

OCII COMMISSION

Annual Housing Production Report

Fiscal Year 2019-20



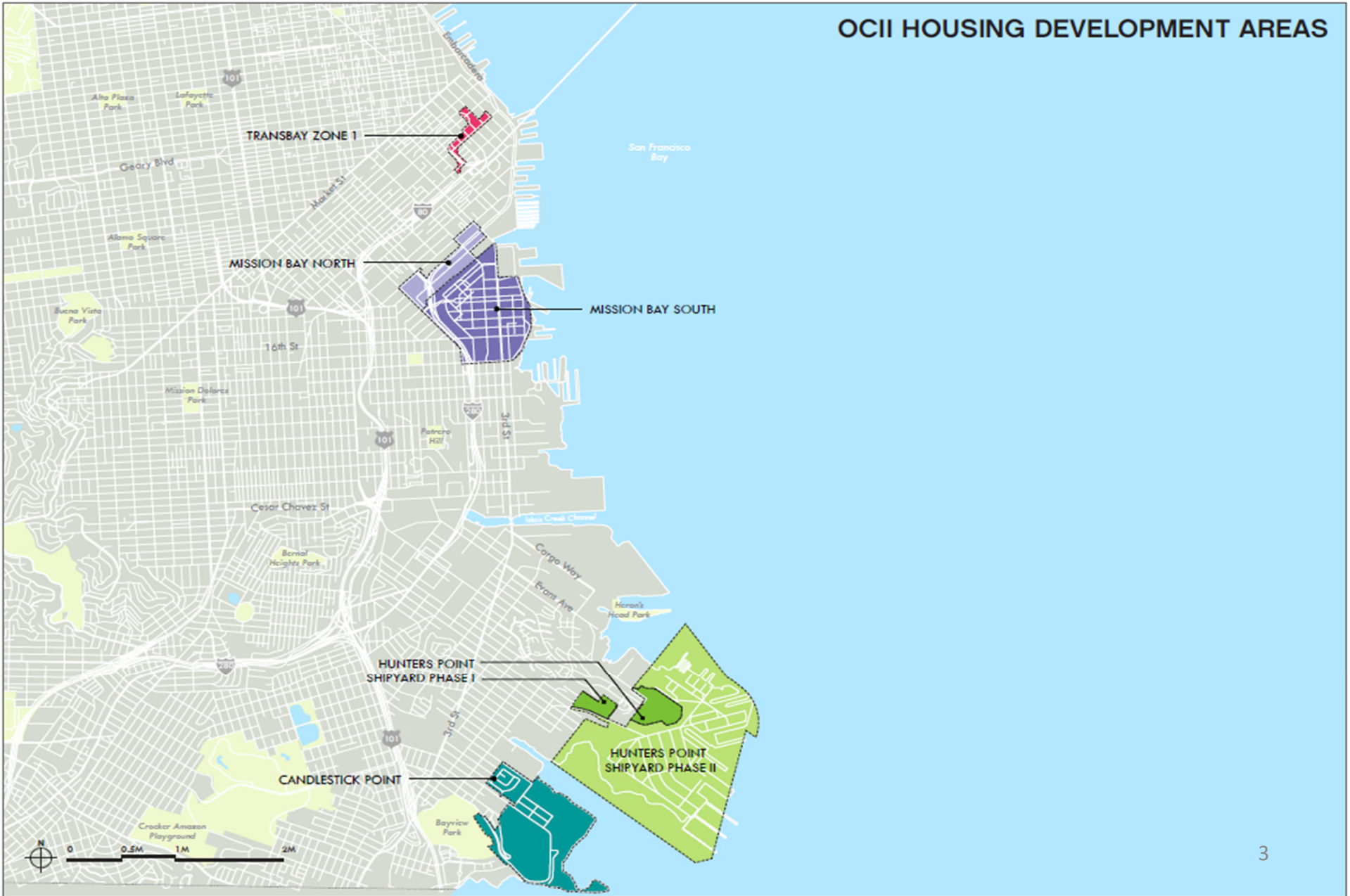
Annual Housing Production Report

FY19-20

Office of Community Investment and Infrastructure

- **FY19-20 Results**
 1. Housing Program
 2. Completions, Starts and Funding Activity
 3. Accomplishments
 - Completions
 - In-Construction
 - Marketing Outcomes
 4. Occupancy Preferences, Outreach, and Marketing
 5. SBE and Workforce Goals and Results

