

File No. 181209

Committee Item No. 6

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 10, 2019

Board of Supervisors Meeting

Date 2/5/2019

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Power Point Presentation
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Completed by: Linda Wong Date January 4, 2019
 Completed by: Linda Wong Date January 23, 2019

1 [Appropriation - Proceeds from Seismic Safety Retrofit and Affordable Housing Loan
2 Program, Series 2019A - Mayor's Office of Housing and Community Development -
3 \$75,000,000 - FY2018-2019]

4 **Ordinance appropriating \$75,000,000 of proceeds from the Seismic Safety Retrofit**
5 **and Affordable Housing Loan Program General Obligation Bond, Series 2019A, to the**
6 **Mayor's Office of Housing and Community Development to implement loan programs**
7 **to acquire, improve and rehabilitate at-risk multi-unit residential buildings in need of**
8 **seismic, fire, health or safety upgrades or other major rehabilitation, and convert**
9 **those buildings to permanent affordable housing to prevent the loss of rental housing**
10 **stock and the displacement of long-time residents of the City in FY2018-2019 and**
11 **placing these funds on Controller's Reserve pending sale of the bonds.**

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13 Note: Additions are single-underline italics Times New Roman;
14 deletions are ~~strikethrough italics Times New Roman~~.
15 Board amendment additions are double underlined.
16 Board amendment deletions are ~~strikethrough normal~~.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. The sources of funding outlined below are herein appropriated to reflect
19 the projected funding available in FY2018-2019.
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1 **SOURCES Appropriation**

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Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10566	XXXXXXXX-0001	480111	Proceeds from	\$75,000,000
2016 Housing Rehab GO	/ XXXXX	Proceeds from	Sale of Bonds	
Bond 1st 2019A /		Sale of Bonds-		
232065 MYR Housing & Community Dev		Face Amount		
Total SOURCES Appropriation				\$75,000,000

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13 Section 2. The uses of funding outlined below are herein appropriated in Accounts
 14 539200 (Loans Issued by City), 581130 (CON-Internal Audits), 581420 (GOBOC 0.1%
 15 Recovery), 573110 (Bond Issuance Cost-Unamortized), and 535990 (Other Current
 16 Expenses) and reflect the projected uses of funding.

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18 **USES Appropriation**

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Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10566	10034325-0001	539200	Affordable	\$4,296,243
2016 Housing Rehab GO	/ 20610	Loans Issued by	Housing	
Bond 1st 2019A /	2016 HOUS	City	Deferred Loan	
232065 MYR Housing & Community Dev	GOB AFFDEF 1st 2019A		Program	

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1	Fund /	Project & Activity	Account	Description	Amount
2	Department ID	/ Authority			
3	10566	10034326-0001 /	539200	Affordable	\$26,329,853
4	2016 Housing Rehab GO	20611	Loans Issued by	Housing Non-	
5	Bond 1st 2019A /	2016 HOUS	City	Deferred Loan	
6	232065 MYR Housing &	GOB AFF ND		Program	
7	Community Dev	1st 2019A			
8					
9	10566	10034327-0001 /	539200	Market Rate	\$40,835,032
10	2016 Housing Rehab GO	20612	Loans Issued by	Loan Program	
11	Bond 1st 2019A /	2016 HOUS GOB	City		
12	232065 MYR Housing &	MR 1st 2019A			
13	Community Dev				
14					
15	10566	10034328-0001 /	581130	CSA 0.2%	\$142,922
16	2016 Housing Rehab GO	20613	GF-CON-Internal	Controller's	
17	Bond 1st 2019A /	2016 HOUS GOB	Audits	Audit Fund	
18	232065 MYR Housing &	COI 1st 2019A			
19	Community Dev				
20					
21	10566	10034328-0001	581420	0.1% GO Bond	\$75,000
22	2016 Housing Rehab GO	/20613	GF-GEN-GOBOC	Oversight	
23	Bond 1st 2019A /	2016 HOUS GOB	0.1% Recovery	Committee	
24	232065 MYR Housing &	COI 1st 2019A		(GOBOC)	
25	Community Dev				

1	Fund /	Project & Activity	Account	Description	Amount
2	Department ID	/ Authority			
3	10566	10034328-0001	573110	Cost of	\$600,000
4	2016 Housing Rehab GO	/20613	Bond Issuance	Issuance	
5	Bond 1st 2019A /	2016 HOUS GOB	Cost- Unamortized		
6	.232065 MYR Housing &	COI 1st 2019A			
7	Community Dev				
8					
9	10566	10034328-0001	573110	Underwriter's	\$220,950
10	2016 Housing Rehab GO	/20613	Bond Issuance	Discount	
11	Bond 1st 2019A /	2016 HOUS GOB	Cost- Unamortized		
12	.232065 MYR Housing &	COI 1st 2019A			
13	Community Dev				
14					
15	10566	10034328-0001	573110	Reserve for	\$2,500,000
16	2016 Housing Rehab GO	/20613	Bond Issuance	Market	
17	Bond 1st 2019A /	2016 HOUS GOB	Cost- Unamortized	Uncertainty	
18	.232065 MYR Housing &	COI 1st 2019A			
19	Community Dev				
20					
21	Total USES Appropriation				\$75,000,000

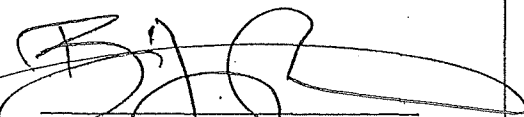
23 Section 3. The uses of funding outlined above for \$75,000,000 are herein placed
 24 on Controller's Reserve pending sale of the General Obligation Bonds.
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1 Section 4. The Controller is authorized to record transfers between funds and adjust
2 the accounting treatment of sources and uses appropriated in this ordinance as necessary
3 to conform with Generally Accepted Accounting Principles.
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5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

