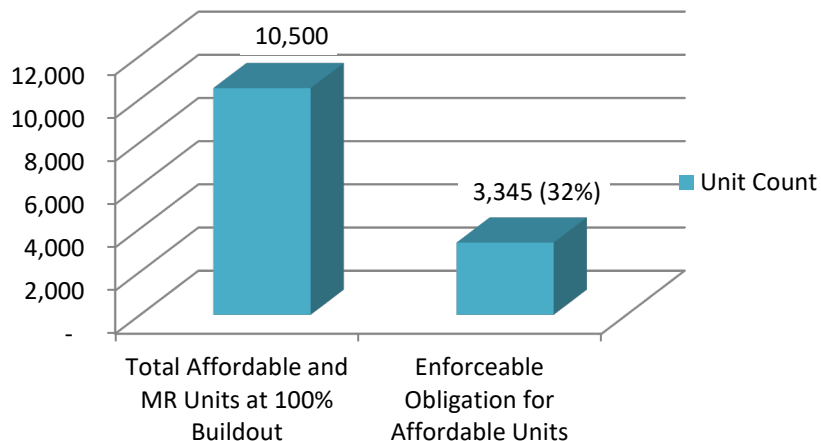
- Fourth Shipyard Project completed by Lennar Urban in February 2017
- 66 units (20 1-BR, 28 2-BR, and 18 3-BR)
- 7 inclusionary units at 80% AMI



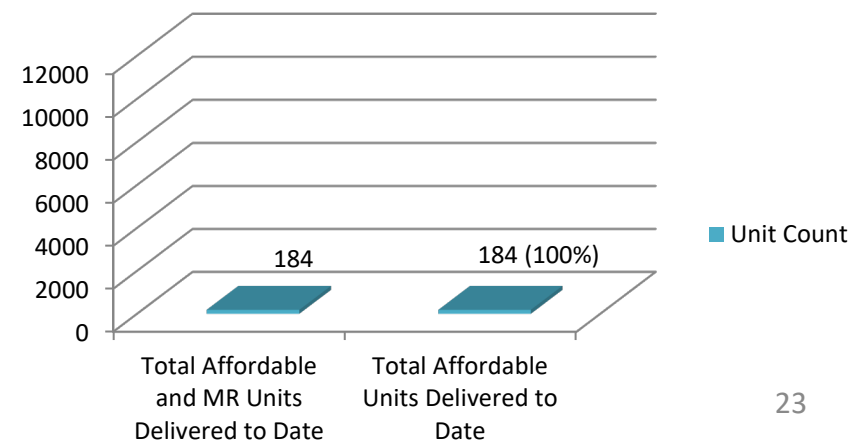
Hunters Point Shipyard Phase 2/Candlestick Point Affordable Unit Obligation and Status to Date



HPS II/CP
Unit Production at 100% Buildout



HPS II/CP
Affordable Production to Date



Hunters Point Shipyard Phase 2/Candlestick Point Affordable Unit Obligation and Status to Date

Alice Griffith Phases 1 and 2 Completed

- 182 affordable units plus 2 manager units
 - 114 public housing replacement units
 - 70 units affordable at 50% AMI
- First housing to finished construction in the HPS Phase II/CP project area
- Completion April 2017



Hunters Point Shipyard Phase 2/Candlestick Point Affordable Unit Obligation and Status to Date

Alice Griffith Phase 3a and 3b Under Construction

- 121 affordable units plus 1 manager unit
 - 76 public housing replacement units
 - 45 units affordable at 50% AMI
- Completion scheduled for November 2017