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Total Housing Production Obligations by Status

TABLE 4B. HOUSING STATUS BY PROJECT AREA, AS OF JUNE 30, 2020					
Status	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 & Candlestick Point	Mission Bay North & South	Transbay Zone 1	Total
Completed	505	337	5,908	1,880	8,630
In Construction	-	-	152	316	468
Predevelopment	666	1,263	289	669	2,887
Preliminary Planning	224	1,225	165	247	1,861
Future Development	33	7,847	-	80	7,960
TOTAL	1,428	10,672	6,514	3,192	21,806
<i>% COMPLETE ALL UNITS</i>	<i>35%</i>	<i>3%</i>	<i>91%</i>	<i>59%</i>	<i>40%</i>

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Who does OCII affordable housing serve?

- San Francisco households with limited housing options
- Very low-, low, and moderate-incomes, 4-person household (2020)
 - < 50% Area Median Income = **very low-income** \$64,050 (50% AMI)
 - > 51% -80% = **low-income** \$102,500 (80% AMI)
 - > 81% -120% = **moderate income** \$128,100 (100% AMI)

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Current funding environment

- ***Typical affordable housing funding sources***
 - Low Income Housing Tax Credits (TCAC)
 - Tax exempt bonds (CDLAC)
 - Housing and Community Development (MHP, AHSC, NPLH)
 - OCII provides gap

- ***Significant changes to CDLAC state allocation***
 - Tax exempt multi-family bonds competitive as of January 2020
 - Bonds come with 4% tax credits
 - Current scoring includes factor for high cost, disadvantages San Francisco
 - May cause severe impact on our ability to deliver affordable housing
 - Most recent round only 1 of 6 MOHCD projects awarded allocation
 - Potential impact on OCII's HPS Blocks 52/54 and Block 56

