



118-2162020-002

Agenda Item **No. 8(a)**  
Meeting of July 21, 2020

## INFORMATIONAL MEMORANDUM

**TO:** Community Investment and Infrastructure Commissioners

**FROM:** Nadia Sesay, Executive Director

**SUBJECT:** Two Marketing Outcomes Reports on affordable housing units at The Avery (Transbay Block 8): 1) 450 Folsom Street, a mixed-income rental tower with 70-inclusionary affordable units; and, 2) 250 Fremont Street, 100% affordable podium with 80 OCII-funded affordable units; Transbay Project Area

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## 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 are the Reports for the lease-up of two properties: 450 Folsom Street; and, 250 Fremont Street, both located in the Transbay Redevelopment Project Area, and also referred to as Transbay Block 8.

450 Folsom Street (also known as the Avery) is a mixed-income rental tower with 70-inclusionary rental housing units. Of the 70 units, there are: 20 studio, 32 one-bedroom, and 18 two-bedroom units. A total of 11 units are affordable at 40% Tax Credit Allocation Committee Area Median Income, and 59 units at 50% Area Median Income ("AMI"). 250 Fremont is comprised of an 80-unit 100% affordable podium. Of the 80-units, there are: 39 one-bedroom, 16 two-bedroom, 24 three-bedroom units, and one one-bedroom manager's unit. All of the units are affordable at 50% AMI. Both properties were developed by Related California Residential, LLC with Tenderloin Neighborhood Development Corporation as the Affordable Housing Developer.

London N. Breed  
MAYOR

Nadia Sesay  
EXECUTIVE DIRECTOR

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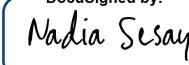
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Both Reports provide information on the successfully housed applicants occupying both properties, including: general project information (i.e., type of affordable units and occupancy preferences), an ethnic and racial breakdown of successful applicants, the location where applicants previously lived, and the number of Certificate of Preference ("COP") holder applicants.

A total of 5,235 applications were received for 450 Folsom (7 received from COP holders), and 5,828 were received for 250 Fremont (13 received from COP holders). There was a total of two successful COP households, both are now living at 250 Fremont. Of these successful applicants, one relocated from American Canyon. In addition to the two successful COP applicants at 250 Fremont: one opted to stay on the waitlist; two were over income; three did not respond; 3 withdrew (2 had already found housing; 1 was under income; and, 1 had unsatisfactory credit. The leasing agent did try and set-up an appeals meeting with the applicant who bad credit and unfortunately the applicant was unable to follow-through. Of the seven COP households who applied for 450 Folsom, six households withdrew their application, and one household was over income.

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

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Nadia Sesay  
Executive Director

Attachment A: 450 Folsom Marketing Outcomes Report

Attachment B: 250 Fremont 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

## 450 Folsom/ Avery 450 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

The 450 Folsom project, or as it is now known the Avery 450, (aka, Transbay Block 8), includes 70 studio, one and two- bedroom BMR rental units. Seven apartments are Mobility units fully accessible with wheelchair mobility features and 5 are Communication units designed for the hearing and visually impaired. The Avery 450 is a mixed income luxury rental apartment building with panoramic views of the San Francisco Bay, the Bay Bridge and the City skyline. For an additional monthly fee of \$50,

residents at the Avery have access to amenities including a 60-foot lap pool, an Equinox-curated fitness center, steam room, yoga room, outdoor terrace, barbeque, game room, a demonstration chef's kitchen, valet parking with electronic docking stations, and each unit is equipped with a washer and dryer.