7
8 By: 
9 BUCK DELVENTHAL
Deputy City Attorney

By: 
BEN ROSENFELD
Controller

<p>Items 6, 7 and 8 Files 18-1209, 18-1218 and 18-1219</p>	<p>Department: Office of Public Finance (OPF) Mayor’s Office of Housing and Community Development (MOHCD)</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- File 18-1218: The proposed resolution would authorize the issuance of not to exceed \$260,684,550 aggregate principal in General Obligation Bonds (Proposition A, 1992/Proposition C, 2016), approved by the voters in November 2016, and provide for the levy of a tax to pay the principal and interest of the general obligation bonds.
- File 18-1219: The proposed resolution would authorize the issuance and sale of not to exceed \$75,000,000 aggregate principal Taxable General Obligation Bonds (Social Bonds – Affordable Housing, 2016), Series-2019A.
- File 18-1209: The proposed ordinance appropriates \$75,000,000 of proceeds from the Series 2019A taxable bonds to the Mayor’s Office of Housing and Community Development to implement loan programs to acquire, improve and rehabilitate at-risk multi-unit residential buildings that need seismic, fire, health or safety upgrades or other major rehabilitation, and convert those buildings to permanent affordable housing and places these funds on Controller’s Reserve pending sale of the bonds.

Key Points

- Voters approved Proposition A in 1992, which authorized the sale of up to \$350 million in general obligation bonds for a loan program to support seismic improvements to unreinforced masonry buildings. Of the \$350 million total authorized, \$89,315,450 has been issued to date, and \$260,684,550 remains available for future bond issuance.
- In November 2016, voters approved Proposition C, which amended the 1992 authorization to broaden the scope of the program due to low demand for seismic safety loans funded through the general obligation bond program. Proposition C allowed the bonds to also be used to finance the acquisition, improvement, and rehabilitation of (including seismic and other safety upgrades) at-risk multi-unit residential buildings and to convert those structures to permanent affordable housing.

Fiscal Impact

- The Office of Public Finance estimates the average annual debt service over 40 years on the general obligation bonds would be approximately \$4,700,000. The estimated total debt service is \$188,500,000, of which \$113,500,000 is interest and \$75,000,000 is principal.
- If the Board of Supervisors approves the issuance of the general obligation bonds, the debt ratio would increase by 0.03 percent to 0.98 percent—within the 3.00 percent legal debt limit. If all of the City’s authorized and unissued general obligation bonds were issued, the total debt would be 1.40 percent of the net assessed value of property in the City.

Recommendation

- Approve the two proposed resolutions and the proposed ordinance.

MANDATE STATEMENT

Charter Section 9.105 provides that the issuance and sale of general obligation bonds are subject to approval by the Board of Supervisors.

Charter Section 9.105 also states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

1992 Seismic Safety Loan Program Bonds

Voters approved Proposition A in 1992, which authorized the sale of up to \$350 million in general obligation bonds for the Seismic Safety Loan Program to support seismic improvements to unreinforced masonry buildings. The \$350 million authorization was allocated to two separate loan programs, including \$150 million for a below-market rate loan program for seismic improvements to affordable housing and \$200 million for improvements to market rate properties. Under the below-market rate loan program, borrowers would pay back principal and one-third of the City’s borrowing costs, and the remainder of the City’s borrowing cost would be repaid by a property tax levy. In addition, \$60 million of the \$150 million allocation for below-market rate loans was permitted to be deferred for 20 or 55 years. Under the market rate loan program, borrowers would pay back principal, the City’s full borrowing cost, and an additional 1 percent interest to cover administrative costs. Of the \$350 million total authorized, \$89,315,450¹ has been issued to date, and \$260,684,550 remains available for future bond issuance, as shown in Table 1 below.

Table 1: Seismic Safety Loan Program Bond Authorization

	Authorization	Issued to date	Remaining Authorization
Below-Market Rate Loan Program	\$150,000,000	\$45,315,450	\$104,684,550
<i>with loan deferment</i>	60,000,000	45,315,450	14,684,550
<i>no loan deferment</i>	90,000,000		90,000,000
Market Rate Loan Program	200,000,000	44,000,000	156,000,000
Total	\$350,000,000	\$89,315,450	\$260,684,550

Source: Memorandum dated December 7, 2018 from the Office of Public Finance to the Board of Supervisors

Under Proposition A, no more than \$35 million of the general obligation bond authorization could be sold in any fiscal year (including no more than \$15 million for the Below-Market Rate Loan Program and no more than \$20 million for the Market Rate Loan Program), but the authorized indebtedness accrued in each fiscal year could be carried over to subsequent fiscal years, if it remains unissued.

¹ Includes three bond issuances: (1) \$35 million in April 1994, pursuant to Resolution 160-94; (2) \$30,315,450 in March 2007, pursuant to Resolution 65-07; and (3) \$24 million in March 2016, pursuant to Resolution 284-14.

Seismic Safety and Affordable Housing Loan Program (PASS Program)

In November 2016, voters approved Proposition C, which amended the 1992 authorization to broaden the scope of the Seismic Safety Loan Program due to low demand for seismic safety loans funded through the general obligation bond program. Proposition C allowed the bonds to also be used to finance the acquisition, improvement, and rehabilitation of (including seismic and other safety upgrades) at-risk multi-unit residential buildings and to convert those structures to permanent affordable housing. In October 2018, the Board of Supervisors approved Ordinance No. 270-18, which amended the Administrative Code to authorize and implement a seismic safety and affordable housing loan program—now called Preservation and Seismic Safety (PASS Program)—to be funded by the sale of the authorized general obligation bonds.

