

# Affordable Housing General Obligation Bonds Update

CGOBOC

February 27, 2023



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

# Agenda

- Affordable Housing GO Bonds Overview
- 2015 GO Bond Update
- 2019 GO Bond Update
- 2016 GO Bond Update



# Affordable Housing GO Bonds Overview



- Need for the bonds
- Target communities
- Affordable Housing GO Bonds differ from other City GO Bonds
- 2015 and 2019 Bond may be one of several funding sources
  - City loans jump start development

# Affordable Housing GO Bonds 2015 Update

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# 2015 Affordable Housing Bond Update



- \$310M bond passed in November 2015
- First Issuance: **\$75.1M**
  - Issued October 2016
  - 99.9% spent as of December 2022
- Second issuance: **\$142.1M**
  - Issued May 2018
  - 99.3% spent as of December 2022
- Third issuance: **\$92.8M**
  - Issued October 2019
  - 60% spent as of December 2022

# 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
<b>TOTAL</b>	<b>\$ 75.1</b>	<b>\$ 142.1</b>	<b>\$ 92.8</b>	<b>\$ 310.0</b>



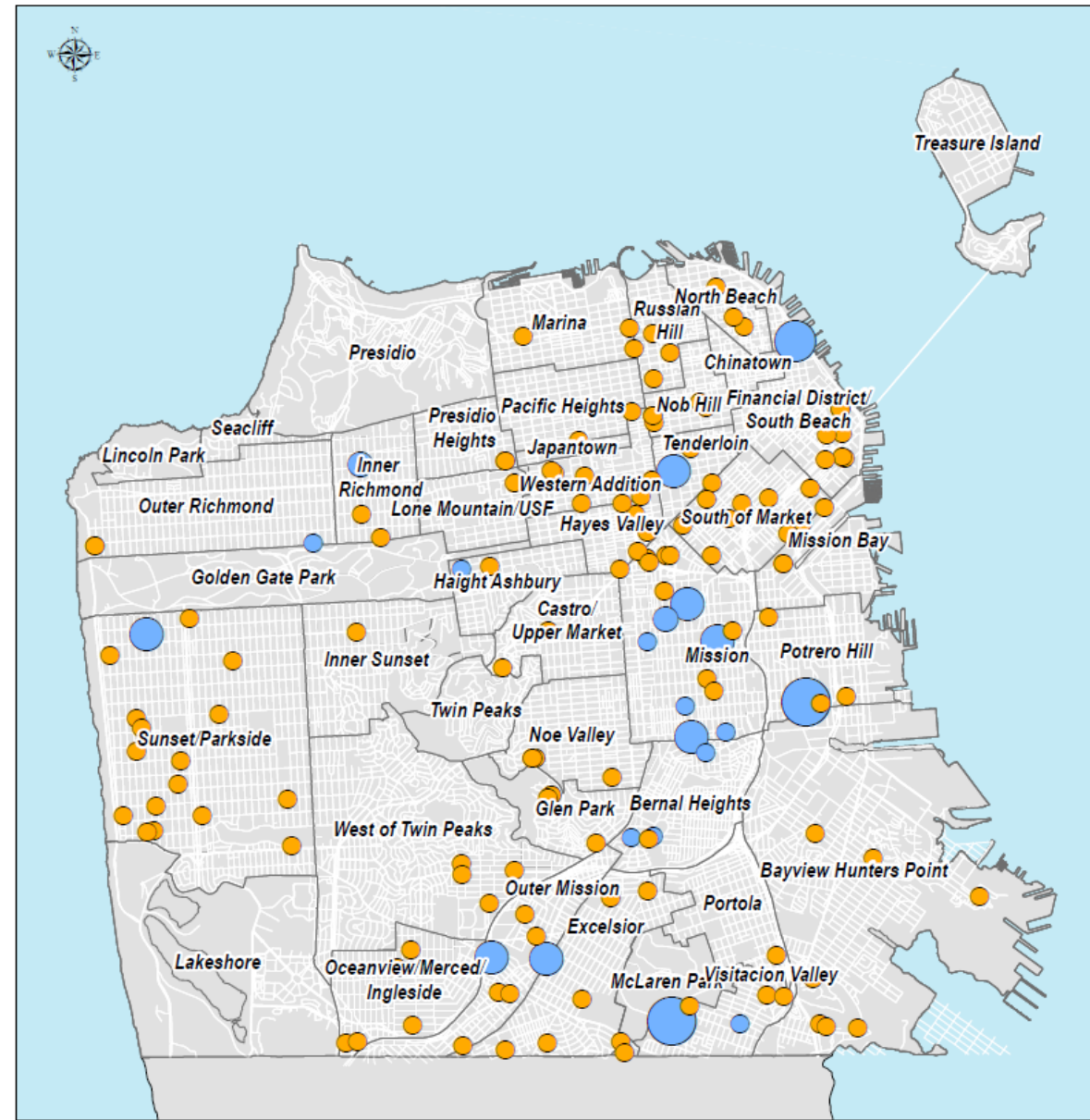
4840 Mission development expected to be completed in fall of 2023.

