



118-2262020-002

Agenda Item **No. 8(a)**
Meeting of November 17, 2020

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: 1150 3rd Street (MBS Block 3E) Marketing Outcomes Report, a 119-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 1150 3rd Street, also known as, Mission Bay South Block 3 East and Edwin M. Lee Apartments, in the Mission Bay South Redevelopment Project Area. Edwin M. Lee Apartments is comprised of 119 family rental units, including 56 units offered through the typical lottery process and 62 units for lower income veterans referred by the Veterans Administration, and the Department of Homelessness and Supportive Housing. Of the 119 units, there are 12 studios, 55 one-bedroom units, 30 two-bedroom units, and, 21 three-bedroom units, plus one two-bedroom manager's unit. All (56) of the lottery units are affordable at or below 60% Tax Credit Allocation Committee Area Median Income, and 62 formerly homeless veterans' units available 30% Area Median Income ("AMI"). The Edwin M. Lee Apartments were developed by a limited partnership comprised of Chinatown Community Development Center ("CCDC") and Swords to Plowshares ("STP"). It is worth noting that these units successfully leased-up in the midst of a global pandemic.

London N. Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

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CHAIR

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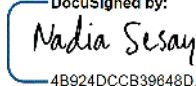
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The Report provides information on the successfully housed applicants occupying the 56 affordable housing units, including: general project information (i.e., type of affordable units and occupancy preferences), an ethnic and racial breakdown of successful applicants, the location where applicants previously lived, and the number of Certificate of Preference ("COP") holder applicants.

A total of 6,699 applications were received, and of these 16 households are COP holders. One COP household, who was previously residing in San Francisco, was a successful applicant and is now living at the Edwin M. Lee Apartments. Of the fifteen who were not housed, six households decided not to pursue an apartment at this development and requested to remain on the waitlist, seven households were non-responsive or withdrew after multiple attempts to reach them, and one applicant was over income while one other was under income. MOHCD staff followed up with the seven COP households who were non-responsive or withdrew, and report that four households cited the current COVID-19 pandemic as a reason it was not a good time for them to move, two chose another housing opportunity, and one was dealing with a family emergency.

A total of 32 applicants were eligible to receive the Displaced Tenant Housing Preference, and of these 32, a total of six households signed leases. Finally, a total of 1,202 applicants were eligible for a Neighborhood Resident Housing Preference and of these 14 households signed leases.

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

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Nadia Sesay
Executive Director

Attachment A: 1150 3rd Street Marketing Outcomes Report

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



London N. Breed
Mayor

Eric D. Shaw
Director

Edwin M. Lee Apartments Marketing Outcomes Project Report

Preface

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 after the initial lease-up for each OCII affordable housing development.

Background

Named for the late Mayor Lee, the Edwin M. Lee Apartments (Mission Bay South Block 3 East) is located at 1150 3rd Street and serves formerly homeless veterans together with low-income families. In 2015, an interdisciplinary evaluation panel selected the team of Chinatown Community Development Center (CCDC) and Swords to Plowshares (STP) as developers. A factor in the team's selection was their successful partnership in the development of 76 formerly homeless veteran studio units at 150 Otis. CCDC was primarily responsible for the construction and initial lease-up of the family units at the Edwin Lee Apartments and STP was responsible for filling the Veterans units. STP will also be responsible for the on-going property management of the entire site. While it does include some information regarding the units designated for veterans, this report's primary focus is on the marketing and lease up of the family units.