Mission Bay North and South

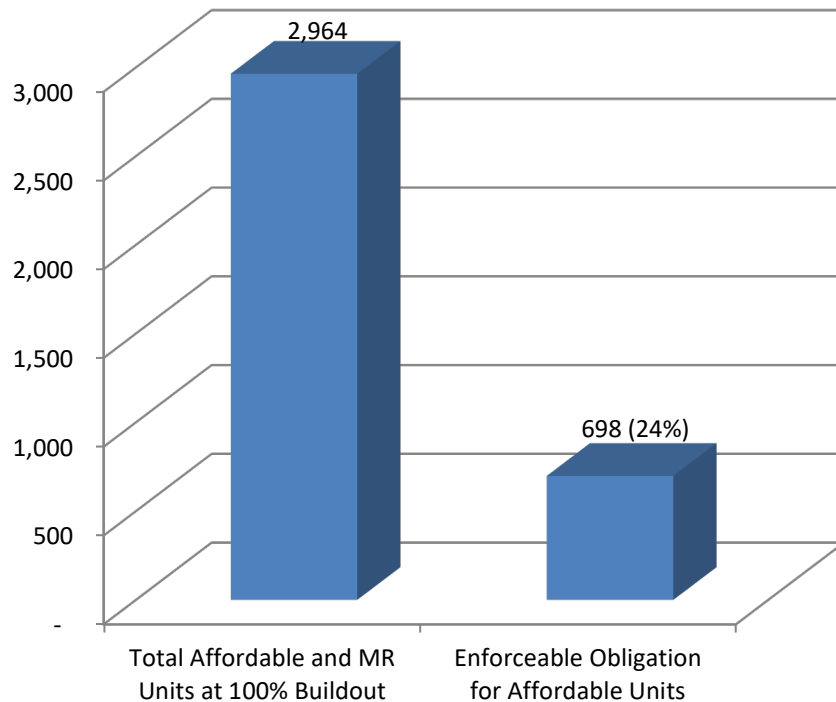
- Two Redevelopment Plans adopted 1998
- 6,400 residential units including 1,900 (30%) affordable homes
- 3.4 million sf office/ biotech/ R&D
- Chase Events Center (Warriors)
- UCSF research campus and hospital
- 250 room hotel
- Neighborhood-serving retail
- Public school, fire/police station and headquarters, library
- 49 acres of public parks