# 2015 Affordable Housing Bond Spenddown Timeline



- First and Second issuance projected to be fully expended by end of 2023
- Third bond issuance is projected to be fully expended in 2024.
  - Third issuance expenditure schedule is mainly driven by \$25M allocation to educator housing at 43<sup>rd</sup> and Irving which started construction in mid-2022.
  - Potrero Block B additionally expected to be completed in mid-2024.

# 2015 Affordable Housing Bond Project Locations



## 2015 Affordable Housing Bond Projects as of December 31, 2022

- Housing Type**
- Single Family Housing
  - Multifamily Housing

- Number of Multifamily Units**
- Single Family Housing
  - 3 - 10
  - 11 - 20
  - 21 - 150
  - 151 - 200
  - 201 - 400
- 0 0.5 1 2 Miles



# 2015 Affordable Housing Bond Unit Production Summary

As of December 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	0	167	167
Low Income Housing – 500 Turk	0	0	108	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 ***	20	N/A	97	117
Middle Income TND ***	4	N/A	56	60
Middle Income Teacher Housing – 43 <sup>rd</sup> & Irving	0	135	0	135
Middle Income Prod – 88 Broadway/ 735 Davis	0	0	10	10
Middle Income Prod – 482 Geneva	0	18	0	18
<b>TOTAL</b>	<b>306</b>	<b>265</b>	<b>997**</b>	<b>1,568</b>

# 88 Broadway / 735 Davis – 115 Units

Projects Funded by  
2015 Affordable  
Housing Bond



Image by Bruce Damonte

# Balboa Park Upper Yard – 112 Low-Income & 18 Middle-Income Units



# 555 Larkin – 108 Low-Income Units



Rendering by David Baker Architect

# 43<sup>rd</sup> & Irving (Shirley Chisholm Village) – 135 Units



# Questions & Answers



# Affordable Housing GO Bonds 2019 Update

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# 2019 Affordable Housing Bond Update



- \$600M bond passed in November 2019
- First Issuance: **\$254.1M**
  - Issued March 2021
  - 46% spent as of December 2022
- Planned Second Issuance: Estimated not-to-exceed **\$172.0M**
  - Resolution passed by the Board in February 2023



