

OCII COMMISSION

Annual Housing Production Report *Fiscal Year 2018-19*



Annual Housing Production Report

FY18-19

Office of Community Investment and Infrastructure

- **FY18-19 Results**
 1. Housing Program
 2. Completions, Starts and Funding Activity
 3. Accomplishments
 - Completions
 - Starts
 - In-Construction
 - Marketing Outcomes
 4. Occupancy Preferences, Outreach, and Marketing
 5. SBE and Workforce Goals and Results

Annual Housing Production Report

OCII HOUSING DEVELOPMENT AREAS



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Total Housing Production Obligations by Status

	Hunters Point Shipyard Phase I	Hunters Point Shipyard Phase II & Candlestick Point	Mission Bay North & South	Transbay	Total
Completed	439	337	5,789	1,267	7,832
In Construction	66		271	929	1,266
Predevelopment	593	1,263	276	683	3,129
Preliminary Planning	294	646	178	247	1,630
Future Development	36	8,426		80	7,963
TOTAL	1,428	10,672	6,514	3,206	21,820
% COMPLETE	31%	3%	89%	40%	36%

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Who does OCII affordable housing serve?

- San Francisco households with limited housing options
- Very low-, low, and moderate-income households (2019)
 - < 50% Area Median Income = **very low-income** \$61,600 (50% AMI)
 - > 51% -80% = **low-income** \$98,500 (80% AMI)
 - > 81% -120% = **moderate income** \$123,150 (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***

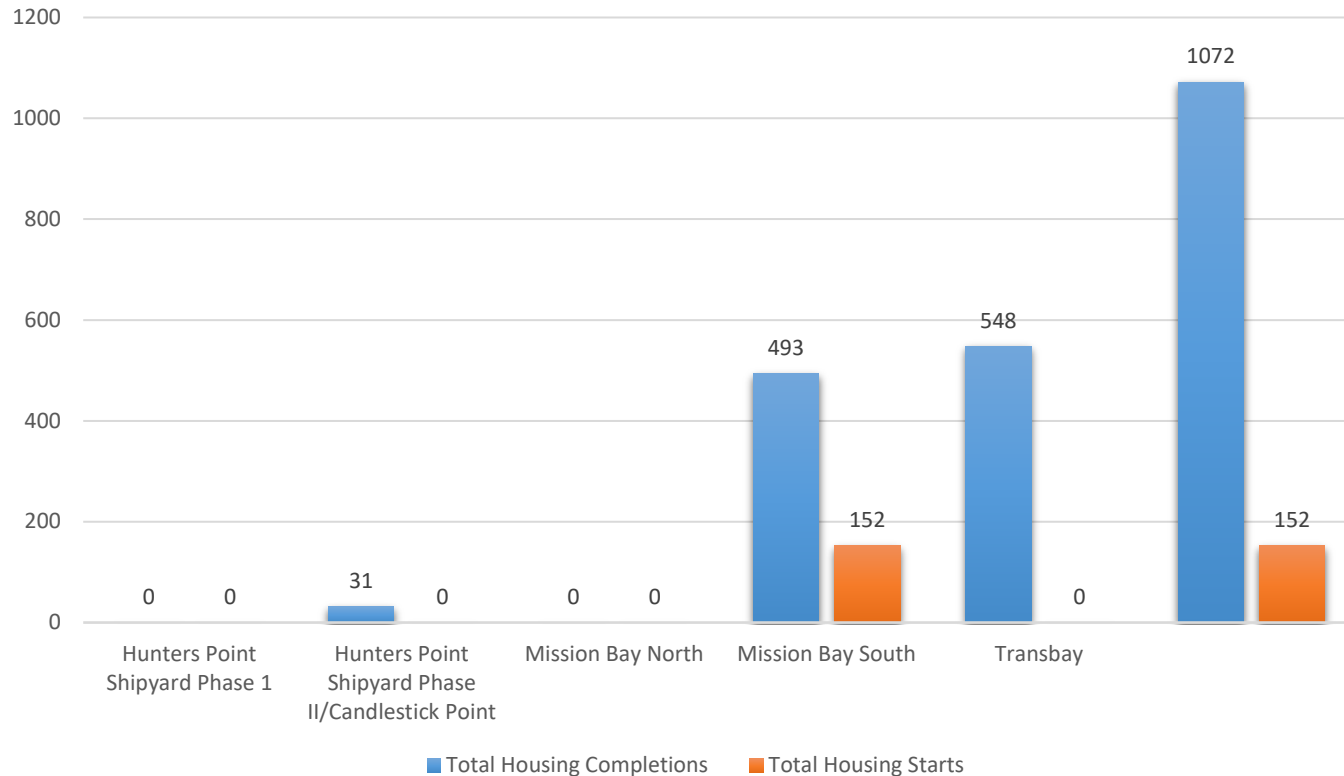
- Bonds now oversubscribed 3:1
- Bonds are now competitive starting in 2020; through 2019 “over the counter”
- Bonds come with 4% tax credits
- Scoring includes factor for high cost, disadvantages San Francisco
- May cause severe impact on our ability to deliver affordable housing

