

# Affordable Housing General Obligation Bonds Update

**CGOBOC**  
**February 26, 2024**

**The Mayor's Office of Housing and Community Development**

*MOHCD supports residents with affordable housing opportunities  
and essential services to build strong communities.*

The background of the slide features a large, light blue watermark of the Seal of San Francisco County. The seal is circular and contains an eagle with spread wings at the top, a central shield with a landscape scene, and two figures on either side. The text "SAN FRANCISCO COUNTY" is visible around the perimeter, and "ORO EN PAZ" and "FIERRO" are on banners at the bottom.

# Agenda

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

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## 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
- 2024 Affordable Housing GO bond (\$300M) on the March ballot



# **Affordable Housing GO Bonds 2015 Update**

**CGOBOC  
February 26, 2024**

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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 2023
- Second issuance: **\$142.1M**
  - Issued May 2018
  - 99.3% spent as of December 2023
- Third issuance: **\$92.8M**
  - Issued October 2019
  - 95% spent as of December 2023 compared to 60% as of December 2022

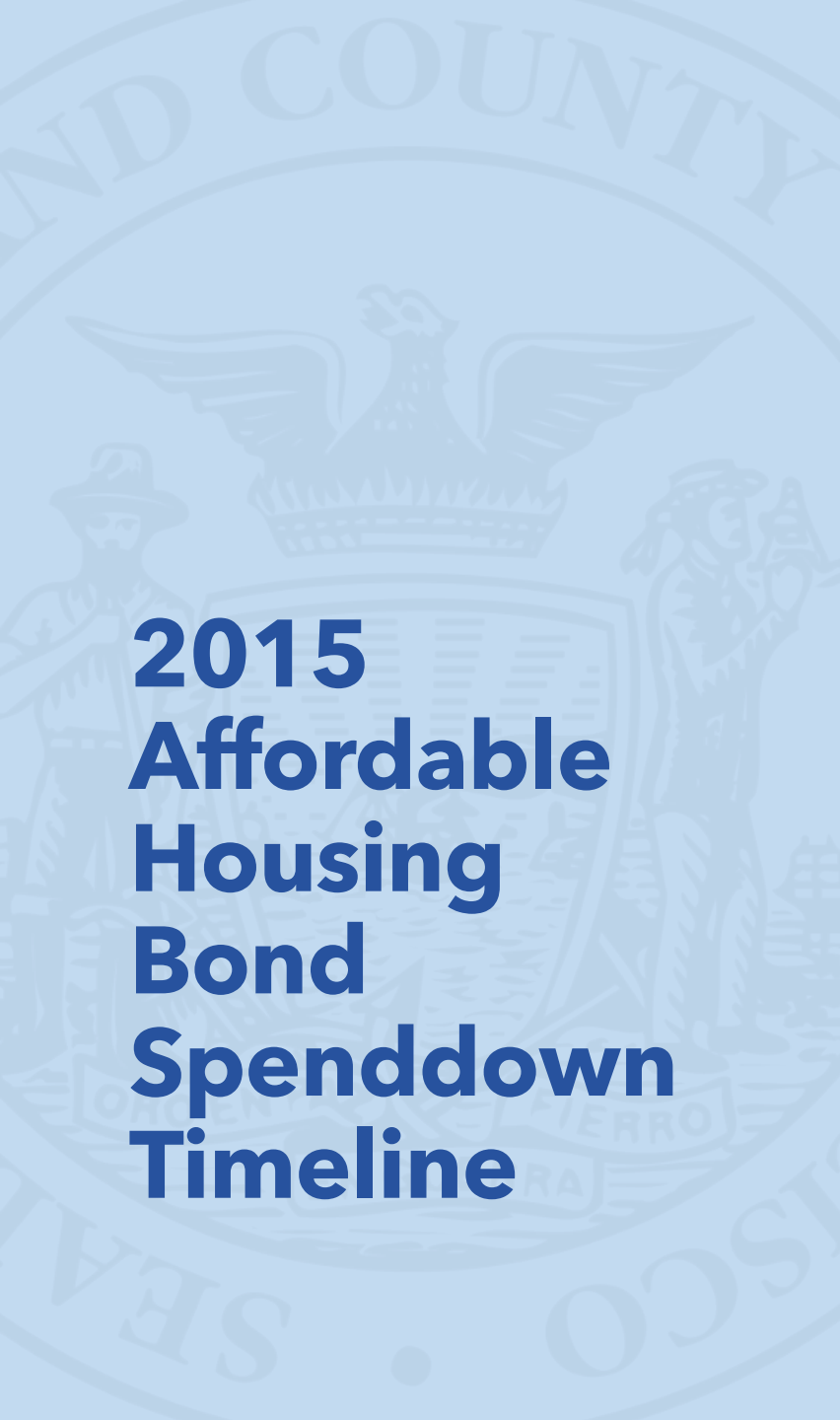
# 2015 Affordable Housing Bond Program Summary