# 2019 Affordable Housing Bond Program Summary

*(in millions)*

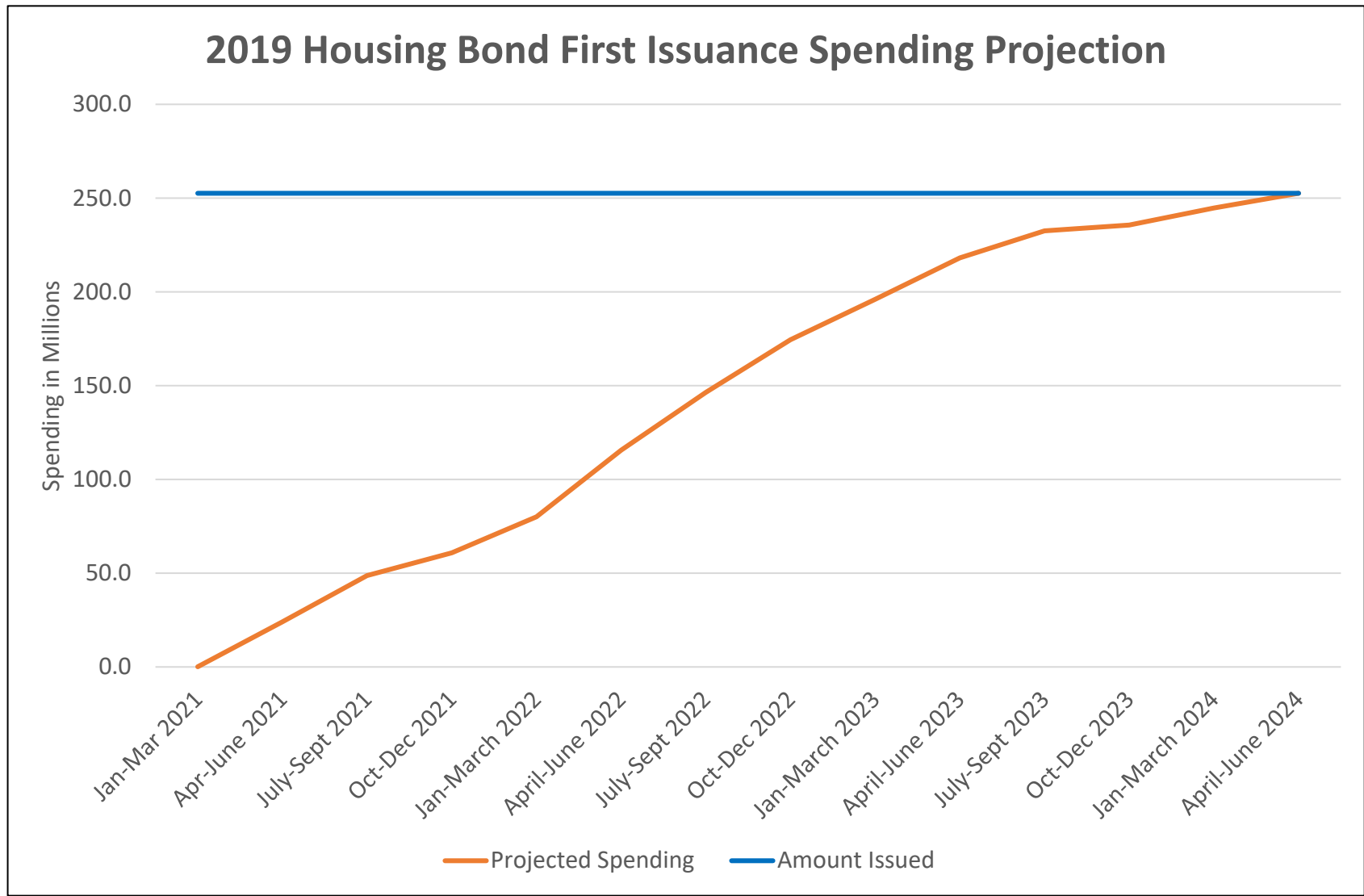


- First issuance projected to be spent by mid-2024
- Second issuance expected in late April 2023
- Third issuance currently anticipated for early 2024