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HOUSING STATUS BY PROJECT AREA, AS OF JUNE 30, 2019					
Status	HPS Phase 1	HPS Phase 2 & CP	Mission Bay N/S	TB Zone 1	Total
Completed	439	337	5,789	1,267	7,832
In Construction	66	-	271	929	1,266
Predevelopment	593	1,263	276	683	2,815
Preliminary Planning	294	646	178	247	1,365
Future Development	36	8,426		80	8,542
TOTAL	1,428	10,672	6,514	3,206	21,820
<i>% AFFORDABLE</i>	<i>29%</i>	<i>31%</i>	<i>29%</i>	<i>43%</i>	<i>32%</i>
<i>% COMPLETE ALL UNITS</i>	<i>31%</i>	<i>3%</i>	<i>89%</i>	<i>40%</i>	<i>36%</i>

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FISCAL YEAR 2018-19 TOTAL HOUSING COMPLETIONS AND STARTS



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Fiscal Year 2018-19 Funding Activity

Project Area	Project Name	Affordable Units	Type of Funding	Amount Funded
Hunters Point Shipyard Phase I	Blocks 52/54	112	Predevelopment	\$4,000,000
Mission Bay South	Block 6 West	152	Construction	\$47,361,690
TOTAL		264		\$51,361,690

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Housing Completions FY18-19

- 1,072 Total Housing Units
- 321 Total Affordable Units
- 900+ Low Income San Franciscans housed