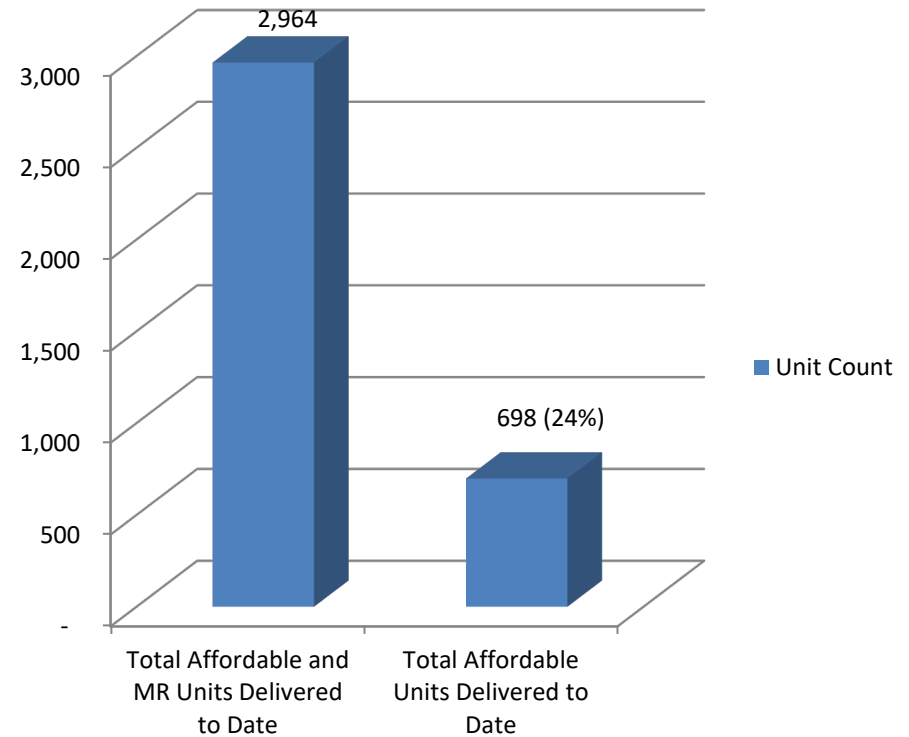
Mission Bay North

Affordable Unit Obligation and Status To Date

Mission Bay North at 100% Buildout



MBN Affordable Production to Date



Mission Bay North

Affordable Unit Obligation and Status To Date

360 Berry Street - Eviva

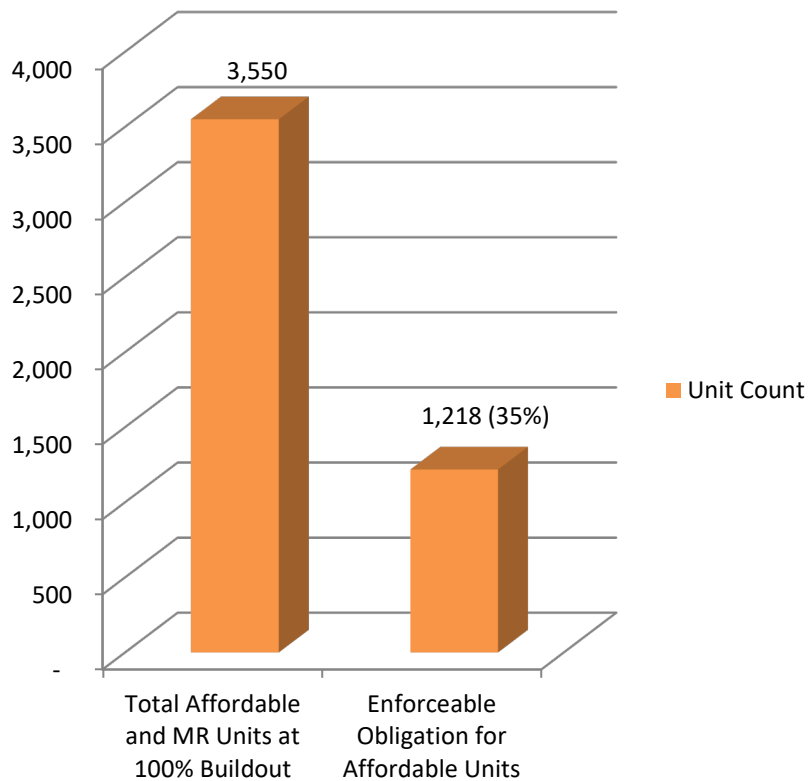
- 129 rental units
 - 103 market rate units
 - 26 inclusionary units at 90% AMI
- Completed November 2016
- With completion of Eviva - Mission Bay North 100% built-out



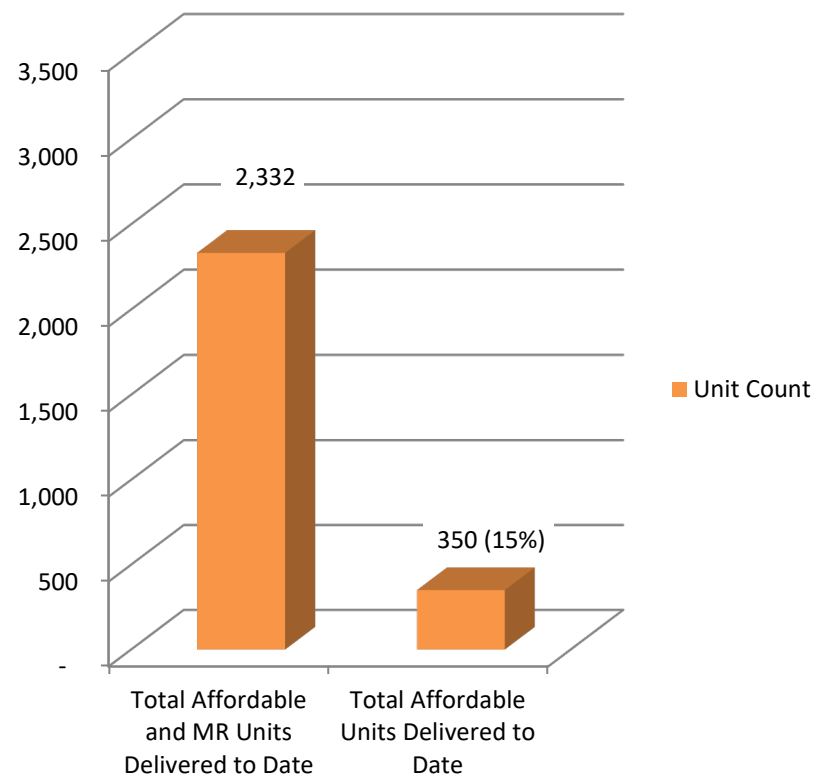
Mission Bay South

Affordable Unit Obligation and Status To Date

Mission Bay South at 100% Buildout



MBS Affordable Production to Date



Mission Bay South

Affordable Unit Obligation and Status To Date

- 588 Mission Bay Blvd North – Mission Bay South 7W
- 198 affordable rental units
- Completed February 2017
- 100% Occupied



- 626 Mission Bay Blvd North – Mission Bay South 6E
- 142 affordable rental units
- Completion target September 2018



Mission Bay South

Affordable Unit Obligation and Status To Date

- Mission Bay South 3E
- 119 affordable rental units with supportive services
- Formerly homeless veterans and low-income families
- Construction start December 2017



