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Ideas + Action for a Better City

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7 Corners Street Study (2005)

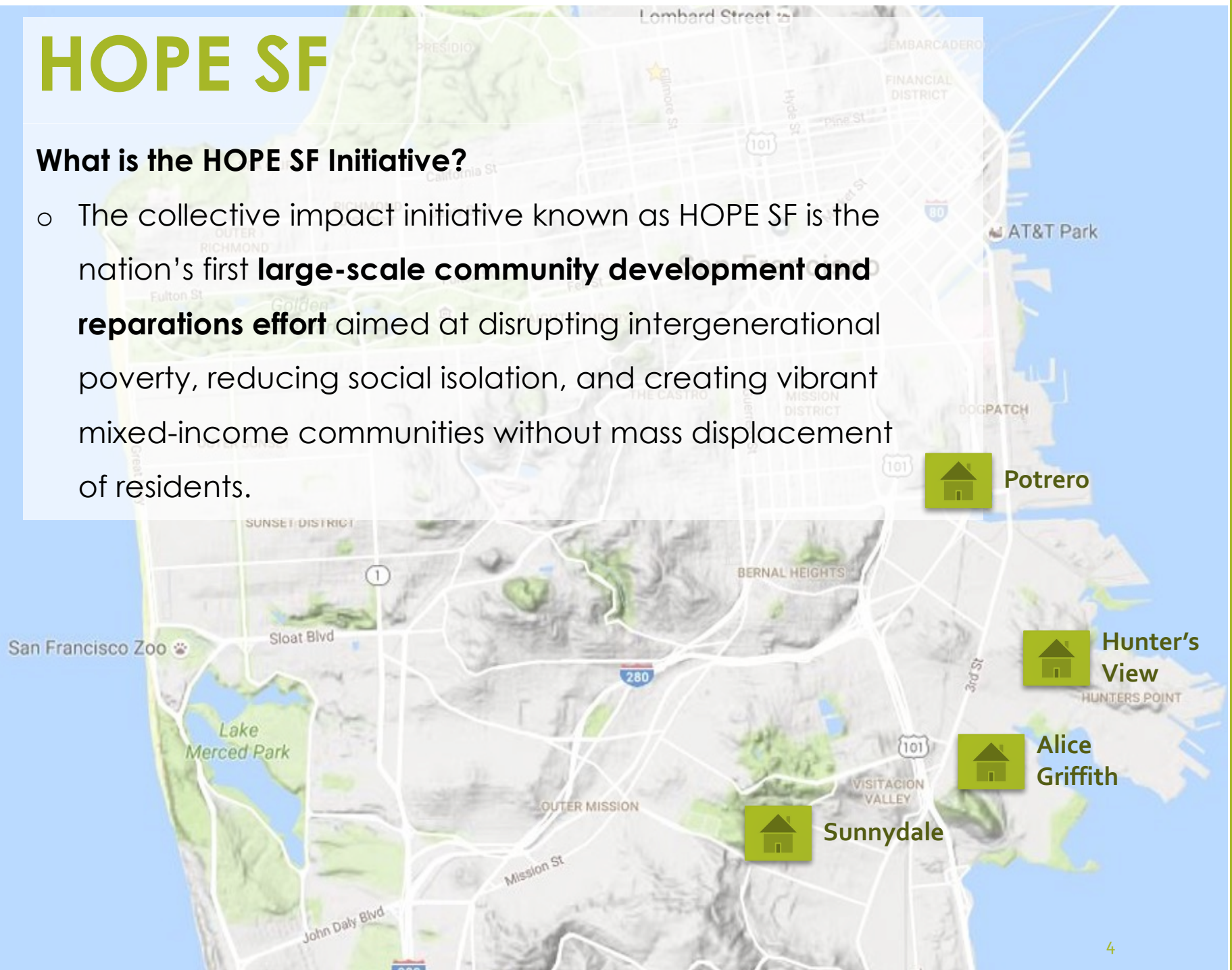
“A [2005] study... found that families involved in child welfare, child mental health, and juvenile probation were **concentrated around seven street corners** – six of which were located near public housing...”

