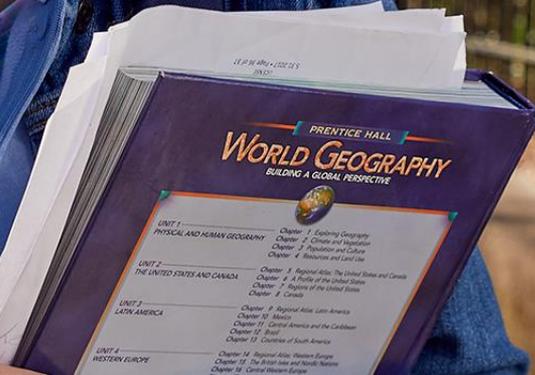




Strategies for Engaging Residents in Bay Area Preservation Efforts

**NPH Annual Conference
September 21, 2018**



What is Acquisition-Rehab?

- Purchasing and securing the affordability of housing that is currently occupied by lower-income residents, especially those facing displacement pressures.
- Typically involves light to intensive rehabilitation work to address deferred maintenance and make sure the property is safe and healthy for residents.
- Transition to new ownership and management model.



Funding Catalysts in the Bay Area

San Francisco Small Sites Program (SSP): Launched in 2014 as a \$3 million pilot, City contribution has grown to ~\$85 million in subsidies and low-cost loans. Targets at-risk buildings with 5–25 units.

San Francisco Housing Accelerator Fund: Public-private partnership providing short-term financing for acq/rehab, designed to complement SSP.

Oakland Measure KK: Passed in 2016. \$100 million of \$600 million GO bond dedicated to affordable housing and anti-displacement efforts, including acq-rehab.

Alameda County Measure A-1: Passed in 2016. Portion of funds from \$580 million housing bond will be set aside for acquisition-rehab loan program.

Bay Area Preservation Pilot: Launching this year, MTC has provided seed funding and partnered with Enterprise and LIIF to create a short to mid-term loan program to support acq-rehab in transit-rich neighborhoods.

...and other public, private, and philanthropic sources exist or are coming online at local and regional scales

The Acquisition-Rehab Process

Pipeline

Identify high-priority properties through various means (brokers, databases, organizers, etc.)

Estimate budget and figure out if project is feasible.

Engage property owners and negotiate purchase agreement.

Predevelopment

Perform due diligence around building conditions, development scope, and management needs.

Conduct deeper financial feasibility assessment and pro forma analysis.

Identify funding sources and apply for funding.

Acquisition and Rehab

Identify rehab needs.

Close acquisition financing.

Perform pre-construction tasks, including inspections, construction plans, securing building permits, etc.

Oversee construction management.

Permanent

Perform asset management to ensure property is financially sound into the future.

Begin property management, including ongoing leasing, tenant onboarding, and maintenance.

Engage service providers.

The Acquisition-Rehab Process

Pipeline

Identify high-priority properties through various means (brokers, databases, organizers, etc.)

Estimate budget and figure out if project is feasible.

Engage property owners and negotiate purchase agreement.

Predevelopment

Perform due diligence around building conditions, development scope, and management needs.

Conduct deeper financial feasibility assessment and pro forma analysis.

Identify funding sources and apply for funding.

Acquisition and Rehab

Identify rehab needs.

Close acquisition financing.

Perform pre-construction tasks, including inspections, construction plans, securing building permits, etc.

Oversee construction management.

Permanent

Perform asset management to ensure property is financially sound into the future.

Begin property management, including ongoing leasing, tenant onboarding, and maintenance.

Engage service providers.

Resident Engagement

MEDA's Vision

We envision generations of **Latino families** with sufficient financial assets to **thrive**, and the ability to call San Francisco their permanent home. Inspired by the past and present life of the Mission District, families are rooted in vibrant, diverse and forward-thinking **communities**, have opportunities to **grow** and are actively engaged in the civic and political life of their neighborhoods and the institutions that affect their lives.

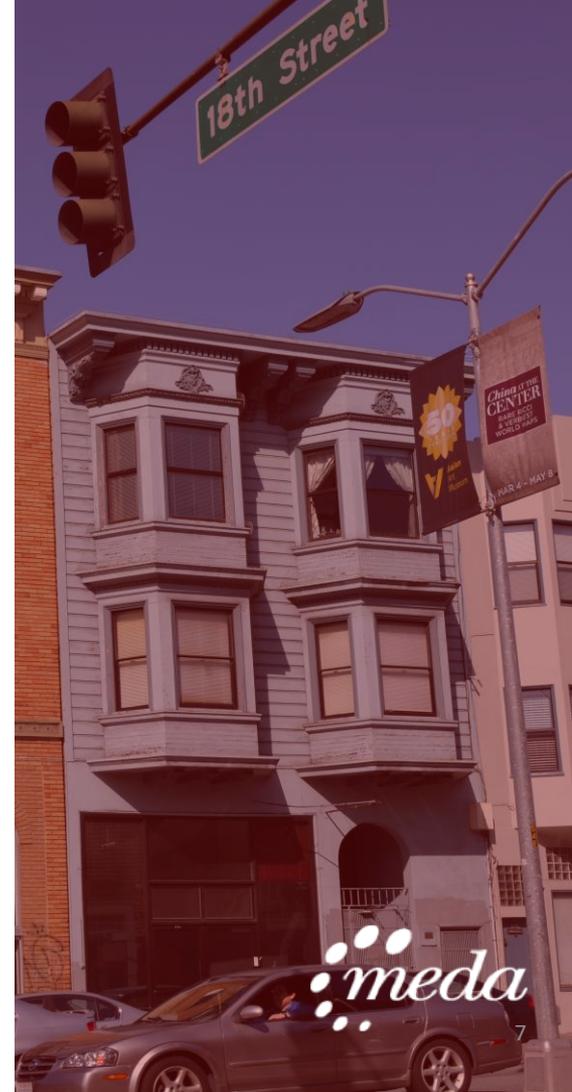


Small Sites Program

Community stabilization through the acquisition and rehabilitation of tenant-occupied buildings that are vulnerable to no-fault eviction and, ultimately, displacement.

Impact

- Tenants stay in place
- City permanently preserves affordable housing
- Nonprofit buyer acquires a sustainable project
- Seller receives market value for the building



Program Overview

Priorities

- Properties with low-income, long-term tenants
- Properties with tenants who are vulnerable to displacement
- Light to moderate rehab – not new construction or major rehab
- Focuses on buildings between 5-25 residential/commercial units

City loan terms

- 30-year loan
- Subordinate second loan
- Sponsor must leverage first mortgage
- \$300,000-\$400,000 City subsidy per unit
- Permanently restricted at 80 percent average area median income (AMI)





EBALDC

Housing Acquisition Fund

EBALDC's new model to address the housing crisis in Oakland by mobilizing private funding to swiftly acquire naturally affordable multifamily properties and preserve affordable rental rates for long-time, low-income residents.



**EAST BAY ASIAN LOCAL
DEVELOPMENT CORPORATION**

Karen Denicore
September 21, 2018