The Edwin M. Lee Apartments building is 5-stories and includes 119 units (12 studios, 55 one-bedroom units, 30 two-bedroom units, 21 three-bedroom units, and 1 two-bedroom manager's unit); 62 units for formerly homeless veterans, and 56 family units priced at 50% and 60% of the Area Median Income (AMI). The 56 family units, comprised of 5 one-bedroom units, 30 two-bedroom units, and 21 three-bedroom units, were listed on DAHLIA and went through a lottery to secure a pool of applicants. The 62 veteran units comprised of 12 studios and 50 one-bedrooms. Amenities include:

- 25 parking spaces
- Large central community room with kitchen located along 3rd Street
- Computer lab
- Teen gathering space
- Multipurpose room
- Childs playroom
- Resident services office
- Veterans services office
- Property management offices
- Bike parking room
- Two laundry rooms
- Two-level central courtyard with children's play yard and separate outdoor quiet space



Summary Table

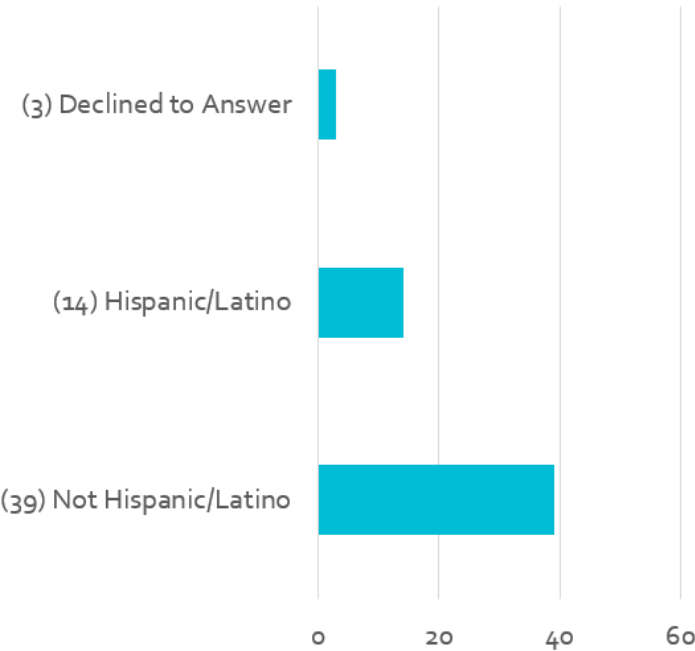
Project Name	Edwin M. Lee Apartments
Project Location	1150 3 rd Street, San Francisco, CA 94158
Project Sponsor	Chinatown Community Development Center Swords to Plowshares
Project Tenure	100% Affordable
Population Type	Family Housing and Veterans
Total Number of Units	119
Break Down of Units by Size	1 Managers Unit 62 Formerly Homeless Veterans Units: ▪ 12 – Studio ▪ 50– 1 Bedroom 56 Family Units: ▪ 5 – 1 Bedroom ▪ 30 – 2 Bedroom ▪ 21 – 3 Bedroom
Total Number of Applicants for 56 Lottery Units	6,699
Family Units Affordability Levels	50% and 60% Area Median Income (MOHCD chart)
Family Units Lottery Preferences	1. Certificate of Preference 2. Displaced Tenant Housing Preference 3. Neighborhood Resident Housing Preference 4. Live or Work in San Francisco 5. Members of the General Public
How many COP holders applied?	16
How many COP holders were housed?	1
What was the COP holder's city of origin?	San Francisco
What happened to the 15 COP holders that were not housed?	7 - No response or withdrawn 1 - Over Income 1 - Under Income 6 - Requested to be added to the waitlist
Answers to "Why did you withdraw or not respond?" when contacted by MOHCD.	4– Pandemic not a good time to move. 2 - Chose another housing opportunity. 1 - Family emergency.
How many DTHP holders applied for the 11 units set-aside?	32
How many DTHP holders were housed?	6

What happened to the 26 DTHP holders that were not housed?	16- No response or withdrawn 5- Over income 1 - Under Income 4 - Added to the waitlist at the applicants' request
How many NRHP holders applied for the 14 units set-aside?	1,102
How many NRHP holders were housed?	14
Total Number of People Housed in the 56 Family Units	186 - Household members including: 66 - Children 23 - Seniors 62 and older
Total Number of People Housed in Veteran's Units	64
Construction Completion Date	January 30, 2020
Marketing Start Date	September 25, 2019
100% Lease-Up Date	June 12, 2020