- **Middle Point and West Point (HV);**
- **Griffith and Oakdale; Fitzgerald and Griffith (AG);**
- **Sunnydale and Santos (SD);**
- **Connecticut and 25th (Potrero);**
- **Eddy and Jones; and**
- **Laguna and Golden Gate.**

HOPE SF

What is the HOPE SF Initiative?

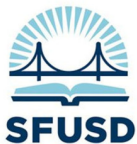
- The collective impact initiative known as HOPE SF is the nation's first **large-scale community development and reparations effort** aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of residents.





HOUSED. CONNECTED. THRIVING.

Our Collective Impact



HELLMAN FOUNDATION

evelyn & walter
HAAS JR. fund



WALTER & ELISE
HAAS FUND



Office of Community Investment and Infrastructure

URBAN
STRATEGIES



Milestones: What We've Built Together

1. Inclusive, Mixed-Income Housing.

- \$300 million Prop. A Housing Bond approved (fall 2015), dedicating funds for Potrero and Sunnydale
- 67% of original HV households returned and housed
- 592 low-income households housed across HV and AG by the end of this year (including 421 "original" households)
- PSA for 70 market rate townhomes under negotiation at HV now
- Potrero and Sunnydale land use entitlements approved (including 25-year DA)
- First 70-unit \$69 million affordable building under construction now in Potrero Hill
- 100 tax credit applications for every available unit (AG/HV)





Milestones: What We've Built Together

2. **Safer Communities.** Violent crime at historically low levels.
3. **More Educationally Engaged Families and Schools.** School attendance up 30% in three years.
4. **More People Working and Earning Income.**
5. **More People Paying Rent.** Approximately 87% of people pay rent on time (within the first five days of the month) compared to 75% on-time payment for prior year)