DETAILS OF PROPOSED LEGISLATION

The two proposed resolutions and one proposed ordinance would authorize (a) the issuance of the entire not-to-exceed \$260,684,550 aggregate principal in general obligation bonds, (b) the sale of the first series of the taxable general obligation bonds for up to \$75,000,000, and (c) the appropriation of those funds for seismic safety and affordable housing loans:

- File 18-1218: The proposed resolution would authorize the issuance of not to exceed \$260,684,550 aggregate principal in General Obligation Bonds (Proposition A, 1992/Proposition C, 2016), approved by the voters in November 2016, and provide for the levy of a tax to pay the principal and interest of the general obligation bonds.
- File 18-1219: The proposed resolution would authorize the issuance and sale of not to exceed \$75,000,000 aggregate principal Taxable General Obligation Bonds (Social Bonds – Affordable Housing, 2016), Series 2019A.²
- File 18-1209: The proposed ordinance appropriates \$75,000,000 of proceeds from the Series 2019A taxable bonds to the Mayor’s Office of Housing and Community Development (MOHCD) to implement loan programs to acquire, improve and rehabilitate at-risk multi-unit residential buildings that need seismic, fire, health or safety upgrades or other major rehabilitation, and convert those buildings to permanent affordable housing and places these funds on Controller’s Reserve pending sale of the bonds.

Authorization to issue \$260,684,550 in General Obligation Bonds and Sale of \$75 million Series 2019A Bonds (Files 18-1218 and 18-1219)

The proposed resolutions would authorize (a) the issuance of \$260,684,550 in general obligation bonds, to be issued in multiple series with no more than \$35 million sold in each

² A resolution pending before the Board of Supervisors (File 18-1227) amends the City’s debt policy to allow the Controller’s Office of Public Finance to consider designating bonds as social bonds, green bonds, or sustainable bonds (for projects designated as both “social” and “green”). Appendix B states that “in considering the designation of such bonds, the Office of Public Finance shall evaluate costs and benefits...around such designation”.

fiscal year (unless authorized indebtedness is carried over from previous fiscal years), and (b) the sale of up to \$75 million³ Series 2019A taxable bonds, which would be the first series to be issued from the total \$260,684,550 authorized by the 2016 Proposition C, as described above. The sale of the \$75 million Series 2019A taxable bonds would occur in approximately February 2019 if approved. The sale of the remaining \$185,684,550 of the \$260,684,550 total authorized would be subject to future Board of Supervisors approval.

Financing Parameters

Of the first series of not to exceed \$75 million of the total \$260,684,550, the Office of Public Finance expects to sell \$72.5 million under conservative assumptions of market conditions prevailing at the expected time of sale. The additional authorized amount of \$2.5 million above the expected issuance amount of \$72.5 million allows for fluctuations in interest rate market conditions from the date of authorization by the Board of Supervisors to the time of the sale of the bonds. Table 2 below outlines anticipated sources and uses for the bonds.

Table 2: MOHCD Allocation for Series 2019A General Obligation Bonds

Sources	
Par Amount	\$72,500,000
Reserve Proceeds for Interest Rate Fluctuations	2,500,000
Total Not-to-Exceed Amount	\$75,000,000
Uses	
MOHCD Project	
Below-Market Rate Loan Program	\$30,626,096
<i>with loan deferment</i>	4,296,243
<i>no loan deferment</i>	26,329,853
Market Rate Loan Program	40,835,032
<i>Amount Available for Loans Subtotal</i>	<i>71,461,128</i>
CSA Audit fund	142,922
<i>MOHCD Projects Subtotal</i>	<i>71,604,050</i>
Citizens' GO Bond Oversight Committee	75,000
Costs of Bond Issuance	600,000
Underwriter's Discount	220,950
<i>Costs of Issuance Subtotal</i>	<i>895,950</i>
Reserve for Market Uncertainty	2,500,000
Total Uses with Reserve	\$75,000,000

Source: Memorandum dated December 7, 2018 from the Office of Public Finance to the Board of Supervisors

³ The proposed \$75 million issuance is within the \$105 million maximum that could be issued in FY 2018-19 based on the \$35 million annual issuance limit that has carried over since FY 2016-17, as stipulated in 1992 Proposition A and maintained under 2016 Proposition C.

Appropriation of \$75,000,000 in Bond Proceeds (File 18-1209)

As shown in Table 2 above, the proposed ordinance would appropriate \$75,000,000 in Series 2019A taxable general obligation bond proceeds for seismic safety and affordable housing projects to the Mayor's Office of Housing and Community Development.

According to Mr. Vishal Trivedi, a Financial Analyst in the Office of Public Finance, the below-market rate loans and market rate loans would be issued in combination to non-profit developers⁴ for affordable housing to achieve a low-cost blended interest rate, and the terms of repayment of those loans to the City would depend on the share that is below-market rate and the share that is market rate. Seismic safety loans under the 1992 Proposition A authorization would still be available for seismic improvements to unreinforced masonry buildings, but as noted above, demand for these loans has been low historically.

FISCAL IMPACT**Annual Debt Service**

Based on a conservative estimate of 5.53 percent total borrowing cost (which assumes the issuance of the Bonds on a federally taxable basis), the Office of Public Finance estimates the average annual debt service over 40 years on the general obligation bonds would be approximately \$4,700,000. A par value of \$75,000,000 is estimated to result in approximately \$113,500,000 in interest payments over the 40-year life of the Series 2019A bonds.⁵ The estimated total principal and interest payment over the approximate 40-year life of the general obligation bonds is \$188,500,000, of which \$113,500,000 is interest and \$75,000,000 is principal.