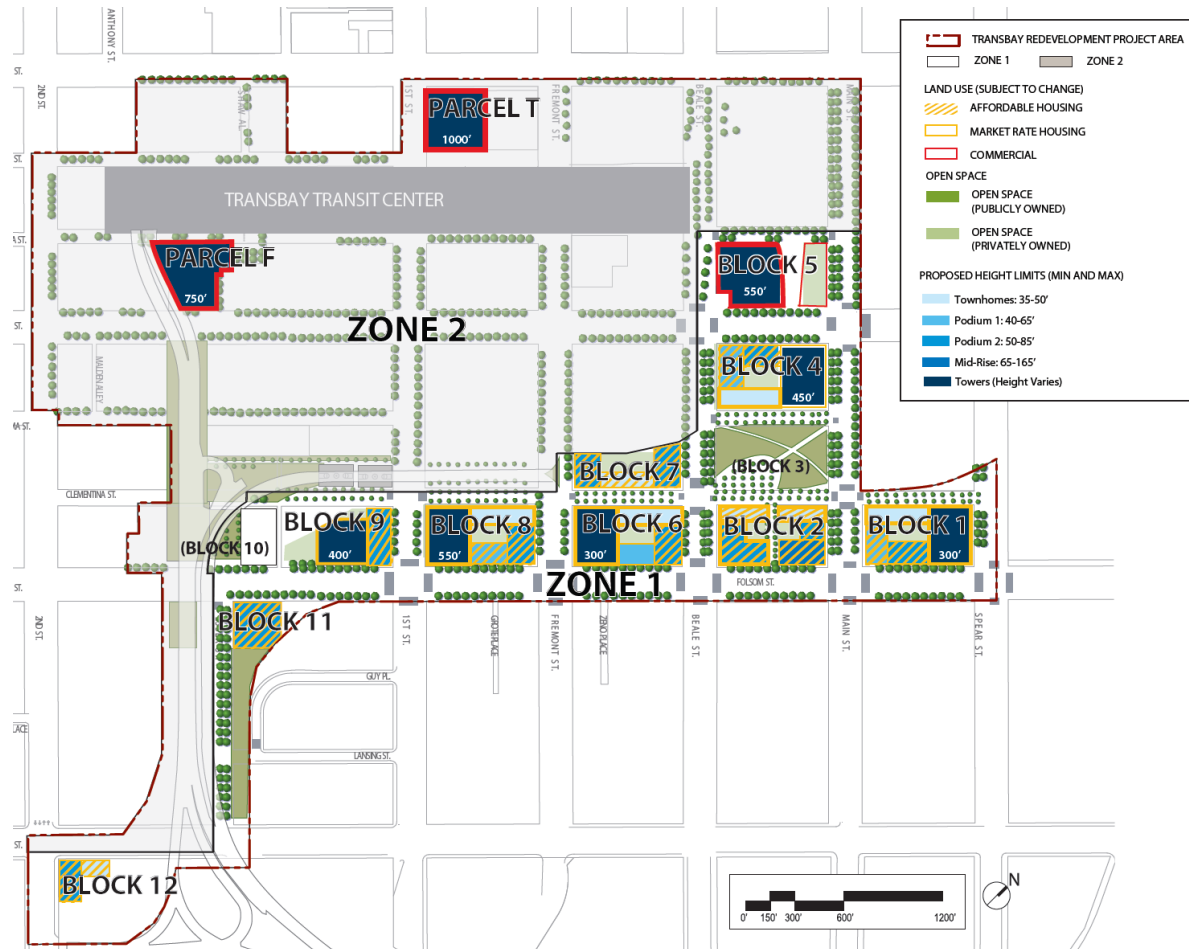
- Mission Bay South 6W
- 142 affordable rental units (1, 2 and 3 BR units)
- Construction start 2019