(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>



Balboa Park Upper  
Yard (Kapuso)  
completed in 2023

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## 2015 Affordable Housing Bond Spendedown Timeline

- First and Second issuance projected to be fully expended by mid-2024
- Third bond issuance is projected to be fully expended by the end of 2024.
  - \$25.9M allocation to educator housing at 43<sup>rd</sup> and Irving which started construction in mid-2022 is fully spent.
  - Remaining funds mainly related to:
    - Potrero Phase II which is expected to be completed in mid-2024.
    - Downpayment assistance loans also projected to be fully spent by the end of 2024.

# 2015 Affordable Housing Bond Unit Production Summary (as of Dec 2023)

	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)	0	157	0	157
Public Housing – Potrero Infra (Market Rate)*	0	125	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	0	112	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 ***	1	N/A	116	117
Middle Income TND ***	1	N/A	59	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 – Balboa Park Upper Yard	0	0	18	18
<b>TOTAL</b>	<b>2</b>	<b>417</b>	<b>1,149**</b>	<b>1,568</b>



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





**Questions?**



# **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
  - 77% spent as of December 2023
- Second Issuance: **\$170.0M**
  - Issued April 2023
  - Almost 21% spent and over 50% spent and encumbered as of December 2023
- Third Issuance

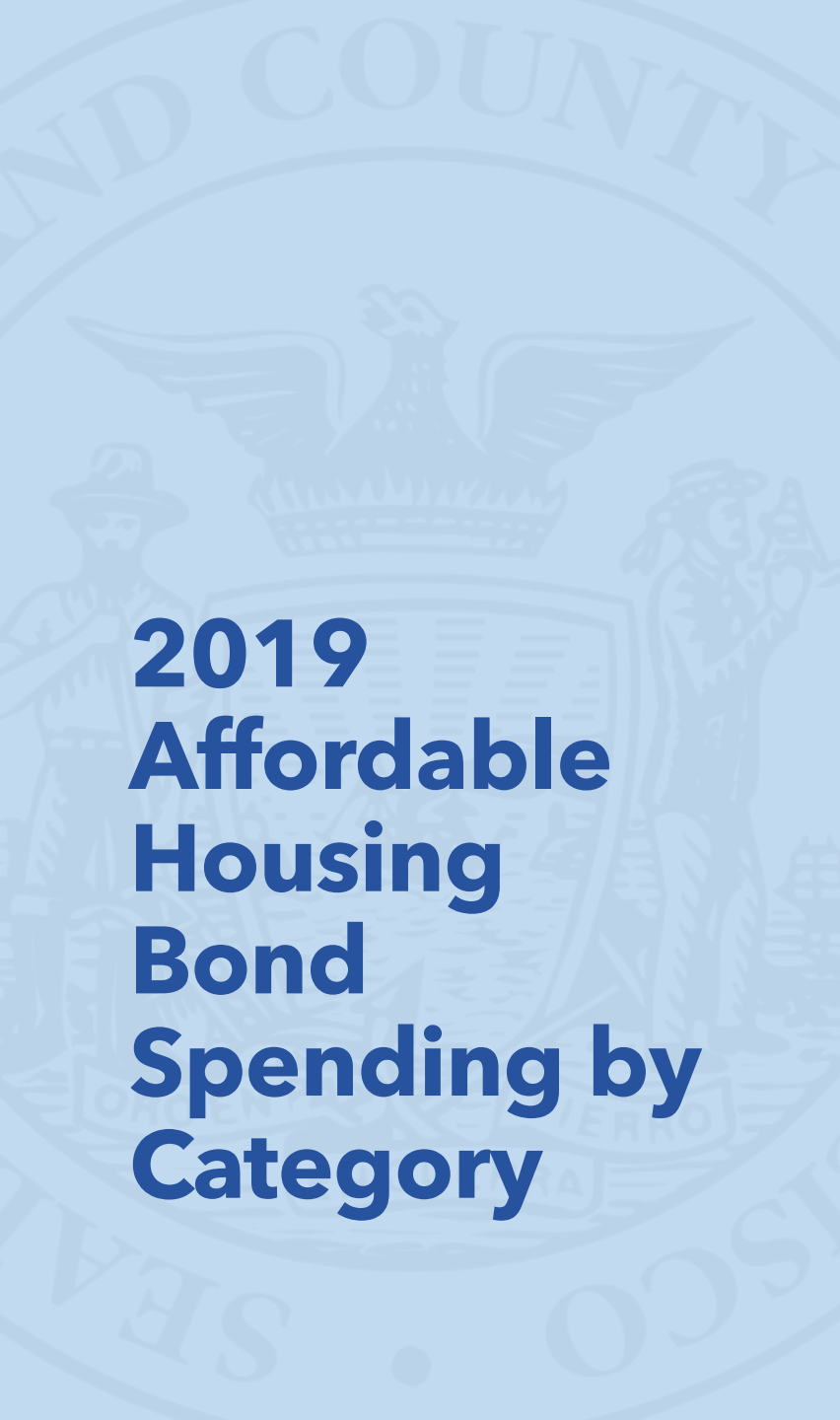
# 2019 Affordable Housing Bond Program Summary