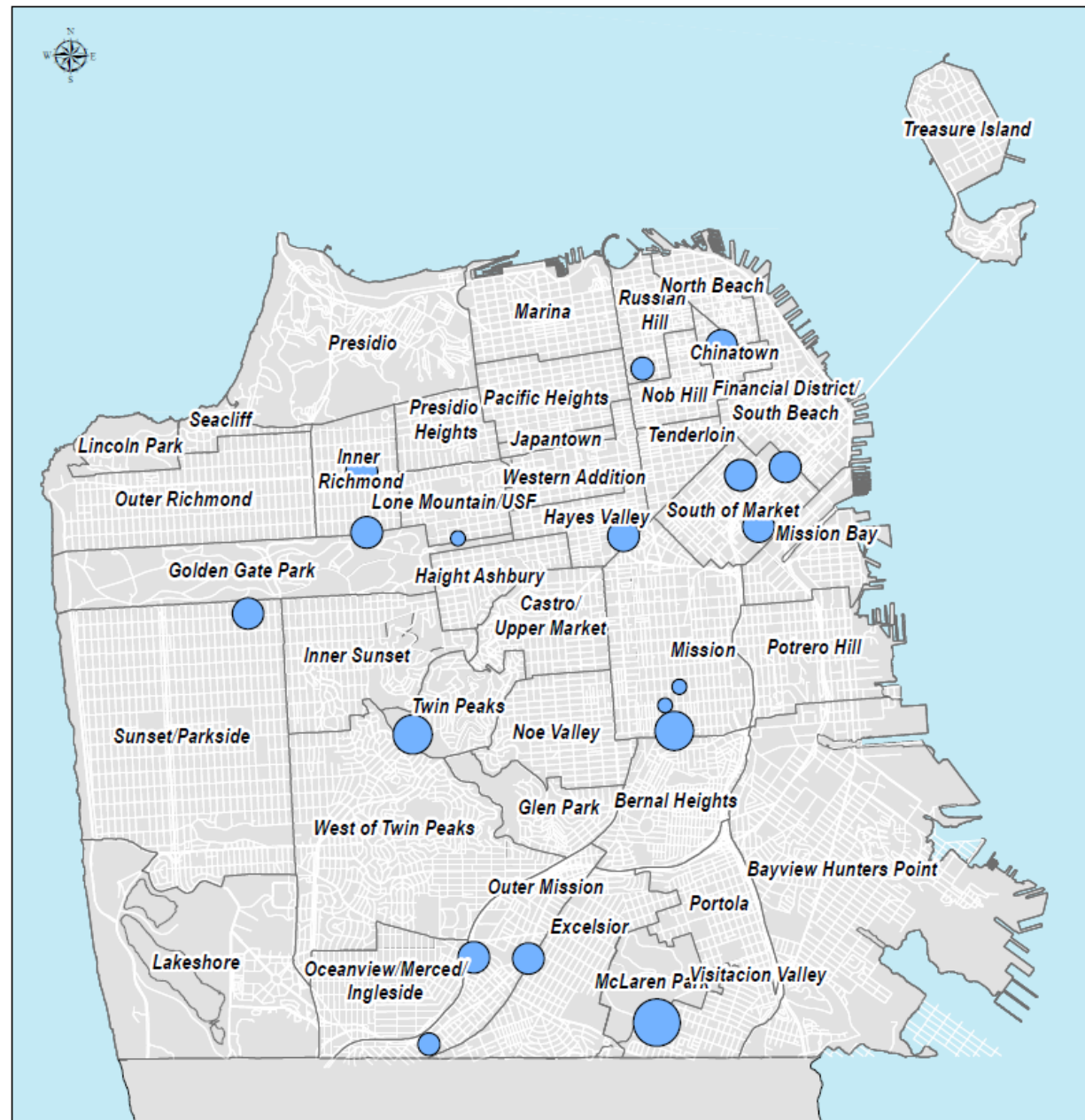
	Issuance 1	Issuance 2	Other Issuances	TOTAL
Public Housing	\$ 50.6	\$ 97.9	\$ 1.5	\$ 150.0
Low-Income Housing	\$ 143.7	\$ 38.6	\$ 37.7	\$ 220.0
Preservation and Middle-Income Housing	\$ 37.1	\$ 9.4	\$ 13.5	\$ 60.0
Senior Housing	\$ 21.2	\$ 20.4	\$ 108.4	\$ 150.0
Educator Housing	\$ -	\$ -	\$ 20.0	\$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

\* Cost of issuance amounts are included in Other Issuances.

# 2019 Affordable Housing Bond 1<sup>st</sup> Issuance Projected Spending



# 2019 Affordable Housing Bond 1<sup>st</sup> Issuance Project Locations



2019 Affordable Housing Bond Projects as of December 31, 2022

Number of Multifamily Units

- 6 - 10
- 11 - 20
- 21 - 150
- 151 - 200
- 201 - 350

0 0.5 1 2 Miles

# 2019 Affordable Housing Bond Unit Production Summary

As of December 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 - 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 Maceo May	0	105	0	105
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 - Geographic Equity Family Acquisition - 2550 Irving	90	0	0	90
Low Income - 730 Stanyan Gap	160	0	0	160
Middle Income - Preservation: Small Sites NOFA	94	12	0	106
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
<b>TOTAL</b>	<b>1,055</b>	<b>1,147</b>	<b>0</b>	<b>2,202</b>

# Questions & Answers



# Affordable Housing GO Bonds 2016 Preservation and Seismic Safety (PASS) Program Update

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## 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

# Affordability Restrictions



- Permanent affordability restrictions for Deferred Loans and Below Market Rate Loans
- Maximum average rent and household income at 80% AMI, and cap at 120% AMI

AMI	Rent <sup>1</sup>	Income <sup>2</sup>
80%	2,494	99,750
120%	3,741	149,650

- Prohibition on capital improvement pass-through for market-rate loans

Notes:

1. 2022 MOHCD AMI - maximum 2-bedroom gross rent
2. 2022 MOHCD AMI - maximum 3-person household income



## Eligible Uses

- Seismic retrofits to unreinforced masonry buildings,
- Acquisition/rehabilitation, and preservation of affordable housing
- Small Sites (buildings with 5-50 units)
- Larger multi-unit and mixed-use residential buildings
- Single-Room Occupancy hotels (SRO)