Transbay

Affordable Unit Obligation and Status To Date

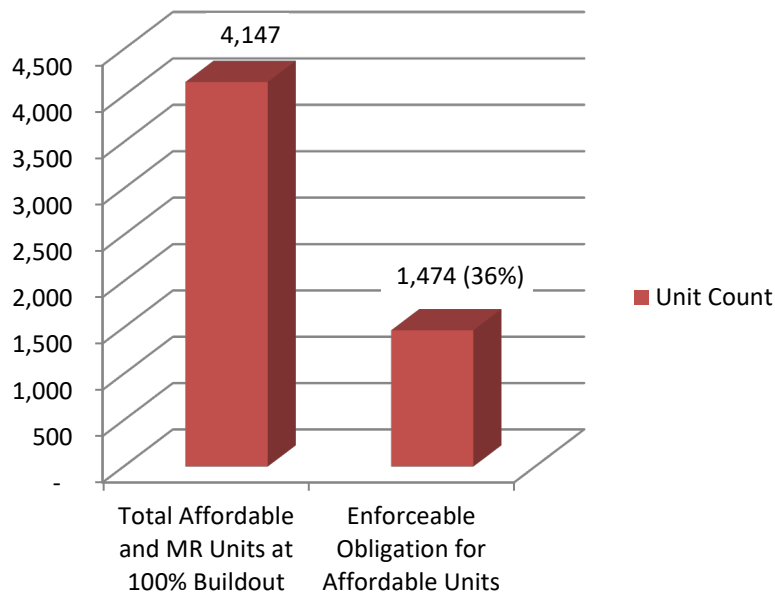
- 40 acres in downtown neighborhood
- Includes 10 acres of former State-owned parcels
- Over 4,100 new residential units, of which 35% must be affordable
- 200,000 s.f. of new retail space
- 4 acres of new parks in Zone 1
- Streetscape improvements to create safe and attractive pedestrian environment



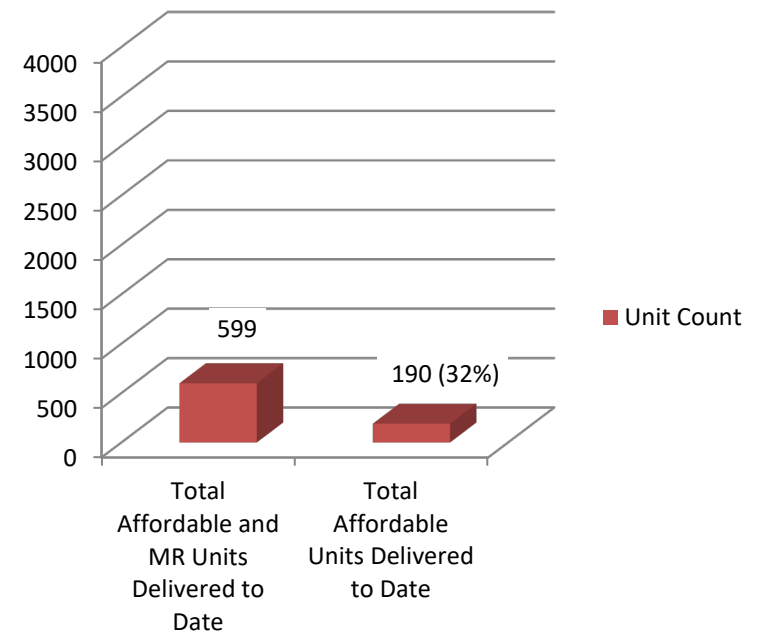
Transbay

Affordable Unit Obligation and Status To Date

Transbay (Zones 1 & 2) at 100% Buildout



Transbay (Zones 1 & 2) Production to Date



Transbay

Affordable Unit Obligation and Status To Date

- 255 Fremont Street (Block 7)
- 119 affordable units, plus one manager's units
- 53 1-BR, 44 2-BR, and 23 3- BR, plus 4,000 SF Childcare
- 24 units for households relocating from HOPESF/Sunnydale
- 3rd 100% affordable project on formerly state owned parcels
- Completion February 2018



Affordable Housing Program – FY 17-18 Work Plan

- **HPS/CP**

- **Alice Griffith** (HOPE SF)
 - » Phases 1 and 2: asset transfer to MOHCD
 - » Phase 3: construction completion
 - » Phase 4: in construction
 - » Phases 5 & 6: in predevelopment planning
- **Candlestick Point Blocks 10A and 11A** schematic design
- **Block 52/54** (HPS 1) RFP, developer selection, predev funding
- **Block 56** (HPS Phase 1) RFP draft

- **Mission Bay**

- **Block 7 West:** asset transfer to MOHCD
- **Block 6 East:** in construction, early outreach
- **Block 3 East:** construction funding/start, early outreach
- **Block 6 West:** schematic design approval
- **MBS Block 9:** developer selection, predevelopment funding

- **Transbay Mixed-Income Housing (MR/ Affordable/Inclusionary)**

- **Block 6 :** asset transfer to MOHCD
- **Block 7:** construction completion, marketing, lease-up
- **Blocks 1, 8 and 9 :** in construction, early outreach
- **Block 2E and 2W:** RFP draft and release
- **Block 4:** Negotiate Exclusive Negotiations Agreement