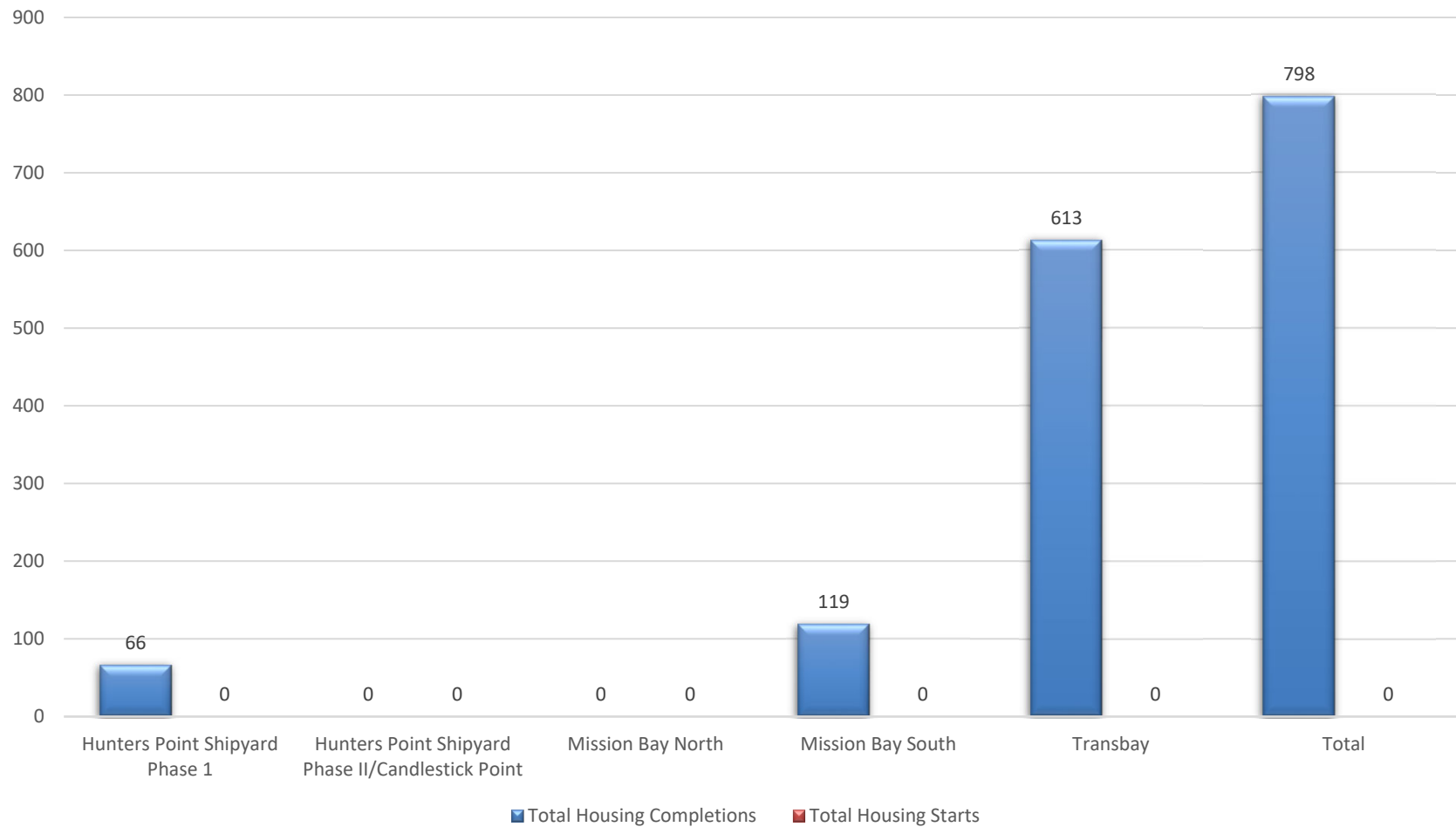
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Future Development	33	7,847	-	80	7,960
TOTAL	1,428	10,672	6,514	3,192	21,806
% AFFORDABLE	29%	31%	29%	43%	32%
% COMPLETE ALL UNITS	35%	3%	91%	59%	40%

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FISCAL YEAR 2019-20 TOTAL HOUSING COMPLETIONS AND STARTS



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Fiscal Year 2019-20 Funding Activity

Project Area	Project Name	Affordable Units	Type of Funding	Amount Funded
HPSY Phase I	Block 56	73	Predevelopment	\$ 3,500,000
Mission Bay South	Block 9	141	Construction	\$ 37,245,760
Mission Bay South	Block 9a	<u>148</u>	Predevelopment	<u>\$ 3,500,000</u>
TOTAL		362		\$ 44,245,760

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Housing Completions FY19-20

- 798 Total Housing Units
- 305 Total Affordable Units
- 750+ Low Income San Franciscans housed

