SMALL SITES PERMANENT FINANCING

1005 POWELL
64 UNITS OF PERMANENT AFFORDABLE HOUSING FOR SENIORS

FILE 240443
BUDGET AND FINANCE COMMITTEE
MAY 15, 2024

ALEA GAGE
PRESERVATION PROGRAM MANAGER

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

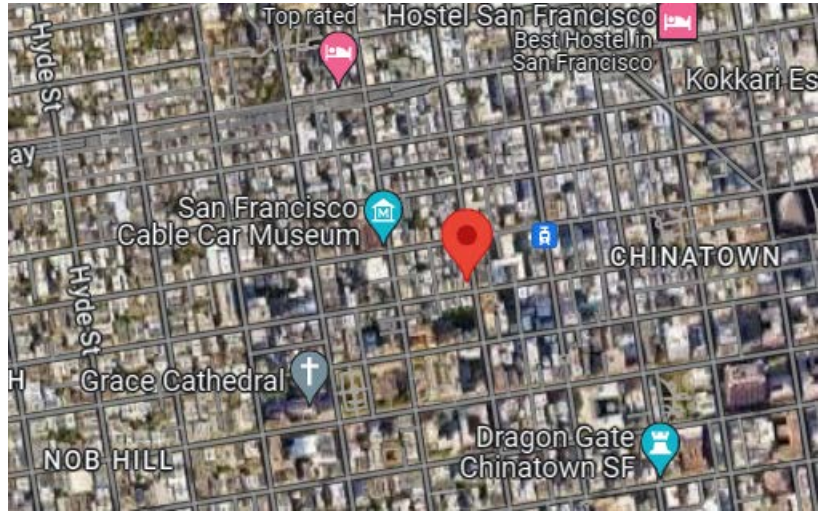
PROJECT DETAILS

- Project Overview
  - Powell @ Clay on the border of Chinatown and Nob Hill – District 3
  - 64 SRO units for seniors including one staff unit
  - Ground floor tenant lounge, laundry, property management offices

- Acquisition & Rehabilitation Financing
  - $16.2M Acquisition & Rehabilitation Loan from the Housing Accelerator Fund in December 2021
    - $3.75M purchase price
    - $9.2M rehabilitation (hard costs)

- Senior Operating Subsidy (SOS) Grant Agreement approved by the Board of Supervisors on 4/2/24 – $6.2M for a 15.5 year term for 35 units (55% of units)

- CCDC Contribution of $448k for ground floor commercial upgrades



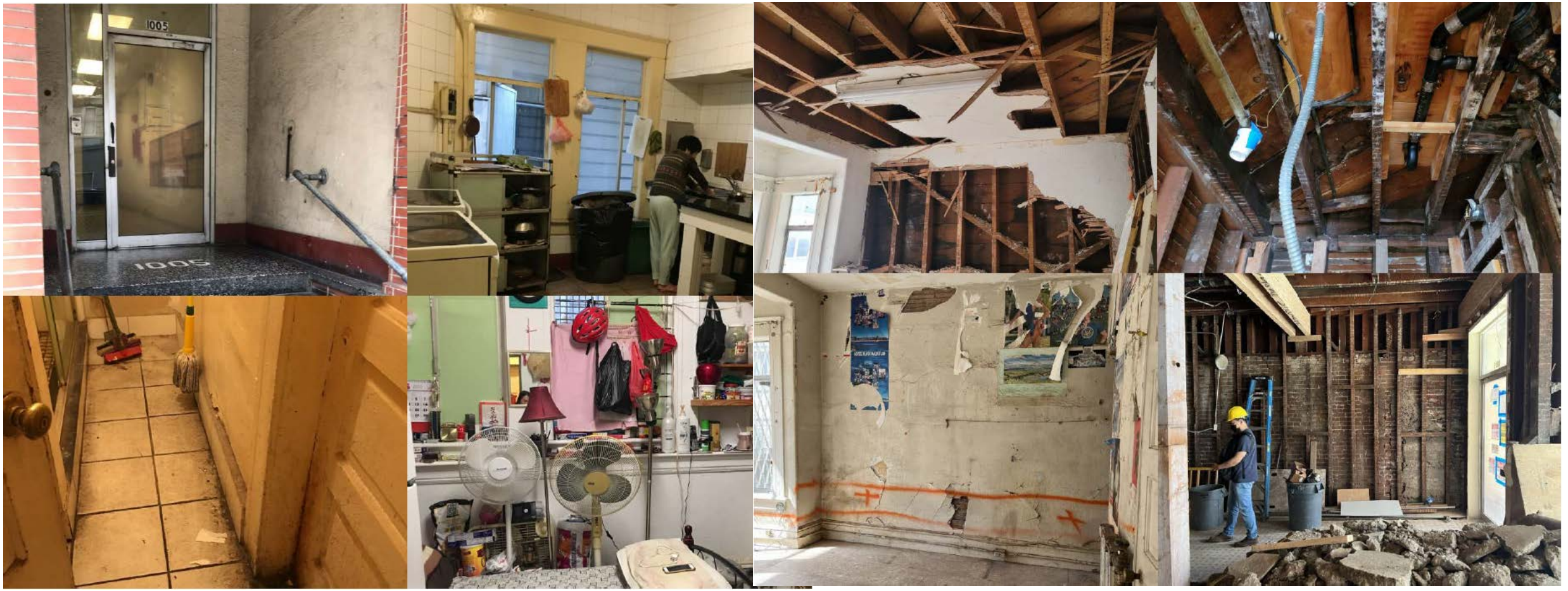
BUILDING DETAILS

- Built in 1907
- History of Notices of Violation and unpermitted work

Timeline
- Dec 2021: Acquisition
- March 2022 – Jan 2024: Rehabilitation
- March 2024: All permits finalized
- June 2024: Permanent financing secured

Rehabilitation Scope
- Soft-story seismic retrofit
- Lead and asbestos abatement
- Extensive dry rot repairs
- Life-safety improvements
- Improved accessibility
- New windows
- Heating and plumbing upgrades
- New roof
- Interior unit repairs
- Elevator modernization

BEFORE & DURING REHABILITATION



AFTER REHABILITATION

PROJECT OBJECTIVES

- Completed:
  - Addressed overcrowding as part of the necessary relocation during construction
  - Reduced utility bills through green upgrades and smaller household sizes
- Permanent Financing:
  - Restricted as a senior building as long as an SOS agreement is in place
  - Preserves affordability for all residential units for 99 years at an average of 60% AMI
  - Funds replacement and operating reserves (with contributions from City and CCDC)

SUMMARY OF REQUEST

Total Loan Amount: $20,900,000

- All soft debt – 40 year term
- $316,667 per unit of City subsidy (within SSP Guidelines)
- Majority of SSP funds are from the Academy of Art University settlement to preserve SRO units

ALEA GAGE
PRESERVATION PROGRAM MANAGER
ALEA.GAGE@SFGOV.ORG

JOHNNY OLIVER
DIRECTOR OF PRESERVATION
JOHN.P.OLIVER@SFGOV.ORG

SHEILA NICKOLOPOULOS
DIRECTOR OF POLICY & LEGISLATIVE AFFAIRS
SHEILA.NICKOLOPOULOS@SFGOV.ORG

Thank you