(in millions)

<i>(in millions)</i>	Issuance 1 21-22	Issuance 2 22-23	Other Issuances TBD	TOTAL
Public Housing	\$ 50.9	\$ 99.1	\$ -	\$ 150.0
Low-Income Housing	\$ 144.6	\$ 40.0	\$ 35.4	\$ 220.0
Preservation and Middle-Income Housing	\$ 37.3	\$ 9.7	\$ 13.0	\$ 60.0
Senior Housing	\$ 21.3	\$ 21.2	\$ 107.5	\$ 150.0
Educator Housing	\$ -	\$ -	\$ 20.0	\$ 20.0
<b>TOTAL</b>	<b>\$ 254.1</b>	<b>\$ 170.0</b>	<b>\$ 175.9</b>	<b>\$ 600.0</b>



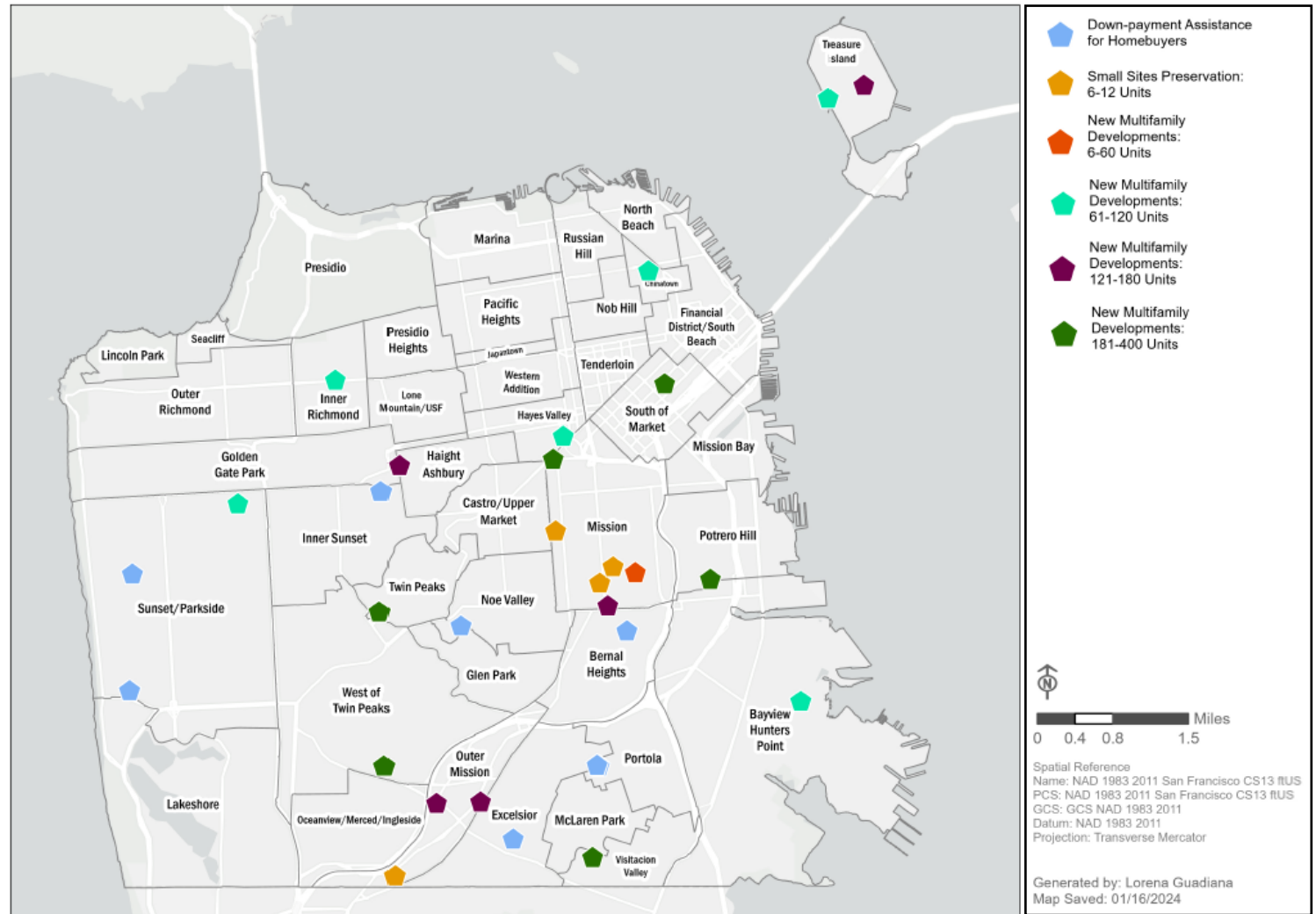
Maceo May  
projected  
completion in late  
2024

