

118-0142019-002

Agenda Item **No. 8 (b)**
Meeting of May 7, 2019

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: 626 Mission Bay Boulevard North (MBS Block 6E) Marketing Outcomes Report, a 143-unit affordable multifamily rental development, including one manager's unit, Mission Bay South Redevelopment Project Area

EXECUTIVE SUMMARY

The OCII Commission considered and approved a Memorandum of Understanding ("MOU") between OCII and the Mayor's Office of Housing and Community Development ("MOHCD") on May 6, 2014. The MOU provided a framework for MOHCD to provide implementation of the funding, approvals, and management of the Retained Housing Obligations, as well as the terms for transferring completed housing assets to MOHCD as the Housing Successor. Pursuant to the MOU, MOHCD provides a Marketing Outcomes Report ("Report") after the full lease-up of each affordable project.

Attached is the Report for the lease-up of 626 Mission Bay Boulevard North, also known as, Mission Bay South Block 6 East and 626 Mission Bay Family Housing, in the Mission Bay South Redevelopment Project Area. 626 Mission Bay Family Housing is comprised of 142 family rental units, including 113 units offered through the typical lottery process and 29 units for formerly homeless households referred by the Department of Homelessness and Supportive Housing. Of the 143 units, there are 53 one-bedroom units, 46 two-bedroom units, and, 43 three-bedroom units, plus one two-bedroom manager's unit. All (113) of the lottery units are affordable at 50% Tax Credit Allocation Committee Area Median Income, and 29 formerly chronically homeless units at 20% and 30% Area Median Income ("AMI"). 626 Mission Bay Family Housing was developed by a limited partnership affiliate of the Tenderloin Neighborhood Development Corporation ("TNDC"). The Report provides information on the successfully housed applicants occupying the 113 affordable housing units, including: general project information (i.e., type of affordable units and occupancy preferences), an ethnic and racial breakdown of successful applicants, the location where applicants previously lived, and the number of Certificate of Preference ("COP") holder applicants.

London N. Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

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A total of 5,749 applications were received, and of these 25 households are COP holders. Ten COP households were successful applicants and are now living at 626 Mission Bay Boulevard North. Of the ten COP households, three relocated from Pittsburg, Sacramento and South San Francisco, and seven were already residing in San Francisco.

(Originated by Pamela Sims, Senior Development Specialist – COP and Marketing Liaison)



Nadia Sesay
Executive Director

Attachment A: Marketing Outcomes Report

Mayor's Office of Housing and Community Development
City and County of San Francisco



London N. Breed
Mayor

Kate Hartley
Director

MEMO TO: Pam Sims
FROM: Maria Benjamin
SUBJECT: Marketing Outcomes Project Report
DATE: April 17, 2019

On May 6, 2014, the OCII Commission considered and approved the Memorandum of Understanding (MOU) between OCII and the Mayor's Office of Housing and Community Development ("MOHCD"). The MOU requires a Marketing Outcomes Project Report subsequent to the initial lease-up for each OCII affordable housing development. The report is for 626 Mission Bay Family Housing.

Project name	626 Mission Bay Family Housing (MBS Block 6E)
Project location	626 Mission Bay Boulevard North
Project sponsor	Tenderloin Neighborhood Development Corporation (TNDC)
Project tenure	100% affordable
Population type	Family housing
Total number of units	143
Total number of affordable units	113 Tax Credit Units (Lottery Units) 29 LOSP Units for formerly homeless families 53 – 1 bedroom 46 – 2 bedroom 43 – 3 bedroom 1 – managers unit
Total number of applicants for 113 lottery units	5,749
Affordability level(s)	50% Area Median Income (TCAC) (113 units) 30% Area Median Income (MOHCD) (23 units) 20% Area Median Income (MOHCD) (6 units)