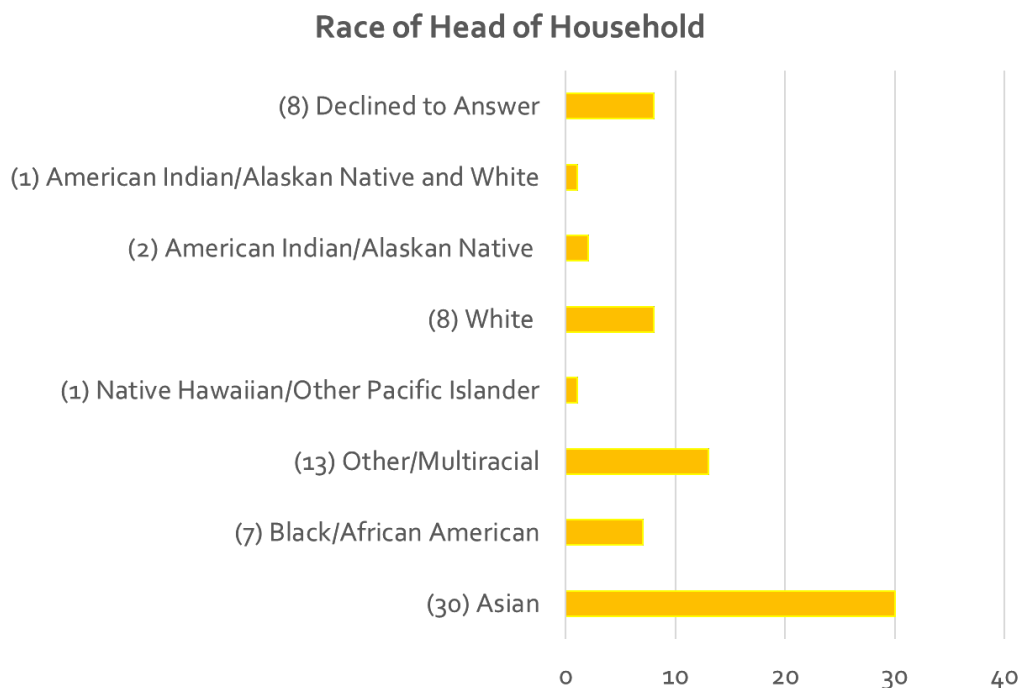
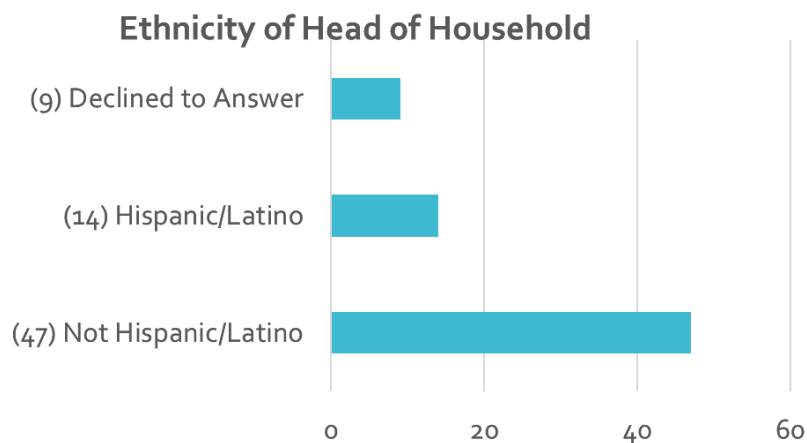
### Summary Table

|                         |                                            |
|-------------------------|--------------------------------------------|
| <b>Project Name</b>     | 450 Folsom aka Avery 450                   |
| <b>Project Location</b> | 450 Folsom Street, San Francisco, CA 94105 |

