

Plaza East Apartments

SAN FRANCISCO, CA





McCORMACK BARON SALAZAR

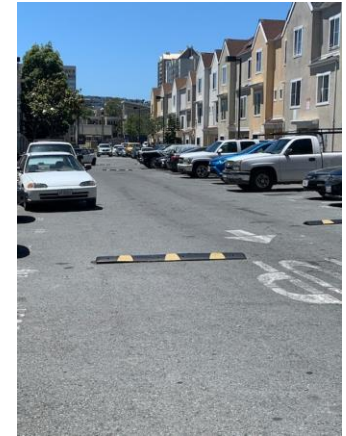
PLAZA EAST - OVERVIEW

- Last 100% Public Housing Site in San Francisco to not receive increased subsidies through HOPESF or RAD
- Property owned by a Partnership of SFHA and MBS
- SFHA is Managing GP and MBS is Administrative GP
- 193 Family Apartments
- MBM is Property Manager – Transition to John Stewart Co on 6/1/21



EXISTING CONDITIONS & FINANCING

- Congress & HUD historically underfund operating subsidies
- Increasing resident concerns of deferred maintenance
- Property runs at deficit each year
 - Rents are fixed and subsidies are insufficient
- All reserves have been spent down to address maintenance issues
- Work orders are reactive
- COVID-19 means higher operating costs
 - Increase of \$511K from 2020 to 2021



IMPACT ON PEOPLE

- Average resident income 24% AMI
 - Average income: **\$41,760** for family of four
- Immediate financial support needed to address building and resident needs, including:
 - Security
 - Workforce
 - Education
 - Other Resident Services



SOLUTIONS – IMMEDIATE REPAIR WORK

2020

- 100% Unit walk through to inform Emergency Scope of Work
- December 2020: Applied to MOHCD for Emergency Repair Funds

2021

- Meeting with DBI to clear past notices of violation
- April 2021: Secured Emergency Repair Funding of **\$2.7M**
 - \$2.5M for repair work and \$198K for services
- May 2021: Repair work began
- June 2021: John Stewart Company to take over property management
- Ongoing resident dialogue before, during and after repair work complete

SOLUTIONS – REIMAGINING PLAZA EAST

Residents

- Summer 2020, discussions with residents to reimagine Plaza East
- What is working, what is missing from the community
- 1:1 replacement housing guaranteed
- Safety – Larch Way
- Infrastructure problems
- Social services on-site – both subsidies and physical space

Housing

- 1:1 replacement housing guaranteed
- Increase the number of affordable housing units on-site
- New amenities
- Thriving community integrated into the larger neighborhood

Enhanced Financing

- Increase annual subsidies
- Explore programs with varying levels of subsidy
- Reflect HUD goals for mixed-income communities

SOLUTIONS – HUD PROGRAMS

- Goal: Higher Subsidy levels
- May 2020: Concept Call with HUD to discuss Section 18 Program
- November 2020: SFHA Commission Approval to submit Section 18 Application
- January 2021: Submit Section 18 Application to HUD
- March 2021: HUD discontinued review of Section 18 Application
- April 2021: Correspondence with HUD to transition from Section 18 Program to potentially RAD Blend
 - SFHA Commission approved Section 18 Application withdrawal
 - SFHA and MBS exploring possibility of entering into RAD blend - new program that accomplishes similar goals to Section 18, including increased subsidies flowing to Plaza East
 - Consistent with the RAD Program SF has extensive familiarity with
 - Absolute right to return for all tenants – no rescreening

TENANT COUNCIL LEADERSHIP

- The role of a tenant council is to improve the quality of life and resident satisfaction and participate in initiatives to enable residents to create a positive living environment for families.
- Residents have the right to organize and select a tenant council to represent their interests.
- There must be a neutral, independent third-party entity to oversee the election process.
- All voting members of the resident community must be given sufficient notice (at least 30 days) for nomination and election.
- Any member of a public housing household whose name is on the lease of a unit and meets the requirements of the by-laws is eligible to be a member.
- There are typically 5 seats: President, Vice President, Treasurer, Secretary, and Sergeant-at-Arms

TENANT COUNCIL & RESIDENT MEETINGS

Below are dates that MBS met with tenant council and residents on site conditions, revitalization proposals, schedule of repair work:

Meetings with Resident Council

- August 27,2020
- September 3, 2020
- September 10,2020
- September 17,2020
- September 23,2020
- April 16, 2021
- April 27, 2021

Resident Meetings

- August 19, 2020
- August 26, 2020
- September 9,2020
- November 13, 2020
- April 28, 2021

TENANT COUNCIL LEADERSHIP

We have had numerous meetings with President Martha Hollins and Tenant Council Leadership on existing conditions, and parallel track for long term improvements

- Ms. Martha Hollins, President of Tenant Council
- Tray Walker, Sergeant of Arms
- Rene Narcisse, Treasurer
- Chris McCoy

TIMELINE

November 2020

- Fineline 20% walk through of units in preparation for Loan Committee
- Housing Authority Commission Approval to submit Section 18 Application

December 2020

- Submit application to Loan Committee for \$2.5MM based on Fineline 20% walk

January 2021

- Submit Section 18 Application to HUD

February 2021

- Fineline 100% unit walk through to support revised unit scope

March 2021:

- Section 18 Application Discontinued

April 2021 – Present:

- Early Discussions on RAD Blend
- Loan Committee Approval for \$2.5MM for emergency repairs & \$198K for social services
- Community Meeting kick-off to inform residents of repair funds, property management transition, social services

NEXT STEPS

May 2021

- Resident meetings on repair work in units
- Repair work began this month
- Social Services has begun
- Resident Meetings on ideas/input for revitalized Plaza East

June 2021

- John Stewart Company to take over Property Management
- Continued discussions with HUD on best financing path forward to increase resources to the property

July 2021 Onwards

- Ongoing management meetings with residents
- Updates on repair work
- Resident input on the future of Plaza East