The Office of Public Finance intends to sell the general obligation bonds through a negotiated sale with three underwriters selected competitively based on their responses to a Request for Proposals that was distributed to the City's Underwriter Pool. Citigroup would serve as Senior Underwriter, and Raymond James and Loop Capital Markets would serve as Co-underwriters. The Bonds would be structured as taxable⁶ bonds with a final maturity of 35 to 40 years to meet the needs of an affordable housing loan program. The Bonds would mature on or before June 15, 2059.

⁴ Affordable housing general obligation bonds are somewhat different than typical City general obligation bonds. Under typical City general obligation bonds, the City hires private contractors to undertake improvements on specific City-owned properties, such that the improvements are also owned by the City. However, under these affordable housing general obligation bonds, the City will not directly engage contractors nor generally own the properties or improvements. Rather, the City will primarily provide the general obligation bond proceeds as loans to developers who will hire contractors and own the improvements through limited liability corporations, which enables leveraging of additional revenues for the projects through federal tax credits.

⁵ A resolution pending before the Board of Supervisors (File 18-1227) amends the City's debt policy to allow the issuance of bonds up to a maximum of 40 years (rather than the current maximum of 30 years).

⁶ The Series 2019A bonds would be sold as taxable due to IRS restrictions on financing projects that involve private use, such as housing, with tax-exempt bonds.

Debt Limit

Section 9.106 of the City Charter limits the amount of general obligation bonds the City can have outstanding at any given time to three percent of the total assessed value of property in San Francisco. The City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City's gross general obligation debt limit for FY 2018-19 is approximately \$7.78 billion, based on a net assessed valuation of approximately \$259.3 billion. This net assessed valuation is dated as of August 1, 2018, which is the date of the Controller's Certificate of Assessed Valuation for the fiscal year. As of December 1, 2018, the City had outstanding approximately \$2.46 billion in aggregate principal amount of general obligation bonds, which equals approximately 0.95 percent of the net assessed valuation for FY 2018-19. If the Board of Supervisors approves the issuance of the general obligation bonds, the debt ratio would increase by 0.03 percent to 0.98 percent—within the 3.00 percent legal debt limit. If all of the City's authorized and unissued general obligation bonds were issued, the total debt would be 1.40 percent of the net assessed value of property in the City.

Property Tax Rates

For the Series 2019A bonds, repayment of the annual debt service would be recovered through increases in the annual property tax rate, which, according to the Controller's Office, would range from \$0.03 up to \$1.72 per \$100,000 of assessed valuation over the anticipated 40-year term of the bonds based on current assumptions. The owner of a residence with an assessed value of \$600,000, assuming a homeowner's exemption of \$7,000, would pay additional property taxes to the City ranging from \$0.19 up to \$10.19 per year if the \$75,000,000 Series 2019A bonds are sold. As noted above, under the below-market rate loan program, borrowers would pay back principal and one-third of the City's borrowing costs, and the remainder of the City's borrowing cost would be repaid by a property tax levy.

Capital Plan

Under financial constraints adopted by the City's Capital Planning Committee, debt service on approved and issued general obligation bonds may not increase property owners' long-term property tax rates above FY 2005-06 levels. The FY 2005-06 property tax rate for the general obligation bond fund was \$120.10 per \$100,000 of assessed value. If the Board of Supervisors approves the issuance of the general obligation bonds, the property tax rate for general obligation bonds for FY 2018-19 would be maintained below the FY 2005-06 rate and within the Capital Planning Committee's approved financial constraint.

RECOMMENDATION

Approve the proposed resolutions (Files 18-1218 and 18-1219) and the proposed ordinance (File 18-1209).



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Kanishka Karunaratne Cheng *KCC*
RE: Appropriation – Proceeds from Seismic Safety Retrofit and Affordable
Housing Loan Program, Series 2019A, \$75,000,000 – FY2018-19
DATE: December 11, 2018

Ordinance appropriating \$75,000,000 of proceeds from the Seismic Safety Retrofit and Affordable Housing Loan Program General Obligation Bond, Series 2019A to the Mayor's Office of Housing and Community Development to implement loan programs to acquire, improve and rehabilitate at-risk multi-unit residential buildings in need of seismic, fire, health or safety upgrades or other major rehabilitation and convert those buildings to permanent affordable housing to prevent the loss of rental housing stock and the displacement of long-time residents of the City in FY2018-2019 and placing these funds on Controller's Reserve pending sale of the bonds.

Please note that Supervisor Peskin is a co-sponsor of this legislation.

Should you have any questions, please contact Kanishka Karunaratne Cheng at 415-554-6696.

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File #181209
Received in Committee
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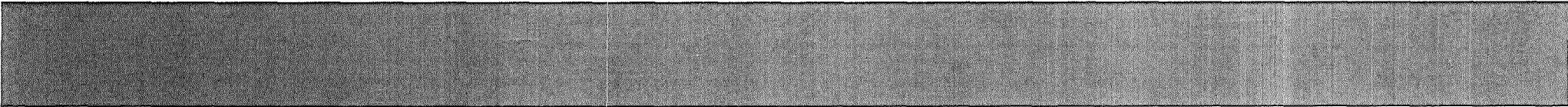
Preservation and Seismic Safety (PASS) Program

