

Affordable Housing GO Bonds Update and

Request for Approval, 2nd Issuance 2019

Capital Planning Committee

December 12, 2022



Mayor's Office of Housing and Community Development

City and County of San Francisco

2019 Affordable Housing Bond Action before Committee



Action item recommending to approve:

- Resolution authorizing the sale of Taxable General Obligation Bonds (Affordable Housing 2019) Series 2023C, not to exceed \$172.0M

Affordable Housing GO Bonds 2015, 2016, and 2019 Update

Capital Planning Committee
December 12, 2022



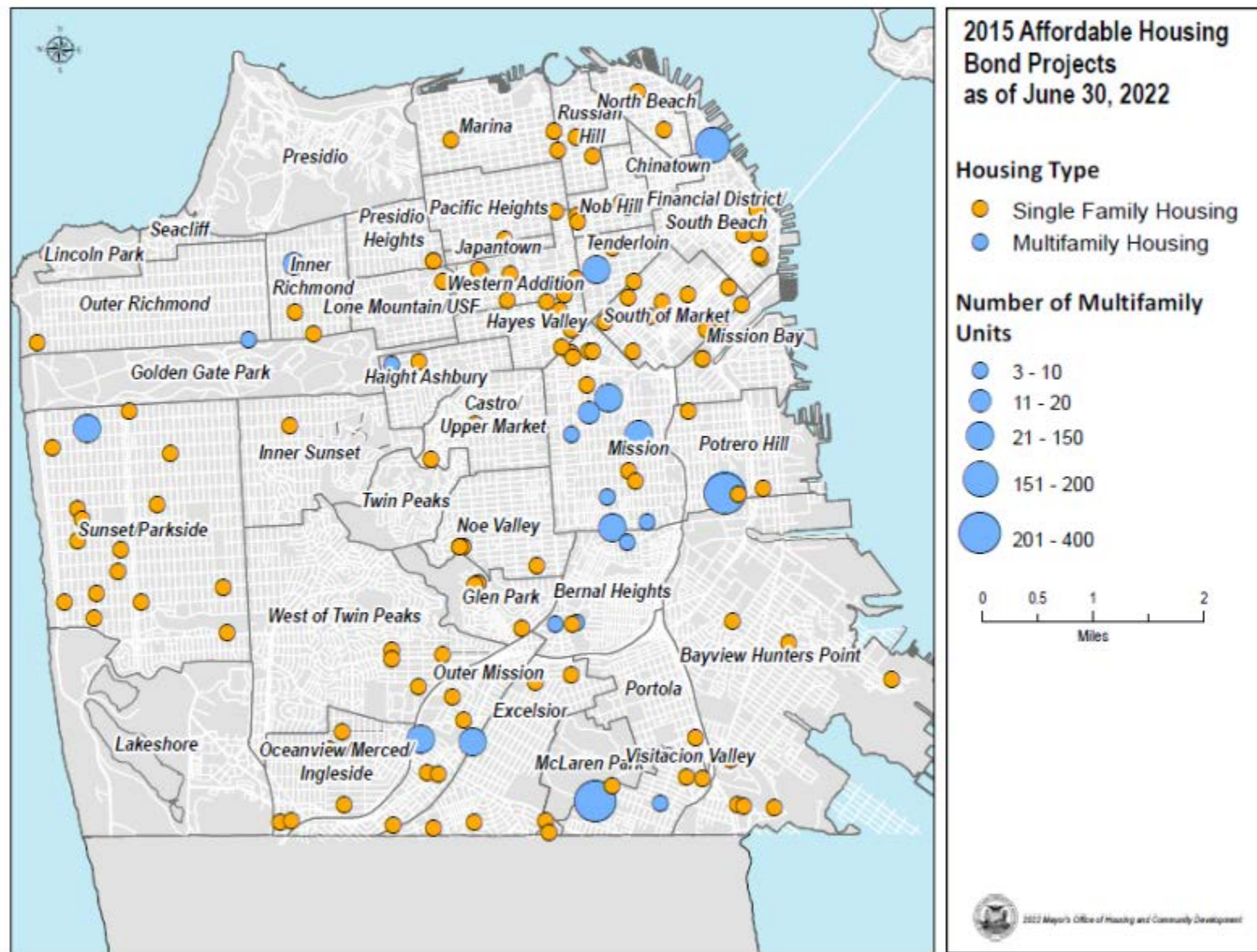
Mayor's Office of Housing and Community Development
City and County of San Francisco

