Affordable Housing and Community Facilities COPs
Capital Planning Committee
March 27, 2023

Mayor’s Office of Housing and Community Development
City and County of San Francisco
Action item recommending to approve:

- Ordinance authorizing the sale of Tax-Exempt and/or Taxable Certificates of Participation (Multiple Affordable Housing and Community Facilities Projects), not to exceed $146.8M
FY22-24 Budget Process

- As part of the FY22-24 Budget Process, on the final page of the Board Addback list, the Board identified a “spending plan” for Housing and Community Development COPs

<table>
<thead>
<tr>
<th>Category of Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition NOFA with priority for development of 100% affordable projects in CDLAC designated high-need/resource areas</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>Public housing or HUD co-op repairs</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Affordable housing for educators</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Elevators in SRO portfolio</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Acquisition for non-profit [community facilities] sites</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>Financing costs, reserves and capitalized interest</td>
<td>$34,800,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$146,800,000</strong></td>
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History

FY22-24 Budget Process

• The Board subsequently approved Ordinance 171-22 on July 26, 2022
• Appropriated the $112M of project proceeds and $34.8M of financing costs/reserves, and putting the funds on reserve pending the sale of Certificates of Participation or Commercial Paper
MOHCD has created the following implementation plan for the project proceeds

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>RFP/NOFA Issued</th>
<th>Date Anticipated List of Projects Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of non-profit sites (community facilities), Part 1</td>
<td>$20,000,000</td>
<td>1/27/23</td>
<td>late April 2023</td>
</tr>
<tr>
<td>Acquisition NOFA for Affordable Housing Development</td>
<td>$40,000,000</td>
<td>1/27/23</td>
<td>mid May 2023</td>
</tr>
<tr>
<td>Affordable Housing for Educators</td>
<td>$12,000,000</td>
<td>2/24/23</td>
<td>late June 2023</td>
</tr>
<tr>
<td>Acquisition of non-profit sites (community facilities), Part 2</td>
<td>$10,000,000</td>
<td>August 2023</td>
<td>November 2023</td>
</tr>
<tr>
<td>Public Housing/HUD Co-op repairs</td>
<td>$20,000,000</td>
<td>tbd</td>
<td>tbd</td>
</tr>
<tr>
<td>Elevators in SRO Portfolio (HSH is lead)</td>
<td>$10,000,000</td>
<td>tbd</td>
<td>tbd</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$112,000,000</strong></td>
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</table>
RFP Context

- The MOHCD Community Development team has been supporting acquisition & rehabilitation of non-profit community facilities for more than 30 years.
- Most grants are smaller in scale ($200k) and intended for rehabilitation, but MOHCD has made larger grants in the past (eg Willie Mays Boys & Girls Club).
- This RFP aligns our existing programs with larger amounts available in transparent, competitive procurement process
Acquisition or rehab of non-profit community facilities

RFP Criteria

• Applying organizations must:
  • Serve low and moderate-income Asian Pacific Islander residents through meaningful and impactful programming;
  • Show project readiness so that acquisition or capital improvements can be completed in a timely way;
  • Have programs sustained through diverse, dependable funding streams to ensure ongoing programming in the acquired or improved building;
  • Show organizational capacity to maintain the facility in good condition over the tenure period as required below;
  • Show alignment with City priorities and needs.
RFP Criteria

- Maximum per-proposal award is $5,000,000
- Applicants may apply for EITHER acquisition OR capital improvements for the submitted project, but not both
- Applicants may apply for a maximum of 85% of the acquisition price or 85% of the total cost of the proposed capital improvements
- Responses were due March 3
- 14 responses were received and are currently being evaluated
Category 2: Acquisition for affordable housing development

RFP Goals

- Site acquisition and predevelopment for new construction projects serving low-income households, including homeless households
- For sites acquired under this NOFA, MOHCD will make predevelopment loans in 2023, with target construction start dates in 2026 and lease up complete in 2028.
- Additional development funds need to be identified in FY2025 to construct the projects.
- Responses are due April 7, 2023
Acquisition for affordable housing development

**RFP Criteria**

- Will prioritize affordable housing projects best positioned to secure funding from the CA Debt Limit Allocation Committee by falling into one of 3 priority funding categories
  - Site development will produce at least 25% 2-bedroom and 25% 3-bedroom units
  - Site development will include at least 45% units set aside for referrals of homeless households from HSH’s Coordinated Entry System, so that development will qualify as Homeless
  - Site will be developed by a team that qualifies for the CDLAC BIPOC funding pool
RFP Criteria – The proposal must:

- Maximize density and unit count that may be built “as of right” using all available tools
- Implement an interim use plan for the site
- Maximize the benefit of the City’s dollars through demonstrated cost-effectiveness
- Designate a minimum of 25% of units for households experiencing homelessness
- Align with the implementation of City policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations
- Create opportunities for the growth of Emerging Developers
- Serve at least 30% Extremely Low Income (ELI) households
RFP Goals

- Fund sources
  - These COPs - $12M
  - 2019 GO Bond Funds - $20M
- Combine these resources to facilitate the development and construction of at least two Educator Housing projects with units affordable to households earning between 30% and 140% AMI
- The funds may be used for either homeownership (limited to $12 million) or rental housing projects
- May fund acquisition, predevelopment and construction costs
- Responses due April 21, 2023
RFP Goals

- MOHCD seeks to expand geographic diversity and create additional affordable homeownership and rental opportunities available to a broad range of San Francisco’s Education Employees, such as teachers, paraeducators, and early childhood education providers that are employees of SFUSD and SFCCD.
- Will make predevelopment loans in 2023, with target construction start dates no later than 2025, lease up to be completed no later than 2026, and sales to be completed no later than 2029.
- Anticipate selection of at least two projects under this NOFA.
RFP Criteria

- Similar criteria as acquisition NOFA, with the following changes and additions:
  - Given the focus on educator housing, no homeless households are required to be served
  - For rental housing, serve households ranging from 30% to 140% AMI
  - For ownership housing, serve households with an income ranging from 80% to 120% of AMI with an overall average of 100% AMI
Category 4: RFPs to be issued

- Acquisition of non-profit community facilities, part 2
  - Similar to existing RFP
  - RFP issued Fall 2023
- Public Housing/HUD Co-op repairs
  - Criteria and parameters still under consideration
  - RFP date TBD
- Elevators in SRO Portfolio
  - HSH is lead
  - Criteria and parameters still under consideration
  - RFP date TBD
## Anticipated Financing Timeline

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Dates</th>
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<tbody>
<tr>
<td>Presentation to Capital Planning Committee</td>
<td>March 27, 2023</td>
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<tr>
<td>Introduction of the Ordinance to the Board of Supervisors</td>
<td>April 4, 2023</td>
</tr>
<tr>
<td>Budget and Finance Committee Hearing</td>
<td>May 10, 2023</td>
</tr>
<tr>
<td>Board Considers Approval of the Ordinance (1st Reading)</td>
<td>May 16, 2023</td>
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<tr>
<td>Final Board Approval of the Ordinance (2nd Reading)</td>
<td>May 23, 2023</td>
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<tr>
<td>Pricing and Closing of the first tranche of COPs</td>
<td>July-August 2023</td>
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