Budget and Finance Committee
January 10, 2019

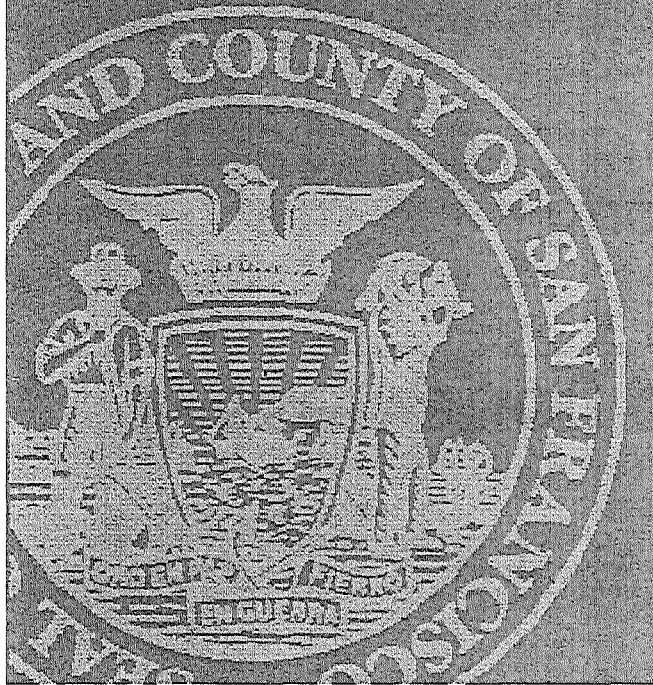
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Mayor's Office of Housing and Community Development
City and County of San Francisco



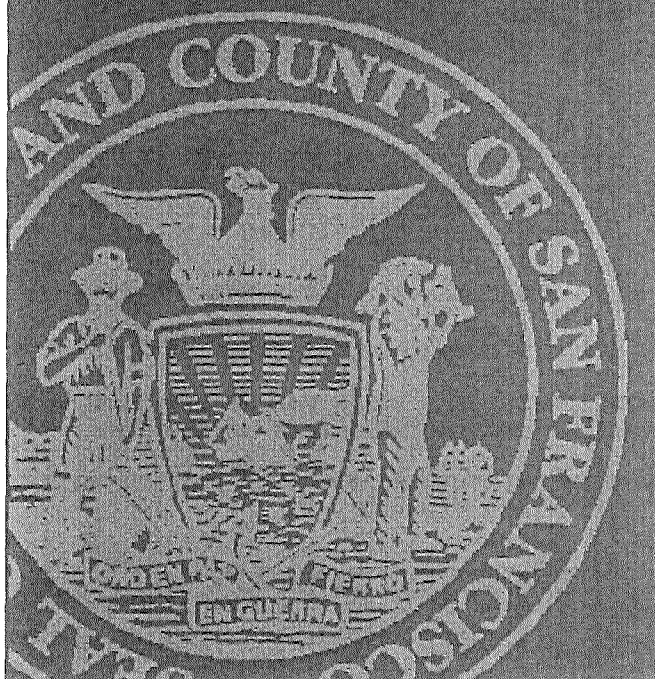
Action before Committee



Action items recommending to approve:

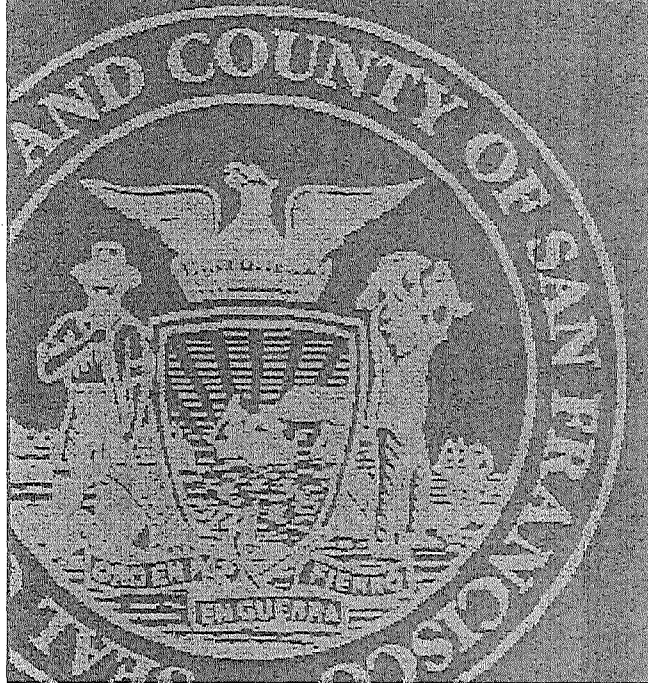
- Master resolution authorizing the issuance of General Obligation Bonds (Proposition A, 1992/Proposition C, 2016) in an amount not to exceed \$260.7M
- Resolution authorizing the sale of Taxable General Obligation Bonds (Social Bonds – Affordable Housing 2016) Series 2019A, not to exceed \$75M
- Supplemental appropriation of the G.O. Bond Series 2019A proceeds