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## 2019 Affordable Housing Bond Spending by Category

- Funds for Public Housing category fully issued with second issuance.
  - Projected to be fully spent by the end of 2026
- Low-Income Housing category is 84% issued.
  - Projected to be fully spent in 2028
- Middle-Income Housing and Preservation category is 78% issued.
  - Projected to be fully spent in 2027
- Senior Housing represents majority of remaining funds to be issued (\$107.5M).
  - Of four identified senior housing projects three are in predevelopment
- All funds set aside for educator housing (\$20.0M) remain to be issued.

# 2019 Affordable Housing Bond Project Locations



# 2019 Affordable Housing Bond Unit Production Summary

	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	0	84	0	84
Public Housing - HOPE SF - Sunnydale Blk 3B Vertical Gap	0	90	0	90
Public Housing - Hunters View Phase 3	0	118	0	118
Public Housing - Scattered Sites	0	69	0	69
Low Income - 921 Howard Gap	0	0	102	102
Low Income - Balboa Park Upper Yard Gap	0	0	130	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	0	105	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 - 1515 South Van Ness	168	0	0	168
Low Income - Geographic Equity Family Acquisition - 2550 Irving	90	0	0	90
Low Income - 730 Stanyan Gap	0	160	0	160
Low Income - Balboa Reservoir	400	0	0	400
Middle Income - Preservation: Small Sites NOFA	79	57	28	164
Middle Income - Downpayment Assistance Loan Program	14	0	4	18
Middle Income - 921 Howard Gap	0	0	101	101
Senior Housing - Laguna Honda Hospital Senior Housing Predev	200	0	0	200
Senior Housing - Geographic Equity Senior Acquisition - 4200 Geary	0	98	0	98
Senior Housing - 772 Pacific Predev	70	0	0	70
Senior Housing - 1939 Market St	187	0	0	187
<b>TOTAL</b>	<b>1,377</b>	<b>1,304</b>	<b>470</b>	<b>3,151</b>