2012 \$14,174
2014 \$18,281
2017 \$22,355

↑ 58%

increase in HOPE
SF median
household
income since
2012

Source: San Francisco Housing
Authority

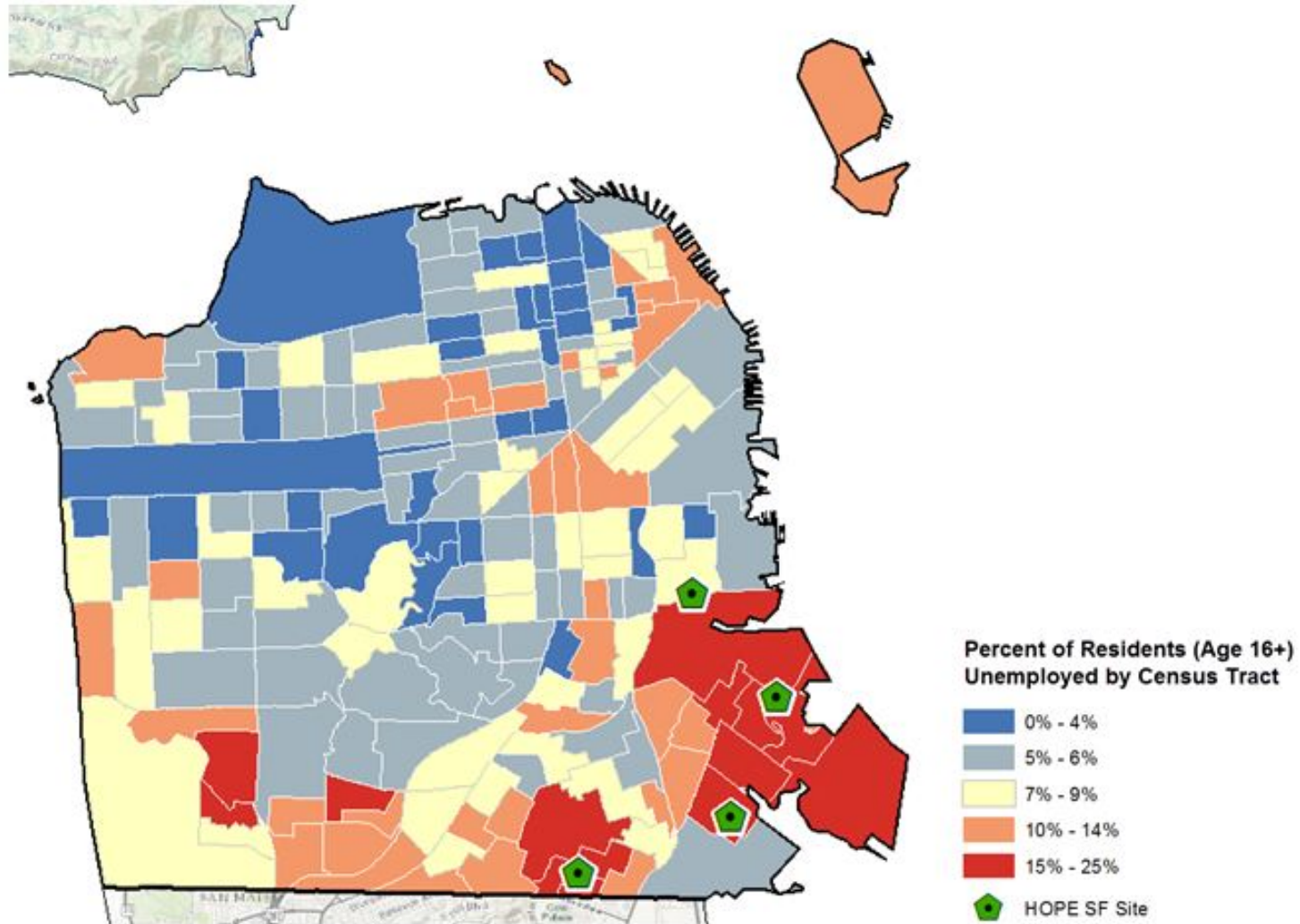




HOUSED. CONNECTED. THRIVING.

Our Shared Prosperity?

Economic Segregation: Percent of Residents Unemployed by Census Tract



POTRERO HILL - EXISTING



POTRERO HILL - PROPOSED



Aerial of Sunnydale Public Housing Community Today

McLaren Park

Gleneagles Golf Course

Sunnydale



Sunnydale





A NEW SUNNYDALE | MARKET RATE / AFFORDABLE DEVELOPMENTS DIAGRAM

SAN FRANCISCO, CA | OCTOBER 18, 2016 | MERCY HOUSING, THE RELATED COMPANIES OF CALIFORNIA

SUNNYDALE TODAY: CHILDREN ARE NOT PROVIDED THE FOUNDATION FOR HEALTHY LIVES AND FUTURES



Many Sunnydale families are in crisis

- 70% of families below Poverty Line
- 76% adult unemployment rate
- 34% of high-school age kids are chronically truant
- Kids are socially isolated and kept at home due to violence in the neighborhood

Neighborhood resources are inadequate

- History of divided community has led to scattering of youth and family services operating at a small scale
- Huge population of children with limited resources
- Visitation Valley schools in City's lowest quintile for CA State Test scores

NEW NEIGHBORHOOD "HUB" AT HAHN AND SUNNYDALE



Left:

30,000 sq ft in Mixed Use Building

- Health and Wellness Center
- Early Learning Program for 100 Children
- Neighborhood Grocer and Businesses

Right:

30,000 sq ft Community Center with

- Multi-purpose gym
- Fitness and Recreation programs
- After school program for 125 schoolchildren
- Early Learning Program for 120 infants and toddlers
- Family Resource Center
- Direct connection to City's Herz Playground and Coffman Pool



Achieving Scale, Achieving Equity: San Francisco's RAD Conversion

S P U R B r o w n B a g
M a y 3 , 2 0 1 7

SF's Public Housing: Defining the Problem

- Aging building stock in need of repair
- Over **\$270 million** in immediate needs across the portfolio
- Over **\$15 million** in additional need accrued annually
- HUD capital funding addressed only **3.5%** of annual needs
- SFHA had less than **\$5 million** per year to meet needs
- **Fixing the elevators in 9 buildings exceeded the annual budget for the full portfolio**



SF Housing Authority: Re-Envisioning

- December 2012: SFHA declared “troubled” by HUD
- Mayor Lee called for a “Re-Envisioning” process to protect its current and future residents
 - 4 months of intensive study of SFHA and its operations
 - 72 organizations and 100+ participants in 18 public meetings
- Consequences of Inaction:
 - Buildings continue to decline
 - Buildings fail HUD physical condition requirements
 - Units taken out of service
 - SFHA loses HUD subsidy
 - HUD initiates receivership
 - Loss of public housing in San Francisco



Why RAD?