### What's not eligible:

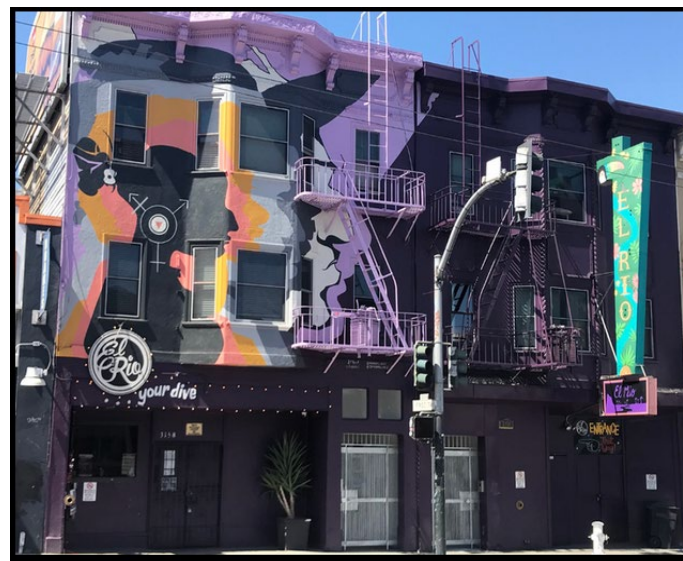
- New construction
- Acquisition without rehabilitation

# Complements MOHCD's Acquisition and Preservation Programs



## **3661 19th Street- 12 units**

- \$3,030,000 in PASS financing
- Acquisition by MEDA in January 2023 ended 3YR Ellis Act eviction proceedings.
- Preserved as permanently affordable housing (<80% AMI)



## **3154-3158 Mission Street- 10 units**

- \$4,388,000 in PASS financing at Perm takeout July 2022
- Stabilized Legacy Business with long-term lease
- Preserved as permanently affordable housing (<80% AMI)

# PASS Financing



## Models:

- Direct financing for acquisition and rehabilitation
- Permanent take-out financing

## Terms:

- Market Rate, Below Market Rate, and Deferred loans are combined to achieve a low-cost blended interest rate.
- 40-year loan term
- 2019 Series A Rate - 3.4%
- 2020 Series C Rate - 2.57%
- 2023 Series X Rate - 5.75%\* Subject to bond market trends

# Update on 1<sup>st</sup> Issuance: Pipeline



Project Name	Sponsor	Residential Units	Commercial Units	Market Rate (MR)	Below Market Rate (BMR)	Deferred (D)	Total PASS Loans	Status
60 28th Street	MEDA	6		584,001	376,556	61,443	1,022,000	Closed
Purple House	SFCLT	10		610,399	394,461	64,140	1,069,000	Closed
1201 Powell Street	CCDC	17	1	1,224,575	789,588	128,837	2,143,000	Closed
1411 Florida Street	MEDA	7		821,669	530,991	86,340	1,439,000	Closed
3280 17th Street	MEDA	11	5	3,078,832	1,989,648	323,520	5,392,000	Closed
4830 Mission Street	MEDA	21	6	5,225,221	3,376,719	549,060	9,151,000	Closed
462 Green Street	CCDC	7		368,295	238,005	38,700	645,000	Closed
305 San Carlos Street	MEDA	12	2	1,373,826	887,814	144,360	2,406,000	Closed
65-69 Woodward Street	MEDA	6		734,877	474,903	77,220	1,287,000	Closed
654 Capp Street	MEDA	7		1,191,677	770,103	125,220	2,087,000	Closed
937 Clay Street	CCDC	73	3	2,515,255	1,625,445	264,300	4,405,000	Closed
520 Shrader Street	SFHDC	7		1,140,287	736,893	119,820	1,997,000	Closed
70 Belcher Street	SFCLT	5		685,771	443,169	72,060	1,201,000	Closed
1353 Stevenson Street	MEDA	3		1,115,734	721,026	117,240	1,954,000	Closed
3544 Taraval Street	MEDA	6		341,458	220,662	35,880	598,000	Closed
270 Turk Street	TNDC	86		4,638,804	2,997,756	487,440	8,124,000	Closed
1382 30th Avenue	MEDA	4		383,141	247,599	40,260	671,000	Closed
3254-3264 23rd Street	MEDA	6	5	1,033,510	667,890	108,600	1,810,000	Closed
369 3rd Avenue	MEDA	12	1	1,847,756	1,194,084	194,160	3,236,000	Closed
2260 Mission Street	MEDA	6	1	825,666	533,574	86,760	1,446,000	Closed
South Park Scattered Sites	MHDC	107	2	6,753,788	4,364,532	709,680	11,828,000	Committed
1535 Jackson Street*	CCDC	3		752,897	430,008	84,223	1,267,128	Committed
3158 Mission Street (El Rio)	MEDA	8	2	2,505,548	1,619,172	263,280	4,388,000	Closed
239 Clayton Street	MEDA	8		1,082,045	699,255	113,700	1,895,000	Committed