|                                                                                   |                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Sponsor</b>                                                            | Related Management Company, L.P.                                                                                                                                                                                                                                                                                                        |
| <b>Project Tenure</b>                                                             | Inclusionary Rental Housing                                                                                                                                                                                                                                                                                                             |
| <b>Population Type</b>                                                            | BMR Units                                                                                                                                                                                                                                                                                                                               |
| <b>Total Number of Units</b>                                                      | 350                                                                                                                                                                                                                                                                                                                                     |
| <b>Total Number of BMR Units</b>                                                  | 70                                                                                                                                                                                                                                                                                                                                      |
| <b>Break Down of BMR Units by Size</b>                                            | 70 Lottery Units: <ul style="list-style-type: none"> <li>▪ 20 – Studios</li> <li>▪ 32 – 1 Bedroom</li> <li>▪ 18 – 2 Bedrooms</li> </ul>                                                                                                                                                                                                 |
| <b>Total Number of Applicants for 70 Lottery Units</b>                            | 5,242                                                                                                                                                                                                                                                                                                                                   |
| <b>Affordability Level</b>                                                        | <ul style="list-style-type: none"> <li>▪ 11 units at 40% on the California Tax Credit Allocation Committee (CTCAC) AMI chart</li> <li>▪ 59 units at 50% MOHCD AMI chart</li> </ul>                                                                                                                                                      |
| <b>Occupancy Preferences</b>                                                      | <ol style="list-style-type: none"> <li>1. Certificate of Preference</li> <li>2. Displaced Tenant Housing Preference</li> <li>3. Live or Work in San Francisco</li> <li>4. Members of the General Public</li> </ol>                                                                                                                      |
| <b>How many COP holders applied?</b>                                              | 7                                                                                                                                                                                                                                                                                                                                       |
| <b>How many COP holders were housed?</b>                                          | 0                                                                                                                                                                                                                                                                                                                                       |
| <b>What happen to the 7 COP holders that were not housed?</b>                     | 6- No Response<br>1- Over Income                                                                                                                                                                                                                                                                                                        |
| <b>Answers to “Why did you not respond?” when interviewed by MOHCD.</b>           | <ul style="list-style-type: none"> <li>▪ 2 individuals experienced burdensome personal issues during lease-up</li> <li>▪ 2 individuals were over income</li> <li>▪ 1 individual decided to rent in a different building</li> <li>▪ 1 individual changed their contact information without notice during the lease up process</li> </ul> |
| <b>How many DTHP holders applied?</b>                                             | 36                                                                                                                                                                                                                                                                                                                                      |
| <b>How many DTHP holders were housed?</b>                                         | 7                                                                                                                                                                                                                                                                                                                                       |
| <b>What happen to the 29 DTHP holders that were not housed?</b>                   | 18- No response<br>2- Over income<br>1- Under income<br>6- Withdrawn<br>1- Missed two or more appointments<br>1- Insufficient preference                                                                                                                                                                                                |
| <b>Total Number of People Housed in the 70 Lottery Units at 450 Folsom Street</b> | 147 Household members including:<br>30 Children<br>10 Seniors 55+                                                                                                                                                                                                                                                                       |
| <b>Construction Completion Date</b>                                               | April 12, 2019                                                                                                                                                                                                                                                                                                                          |
| <b>Marketing Start Date</b>                                                       | October 11, 2018                                                                                                                                                                                                                                                                                                                        |
| <b>100% Lease-Up Date</b>                                                         | December 27, 2019                                                                                                                                                                                                                                                                                                                       |