Under HUD's **Rental Assistance Demonstration Program** (RAD), public housing funding is converted to long term Section 8 contracts, allowing housing authorities to leverage investor equity and other resources to rehabilitate and preserve housing.

- Capital repair needs in excess of \$25.6B across national public housing portfolio (\$23,365/unit)
- Public housing funding unreliable (pro-rations, appropriation cuts), limited access to debt/equity capital
Losing 10,000-15,000 public housing units/year
- Project-based subsidies historically have enjoyed more political support than public housing

RAD IN SAN FRANCISCO: Portfolio basics

- 3,480 units; 5,600 residents
- 29 properties in 28 Limited Partnerships
 - 2/3 senior disabled
 - 1/3 family
- 2 phases over 3 years
- Affordability ensured through 99-year ground leases

SF Portfolio Implementation: Projects



*Hunters Point East West- 213 units for families- constructed 1954
Hunters Point neighborhood. Developer: John Stewart Company and SF Housing
Development Corp.*

SF Portfolio Implementation: Projects



*939 & 951 Eddy - 60 units for seniors/disabled – constructed 1900 and 1925, respectively
Tenderloin/Western Addition Border. Developer: Tenderloin Neighborhood Development Corporation*

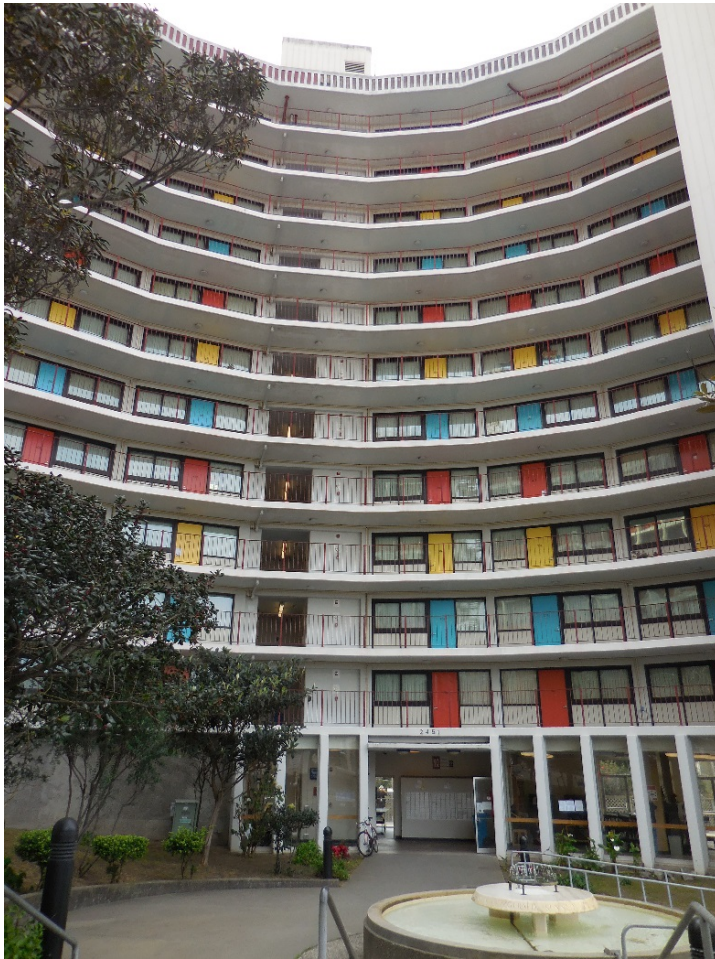
SF Portfolio Implementation: Projects



*Holly Courts- 118 units for families-
constructed 1940. Bernal Heights.
Developer: BRIDGE Housing and Bernal
Heights Neighborhood Center*