# PASS Program Changes After COVID



- MOHCD created a COVID-19 forbearance program created to stabilize affordable housing operations and extended through March 2022 to facilitate the workout of all seven COVID-impacted projects. All projects are now back to making regular payments
- In response to these challenges MOHCD updated underwriting guidelines:
  - Increase DSCR to 1.15
  - Doubling vacancy assumptions
  - This allows sponsors to have more cash flow to weather future financial challenges
  - Looking at bundling projects together to cross-subsidize and support across multiple small sites

# Second Issuance Anticipated Pipeline



Project Name	Sponsor	Residential Units	Commercial Units	Market Rate (MR)	Below Market Rate (BMR)	Deferred (D)	Total PASS Loans	Status
Through Line Apartments	CCDC	88	3	5,175,891	2,855,664	467,445	8,499,000	Closed
San Cristina	CHP	58	2	4,886,616	2,696,064	441,320	8,024,000	Committed
53 Columbus Street	SFCLT	21	1	2,579,115	1,422,960	232,925	4,235,000	Refi
534 Natoma Street	SFCLT	5		817,887	451,248	73,865	1,343,000	Refi
168 Sickles	SFHDC/MEDA	12		1,246,623	687,792	112,585	2,047,000	Closed
3329 20th Street	MEDA	10		485,982	268,128	43,890	798,000	Refi
566 Natoma	MEDA	5		521,304	287,616	47,080	856,000	Committed
3661 19th St	MEDA	12		2,069,991	1,142,064	186,945	3,399,000	Closed
3225 24th Street	MEDA	6	0	819,714	452,256	74,030	1,346,000	Committed
63 Lapidge Street	MEDA	6		1,019,466	562,464	92,070	1,674,000	Refi
4042 Fulton Street	SFCLT	5		831,894	458,976	75,130	1,366,000	Refi
308 Turk Street	SFCLT	20		2,013,354	1,110,816	181,830	3,306,000	Refi
Pigeon Palace	SFCLT	6		1,070,622	590,688	96,690	1,758,000	Refi
Merry-Go-Round House	SFCLT	14		1,364,769	752,976	123,255	2,241,000	Refi

# Second Issuance Anticipated Pipeline, Continued



Project Name	Sponsor	Residential Units	Commercial Units	Market Rate (MR)	Below Market Rate (BMR)	Deferred (D)	Total PASS Loans	Status
344 Precita Avenue	MEDA	3	1	421,428	232,512	38,060	692,000	Refi
3329 20th Street	MEDA	10		485,982	268,128	43,890	798,000	Refi
3800 Mission	MEDA	5	1	761,859	420,336	68,805	1,251,000	Refi
1015 Shotwell	MEDA	10		1,478,043	815,472	133,485	2,427,000	Refi
19 Precita	MEDA	3		570,633	314,832	51,535	937,000	Refi
SOMA - TBD	SFHDC	4		416,556	229,824	37,620	684,000	Prospect
936 Geary	Novin/SFHDC	31	2	2,107,749	1,162,896	190,355	3,461,000	Committed
2676 Folsom	MEDA	10		1,357,461	748,944	122,595	2,229,000	Committed
375 14th St	SFHDC	16		1,112,643	613,872	100,485	1,827,000	Committed
1130 Fillbert	SFCLT	4		760,641	419,664	68,695	1,249,000	Prospect
Ambassador Ritz	TNDC	198	5	6,699,000	3,696,000	605,000	11,000,000	Committed
300 Ocean Ave	MEDA	8		1,437,849	793,296	129,855	2,361,000	Prospect
Maria Alicia	MHDC	20	2	411,684	227,136	37,180	676,000	Prospect
1652 Eddy	Bernal	7		873,915	482,160	78,925	1,435,000	Prospect
3434 18th St	MHDC	11		1,431,759	789,936	129,305	2,351,000	Committed

# Questions & Answers