Preservation and Seismic Safety (PASS) Program



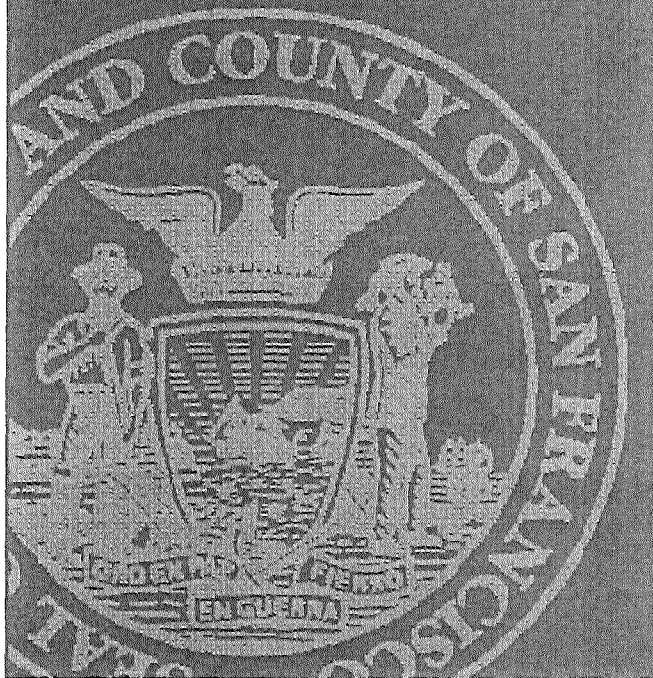
- Repurpose \$260M underutilized bond authority to fund affordable housing acquisition, rehab, and conversion of at-risk buildings to permanent affordable housing
 - \$104M for Below Market Rate Loans
 - \$156M for Market Rate Loans
- Initial round of funding not to exceed \$75M through the sale of Taxable General Obligation Bonds (Social Bonds – Affordable Housing 2016) Series 2019A

Affordability Restrictions



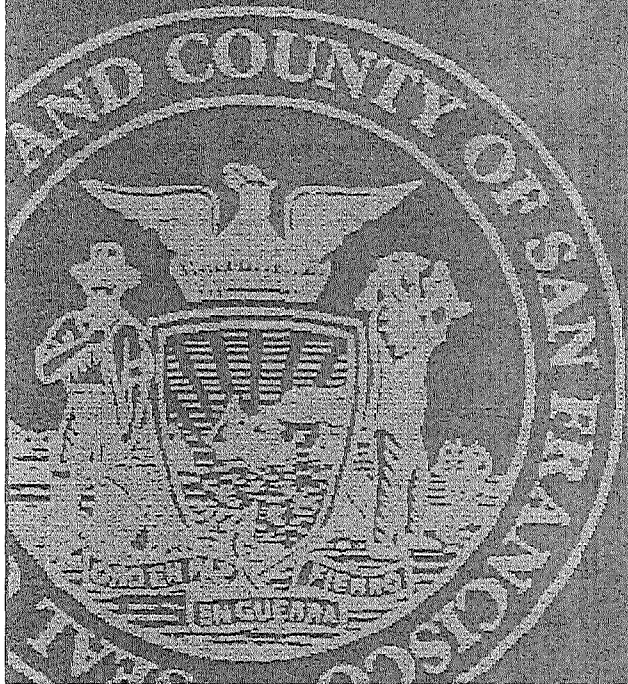
- Permanent affordability restrictions for below-market loans
- Maximum average rent and household income at 80% AMI, and cap at 120% AMI
- Prohibition on capital improvement pass-through for market-rate loans

Eligible Uses



- Seismic retrofits, acquisition/rehabilitation, and preservation of affordable 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

Complements the
Small Sites
Program



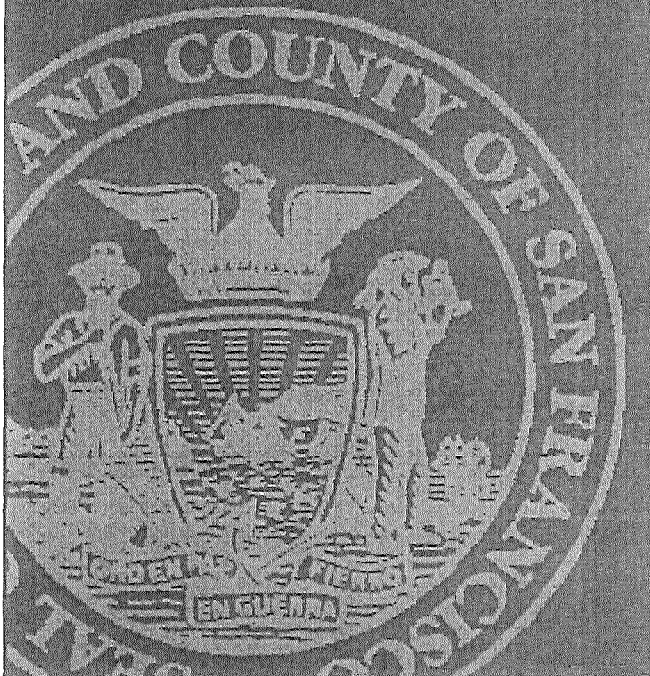
4830 Mission St. (Excelsior)

Sponsor: MEDA
Units: 21 residential, 6 commercial
Affordability: <73% AMI



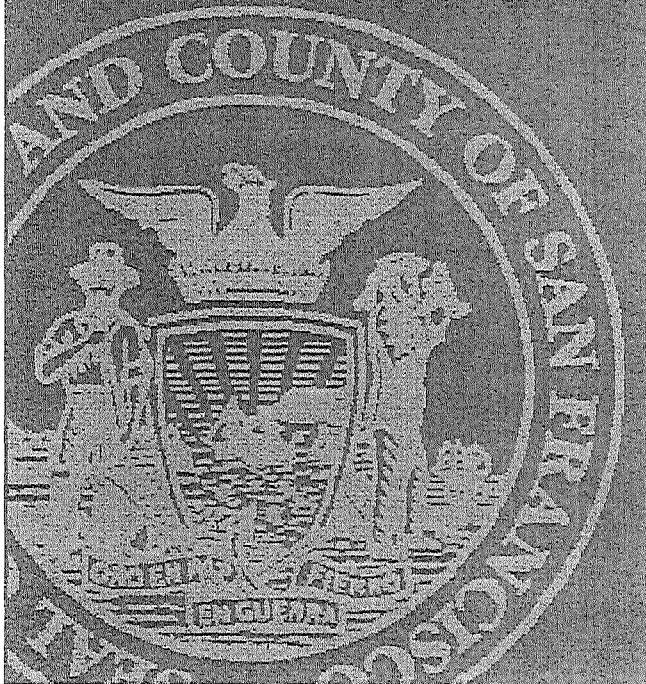
- Acquired by MEDA in July 2018 to rehabilitate and preserve as permanently affordable housing
- Expected take-out financing in Spring 2019 of \$11M
- Low-cost and long-term funding will protect existing residents and local businesses, and reduce the subsidy needs from the Small Sites Program