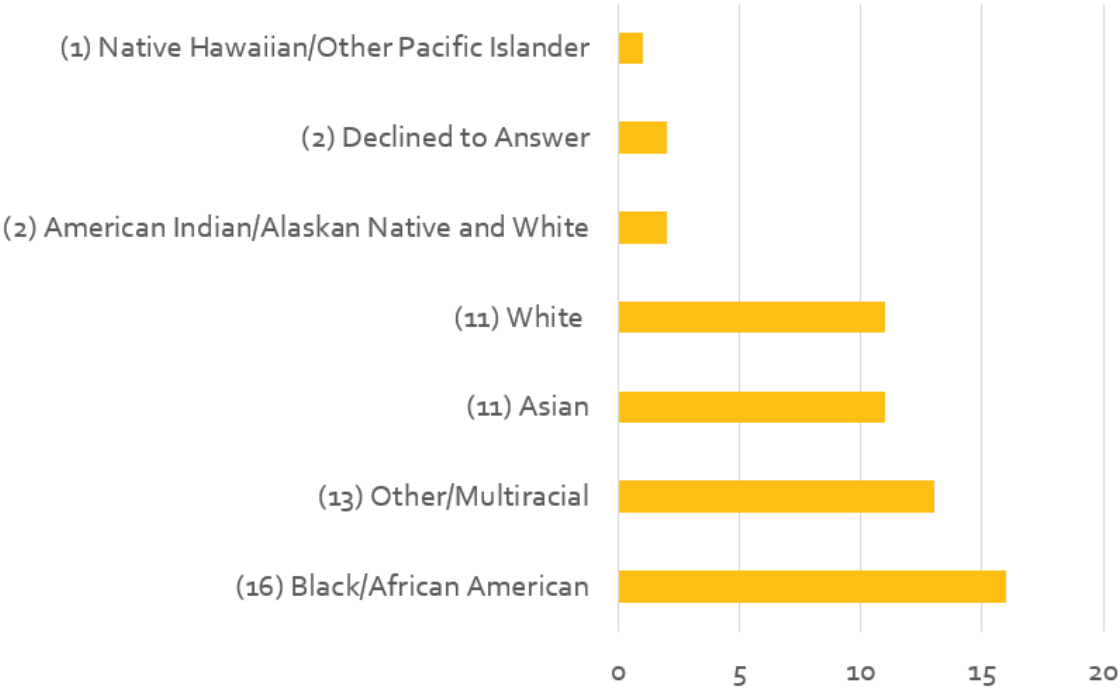
Edwin M. Lee Apartments Family Units Demographics

MOHCD used the same categories as HUD to identify race and ethnicity demographics. Each head of household is asked to identify a race and whether they are ethnically Latino. Please refer to the figure below for a breakdown of how successful applicants identified in terms of ethnicity (see blue) and race (see yellow).