Marketing start date	5/1/18
Construction completion date	Temporary Certificate of Occupancy is 7/31/18
100% Lease-up date	12/28/18
Occupancy preferences	1. Certificate of Preference (COP) 2. Displaced Tenant Housing Preference (DTHP) 3. San Francisco Residents or San Francisco Workers 4. Members of the General Public
How many COP holders applied?	25
How many COP holders were housed?	10
Of the 25 COP holders that applied, what was their city of origin?	18 – San Francisco 1 – Alameda 1 – Brentwood 1 – Oakland 1 – Pittsburg 1 - Sacramento 1 – South San Francisco 1 – Vallejo
What happened to the 15 COP Holders that were not housed?	3 - No response or missed two or more appointments 3 - Over Income 3 – Under Income, no rent Subsidy 4 – Withdrew 2 – Not ready to move, requested to be put on waitlist
Total Number of People Housed in the 113 Lottery Units at 626 Mission Bay Family Housing	436 Residents Residents under 18: 147 Residents 55 and over: 26

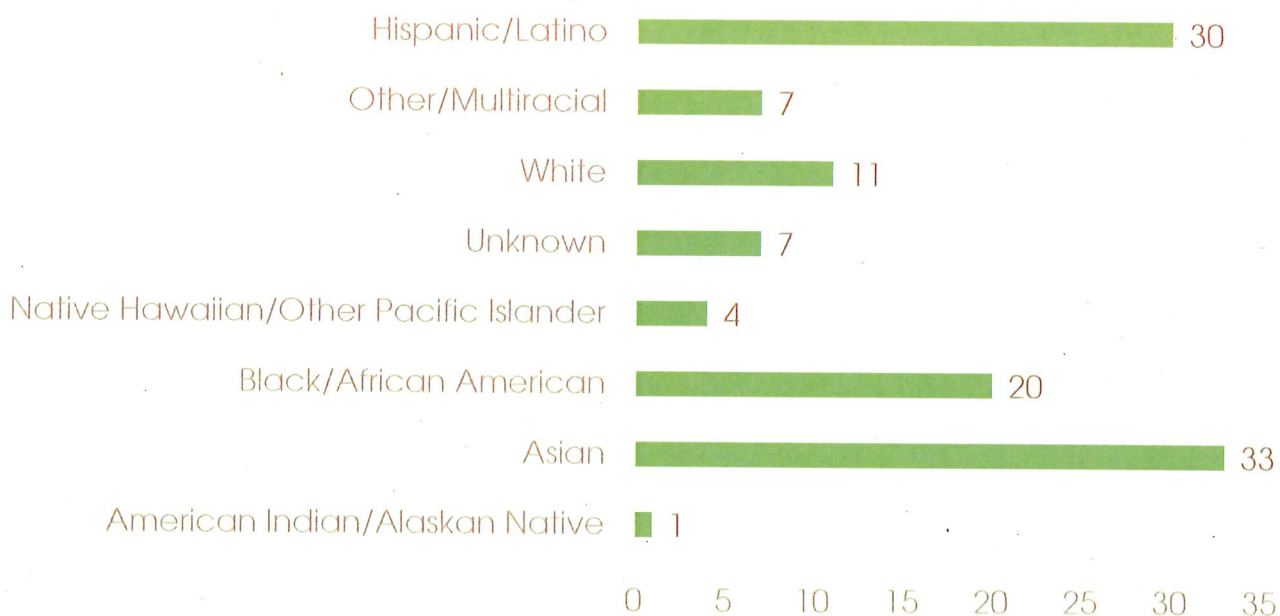
Background

626 Mission Bay Family Housing is a 143-unit building with approximately 10,000 square feet of neighborhood-serving retail including space for a restaurant, and 826 Valencia (an afterschool literacy program), a 39 space above-ground parking structure, and circulation areas include light, natural ventilation and are located to provide orientation to the multiple interior courtyards and out to the neighborhood parks. The courtyards have been designed to bring residents outdoors to meet their neighbors. This is a 5-story main building, with adjacent 3-story townhomes and a publicly accessible pedestrian pathway on the western side of the site. The development includes 53 one-bedroom units, 47 two-bedroom units, and 43 three-bedroom units which are affordable to households earning 50% Tax Credit Allocation Committee Area Median Income rents or below, and 29 of these units have been set-aside for formally homeless individuals and families. The Commission approved gap financing on August 16, 2016, and construction began on October 1, 2016. The development received its Temporary Certificate of Occupancy on July 31, 2018.