Affordable Housing Program – FY 17-18 Work Plan

- Accelerate housing program through bond proceeds through SB 107 authorizing legislation
- RFPs to be released in FY 17-18
- Prior to Issuance, all draft RFPs subject to review and comment by OCII Commission

Affordable Housing Program – FY 17-18 Work Plan

Mission Bay South RFP:

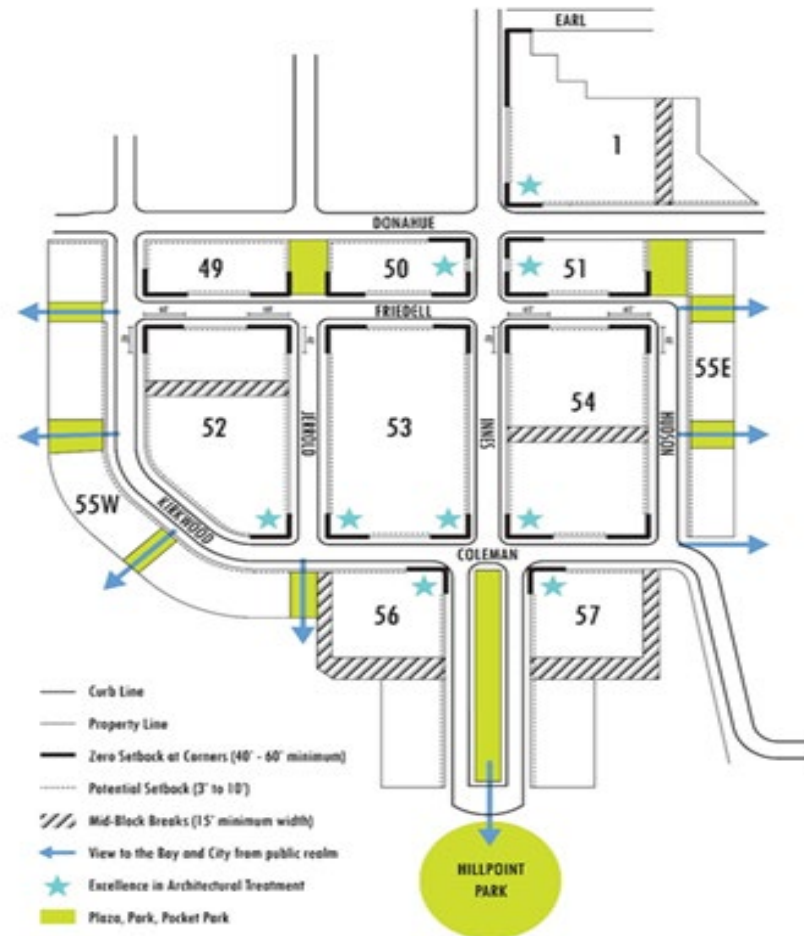
- Block 9a (approximately 65 units)
- 100% affordable homeownership
- Initiate RFP draft with issuance in early FY 18-19



Affordable Housing Program – FY 17-18 Work Plan

HP Shipyard Phase 1 Draft RFP:

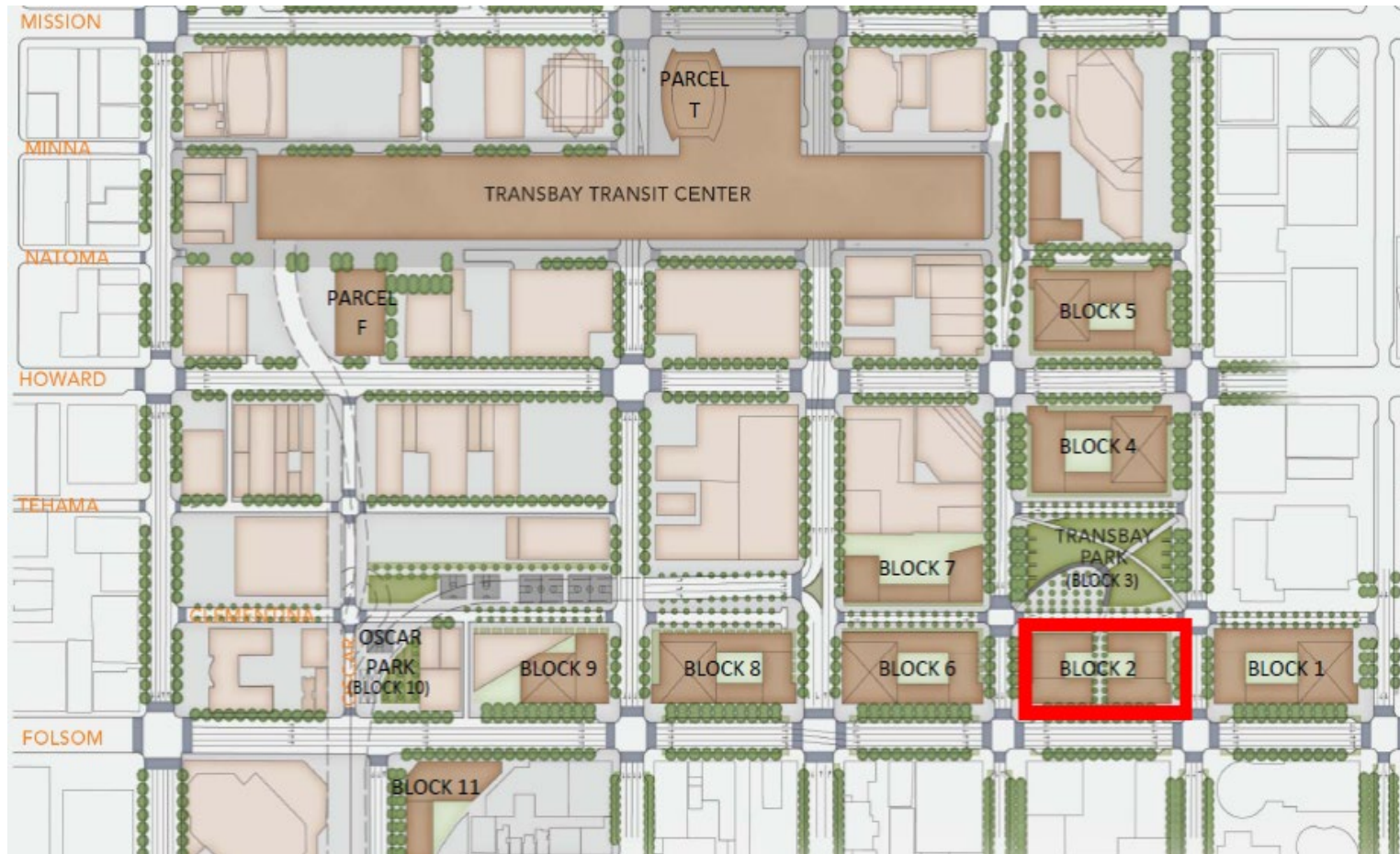
- Block 56 (43 units combined)
- Family rental units targeting 60% AMI and below



Affordable Housing Program – FY 17-18 Work Plan

Transbay Blocks 2 East and 2 West

- Draft and issue one RFP for two projects
- Exact affordable housing type TBD, approximately 247 units



Affordable Housing Program – FY 17-18 Work Plan

Transbay Block 4

- Development Agreement negotiation
- Mixed-Income project
- Inclusionary BMRs, no OCII subsidy