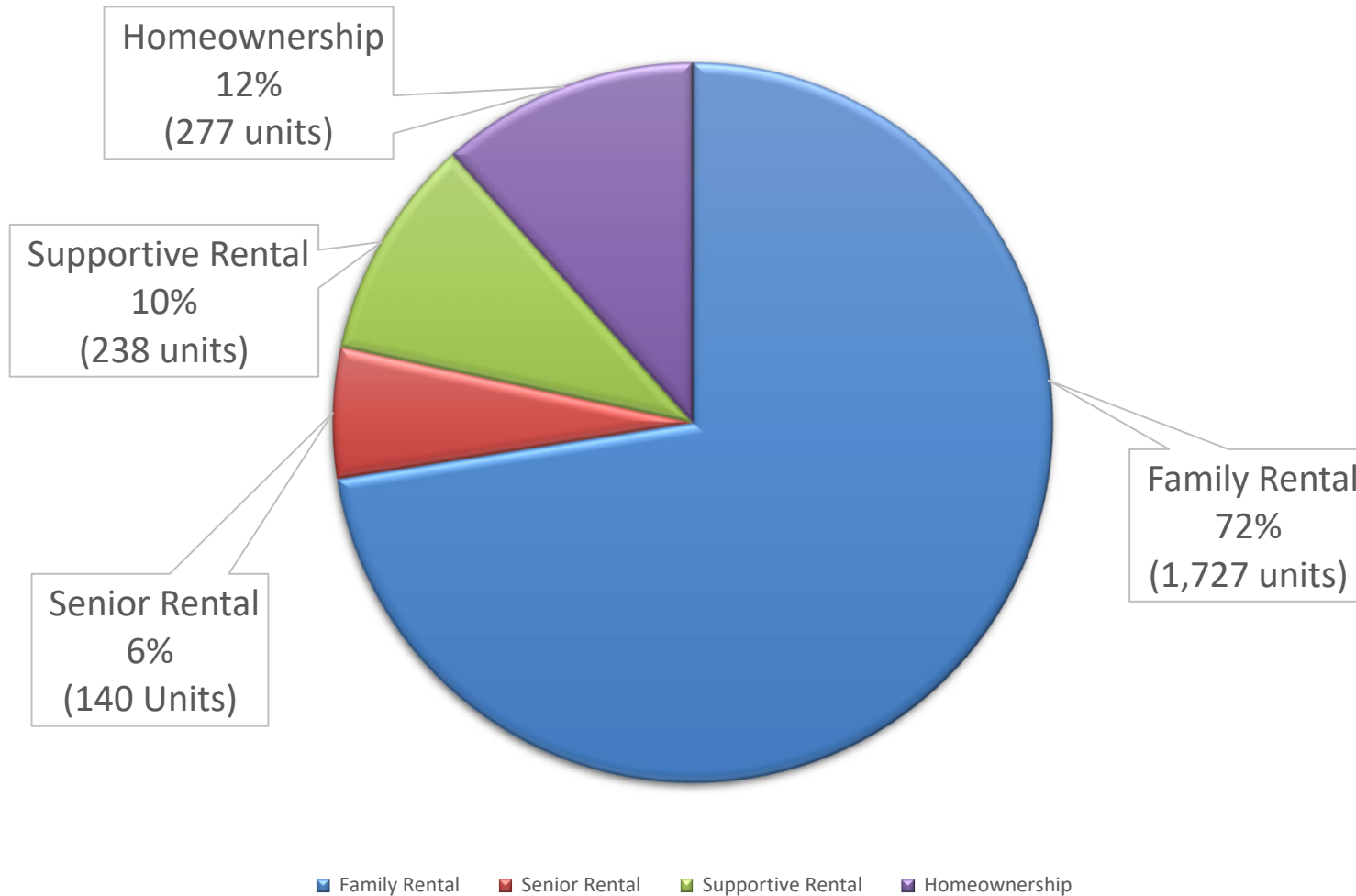
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Housing Completions FY19-20

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
HPSY Phase I	HPS1 Block 55	Market Rate w/inclusionary	Homeownership	66	3
Mission Bay South	MBS Block 3 East	100% Affordable	Supportive (veterans) and Family Rental	119	118
Transbay	Transbay Block 9	Market Rate w/inclusionary	Family Rental	537	108
Transbay	MIRA, Transbay Block 1 (Podium)	100% Affordable	Homeownership	76	76
			Total	798	305