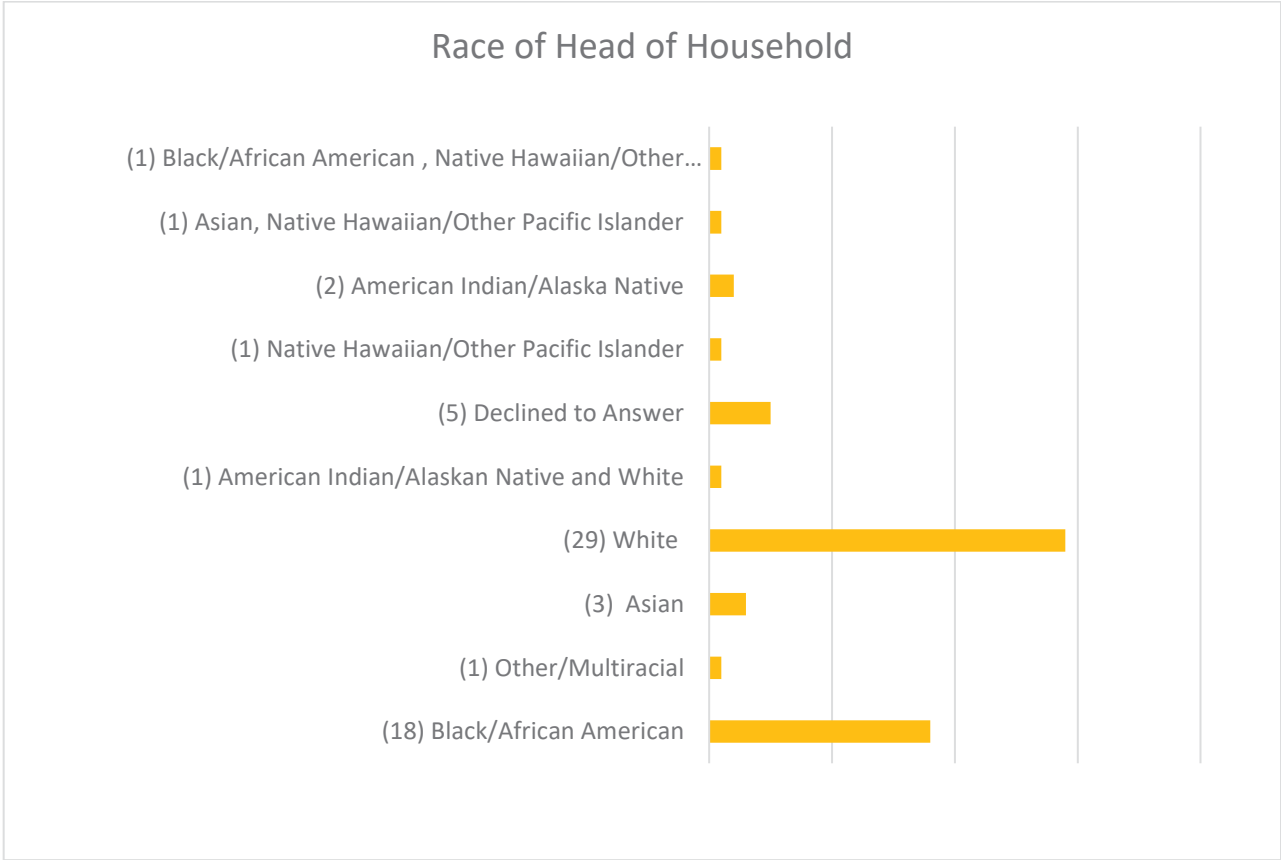
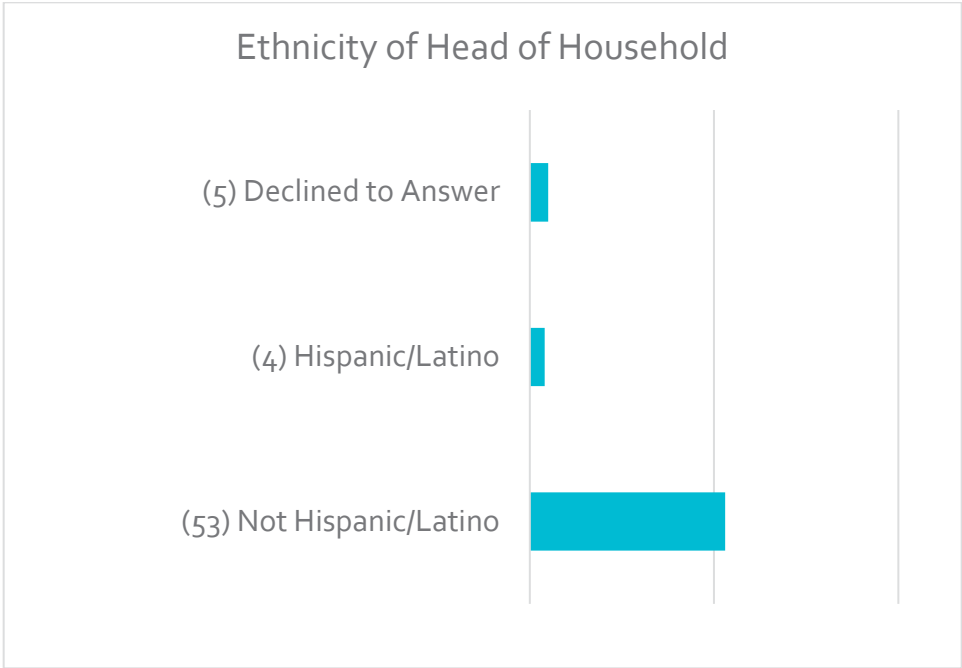
Ethnicity of Head of Household