Annual Housing Production Report

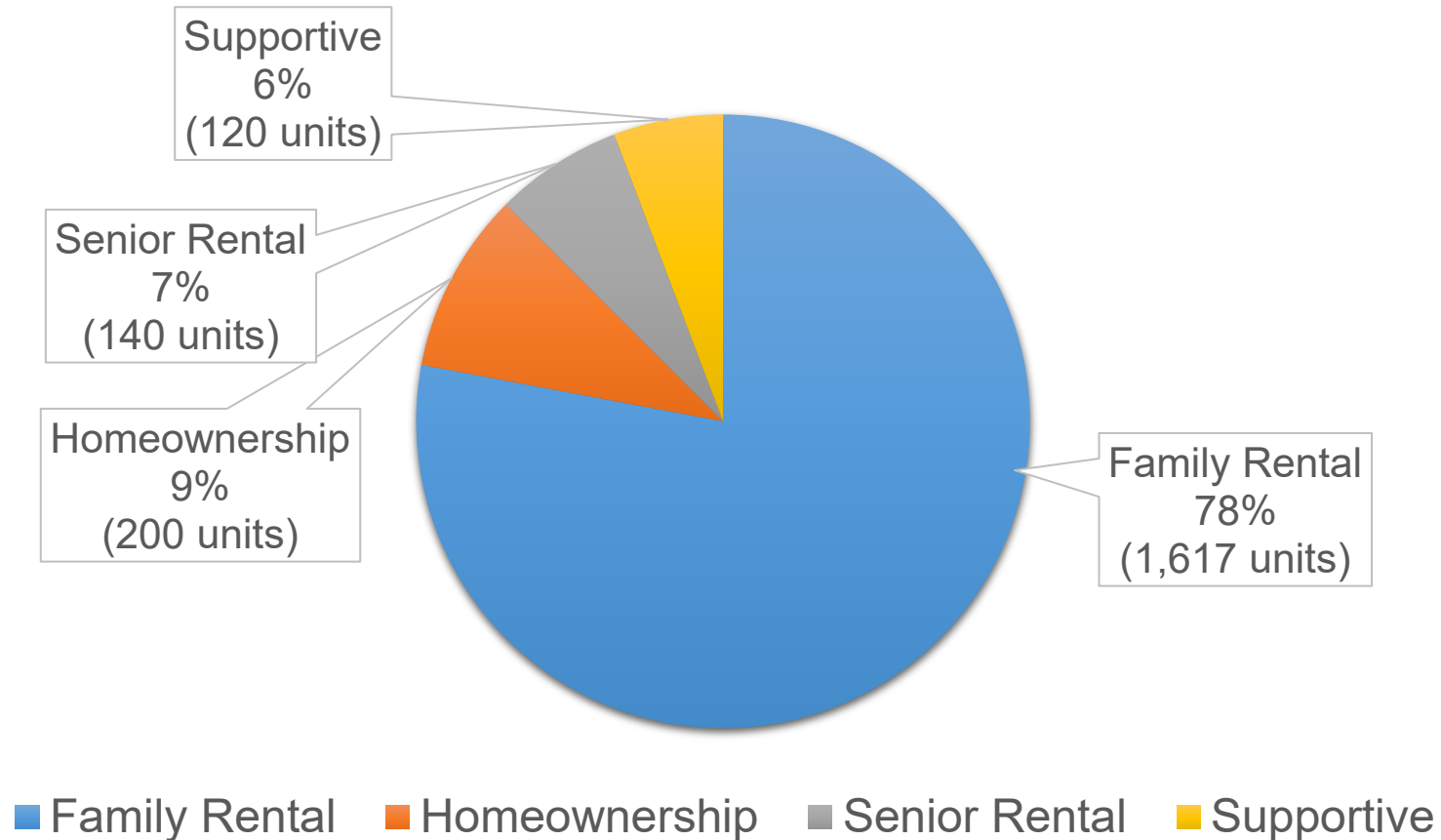
Housing Completions FY18-19

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
HPSY Phase II/ Candlestick Point	Alice Griffith Ph 4	100% Affordable	Family Rental	31	30
Mission Bay South	Mission Bay South Block 6 East	100% Affordable	Family Rental	143	142
Mission Bay South	One Mission Bay	Market Rate	Homeownership	350	0
Transbay	Avery Transbay Block 8 (Podium)	100% Affordable	Family Rental	80	79
Transbay	Avery Transbay Block 8 (Tower)	Market Rate w/inclusionary	Family Rental	350	70
Transbay	Avery Transbay Block 8 (Tower)	Market Rate	Homeownership	118	0
TOTAL				1,072	321

*OCII affordable does not include manager's units

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Completed Affordable Housing Units by Type through June 30, 2019



Housing Completions FY18-19



Alice Griffith Phase 4: 2800 Arelious Walker Dr

PROJECT AREA	HPSY Phase II/Candlestick Point
SPONSOR/DEVELOPER	McCormack Baron Salazar
ARCHITECT	HKIT Architects/Y.A. Studio
PROJECT/HOUSING TYPE	100% Affordable/Family Rental
TOTAL/AFFORDABLE UNITS	31/30
CONSTRUCTION COMPLETED	February 2019
TOTAL OCII FUNDING	\$9,156,408
AFFORDABLE UNITS TARGET AMI	60% and below



Mission Bay South Block 6E: 626 Mission Bay Blvd N

PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	TNDC
ARCHITECT	Mithun & Studio Vara
PROJECT/HOUSING TYPE	100% Affordable/Family Rental
TOTAL/AFFORDABLE UNITS	143/142
CONSTRUCTION COMPLETED	July 2018
TOTAL OCII FUNDING	\$35,750,000
AFFORDABLE UNITS TARGET AMI	50% TCAC AMI