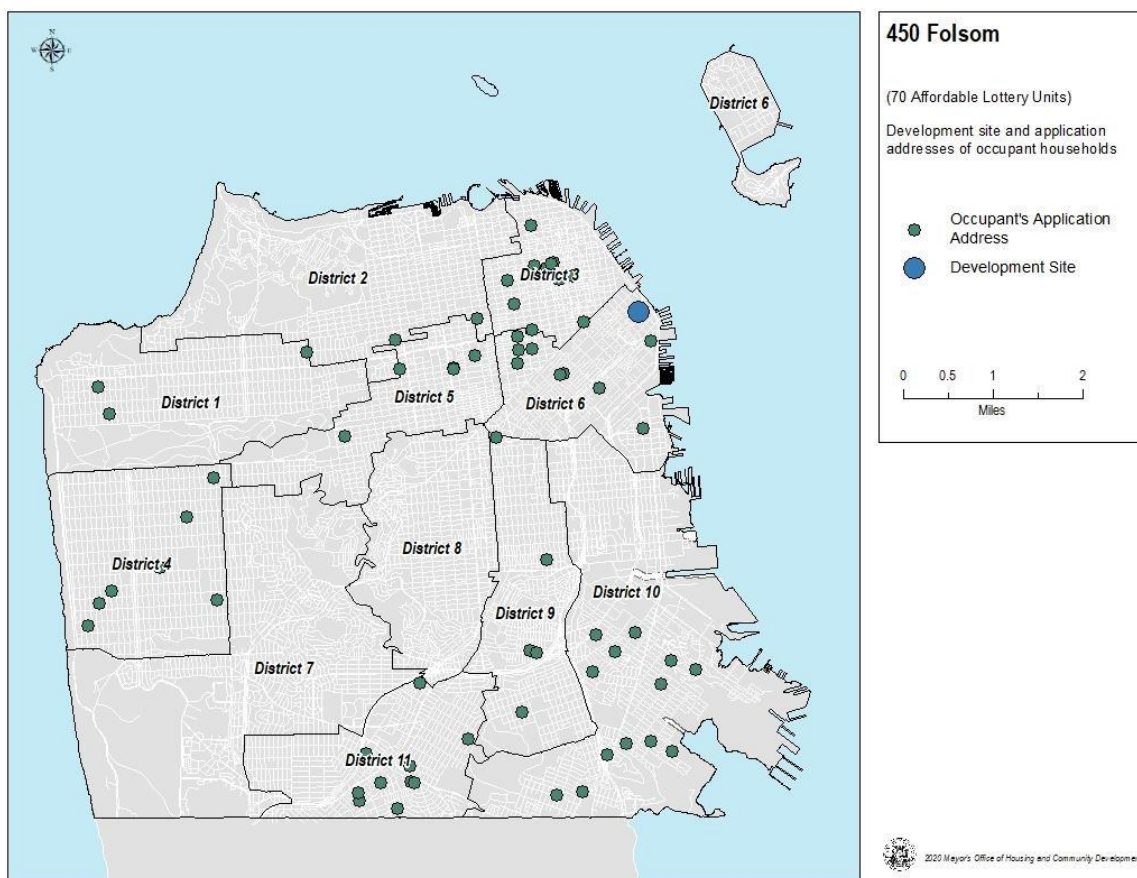
## 450 Folsom Lease-up Demographics

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).



## Location of Origin of Housed Applicants

Below is a district map of where the 70 housed applicants originated. Sixty-six of the successful applicants already resided in San Francisco, with the largest representation hailing from district D10. Four came from communities outside of San Francisco through the Work in San Francisco preference; Oakland, San Bruno and Berkeley were represented.



## Applicant and Occupant Income

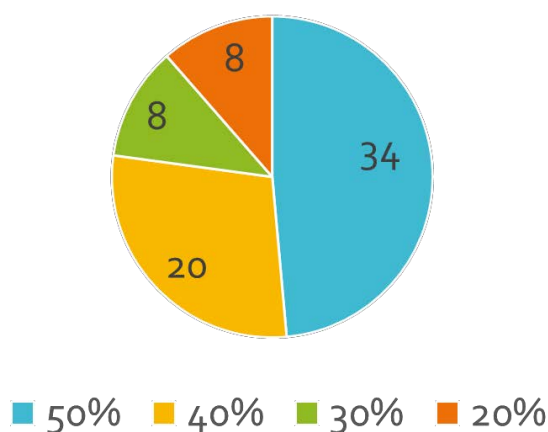
### Applicant Income

A total of 5,242 households applied for 70 units at 450 Folsom ranging in monthly rents from \$979 for a studio to \$1,255 for a two-bedroom. While most of the units were priced at 50% of AMI, the applicant pool's income was on average only 37% of AMI. Average self-reported income for households of one person was \$29,691 or 36% AMI, and \$35,009 or 37% for two-person households, and \$49,046 or 37% AMI for households of 3 or more.

### Occupant Income

Over 75% of the applicants that were able to income and asset qualify and meet the credit and criminal background standards are at the 40 and 50 percent AMI levels while 23% of occupants have incomes in the 20 and 30 percent AMI range.

Average % of Area Median  
Income



## Rents and Subsidies

At lease up, rents ranged between \$970, and \$1,255 per month, depending on unit size. A single person household would have to earn between \$1,940 and \$3,454 per month, or between \$23,280 and \$41,450 per year to qualify. To qualify for a 2-bedroom unit, a household would have to earn at least \$2,200 per month or \$26,400 per year. The households at 450 Folsom earned between \$6,350 and \$66,202 per year. Nine or 13% of the applicant households who moved into the Avery 450 required a subsidy to qualify. These nine families comprised of seniors and single adults and 2/3rds of the households self-identified as either Black or Latino. Four of the nine households receiving subsidy also received Mobility or Communication units. Without these subsidies, these households would not have qualified for Avery 450. One household had the assistance of Hamilton Families, two were Section 8 voucher holders, and six received help through the Q Foundation. These agencies make up for monthly rental costs in excess of 30% of a tenant's income. Hamilton Families and the Q Foundation are partially funded through HUD, MOHCD, and a myriad of grants and private donations.

## Affordable Housing Lottery Preferences and Lease Up

5,242 households applied to 450 Folsom for 70 affordable housing units. Below are the housing lottery preferences for all applicants as well as those applicants who secured housing. Displaced Tenant Housing Preference holders had a 50% success rate in getting housed, meaning that of the 14 units set-aside for DTHP applicants, 7 households moved in. In total, 36 DTHP applicant households applied for the 14 units and those remaining 29 DTHP applicants either did not qualify (4) or chose not to move forward with the opportunity (25). Applicants providing proof that they either Lived or Worked in San Francisco accounted for the remaining 78% of successful applicants in the 63 remaining units.