Race of Head of Household



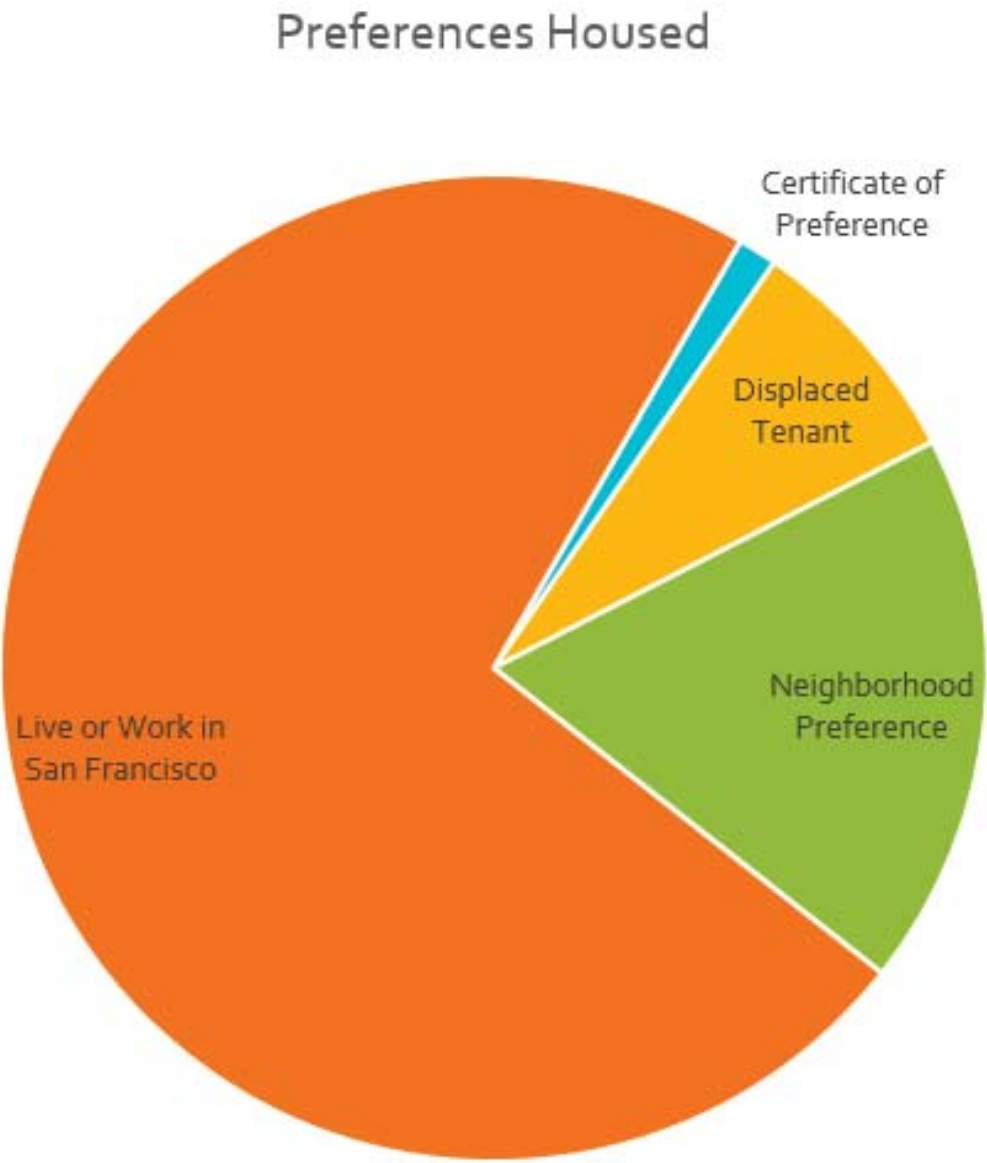
Edwin M. Lee Apartments Veterans Units Demographics