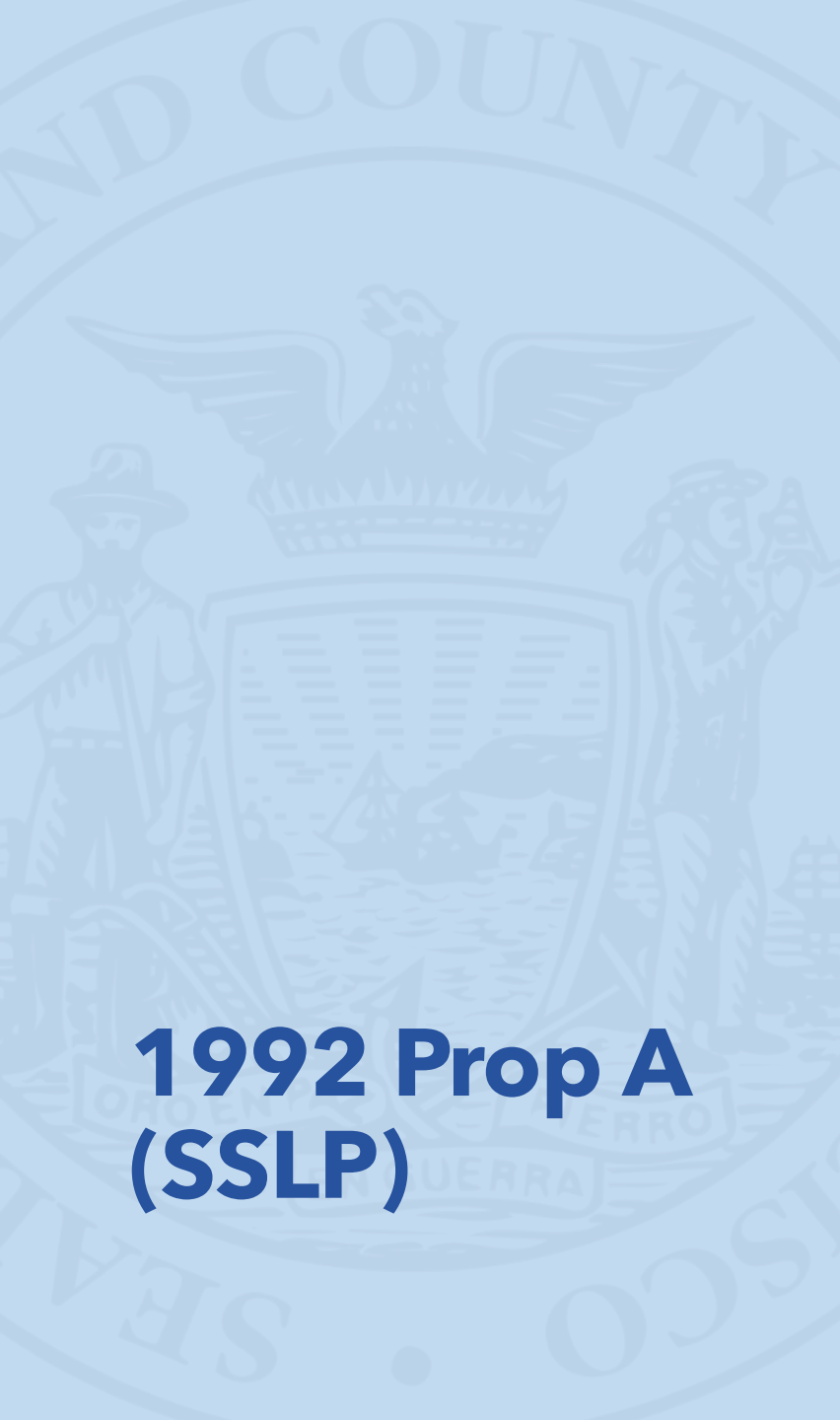
**Questions?**



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

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## 1992 Prop A (SSLP)

November 2016, voters authorized the City to repurpose existing bond authority and issue up to \$260.7 million of general obligation bonds to:

- Preserve affordability in existing housing at risk of market-rate conversion
- Protect San Franciscans living in apartments at risk of displacement
- Improve the earthquake resilience of San Francisco's building stock

# 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%	2,594	103,750
120%	3,891	155,650

- Prohibition on capital improvement pass-through for projects with only market-rate loans (no projects of this type have been financed)

Notes:

1. 2023 MOHCD AMI - 80% Max Average / 120% Maximum 2-bedroom gross rent
2. 2023 MOHCD AMI - 80% Max Average / 120% Maximum 3-person household income

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## 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



## **South Park Scattered Sites - 107 units**

- \$11,828,000 in PASS Series A financing
- Perm Conversion/Rehabilitation by MHDC September 2023
- Preserved as permanently affordable housing (<80% AMI)



## **125 Mason - 81 units**

- \$5,800,000 in PASS Series 2020C financing
- Perm Conversion/Rehabilitation by TNDC April 2023
- Preserved as permanently affordable housing avoiding foreclosure (<80% AMI)

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# 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%
- 2024 Series X Rate - 5.75%\*

\*Interest rate is subject to bond market trends. (2024 issuance subject to 2024 Preservation funding)



# Update on 1<sup>st</sup> Issuance Pipeline (Series 2019A)

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	Closed
1535 Jackson Street*	CCDC	30		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		901,038	582,282	94,680	1,578,000	Closed



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# **PASS Program Changes After COVID**

MOHCD established a forbearance program to help stabilize the operations of affordable housing impacted by COVID-19 to facilitate the workout of seven projects which are now back to making regular payments.