626 Mission Bay Lease-up Demographics for Lottery Units

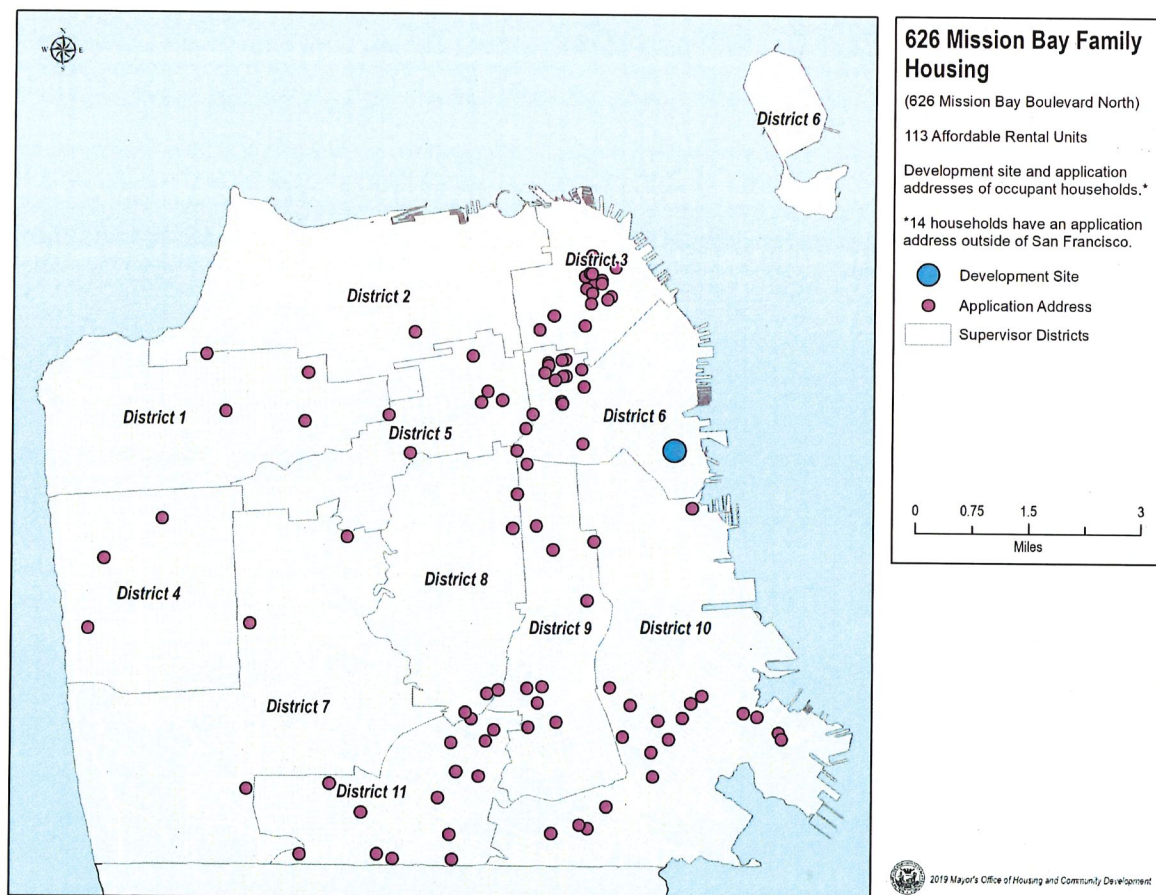
MOHCD uses the same categories as HUD to identify race and ethnicity demographics among applicant head of households. Each head of household is asked to identify a race and they are also asked if they are of Hispanic/Latino ethnicity. 18% of the successful applicant households at 626 Mission Bay identify their race as African American. 29% identified their race as Asian. With regard to ethnicity, 27% of the head of household's were of Latino ethnicity. This is a significant increase in the number of Latino applicants, and may be due, in part, to MOHCD's increased funding for outreach as part of its Access to Housing grant program.