Housing Completions FY18-19

Mission Bay South Block 1: 1000 3rd St/110 Channel St

PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	Strada Investment/CIM Group
ARCHITECT	Arquitectonica
PROJECT/HOUSING TYPE	Market Rate Homeownership
TOTAL/AFFORDABLE UNITS	350/0
CONSTRUCTION COMPLETED	November 2018
TOTAL OCII FUNDING	\$0
AFFORDABLE UNITS TARGET AMI	n/a



Transbay Block 8 (Affordable Podium): 250 Fremont St

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Related/TNDC
ARCHITECT	Fougeron Architecture
PROJECT/HOUSING TYPE	100% Affordable/Family Rental
TOTAL/AFFORDABLE UNITS	80/79
CONSTRUCTION COMPLETED	April 2019
TOTAL OCII FUNDING	\$16,000,000
AFFORDABLE UNITS TARGET AMI	50% and below

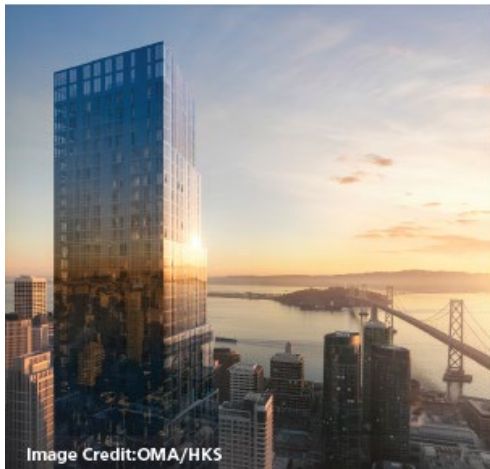


Housing Completions FY18-19



Transbay Block 8 (Tower, Floors 1-31) Mixed Income Rental: 450 Fremont St

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Related/TNDC
ARCHITECT	OMA/HKS
PROJECT/HOUSING TYPE	Mixed Income/Family Rental
TOTAL/AFFORDABLE UNITS	350/70
CONSTRUCTION COMPLETED	April 2019
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	40 and 50%



Transbay Block 8 (Tower, Floors 32-51) Market Rate Condos: 400 Fremont St

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Related
ARCHITECT	OMA/HKS
PROJECT/HOUSING TYPE	Market Rate with Inclusionary/Homeownership
TOTAL/AFFORDABLE UNITS	118/0
CONSTRUCTION COMPLETED	June 2019
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	N/A

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Housing Starts FY18-19

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
Mission Bay South	Block 6W	Market Rate w/ Inclusionary	Homeownership	152	151
TOTAL				152	151

*OCII affordable does not include manager's units

Housing Starts FY18-19



Mission Bay South Block 6W: 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
CONSTRUCTION START	May 2019
TOTAL OCII FUNDING	\$40,726,827
AFFORDABLE UNITS TARGET AMI	Averaging 60% and below

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Housing In Construction FY18-19

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
HPSY Phase I	Block 55	Market Rate w/ inclusionary	Homeownership	66	3
Mission Bay South	Block 3 East	100% Affordable	Family Rental/ Supportive Veterans	119	118
Mission Bay South	Block 6 West	100% Affordable	Family Rental	152	151
Transbay	Transbay Block 1 (Podium)	100% Affordable	Homeownership	76	76
Transbay	Transbay Block 1 (Tower)	Market Rate w/ inclusionary	Homeownership	316	80
Transbay	Transbay Block 9	Market Rate w/ inclusionary	Family Rental	537	108
TOTAL				1,266	536

*OCII affordable does not include manager's units

Housing In Construction FY18-19



Block 55: 528 Hudson Ave, 33, 23 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
ESTIMATED COMPLETION	December 2019
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	80%