SF Portfolio Implementation: Projects



*JFK Towner, 2451 Sacramento- 98 units for seniors/disabled – constructed 1964
Lower Pacific Heights. Developer: Mercy Housing*

RAD IN SAN FRANCISCO: Developer profiles

- 8 private developer owner/manager teams selected to develop, own and manage the RAD projects
- All teams include a neighborhood- or community-based nonprofit partner and a neighborhood-based services partner
- Public housing properties are brought into the affordable housing fold through RAD, for the benefit of residents and neighbors

RAD IN SAN FRANCISCO: By the Numbers

- \$2 billion total development cost. Highlights:
 - \$815M in private equity
 - \$331M in permanent tax exempt debt
 - \$497M in seller carryback financing
 - \$89M in soft City loans
- \$1.05 billion in tax exempt construction financing
- \$700 million in rehab; average \$199K per unit
- Bank of America Merrill Lynch (BAML) is construction lender and investor on 25 projects; Freddie Mac is perm lender on all projects; Aegon is investor on 3 Phase II deals

RAD IN SAN FRANCISCO : Portfolio Resources

- Combination of RAD and non-RAD PBVs achieved through Section 18 Demo/Dispo of 8 of the 28 portfolio properties
 - 54% RAD units/ 46% PBV units
- All subsidies blended using RAD program's 'transfer of assistance' and 'rent bundling' features



Portfolio Financing: “One deal, 28 executions”

Goals:

- Equity across projects – no special deals!
- Congruent terms
- Coverage of all projects (including the “dogs”)
- Ease of execution
 - One form of bond documents, ground lease, LPA, loan docs
- Economies of scale on execution
- Single schedule

SF Portfolio Implementation: Equity across projects

Goals:

- All residents and all properties benefit from RAD
- All properties rehabbed to similar level
- Consistent, uniform resident communications
- Resident input into design of operations and transition
- Supportive services added at all sites
- Uniform RAD house rules

SF Portfolio Implementation: Equity across projects

Strategies

- Developer “cohort” for ongoing TA, peer support
- 8 RAD Working Groups convened by MOHCD with critical support from Enterprise Community Partners
- Clear messaging on resident impacts
- Uniform tenant screening guidelines with minimal barriers to housing
- Single RAD Relocation plan with uniform resident protections and benefits
- Uniform house rules, vetted by residents in community meetings

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RAD Chinatown



A community-based approach to save public housing



CCDC and Chinatown public housing

- CCDC's mission is to build community and enhance the quality of life for San Francisco residents. We are a place-based community development organization ... serving as neighborhood advocates, community organizers, planners, developers, and managers of affordable housing
- Ping Yuen Residents Improvement Association was one of our founding organizations – 40 years ago!!
- Chinatown public housing is a major community resource that has enabled low-income households to live and thrive in Chinatown
- *“Our goal is to create a beloved community and this will require a qualitative change in our souls as well as a quantitative change in our lives.” ~ MLK Jr.*



Chinatown Community
Development Center

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RAD San Francisco: Community-Based Model

- CCHO cohort created principles and guidelines to emphasize CDC/ advocate/ tenant roles, including selection of development teams
- Community perspective to develop policies and procedures guiding implementation of RAD – lease/house rules, future tenant selection, tenant councils
- Participants included tenant council leaders, tenants' rights and legal advocacy groups, community-based organizations, and nonprofit (and two for-profit) affordable housing development and management organizations
- Incorporated lessons learned from HOPE VI to emphasize housing retention for current and future tenants



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RAD Tenant Protections

Federal RAD Protections

- Right to return to building if temporary relocation needed to accomplish repairs
- No re-screening of existing tenants
- Continue to calculate rent at 30% of income
- Independent tenant councils – continuing role for PYRIA

SF Additional Protections

- Emphasis on housing retention via coordination between property management and services
- Tenant screening and selection guided by citywide policies



Chinatown Cluster: Phase I – *transferred to CCDC November 2015*



990 Pacific Avenue
92 units, senior/disabled
completion December 2017



227 Bay Street
50 units, senior/disabled
completion September 2017



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Chinatown Cluster: Phase II – *transferred to CCDC October 2016*