2015 Affordable Housing Bond update

- \$310M bond passed in November 2015
- 84% spent and 5% encumbered as of June 2022
- Anticipate full spending by December 2023



2015 Affordable Housing Bond Project Locations



2015 Affordable Housing Bond Unit Production Summary

As of June 2022



	Affordable Units in Predevelopment	Affordable Units in Construction	Affordable Units Completed	Projected Total Affordable Units
Public Housing – Potrero Parcel X Vertical	0	0	72	72
Public Housing – Potrero Infra (Affordable)	157	0	0	157
Public Housing – Potrero Infra (Market Rate)*	125	0	0	125
Public Housing – Sunnydale Parcel Q Vertical	0	0	55	55
Public Housing – Sunnydale Block 6	0	167	0	167
Low Income Housing – 500 Turk	0	108	0	108
Low Income Housing – 1296 Shotwell	0	0	94	94
Low Income Housing – 88 Broadway/ 735 Davis	0	0	115	115
Low Income Housing – Balboa Park Upper Yard	0	112	0	112
Low Income Housing - Small Sites (Rehab)	0	0	80	80
Low Income - Mission Set Aside 1990 Folsom	0	0	143	143
Middle Income DALP ***	30	N/A	87	117
Middle Income TND ***	4	N/A	56	60
Middle Income Teacher Housing – 43 rd & Irving	100	0	0	100
Middle Income Prod – 88 Broadway/ 735 Davis	0	0	10	10
Middle Income Prod – 482 Geneva	0	18	0	18
TOTAL	416	405	712**	1,533
Percent of Phase	28%	26%	46%	100%

* We are including infrastructure supporting Market Rate units at Potrero as they provide cross-subsidy for affordable housing units also supported by the infrastructure investment.

** We note that several units received both DALP and TND Loans. For the purposes of this summary we only counted units receiving both types of loans once as a DALP loan.

*** We note that loans not yet issued are tracked under Predevelopment so that the percentages will equal to 100%

2016 Affordable Housing Bond Allowable Housing Uses



- Acquisition & Rehabilitation of Existing Housing
 - Small Sites (buildings with 5-25 apartments)
 - Larger multi-unit and mixed-use residential buildings
 - Single-Room Occupancy hotels (SRO)
- What's not eligible:
 - New construction
 - Acquisition without rehabilitation
- All loans pay amortized debt service – minimal impact to General Fund