Financing



- Models:
 - Direct financing for acquisition and rehabilitation
 - Permanent take-out financing
- Terms:
 - BMR interest rate to yield 1/3 of City's cost of funds
 - MR interest rate to yield City's costs of funds plus 100 basis points
 - BMR and MR loans may be combined to achieve a low-cost blended interest rate
 - Up to 40 year loan term

Taxable General
Obligation Bonds,
(Social Bonds –
Affordable Housing
2016) Series 2019A



Anticipated NTE Sources & Uses

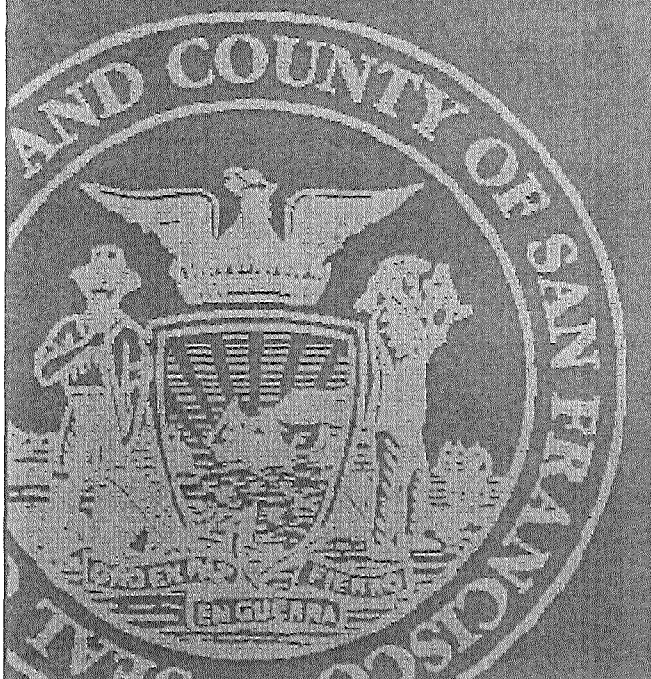
<u>2019A Bonds</u> ¹	<u>75,000,000</u>
Total Sources	75,000,000
Project Fund	71,461,128
CSA Audit Fee	142,922
Costs of Issuance	600,000
Underwriter's Discount	220,950
CGOBOC Fee	75,000
<u>Reserve Proceeds</u> ²	<u>2,500,000</u>
Total Uses	75,000,000

28

Notes:

1. Total issuance not to exceed \$75M.
2. Reserve Proceeds to fund additional COI and issuance expenses, if required.

Anticipated Pipeline in First Round of Funding



Project Name	Sponsor	Units	Projected Closing Date	Loan Amount
1411 Florida Street	MEDA	7	2/28/2019	1,636,000
60 28th Street	MEDA	6	2/28/2019	1,223,000
3280 17th Street	MEDA	11	2/28/2019	5,690,000
65-69 Woodward	MEDA	6	2/28/2019	1,513,000
Merry-Go-Round House	SFCLT	14	5/31/2019	2,012,000
654 Capp Street	MEDA	6	5/31/2019	2,119,000
305 San Carlos Street	MEDA	10	5/31/2019	2,544,000
534 Natoma Street	SFCLT	5	6/30/2019	1,210,000
1201 Powell Street	CCDC	17	6/30/2019	2,014,000
5024 3rd Street	SFHDC	5	6/30/2019	2,805,000
1500 Cortland Avenue	MEDA	4	7/31/2019	740,000
462 Green Street	CCDC	6	8/31/2019	464,000
3840 Folsom Street	MEDA	4	9/30/2019	660,000
937 Clay Street	CCDC	73	12/31/2019	3,668,000
1049 Market Street	THC	15	12/31/2019	643,000
Purple House	SFCLT	10	12/31/2019	1,109,000
3800 Mission Street	MEDA	5	2/29/2020	1,287,000
568 Natoma Street	SFCLT	5	3/31/2020	980,000
4830 Mission Street	MEDA	21	6/30/2020	11,033,000
1535 Jackson Street	CCDC	19	6/30/2020	1,757,000
Pigeon Palace	SFCLT	6	9/30/2020	1,625,000
151 Duboce Avenue	SFCLT	4	12/31/2020	601,000
344 Precita Avenue	MEDA	3	3/31/2021	923,000
Gran Oriente Filipino	MHDC	24	4/30/2021	3,386,000
308 Turk Street	SFCLT	20	6/30/2021	2,980,000
1684 Grove Street	SFCLT	3	12/31/2021	834,000
1353 Folsom Street	SFCLT	3	12/31/2021	858,000
70 Belcher Street	SFCLT	5	1/31/2022	1,121,000
380 San Jose Avenue	MEDA	4	1/31/2022	794,000
644 Guerrero Street	MEDA	4	1/31/2022	662,000
Subtotal: 30 Projects		325		58,891,000
Additional project funding	TBD	N/A	1/31/2022	12,570,128
Grand Total: 30+ Projects		325+		71,461,128