Affordable Housing Lottery Preferences for Family Units

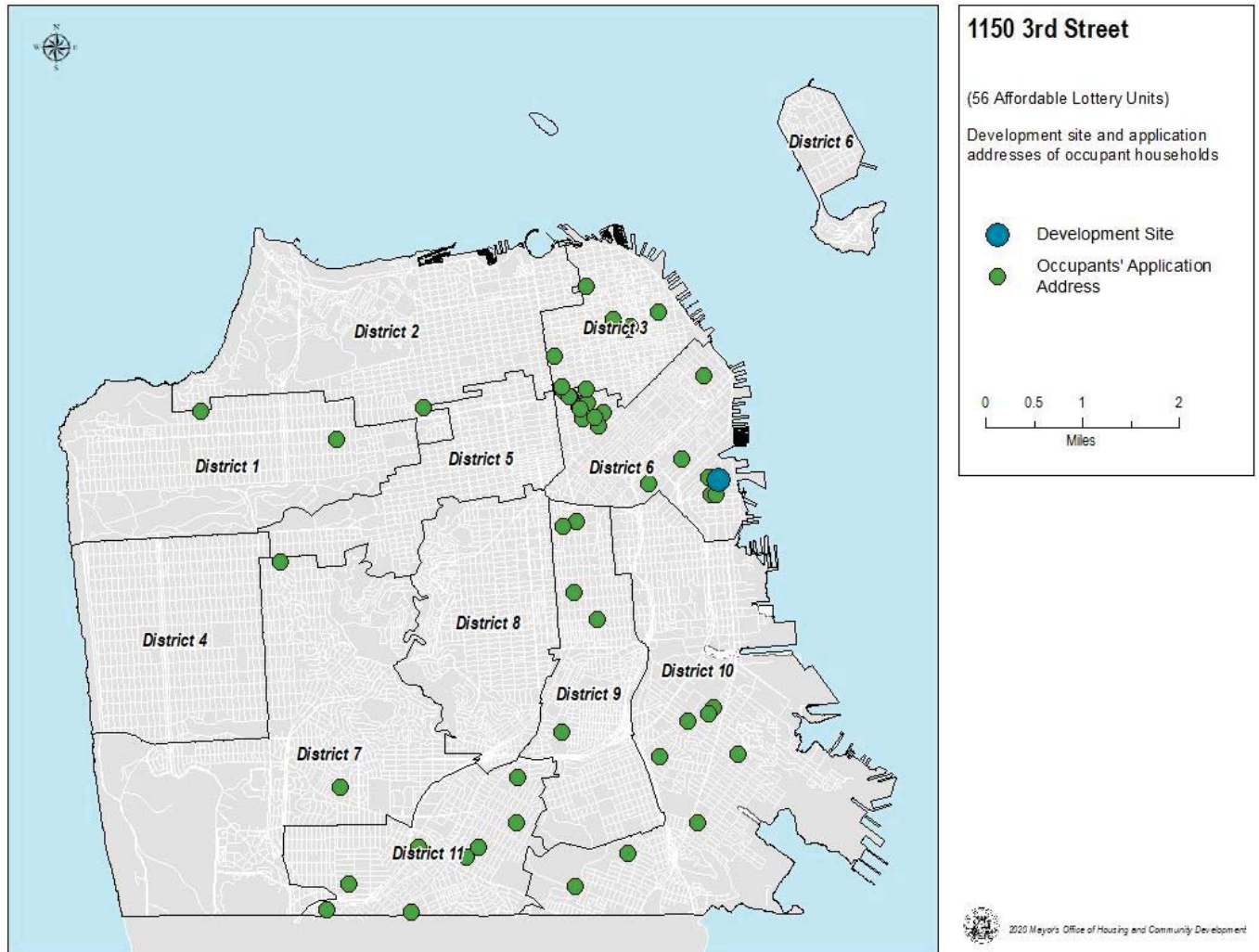
6,699 households applied to Edwin M. Lee Apartments for 56 affordable housing units. Below are the housing lottery preferences for those applicants who secured housing. Overall, Certificate of Preference holders and Displaced Tenant Preference comprise 12.5% of all households.