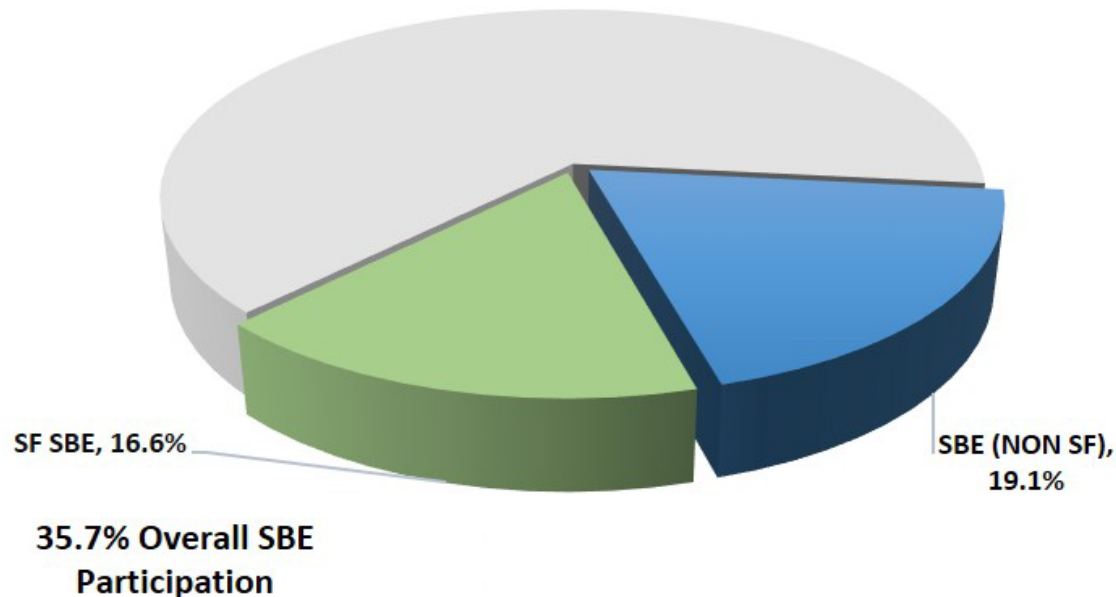


Affordable Housing Program - SBE Contracting

Small Business Enterprise in Affordable Housing Contracts FY 16-17

- **\$433.5 million** awarded professional service and construction contracts
- **9 affordable housing projects** with OCII's developer partners
- Over **\$154 million** (or 35.7%) were awarded to SBEs

**SBE Participation on All
Affordable Housing Contracts
FY 16/17**

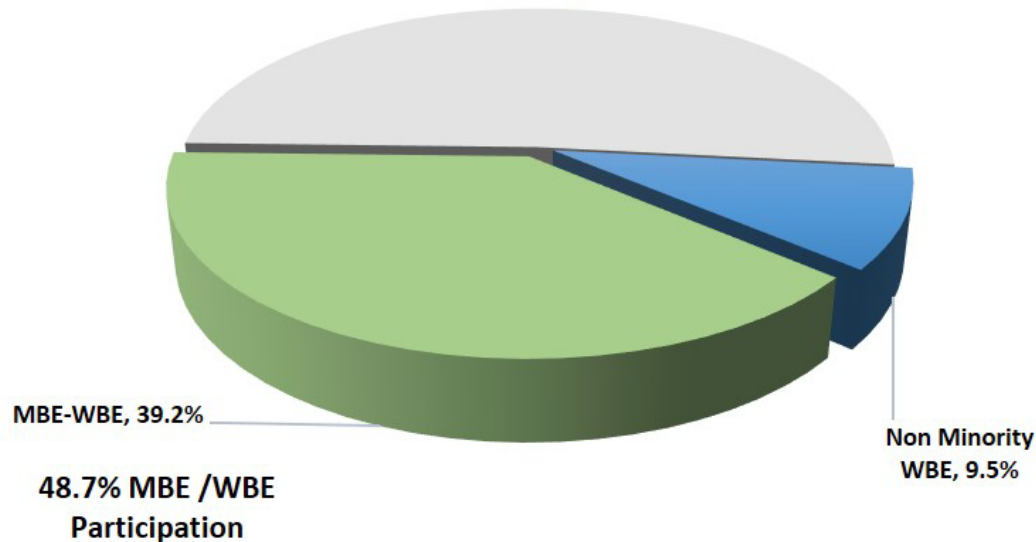


Affordable Housing Program-Contracting

Women and Minority Owned Firms Participation Rates

- Minority and women owned firms received over 48.7% (or **\$75.4 million**) of professional services and construction contracts

**Women and Minority Participation Rates
Among SBE Contractors on Affordable
Housing Contracts
FY 16/17**



Outreach and Marketing of OCII Affordable Units

- COP/Marketing Workshop to follow in today's meeting
- MOU between OCII and Mayor's Office of Housing and Community Development
 - MOHCD oversees outreach and marketing of OCII sponsored projects
 - New OCII Senior Development Specialist, Marketing Liaison with MOHCD
- Occupancy Preferences
 - Certificate of Preference Holder always first preference
 - Affirmative outreach to COP holders with strong FY 15-16 results
 - Ellis Act Housing Preference/Displaced Tenants Housing Preference
 - Neighborhood Resident Housing Preference pending
 - San Francisco residents or workers
- Database of Affordable Housing Listings, Information and Applications (DAHLIA)

Thank you to the Housing Team!!

- Jane Suskin, Assistant Development Specialist
- Elizabeth Colomello, Senior Development Specialist
- Gretchen Heckman, Development Specialist
- Kim Obstfeld, Development Specialist
- Pam Sims, Senior Development Specialist-Marketing and COP Liaison
- Jeff White, Housing Program Manager

THANK YOU