Mayor's Office of Housing and Community Development

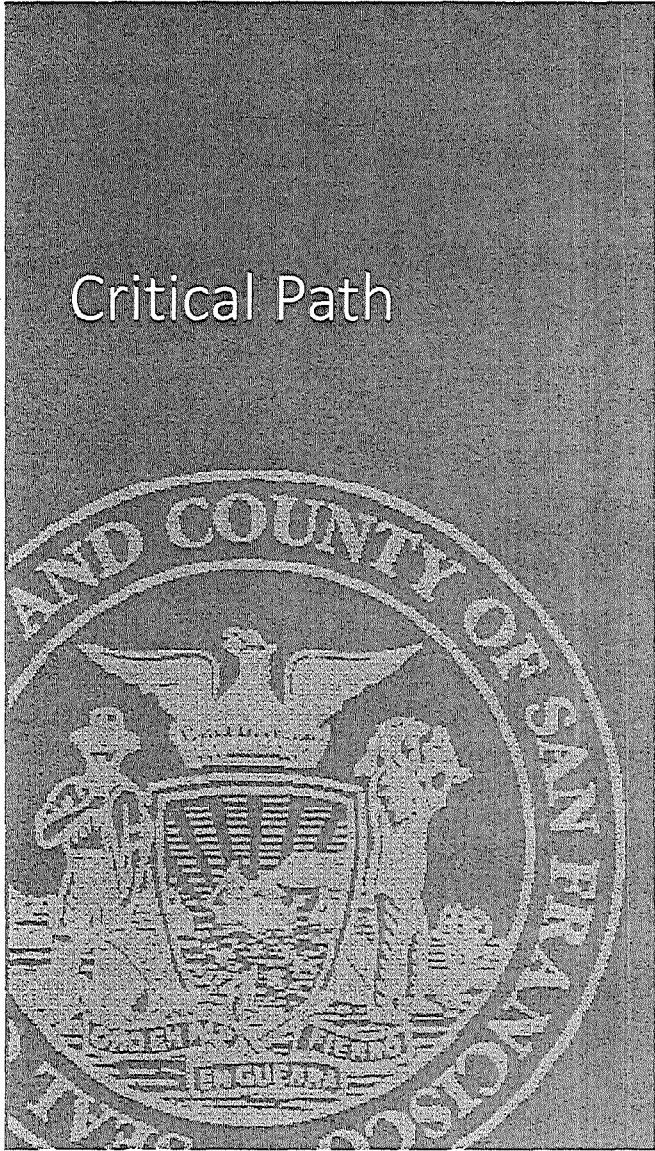
Typical Project:

- Small Site Program participants averaging 11 units
- Permanent take-out financing with average loan size of ~\$2M
- Serves priority and at-risk populations:
 - Seniors
 - Persons with disabilities
 - Low-income households
 - Ellis Act evictions

Future Issuances:

- 11 additional sites identified totaling 86 units and approximately \$20M in financing as part of second issuance
- Small Sites and Big Sites
- Utilize all bonding capacity by 2029 to preserve approximately 1,400 units of affordable housing

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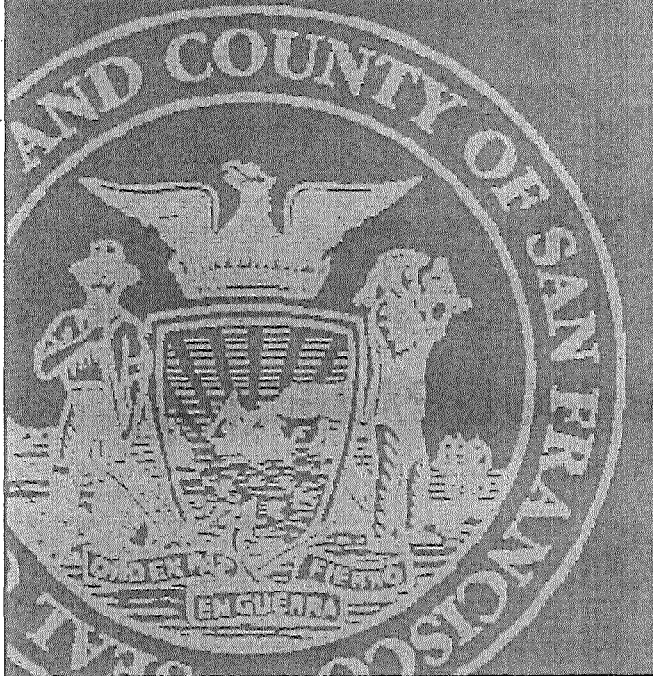


January '19						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February '19						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

Date	Activity
Jan. 10 (Thu)	Budget & Finance Committee consideration
Jan. 29 (Tue)	BOS consideration of financing documents
Feb. 1 (Fri)	<ul style="list-style-type: none"> • Mayor to sign resolution • Finalize Preliminary Official Statement
Feb. 4 (Mon)	Mail/Post Preliminary Official Statement
Feb. 13 (Wed)	<ul style="list-style-type: none"> • Bond Sale • Sign Bond Purchase Agreement
Feb. 19 (Tue)	<ul style="list-style-type: none"> • Mail/Post Final Official Statement • Comments due on closing documents
Feb. 26 (Tue)	Pre-close Bonds
Feb. 27 (Wed)	Close Bonds

Next Steps



PASS Program

- First issuance in February 2019
- Operationalize, market and roll-out loan program
- Process and close applications for financing beginning in March 2019
- Compliance monitoring, reporting and program evaluation
- Second round of funding in 2021-22

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Preservation and Seismic Safety (PASS) Program

Budget and Finance Committee
January 10, 2019



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