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Completed Affordable Housing Units by Type
through June 30, 2020



Housing Completions FY19-20



Block 55: 528 Hudson Ave, 23 & 33 Kirkwood Ave

PROJECT AREA	HPSY Phase I
SPONSOR/DEVELOPER	Lennar
ARCHITECT	LPAS Architecture + Design
PROJECT/HOUSING TYPE	Market Rate with Inclusionary/Homeownership
TOTAL/AFFORDABLE UNITS	66/3
CONSTRUCTION COMPLETED	February 2020
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	80%



Mission Bay South Block 3 East: 1150 3rd St

PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	Chinatown CDC with Swords to Plowshares
ARCHITECT	Leddy Maytum Stacy Architects/Saida + Sullivan Design Partners
PROJECT/HOUSING TYPE	100% Affordable/Family Rental, Supportive Veterans Rental
TOTAL/AFFORDABLE UNITS	119/118
CONSTRUCTION COMPLETED	January 2020
TOTAL OCII FUNDING	\$20,093,600
AFFORDABLE UNITS TARGET AMI	60% and below

Housing Completions FY19-20

Transbay Block 9: 500 Folsom St

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Essex/BRIDGE Housing
ARCHITECT	Skidmore Owings & Merrill/Fougeron
PROJECT/HOUSING TYPE	Market Rate with Indusionary/Family Inclusionary Rental
TOTAL/AFFORDABLE UNITS	537/108
CONSTRUCTION COMPLETED	February 2020
TOTAL OCII FUNDING	\$0
AFFORDABLE UNITS TARGET AMI	50% and below



Transbay Block 1 (Podium): 285 Main St

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Tishman Speyer
ARCHITECT	Studio Gang/Barcelon Jang
PROJECT/HOUSING TYPE	Market Rate with Indusionary Homeownership
TOTAL/AFFORDABLE UNITS	76/76
CONSTRUCTION COMPLETED	June 2020
TOTAL OCII FUNDING	\$19,180,000
AFFORDABLE UNITS TARGET AMI	50% and below



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Housing In Construction FY19-20

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
Mission Bay South	Mission Bay South Block 6 West	100% Affordable	Family Rental	152	151
Transbay	MIRA, Transbay Block 1 (Tower)	Market Rate w/inclusionary	Homeownership	316	80
			TOTAL	468	231

Housing In Construction FY19-20



Mission Bay South Block 6 West: 691 China Basin St

PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	Mercy Housing
ARCHITECT	Paulett Taggart
PROJECT/HOUSING TYPE	100% Affordable Family Rental
TOTAL/AFFORDABLE UNITS	152/151
ESTIMATED COMPLETION	March 2021
TOTAL OCII FUNDING	\$47,361,690
AFFORDABLE UNITS TARGET AMI	80% and below, averaging 60%



Transbay Block 1 (Tower): 280 Spear St

PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	Tishman Speyer
ARCHITECT	Studio Gang
PROJECT/HOUSING TYPE	Market Rate with Inclusionary/Homeownership
TOTAL/AFFORDABLE UNITS	316/80
ESTIMATED COMPLETION	September 2020
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	120% and below

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Marketing Outcomes in FY19-20

- ***OCII/MOHCD Memorandum of Understanding***
 - OCII contracts MOHCD to oversee marketing OCII affordable units
 - MOHCD leads and manages COP program
 - OCII Sr Development Specialist, Marketing
- ***Occupancy Preferences***
 - COP Certificate Holder always first preference
 - Displaced Tenants Housing Preference
 - Neighborhood Resident Housing Preference, April 16, 2019
 - Ed Lee Apartments first OCII project applied NRHP
 - San Francisco residents or workers

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Marketing Outcomes in FY19-20

- 216 affordable units occupied
- 750 San Franciscans housed
- 10,000 + applicants
- 3 COP holders housed
- COP/Marketing Workshop to follow in today's meeting
 - Refresh and finding new COP eligible individuals
 - Deepening engagement with existing COP holders