Race and Ethnicity of Head of Household



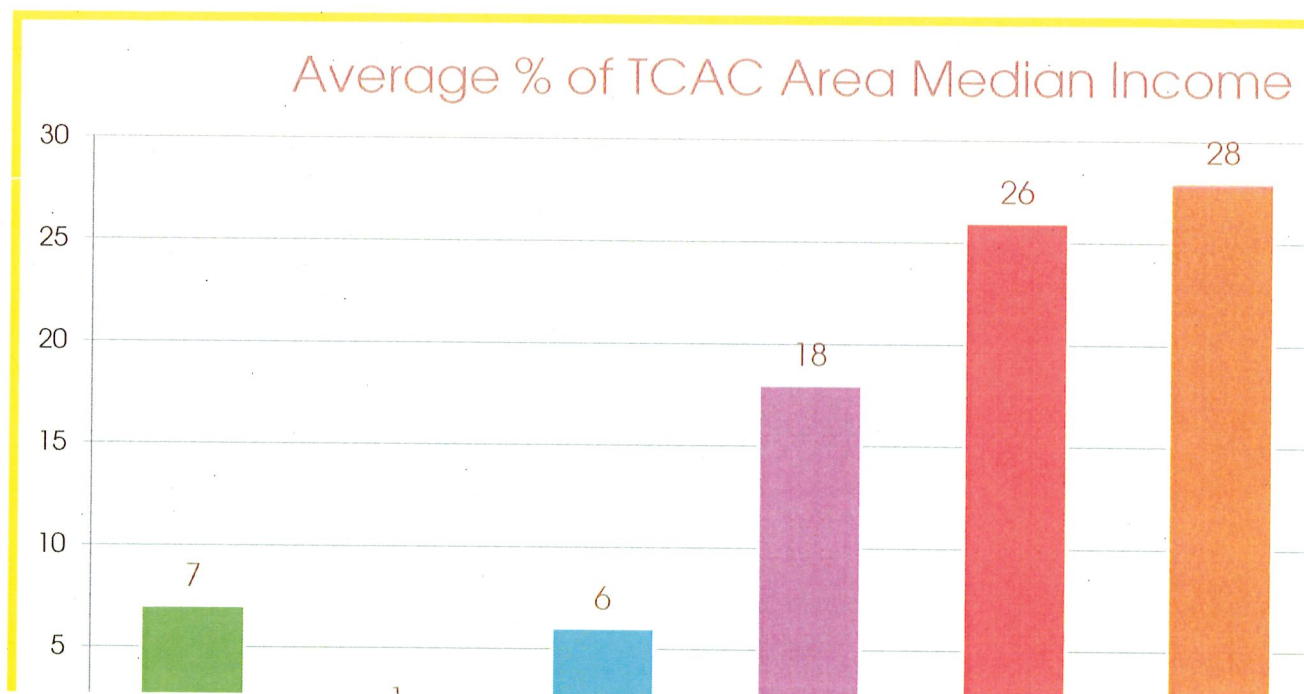
Location of Origin of Successful Applicants

Every Supervisorial District had at least one successful applicant in the lottery. The most successful applicants originated from District 3 (16 applicants), District 6 (17 applicants) and District 10 (19 applicants). 14 households lived outside of San Francisco: three COP holders, and 11 work in San Francisco.



Income Levels Served for Lottery Units

Rents at 626 Mission Bay Family Housing are 50% TCAC AMI as determined by the State of California. At lease up, rents ranged between \$1,306 and \$1,780 per month, depending on unit size. A single person household would have to earn between \$31,344 and \$51,350 annually to qualify. To qualify for a 3 bedroom, a household would have to earn at least \$42,720 annually. The majority of households at 626 Mission Bay Family Housing earn between \$40,000 and \$70,000 per year. Household's earning less than 20% AMI, needed a rental subsidy to qualify.