North Ping Yuen
200 units, family
completion September 2019



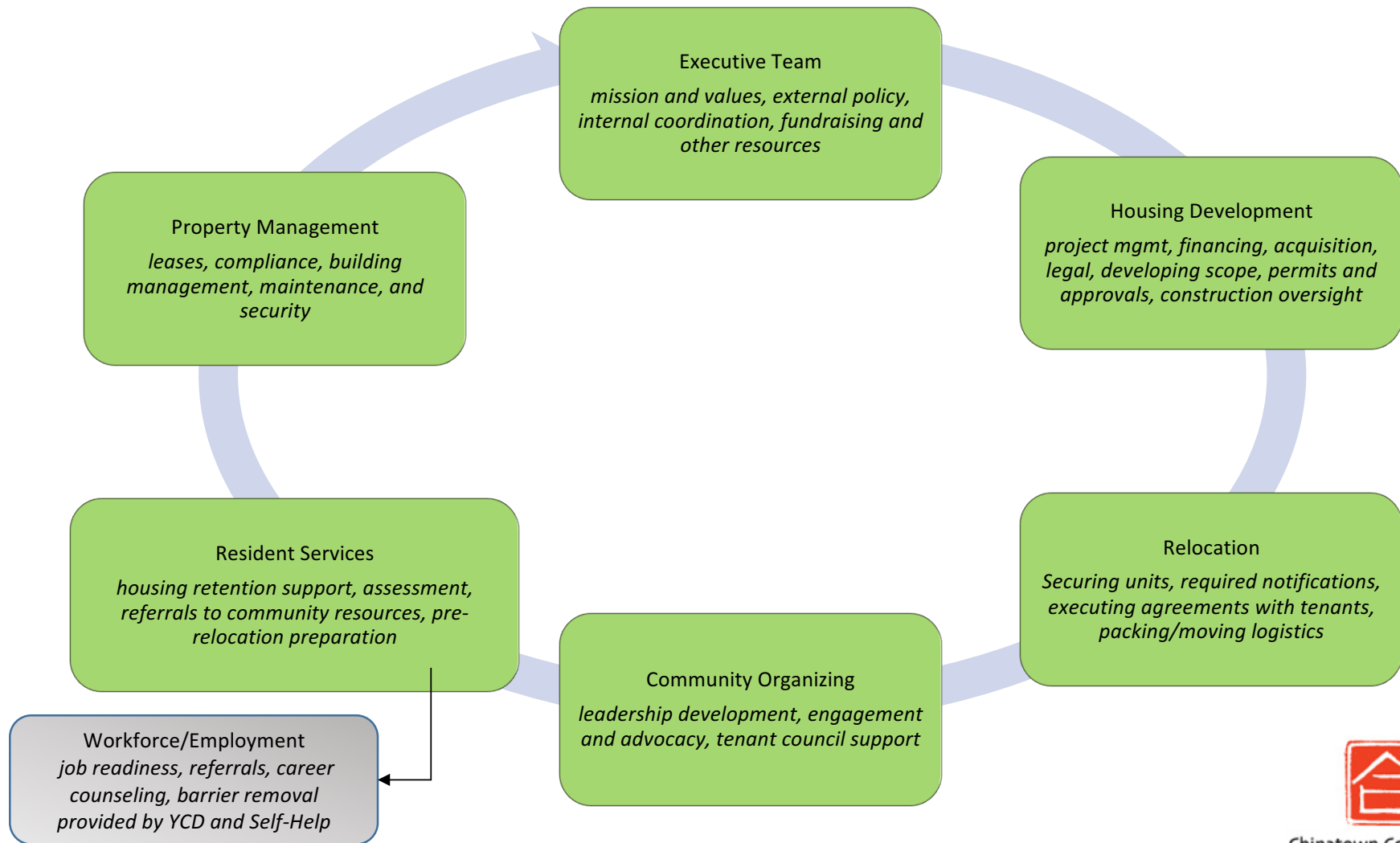
Ping Yuen
234 units, family
completion December 2018

Construction underway in phases. Rehab includes all major building systems: heating, hot water, electrical, plumbing, structural, elevator, roof, security, fire safety, exterior painting. There will be work in all residential units, including bath and kitchen remodels, flooring, paint, ventilation, and ADA modifications. We are making new space for property management and services offices as well as community rooms. Our new Community Center building will be constructed in rear of Central Ping Yuen.