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Marketing Outcomes in FY19-20

Project Area	Projects	Date 100% Occupied	Affordable Units by Lottery	COP Holders	Rent Burdened/ Assisted Housing	Displaced Tenant Housing Preference	Neighborhood Resident Housing Preference	San Francisco Live or Work
Transbay	Avery (Block 8), 250 Fremont	Oct-19	79	2	N/A	5	N/A	72
Transbay	Avery (Block 8), 450 Folsom	Dec-19	70	0	N/A	7	N/A	63
HPSY Phase I	Landing at the San Francisco Shipyard (10 Innes Court , 10 Kennedy Place) Palisades at the San Francisco Shipyard (528 Hudson Avenue, 23 Kirkwood Avenue, 33 Kirkwood Avenue)	Feb-20	11	0	1	1	N/A	9
Mission Bay South	Edwin M. Lee Apartments Mission Bay South Block 3 East 1150 3rd Street	Jun-20	56	1	N/A	6	14	35
	TOTAL		216	3	1	19	14	179

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COP Program Results 7 years ending FY19-20

- COP holders housed
- COP holders applied for housing

	FY 19/20	Total Past 7 Years	FY 18/19	FY 17/18	FY 16/17	FY 15/16	FY 14/15	FY 13/14
COP Holders Housed	3	83	13	18	38	6	3	2
COP Holders Returned to San Francisco	1	30	4	11	9	1	3	1
COP Holders Applied for Housing	20	395	59	61	86	13	95	61
New Certificates Issued	31	423	30	61	55	111	73	62
<i>Lottery Units Available</i>	216	1,283	247	350	186*	78	184	22
*Of the 186 units, a total of 120 are senior units and have Project Based rental vouchers .								

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Small Business Enterprise & Workforce Goals

- Developers work cooperatively with OCII to meet overall 50% goals
- 47% of FY19-20 contracts (or \$39 million) awarded to SBEs
- 88% SBE participation in professional services
- 45% SBE in construction
- 16.6% local construction workforce participation
- 752 San Francisco residents performed over 275,130 hours

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Thank you to the all OCII Staff!

And especially to the Housing Team!

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

THANK YOU



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Programming Affordable Housing

- Match affordable housing with demand
 - 63% SF households renters
 - 67% OCII affordable housing through 2025 family rental
 - Rent Burdened (Rental Costs to Income - 44% of households at 40%-60% AMI)
- Funding constraints
 - Funding availability favors rental housing

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Programming Affordable Housing

- Public Policy and Current Conditions
 - Homelessness, modular, quicker and cheaper hard costs
 - Mayor's Housing Executive Directive 2017
 - 2008-2012 recession, unemployment 9.4% in 2010
 - very low housing (market rate and affordable) production
 - Strong rebound continues; unemployment 1.8% in San Francisco 2019
 - Demand far exceeds supply; increased more than 80% since 2011
 - 1-BR current median market rent \$3,720; 1-BR affordable unit (60% AMI) \$1,478
 - Exceptionally high construction costs

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- **Programming: collaborate with MOHCD and Consolidated Plan**
 - Match affordable housing with demand
 - 63% of SF households are renters
 - 66% of OCII affordable housing completed and pipeline through 2025 is family rental
 - Affordable rental housing finance leverage allows double rental production compared to homeownership
 - 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 and Current Conditions
 - City's ongoing commitment to address **homelessness crisis**, modular for formerly homeless housing to help bring units online faster
 - **Mayor's Housing Executive Directive**
 - 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 growth continues; unemployment rate in San Francisco 1.9% in May 2019
 - Demand far exceeds current supply; market rents increased more than 80% since 2011
 - 1-BR current median market rent \$3,720 compared to 1-BR affordable unit at 60% AMI of \$1,478