2016 Affordable Housing Bond Spending update



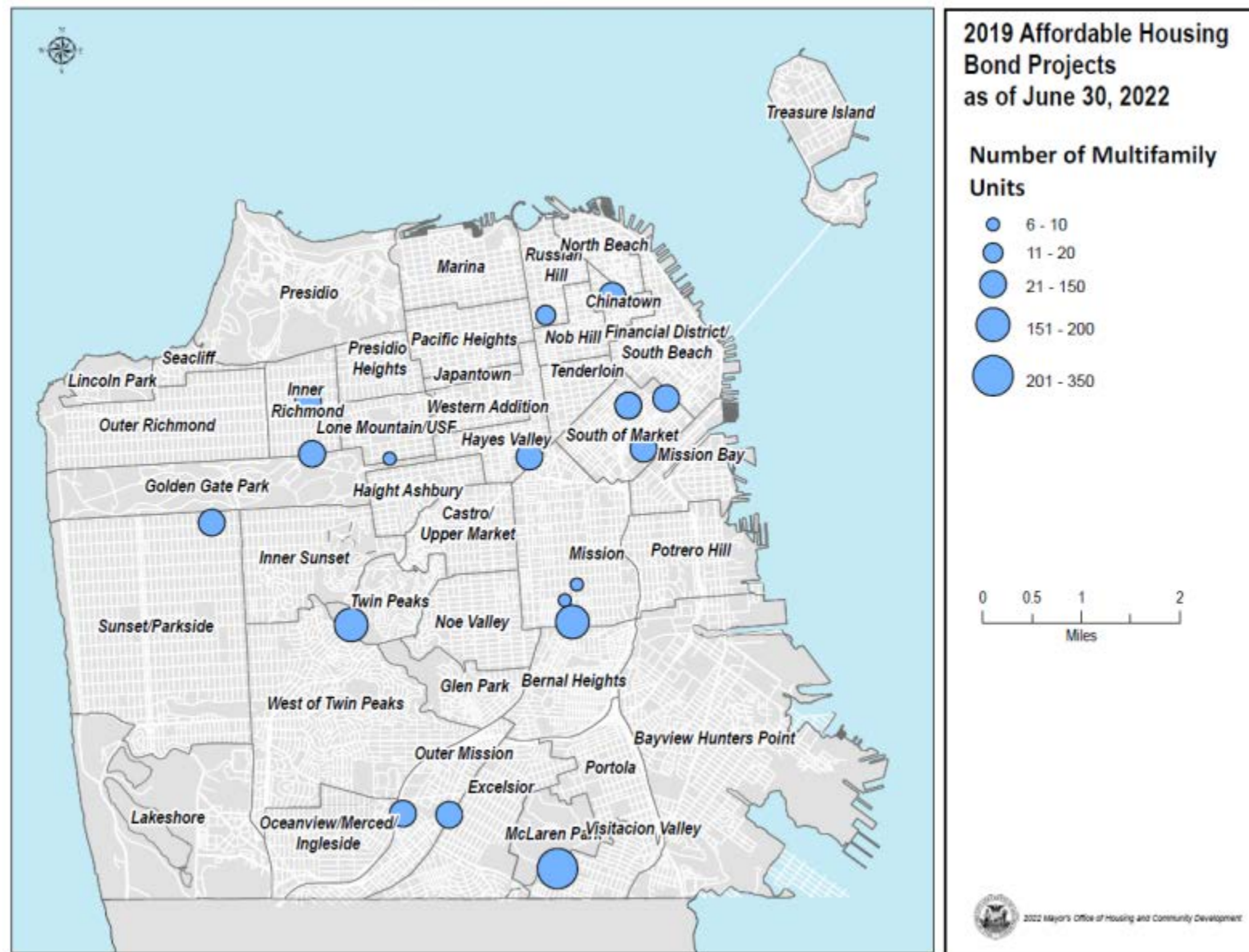
- First Issuance: **\$74.4M**
 - Issued February 2019
 - 73% spent and 27% encumbered as of June 2022
- Second issuance: **\$102.6M**
 - Issued November 2020
 - 6% spent and 2% encumbered as of June 2022
- Anticipate preserving 1,815 residential units across 82 properties

2019 Affordable Housing Bond Spending Update

- \$600M bond passed in November 2019
- First Issuance: **\$254.6M**
 - Issued March 2021
 - 38% spent and 21% encumbered as of June 2022
 - Anticipated to be fully spent by June 2024

	Issuance 1	Issuance 2	Other Issuances	TOTAL
Public Housing	\$ 50.6	\$ 97.9	\$ 1.5	\$ 150.0
Low-Income Housing	\$ 143.7	\$ 38.6	\$ 37.7	\$ 220.0
Preservation and Middle-Income Housing	\$ 37.1	\$ 9.4	\$ 13.5	\$ 60.0
Senior Housing	\$ 21.2	\$ 20.4	\$ 108.4	\$ 150.0
Educator Housing	\$ -	\$ -	\$ 20.0	\$ 20.0
TOTAL	\$ 252.6	\$ 166.3	\$ 181.1	\$ 600.0