## Units Featuring Accessibility Design

450 Folsom designated 7 mobility and 5 communication units for those households that indicated on their application that they required such a unit. Documentation from a health care provider substantiating a household member's need for the features in the unit is required to ensure that this valuable resource is being used as it was intended. 292 applicants in the lottery indicated that they required a mobility or communication unit. All twelve of the designated units were filled by applicants that needed the features. Some households may not need all of the modifications of a mobility unit, but minor adaptations to their non-accessible unit such as grab bars. These unit changes are made through a reasonable accommodation modification request. One of the fully accessible units with mobility features is occupied by a Displaced Tenant Holder household whose income was 31% MOHCD AMI at move in.

## 450 Folsom Success Stories

DTHP holder housed at 450 Folsom (*moved in 6/19/2019*)

"It had been over two years of numerous applications to various affordable housing projects prior to being selected for 450 Folsom. I was fortunate to have a friend assist throughout the entire application process. Additionally, MOHCD staff provided a generous amount of support in explaining DTHP. We were close to giving up hope if not for Mr. Gallardo Brown's time and assistance. Unquestionably, 450 Folsom truly feels like home. I must add that it is the best home that I have ever lived in and I am sixty with disabilities. I am truly blessed with having a corner unit with a good amount of sunshine which helps medically. I could not believe that the long journey of twist and turns filled with anxiety and uncertainty have finally ended as I set foot in the beautiful Avery unit, I call home with my family members. Additionally, the building has a highly sophisticated elevator system with the state-of-the-art modern amenities. Even the trash chute has electronic selections or options for recycle materials or for trash to be discarded. The location is perfect in that it is close to shopping, restaurants, banks, public transportation and free transportation (Bay Shore Shuttle) along with grocery stores and hospitals and numerous medical clinics. Being right in downtown area, just about everything is close by which make my commute very convenient. Whenever I have the energy and chance, I will explore my new community along with my daughter and friends. Our overall experience at 450 Folsom has been wonderful and reassuring."

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



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Director

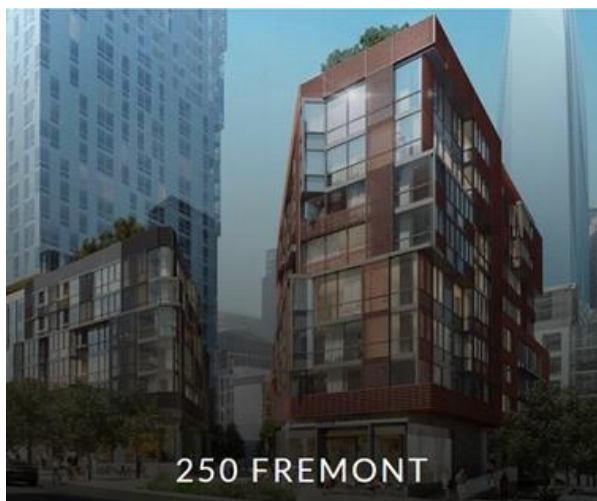
## **250 Fremont**

### **Marketing Outcomes Project Report**

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#### **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**

The 250 Fremont project aka, Transbay Block 8, includes 79 affordable one, two, and three-bedroom rental units for households earning up to 50% of the area median income. Nine apartments are fully accessible with wheelchair mobility features and 7 are designed for the hearing and visually impaired. 250 Fremont features two separate buildings, one stand alone and one wing building connected to the 450 Folsom tower among a landscaped ground level mid-block plaza and include a rooftop community garden and an outdoor play area. Common amenities include a community room, laundry room, and a 3-level underground parking garage with 20 free of charge parking spaces distributed by lottery rank

among the 79 units. The underground parking garage includes bicycle parking and is managed by a valet operator. For an additional monthly fee of \$50, residents have access to amenities at the 450 Folsom tower, including a 60-foot lap pool, an Equinox-curated fitness center, steam room, yoga room, outdoor terrace, barbeque, game room, and a demonstration chef's kitchen.