This project was the first OCII project that applied the Neighborhood Resident Housing Preference (NRHP). The boundaries for this project included District 6 and a ½ mile radius around the project. 1,102 applicants received the NRHP and all 14 units in the set-aside were filled with families from this preference.



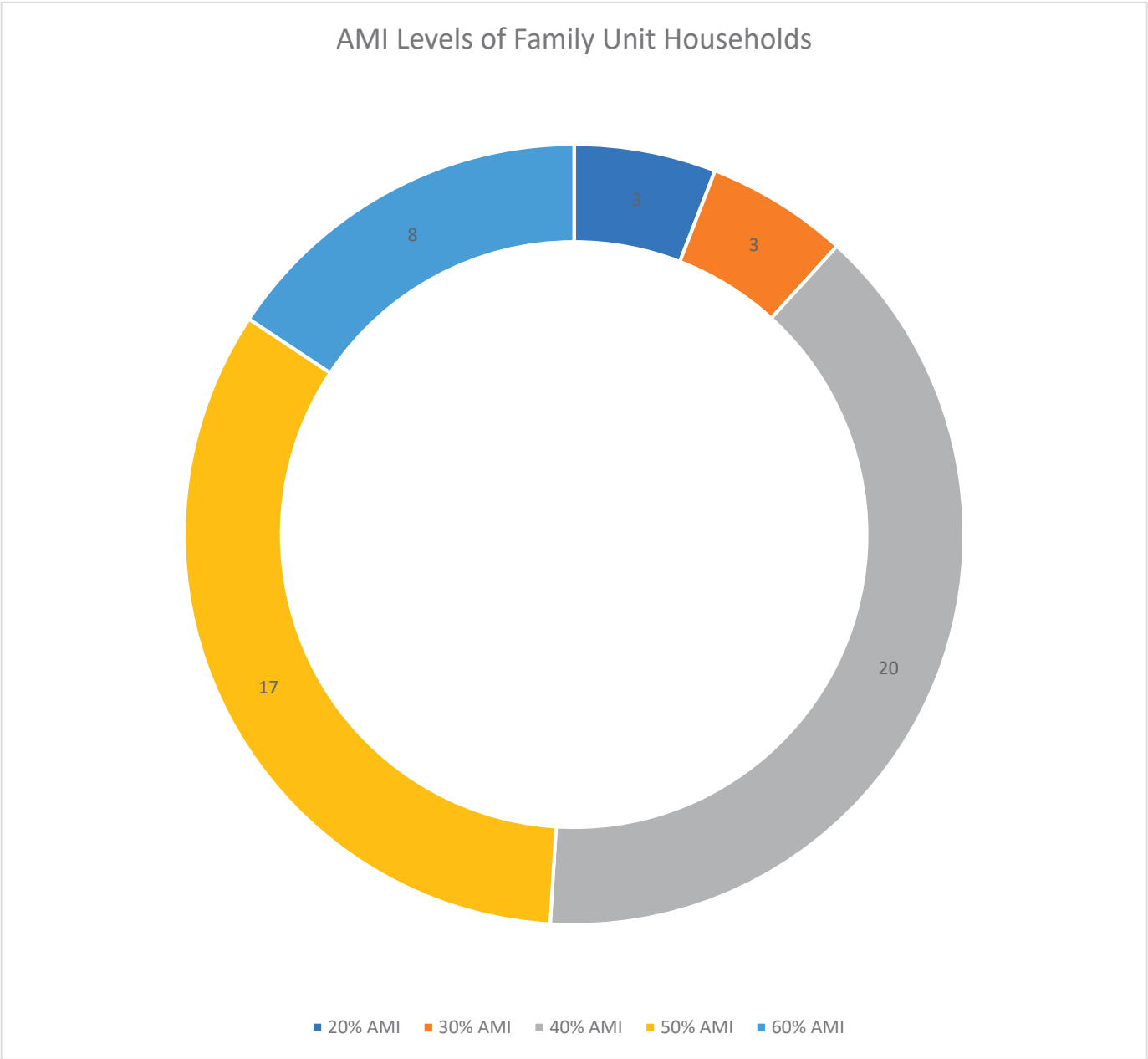
Location of Origin of the People Housed in Family Units