2019 Affordable Housing Bond Project Locations



2019 Affordable Housing Bond Unit Production Summary

As of June 2022



	Affordable Units in Predevelopment	Affordable Units in Construction	Affordable Units Completed	Projected Total Affordable Units
Public Housing - HOPE SF - Sunnydale Ph 3 Infra Predev, Blk 7 & 9 Vertical	169	0	0	169
Public Housing - HOPE SF - Potrero Block B Gap	0	282	0	282
Public Housing - SFHA Potrero & Sunnydale Accelerated Conversion HQS	125	0	0	125
Public Housing - HOPE SF - Sunnydale Blk 3A Vertical Gap	84	0	0	84
Public Housing - HOPE SF - Sunnydale Blk 3B Vertical Gap	90	0	0	90
Public Housing - Scattered Sites	0	69	0	69
Low Income - 921 Howard Gap	0	102	0	102
Low Income - Balboa Park Upper Yard Gap	0	130	0	130
Low Income - 4840 Mission Gap	0	137	0	137
Low Income - Treasure Island C3.1 Mercy + CC Gap	0	138	0	138
Low Income - Perm Supportive for Single Adults	220	0	0	220
Low Income - Perm Supportive for People With Chronic Mental Illness	0	8	0	8
Low Income - 78 Haight - Parcels (R, S & U) Gap	0	63	0	63
Low Income - 1515 South Van Ness Gap-Part 1	168	0	0	168
Low Income - Geographic Equity Family Acquisition - 2550 Irving	90	0	0	90
Middle Income - Preservation: Small Sites NOFA	94	0	0	94
Middle Income - 921 Howard Gap	0	101	0	101
Senior Housing - Laguna Honda Hospital Senior Housing Predev	200	0	0	200
Senior Housing - Geographic Equity Senior Acquisition - 4200 Geary	98	0	0	98
Senior Housing - 772 Pacific Predev	70	0	0	70
TOTAL	1,408	1,030	0	2,438
Percent of Phase	58%	42%	0%	100%

Mayor's Office of Housing and Community Development

Affordable Housing GO Bonds 2019 2nd Issuance Request

Capital Planning Committee
December 12, 2022



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

2019 Affordable Housing Bond 2nd Issuance

Public Housing – 288 Units



\$96.83M – Public Housing

- Vertical and Infrastructure development at Sunnydale, Potrero, and Hunters View
- Total of 288 units plus infrastructure development supporting two additional affordable developments at Potrero
- Public housing replacement units and affordable (tax credit) units



2019 Affordable Housing Bond 2nd Issuance

Low-Income Housing – 393 Units



\$38.6M – Low-Income Housing

- 730 Stanyan
 - 160 units including studios, 1 bedroom, 2 bedroom and 3 bedroom units
 - 40 units for households experiencing homelessness (20 TAY, 20 family)
 - Incomes range from 0-80% Area Median Income



2019 Affordable Housing Bond 2nd Issuance

Low-Income Housing – 393 Units



\$38.6M – Low-Income Housing

- Maceo May Additional Gap
 - 105 units for veterans including studios, 1 bedroom and 2 bedroom units
 - 33 units to be occupied by formerly homeless vets currently living on Treasure Island
- Balboa Reservoir Building E
 - First of four affordable housing developments at the Reservoir
 - 124 units including studios, 1 bedroom, 2 bedroom and 3 bedroom units
 - Incomes range from 40%-105% Area Median Income

2019 Affordable Housing Bond 2nd Issuance

Senior Housing – 98 Units



\$20.4M – Senior Housing

- 4200 Geary Boulevard at 6th Avenue
- Site acquired through MOHCD's 2019 Geographic Equity NOFA
- 98 units for seniors – 41 studios, 57 one-bedrooms
 - 20 units for seniors experiencing homelessness
 - 12 units for veteran seniors experiencing homelessness
 - 30 units for extremely low income seniors supported by the City's Senior Operating Subsidy Program

2019 Affordable Housing Bond 2nd Issuance

Senior Housing – 98 Units



2019 Affordable Housing Bond 2nd Issuance

Middle Income Housing – 21 Units



\$9.4M – Downpayment Assistance Loan Program

- Will build on existing successful downpayment assistance loan program for first-time homebuyers.
- Average downpayment assistance amount is approximately \$425k per household, with \$500,000 maximum
- Supports moderate income borrowers, 120%-175% AMI
- Deferred loan due upon sale, transfer of the property, or non-compliance with the contractual program requirements

Request for Approval for Affordable Housing 2019 Bond 2nd Issuance (Series 2023C)