## Summary Table

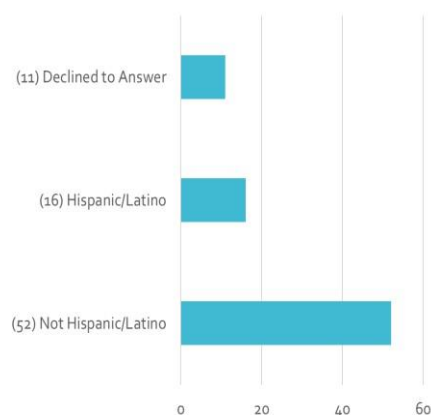
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|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Name</b>                                                                 | 250 Fremont                                                                                                                                                                                                                                                                                                                                           |
| <b>Project Location</b>                                                             | 250 Fremont Street, San Francisco, CA 94105                                                                                                                                                                                                                                                                                                           |
| <b>Project Sponsor</b>                                                              | Related Management Company, L.P.                                                                                                                                                                                                                                                                                                                      |
| <b>Project Tenure</b>                                                               | 100% Affordable                                                                                                                                                                                                                                                                                                                                       |
| <b>Population Type</b>                                                              | Family Housing                                                                                                                                                                                                                                                                                                                                        |
| <b>Total Number of Units</b>                                                        | 79                                                                                                                                                                                                                                                                                                                                                    |
| <b>Break Down of Units by Size</b>                                                  | 1 Managers Unit<br>79 Lottery Units: <ul style="list-style-type: none"> <li>▪ 39 – 1 Bedroom</li> <li>▪ 16 – 2 Bedroom</li> <li>▪ 24 – 3 Bedrooms</li> </ul>                                                                                                                                                                                          |
| <b>Total Number of Applicants for 79 Lottery Units</b>                              | 5,828                                                                                                                                                                                                                                                                                                                                                 |
| <b>Affordability Level</b>                                                          | 50% Area Median Income (MOHCD chart)                                                                                                                                                                                                                                                                                                                  |
| <b>Occupancy Preferences</b>                                                        | 1. Certificate of Preference<br>2. Displaced Tenant Housing Preference<br>3. Live or Work in San Francisco<br>4. Members of the General Public                                                                                                                                                                                                        |
| <b>How many COP holders applied?</b>                                                | 13                                                                                                                                                                                                                                                                                                                                                    |
| <b>How many COP holders were housed?</b>                                            | 2                                                                                                                                                                                                                                                                                                                                                     |
| <b>What was the COP holder's city of origin?</b>                                    | American Canyon, San Francisco                                                                                                                                                                                                                                                                                                                        |
| <b>What happen to the 11 COP holders that were not housed?</b>                      | 3- No response<br>3- Withdrawn<br>2- Over Income<br>1- Under Income<br>1- Requested to be added to the waitlist<br>1- Did not meet credit requirement                                                                                                                                                                                                 |
| <b>Answers to "Why did you withdraw or not respond?" when interviewed by MOHCD.</b> | <ul style="list-style-type: none"> <li>▪ 1 individual experienced burdensome personal issue during lease-up</li> <li>▪ 1 individual self-identified as being over income</li> <li>▪ 1 experienced a death in the family during lease-up</li> <li>▪ 2 already found housing</li> <li>▪ 1 individual decided to rent in a different building</li> </ul> |
| <b>How many DTHP holders applied?</b>                                               | 44                                                                                                                                                                                                                                                                                                                                                    |
| <b>How many DTHP holders were housed?</b>                                           | 5                                                                                                                                                                                                                                                                                                                                                     |
| <b>What happen to the 39 DTHP holders that were not housed?</b>                     | 7- No response<br>20- Withdrawn<br>2- Over Income<br>1- Under Income                                                                                                                                                                                                                                                                                  |

|                                                                                    |                                                                                                              |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
|                                                                                    | 6- Requested to be added to the waitlist<br>1- Did not meet credit<br>2-Did not meet other building criteria |
| <b>Total Number of People Housed in the 79 Lottery Units at 250 Fremont Street</b> | 206 Household members including:<br>50 Children<br>39 Seniors 55+                                            |
| <b>Construction Completion Date</b>                                                | April 12, 2019                                                                                               |
| <b>Marketing Start Date</b>                                                        | August 23, 2018                                                                                              |
| <b>100% Lease-Up Date</b>                                                          | October 29, 2019                                                                                             |