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RAD CCDC



RAD CCDC: Challenges

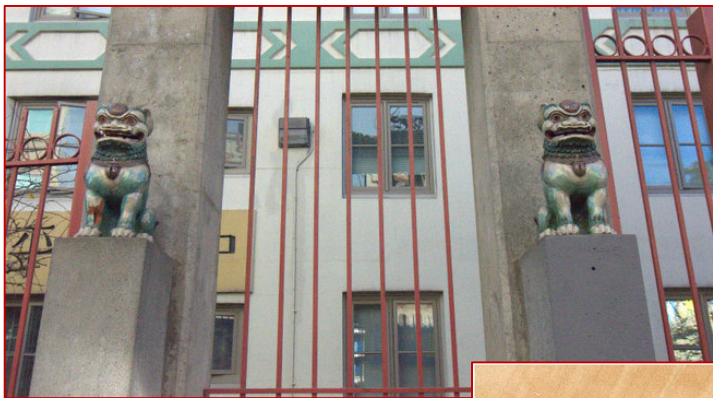
- Building functional landlord-tenant relationships
- Significant immediate repairs needed before rehab
- Community safety
- Temporary relocation



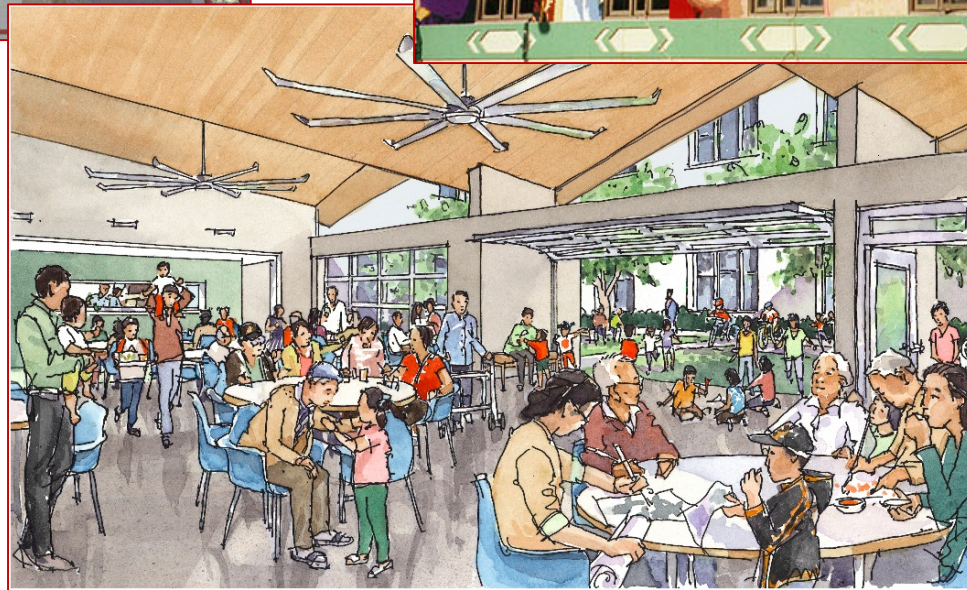
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RAD CCDC: Rewards

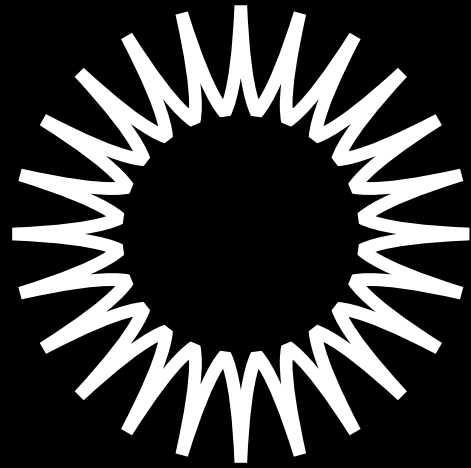


The beloved community.



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