Estimated Sources:	
Public Housing	97,880,000
Low-Income Housing	38,591,653
Preservation & Middle Income Housing	9,400,000
Senior Housing	20,400,000
Cost of Issuance	5,728,347
Estimated Uses:	
Public Housing	97,880,000
Low-Income Housing	38,591,653
Preservation & Middle Income Housing	9,400,000
Senior Housing	20,400,000
CSA Audit Fee (0.2% of project fund)	332,543
Costs of Issuance	700,914
CGOBOC Fee (if applicable)	168,315
Underwriter's Discount	841,575
Reserve for Market Uncertainty	3,685,000
TOTAL NTE Amount:	172,000,000

2019 Affordable Housing Bond 2nd Issuance Known Risks



Known Risks

- Construction costs increases are less severe, but still an issue and unpredictable
- Dynamic State funding environment, especially as it relates to accessing Low Income Housing Tax Credits & Bonds, as well as State Housing Accelerator Fund
- State review of Housing Element and San Francisco's housing policies generally
- Tight labor market is impacting both contractors and nonprofit housing developers
- Rising interest rates, especially for commercial acquisition and construction loans

2019 Affordable Housing Bond 2nd Issuance Financing Schedule



Tentative Financing Schedule

- December 12 – Capital Planning
- January 9 – receive/confirm ratings from Rating Agencies
- January 11 – Budget & Finance Committee
- January 24 – Board of Supervisors 1st Vote
- January 31 – Board of Supervisors 2nd Vote
- March 14 – Tentative bond sale
- March 28 – Tentative bond closing

Questions?



2015 Affordable Housing Bond Program Summary

(in millions)

	Issuance 1	Issuance 2	Issuance 3	TOTAL
Public Housing	\$ 41.0	\$ 0.4	\$ 38.6	\$ 80.0
Low-Income Housing	\$ 24.2	\$ 68.4	\$ 7.4	\$ 100.0
Low-Income Housing (Mission)	\$ 6.1	\$ 43.1	\$ 0.8	\$ 50.0
Middle-Income Housing	\$ 3.8	\$ 30.2	\$ 46.0	\$ 80.0
TOTAL	\$ 75.1	\$ 142.1	\$ 92.8	\$ 310.0