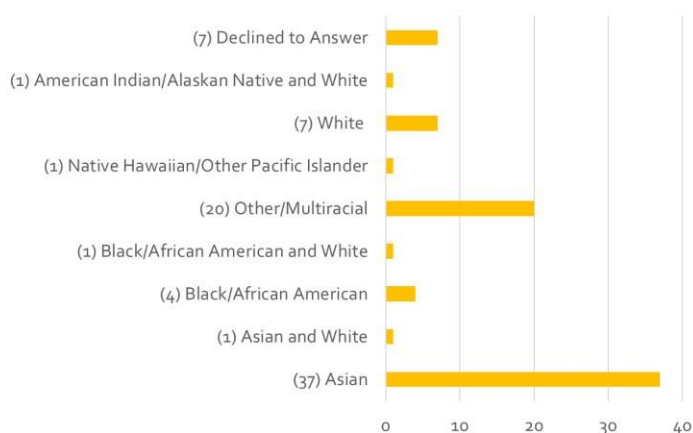
## 250 Fremont Lease-up Demographics

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

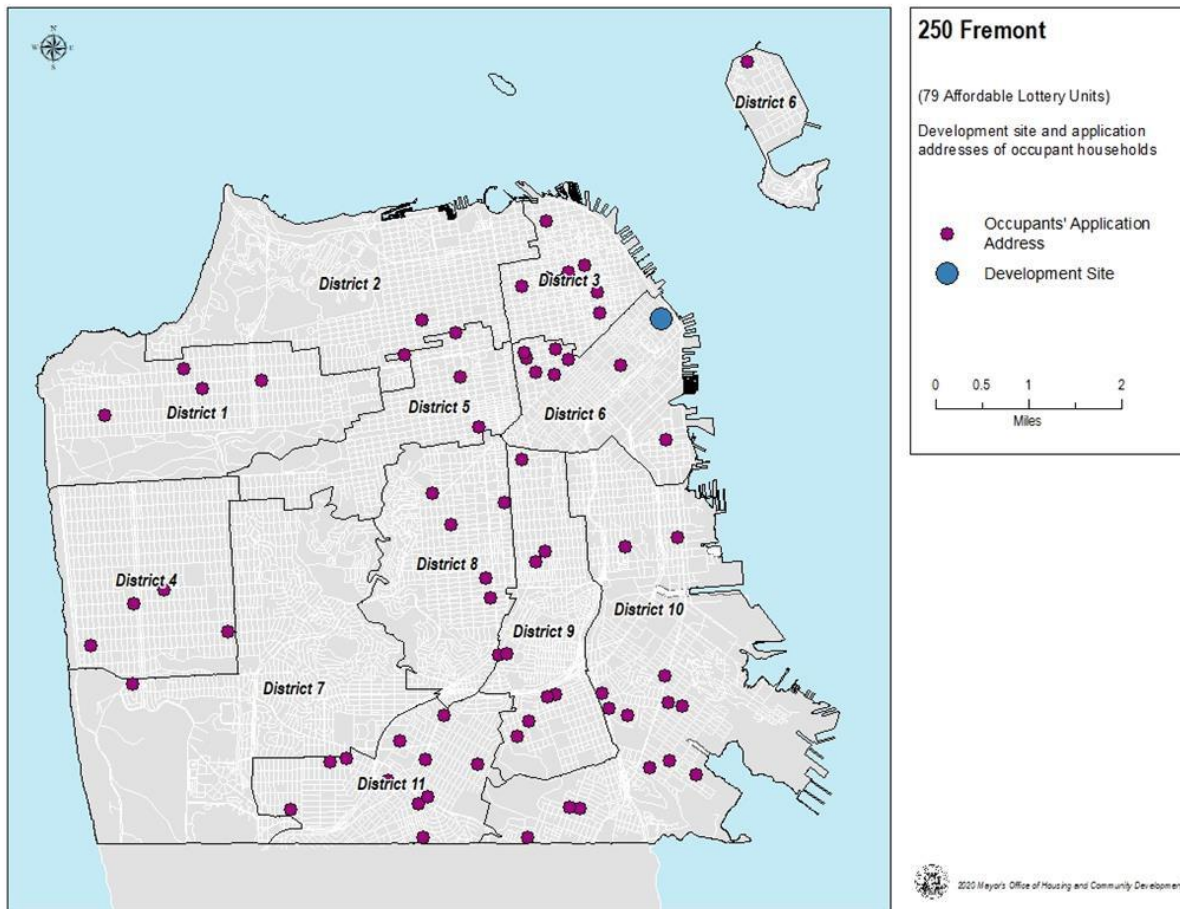


Race of Head of Household



## Location of Origin of Housed Applicants

Below is a district map of where the 79 occupant households originated. Seventy-one of the successful applicants already resided in San Francisco, with the largest representation hailing from district D10. Eight came from communities outside of San Francisco. One of the two COP holders resided in American Canyon. Through the Work in San Francisco lottery preference, four households previously resided in Daly City, and a household each hailed from San Mateo, Redwood City and San Bruno.