In response to these challenges, MOHCD has updated its underwriting guidelines by:

- Increasing Debt Service Coverage Ratio from 1.1 to 1.15
- Doubling vacancy assumptions
- Allowing sponsors to have more cash flow to weather future financial challenges
- Bundling projects together to cross-subsidize and support across multiple small sites

## Update on 2<sup>nd</sup> Issuance Pipeline (Series 2020C)

Project Name	Sponsor	Resid. Units	Comm. 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	<b>8,499,000</b>	Closed
168 Sickles	SFHDC/MEDA	12		1,246,623	687,792	112,585	<b>2,047,000</b>	Closed
3661 19th St	MEDA	12		1,845,270	1,018,080	166,650	<b>3,030,000</b>	Closed
3225 24th Street	MEDA	6	0	973,182	536,928	87,890	<b>1,598,000</b>	Closed
125 Mason	TNDC	81		3,532,200	1,948,800	319,000	<b>5,800,000</b>	Closed
4042 Fulton Street	SFCLT	5		831,894	458,976	75,130	<b>1,366,000</b>	Closed
568 Natoma	SFCLT	5		376,971	207,984	34,045	<b>619,000</b>	Closed
40 Sycamore	MEDA	5		578,550	319,200	52,250	<b>950,000</b>	Closed
308 Turk Street	SFCLT	20		2,013,354	1,110,816	181,830	<b>3,306,000</b>	Closed
Pigeon Palace	SFCLT	6		1,070,622	590,688	96,690	<b>1,758,000</b>	Closed
2676 Folsom	MEDA	10		1,420,797	783,888	128,315	<b>2,333,000</b>	Closed
1130 Fillbert	SFCLT	4		858,081	473,424	77,495	<b>1,409,000</b>	Closed
Merry-Go-Round House	SFCLT	14		370,272	204,288	33,440	<b>608,000</b>	Closed
566 Natoma	MEDA	5		612,045	337,680	55,275	<b>1,005,000</b>	Closed
3975 24th St	SFCLT	4	2	560,280	309,120	50,600	<b>920,000</b>	Closed
Ambassador Ritz	TNDC	198	5	7,856,100	4,334,400	709,500	<b>12,900,000</b>	Committed
300 Ocean Ave	MEDA	8		1,437,849	793,296	129,855	<b>2,361,000</b>	Committed
53 Columbus Street	SFCLT	21	1	2,579,115	1,422,960	232,925	<b>4,235,000</b>	Committed
534 Natoma Street	SFCLT	5		817,887	451,248	73,865	<b>1,343,000</b>	Committed
El Dorado	Conard JSCO	65		1,218,000	672,000	110,000	<b>2,000,000</b>	Committed
Maria Alicia	MHDC	20	2	429,954	237,216	38,830	<b>706,000</b>	Committed

**Update on 2<sup>nd</sup>  
Issuance Anticipated  
Pipeline (Series 2020C),  
Continued**

Project Name	Sponsor	Residential Units	Commercial Units	Market Rate (MR)	Below Market Rate (BMR)	Deferred (D)	Total PASS Loans	Status
528 Natoma	SFHDC	4		142,506	78,624	12,870	234,000	Committed
3434 18th St	MHDC	11		1,161,972	641,088	104,940	1,908,000	Committed
936 Geary	Novin/SFHDC	31	2	2,650,97	1,462,608	239,415	4,353,000	Committed
375 14th St	SFHDC	16		1,163,190	641,760	105,050	1,910,000	Committed
2198 Cayuga	Unity Care	3	1	250,908	138,432	22,660	412,000	Prospect
3198 24th	MEDA	13		485,982	268,128	43,890	798,000	Committed
63 Lapidge Street	MEDA	6		1,019,466	562,464	92,070	1,674,000	Committed
344 Precita Avenue	MEDA	3	1	421,428	232,512	38,060	692,000	Committed
3329 20th Street	MEDA	10		485,982	268,128	43,890	798,000	Committed
3800 Mission	MEDA	5	1	761,859	420,336	68,805	1,251,000	Committed
1015 Shotwell	MEDA	10		1,478,04	815,472	133,485	2,427,000	Committed
19 Precita	MEDA	3		570,633	314,832	51,535	937,000	Committed
1652 Eddy	Bernal	7		2,831,85	1,562,400	255,750	4,650,000	Committed
San Cristina	HomeRise	58	2	4,886,61	2,696,064	441,320	8,024,000	Committed
Derek Silva	Mercy	70	3	6,317,157	3,485,328	570,515	10,373,00	Committed



**Questions?**