Below is a district map of where the 56 occupant households who rented the family units moved from. 53 of the households that moved in were San Franciscans, with the largest representation hailing from the Tenderloin area of District 6 because of the Neighborhood Resident Housing Preference. Three households came from Oakland, Hayward, and Richmond through the Live/Work in San Francisco lottery preference.



Incomes and Rent Levels in Family Units

Rents in the family units at Edwin M. Lee Apartments are set at 50% and 60% AMI. Monthly rent amounts ranged from \$1,162 to \$1,719, depending on unit size. Only 5% of the applicants that were housed needed a rental subsidy to qualify. The Q Foundation provided rental subsidy to three senior households.



Incomes and Rent Levels in Veterans Units

The 62 Veteran's units in the building were 100% subsidized. The rent levels were at 30% AMI and Veteran's pay 1/3 of their actual income in rent. Fifty-five received Veterans Affairs Supportive Housing ("VASH") project-based vouchers and 7 units were funded via the HUD Continuum of Care program and were filled through the City's Coordinated Entry system. These units were filled by the Veterans Administration in coordination with the non-profit, Swords to Plowshares. Twelve apartments are fully accessible with wheelchair mobility features and 5 are designed for the hearing and visually impaired.

Family Units Featuring Accessibility Design

Edwin M. Lee Apartments has six mobility and three communication family units. Three hundred and eighty nine applicants in the lottery indicated that they required an accessible unit so therefore all nine of the designated units were filled households that needed the features.

Lease up During the Pandemic

In the middle of lease up, the public health order to shelter-in-place took effect. A large number of family unit applicant households now found themselves with no source of income and delays with the State of California Employment Development Department (EDD) caused unemployment checks put lease up on hold until public benefits could kick in. CCDC patiently waited delayed third party verifications to be returned by employers and landlords, and for completed background reports. As a result, it took longer than anticipated to lease up the family units. CCDC was forced to wait to have welcome events and programming for the new tenants. The staff is looking forward to hosting events in the computer lab, teen room and other gathering areas once pandemic restrictions are lifted. Despite social events being postponed, Edwin M. Lee households are settling in, exploring their neighborhood, and enjoying their new home.

Tenant Feedback

I express my gratitude for this opportunity to move into a new building. I had to leave my District 10 rent-controlled apartment because of an Owner Move-in eviction. We are not too far away from our old neighborhood and my family is finally fully settled in. It took some time with the pandemic to get all the furniture we needed for our apartment. This is the first time in my kids' lives that they each have their own room. I am overjoyed to see my kids (10 and 12) grow up and have their own space, especially now with distance learning, each child is able to have their laptops working in their individual rooms. My kids are so happy in their own rooms and there is nothing more you want as a mom. I have had a handful of interactions with the maintenance staff and they were very helpful with repairs around the unit. Overall my new home has been a true blessing.