Mission Bay South Block 3 East: 1150 3rd St

PROJECT AREA	MBS
SPONSOR/DEVELOPER	Chinatown CDC w/Swords to Plowshares
ARCHITECT	Leddy Maytum Stacy Architects/Saida + Sullivan Design Partners
PROJECT/HOUSING TYPE	100% Affordable/Family Rental, Veterans Supportive Rental
TOTAL/AFFORDABLE UNITS	119/118
ESTIMATED COMPLETION	December 2019
TOTAL OCII FUNDING	\$20,093,600
AFFORDABLE UNITS TARGET AMI	60% and below

Housing In Construction FY18-19

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
TOTAL/AFFORDABLE UNITS	152/151
ESTIMATED COMPLETION	March 2021
TOTAL OCII FUNDING	\$40,726,827
AFFORDABLE UNITS TARGET AMI	Averaging 60% and below



Transbay Block 1 (Podium): 160 Folsom

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Tishman Speyer
ARCHITECT	Studio Gang/Barcelon Jang
PROJECT/HOUSING TYPE	Market Rate with Inclusionary/Homeownership
TOTAL/AFFORDABLE UNITS	76/76
ESTIMATED COMPLETION	February 2020
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	120% and below



Housing In Construction FY18-19



Transbay Block 1 (Tower): 160 Folsom

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



Transbay Block 9: 500 Folsom

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Essex/TMG/BRIDGE Housing
ARCHITECT	Skidmore Owings & Merrill/Fougeron
PROJECT/HOUSING TYPE	Market Rate with Inclusionary/Family Rental
TOTAL/AFFORDABLE UNITS	537/108
ESTIMATED COMPLETION	November 2019
TOTAL OCII FUNDING	N/A
AFFORDABLE UNITS TARGET AMI	50% and below

Annual Housing Production Report

Marketing Outcomes in FY18-19

- ***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
 - Outreach efforts resulting in uptick in COP applicants in FY18-19 for lottery units
 - Displaced Tenants Housing Preference
 - Neighborhood Resident Housing Preference, April 16, 2019
 - San Francisco residents or workers

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Marketing Outcomes in FY18-19

- 359 affordable units occupied
- 900 San Franciscans housed
- 20,782 applicants (4 projects)
- 13 COP holders housed
- 4 of the 13 COP holders returned to San Francisco
 - 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 FY18-19

Project Area	Projects	Date 100% Occupied	Affordable Units by Lottery	COP Holders	Alice Griffith Preference	Rent Burdened	Displaced Tenant Housing Preference	San Francisco Live or Work
TB	222 Beale (Natalie Gubb Commons)	Jul-18	95	1	N/A	N/A	N/A	92
HPSY Phase II/CP	Alice Griffith Phase 3	Aug-18	28	2	17	4	N/A	51
MBS	626 Mission Bay Boulevard North	Dec-18	113	10	N/A	N/A	16	87
HPSY Phase II/CP	Alice Griffith Phase 4	Jun-19	11	0	4	6	0	1
	TOTAL		247	13	21	10	16	231

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COP Program Results 6 years ending FY18-19

- COP holders housed
- COP holders applied for housing

	FY18-19	Total Past 6 Years	FY17-18	FY16-17	FY15-16	FY14-15	FY13-14
COP Holders Housed	13	80	18	38	6	3	2
COP Holders Returned to San Francisco	4	29	11	9	1	3	1
COP Holders Applied for Housing	59	375	61	86	13	95	61
New Certificates Issued	30	392	61	55	111	73	62
Lottery Units Available	247	1,067	350	*186	78	187	22

**Of these 186 units, a total of 120 are senior units that have Project Based rental vouchers, which increased the number of COP holders served.*

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Small Business Enterprise & Workforce Goals

- Developers work cooperatively with OCII to meet overall 50% goals
- 30% of FY18-19 contracts (or \$30 million) awarded to SBEs
- 52% SBE participation in professional services
- 26% SBE in construction
- 14.4% local construction workforce participation
- 857 San Francisco residents performed over 309,700

Annual Housing Production Report

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



Annual Housing Production Report

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

Annual Housing Production Report

- **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