## Applicant and Occupant Income

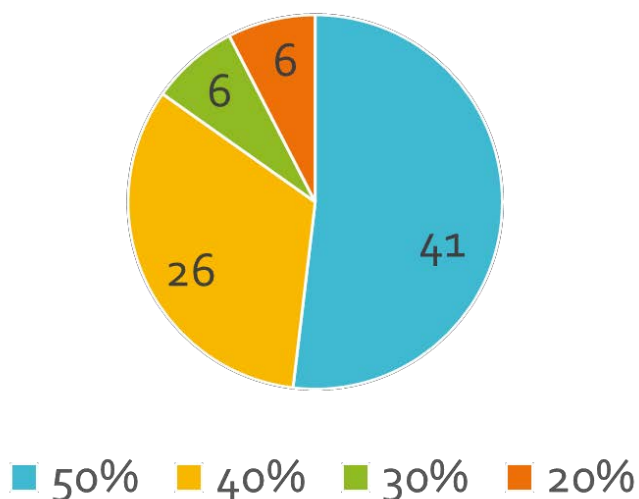
### Applicant Income

A total of 5,828 households applied for the opportunity at 250 Fremont. Monthly rents ranged from \$1,118 for a one bedroom to \$1,365 for a two-bedroom. While most of the units were priced at 50% of AMI, the applicant pool's income was on average only 36% of AMI.

### Occupant Income

About 85% of the applicants that were able to qualify with regard to income and assets while 15% of occupants had incomes in the 20 and 30 percent AMI range and needed a subsidy to qualify. Related Management Company reviewed over 400 applications to fill the 79 units.

### Average % of Area Median Income



## Rents and Subsidies

Rents at 250 Fremont are set at 50% AMI. At lease up, rents ranged between \$1,118 to \$1,365 a month, depending on unit size. The households at 250 Fremont earned between \$952 and \$5491 per month. Six, or 8% of the households who moved into 250 Fremont required a subsidy to qualify. The households with rental subsidies are comprised of a mix of families and seniors. Four of the six households receiving a subsidy also received Mobility or Communication unit. Without subsidies, these households would not have qualified for 250 Fremont. Two were Section 8 voucher holders, and four received help through the Q Foundation. These agencies make up for monthly rental costs in excess of 30% of a tenant's income. The Q Foundation is partially funded through HUD, MOHCD, and a myriad of grants and private donations.

## Affordable Housing Lottery Preferences and Lease Up

5,828 households applied to 250 Fremont for 79 affordable housing units. Below are the housing lottery preferences for all applicants as well as those applicants who secured housing. Overall, Certificate of Preference holders and Displaced Tenant Preference holders were housed at a 27% rate.

## Units Featuring Accessibility Design

250 Fremont designated 9 mobility and 7 communication units for those households that indicated on their application that they required such a unit. Documentation from a health care provider substantiating a household member's need for the features in the unit was required to ensure that this valuable resource is being used as it was intended. 312 applicants in the lottery indicated that they required a mobility or communication unit. All sixteen of the designated units were filled by applicants that needed the features. Some households did not need all the modifications of a mobility unit, but rather minor adaptations to their non-accessible unit, such as grab bars were accommodated by the building owner. Both Certificate of Preference householders that were housed indicated a need for mobility features on their application that were ultimately granted through adaptations to non-mobility units.

## 250 Fremont COP Testimonials

"I applied to two housing opportunities through DAHLIA before moving to 250 Fremont and it was easy. I was homeless prior to living here at 250 Fremont, and I worked with Hamilton Family in May of last year to help secure housing costs. They were really great and supportive. I love the building. I love the community here. I am enjoying living here tremendously. Management and maintenance are very responsive and they answer in a timely fashion. If I decide to entertain family and friends, I have a community room. I am disabled and am building up enough wind to walk to Starbucks or Subway. The grocery store is right down the street, and there are plenty of restaurants and entertainment in my neighborhood. I have a parking space. It does feel like home. It has a nice ambiance and my place is well lived in and has lots of decorations to help make me really feel at home. What I would say to other COP holders is that if you get an opportunity to move into 250 Fremont, do so, because it's a nice quiet place to live."

"When I was first approved, I had to get my credit cleared. Q foundation was supportive of my move and they put my name in different places, I had a wonderful experience with them. I feel peace of mind, I do believe I will live longer. I don't really entertain, but if I could, I would go to the 30th floor to entertain for the super bowl. I have Warriors and 49er players for neighbors. I am permanently disabled and a professional athlete that lives next door offered to be my personal trainer. I have a beautiful Yorke who frequents Avery Lane, a dog walking section. It feels peaceful and beautiful. I want to tell COP holders to use your certificate, put in applications, and do not be afraid. All you could hear is no. I am blessed and thankful, and my kids are so happy for me. I am going to live longer here."