2015 Affordable Housing Bond Spendedown Timeline

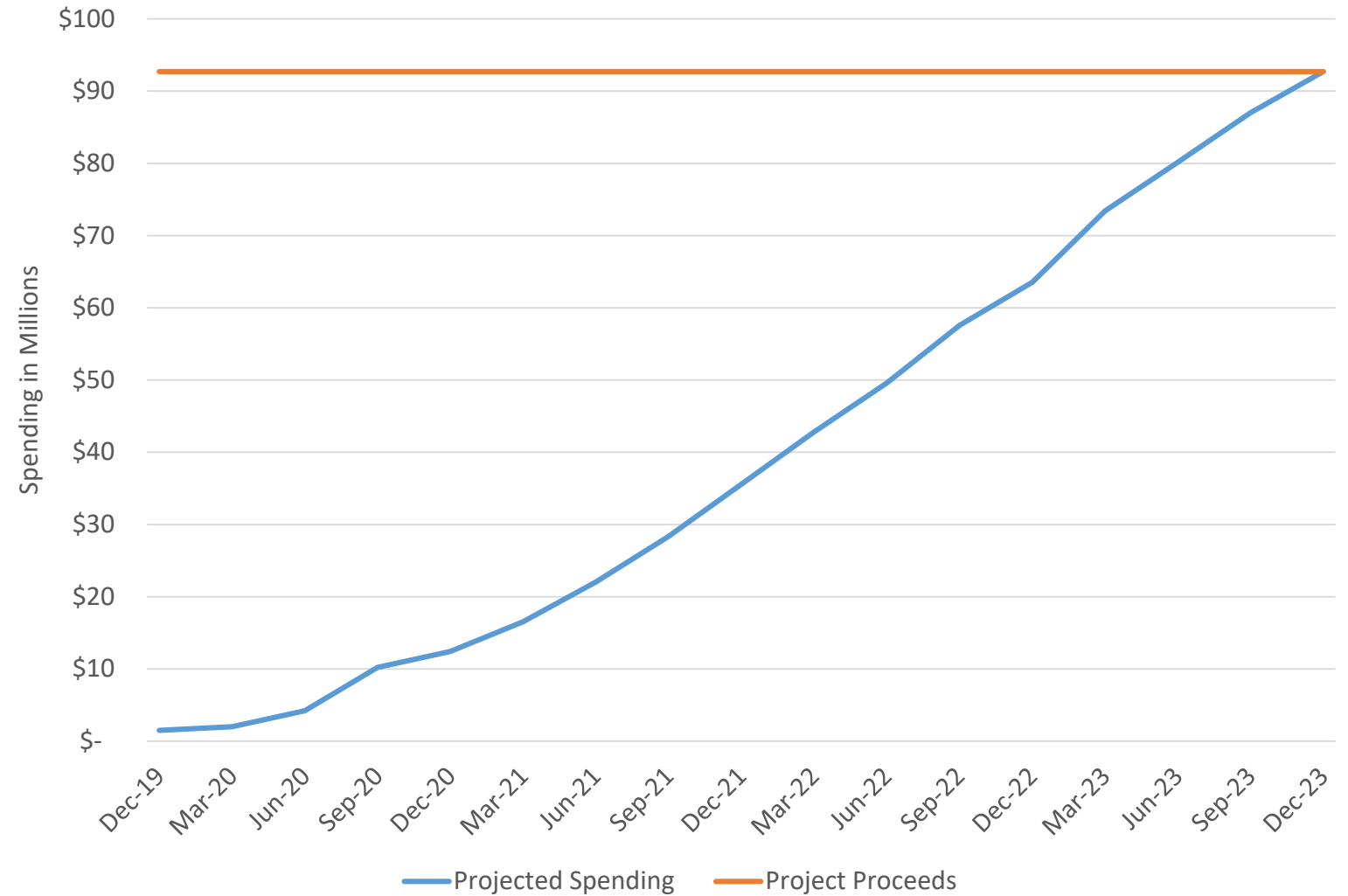


- First and Second issuance projected to be fully expended by early 2023
- Third bond issuance is projected to be fully expended by early 2024. Third issuance expenditure schedule is driven by \$26M allocation to educator housing at 43rd and Irving which began construction in August 2022.

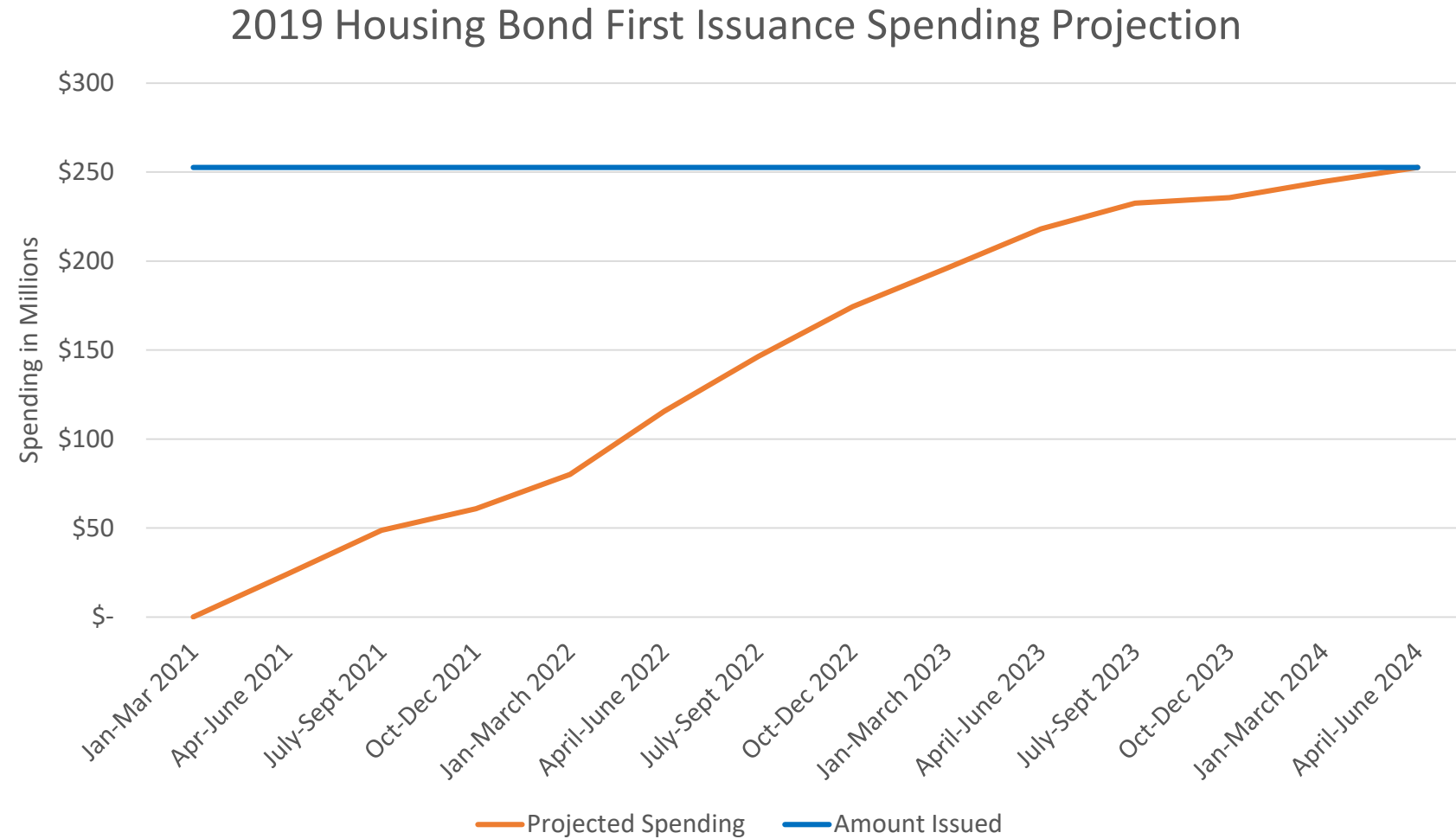
2015 Affordable Housing Bond 3rd Issuance Spending Projection