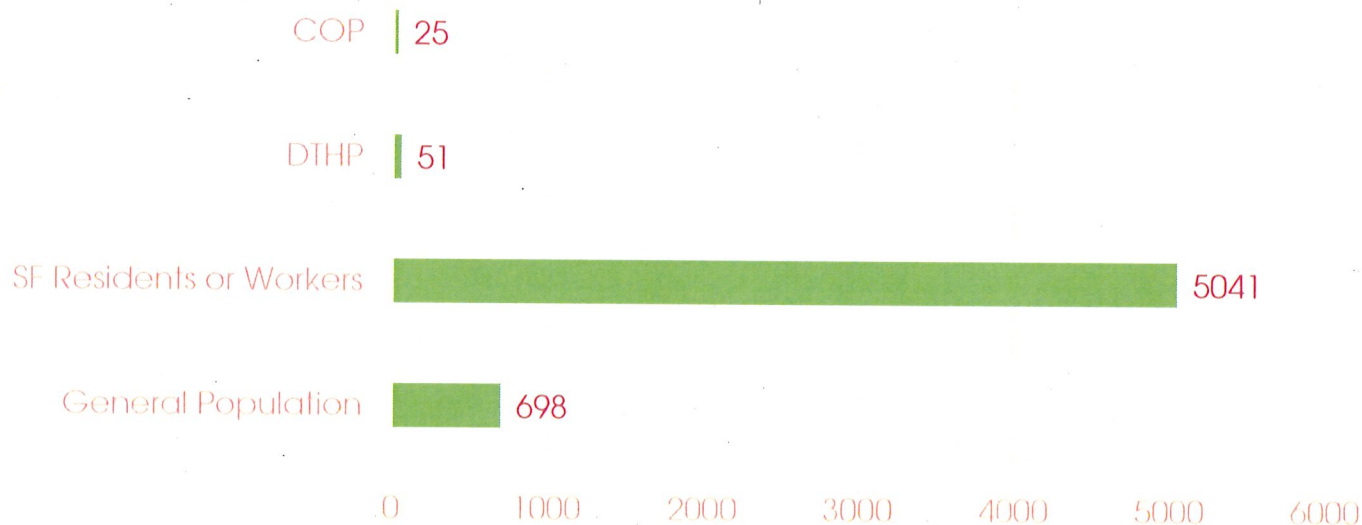


Affordable Housing Lottery Preferences and Lease Up

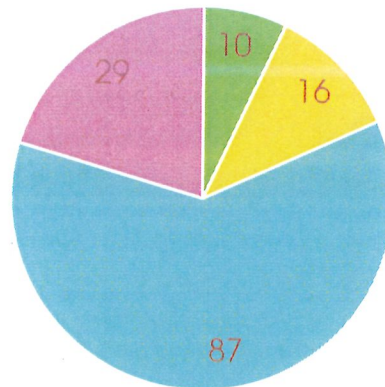
MOHCD and OCII were very pleased to offer the electronic housing application (through DAHLIA) and lottery for 626 Mission Bay Family Housing. There were under 25 households attending the lottery. Participants were pleased how quickly they could apply online and receive lottery results. They also shared their appreciation with the transparency of the process.

5,749 households applied to 626 Mission Bay Family Housing for 113 lottery units of housing. Below are the housing lottery preferences for all applicants as well as those applicants who secured housing.

5749 Applicants in the Lottery



142 Signed Leases



■ COP Lottery Applicant ■ DTHP Lottery ■ SF Residents or Workers ■ LOSP

COP Success Story

After 7 years of applying for affordable housing, Ms. Smith is now living at 626 Mission Bay. Her household income was too high for some of the housing opportunities so her adult son decided he would live independently. She was then able to secure housing, however she is living with Multiple Sclerosis which has progressed so she needs her son to move in and provide assistance as her live in aide. "Catholic Charities helped me with my deposit at the recommendation of the staff at 626 Mission Bay. What I love about my place is that it is mine. Before moving here, I was staying with my mom in San Francisco, but I had to rent a hotel or stay with other family members occasionally. Unlocking that door with my key knowing that it is mine and that if I wanted to cook or eat a bag of chips for dinner I could, brings me peace of mind."

DTHP Success Story

Mrs. Jones and her family of 5 received an Owner Move-In eviction notice for their home in Bernal Heights. "We have three minor children and did not know what to do. We received a Displaced Tenant Housing Preference Certificate from MOHCD and were able to start applying for housing. We applied for 10 lotteries, but we really needed a three bedroom and most projects did not have a three bedroom unit. We are now all happily living at 626 Mission Bay enjoying our extra space and new neighborhood. The commute to and from work and school is much easier and we now feel safe sending our kids on public transportation. One of our sons had sporadic asthma attacks because the unit we were evicted from had old carpets. Since moving to 626 Mission Bay in September he has not had one single asthma attack. "