Third Issuance Spending Projection



2019 Affordable Housing Bond 1st Issuance Spending Projection



1992 Prop A (SSLP)



- Prop A to fund seismic safety loans after Loma Prieta earthquake passed in 1992
- \$350M bond known as the Seismic Safety Loan Program (SSLP)
 - \$60M for Deferred Loans
 - \$90M for Below Market Rate Loans
 - \$200M for Market Rate Loans
- Program was underutilized – only \$90M in loans originated over more than 20 years

2016 Affordable Housing Bond Anticipated Units Preserved update



Total Anticipated Units Preserved as of June 2022

	Total	1 st Issuance 2019A	2 nd Issuance 2020C	3 rd Issuance 2023X
Par Amount	260,684,550	72,420,000	102,580,000	85,684,550
Projects	82	24	31	27
Residential Units	1,815	443	775	597
Commercial Units	89	28	32	29

2019 Affordable Housing Bond 2nd Issuance

Public Housing (Sunnydale) -
170 units combined 3A & 3B



Sunnydale Master Plan

EXISTING CONDITIONS



PROPOSED SITE PLAN



2019 Affordable Housing Bond 2nd Issuance

Public Housing (Sunnydale) –
170 units combined 3A & 3B

\$50.4M – Public Housing Sunnydale

- Vertical and Infrastructure Development which includes housing on Block 3A & 3B as well as Phase 3 infrastructure
- 3A & 3B combined for a total of 170 affordable units
- 75% of units are Sunnydale HOPE SF public housing replacement units subsidized through Section 8 Project-Based Vouchers (PBV) at 40-50% Area Median Income (AMI)



Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond 2nd Issuance

Public Housing (Hunters View) –
118 units



\$30.0M – Public Housing Hunters View

- Hunters View Phase 3 is 118 units ranging from studios units to four-bedroom units
- 53 public housing replacement units supported by PBV
- 44 tax credit units at or below 50% AMI

2019 Affordable Housing Bond 2nd Issuance

Public Housing (Potrero) –
Infrastructure



\$16.43M – Public Housing Potrero

- Infrastructure improvements include new utilities, landscaping, upgrading streets, irrigation
- Potrero Phase 3 infrastructure costs include design, engineering, and predevelopment
- Phase 3 infrastructure must be completed before affordable housing in Blocks Q and R can be built

2019 Affordable Housing Bond 2nd Issuance Spending Projection

(\$166.3M project proceeds)

