Housing for All: New Strategies for Providing Housing for Low- to Middle-Income Households in High-Cost Cities

Ann Silverberg
Executive Vice President, BRIDGE Housing
ULI Fall Meeting, October 7, 2015
BRIDGE Housing Corporation

- 16,000+ homes and apartments
- 90+ communities
- 37,000 residents
- CA and Pacific NW
Delivery of Affordable Housing is Challenged by High Cost and Competitive Environment

- Land and acquisition costs are high
- Construction costs continue to rise
- Subsidy sources are inadequate
- Lag in production exacerbates growing need for affordable housing
BRIDGE Strategy Includes Multiple Approaches In High-Cost Markets

• Acquisition/rehab and adaptive re-use of existing buildings
• Developing in locations where acquisition costs are lower
• Mixed-income new construction
• New and efficient capital sources to target middle-income residents and reduce capital stack
• Cost containment including modular construction

St. Joseph’s Senior, Oakland CA
Case Study: Potrero, San Francisco

- 38-acre property in San Francisco
- Huge public benefit in high cost area
- Supported by HOPE SF Initiative to transform public housing
- Utilizing value of land and new sources of funds to leverage existing resources
- Quality homes at range of affordability
- Building on years of outreach and engagement
Case Study: Potrero, San Francisco

• North Side
  - Median income: $135,000
  - Poverty rate: 5.4%
  - Thriving retail
  - High school graduation rate: 86%
  - Street grid connects to downtown

• South Side
  - Median income: $14,000
  - Poverty rate: 64% in public housing
  - Food desert
  - High school graduation rate: 56%
  - Geographically and socially isolated
  - Violent crime: Five times city average
  - Disparities in all areas of chronic health diseases
## Case Study: Potrero, San Francisco

<table>
<thead>
<tr>
<th>Phase</th>
<th>Units</th>
<th>Income Target</th>
<th>Sources</th>
<th>Total Costs</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>60</td>
<td>PH replacement/&lt;60 % AMI</td>
<td>Tax Credits, Bonds, Local, PBS8</td>
<td>$36,000,000</td>
<td>2016</td>
</tr>
<tr>
<td>Phase 2</td>
<td>195</td>
<td>PH replacement/&lt;60 % AMI, Market Rate</td>
<td>Tax Credits, Bonds, Local, PBS8, Private debt/equity</td>
<td>$117,000,000</td>
<td>2018</td>
</tr>
<tr>
<td>Phase 3</td>
<td>350</td>
<td>PH replacement/&lt;60 % AMI, Market Rate</td>
<td>Private debt/equity, Tax Credits, Bonds, Local, PBS8</td>
<td>$210,000,000</td>
<td>2020</td>
</tr>
<tr>
<td>Phase 4</td>
<td>65</td>
<td>PH replacement/&lt;60 % AMI</td>
<td>Tax Credits, Bonds, Local, PBS8</td>
<td>$39,000,000</td>
<td>2023</td>
</tr>
<tr>
<td>Phase 5</td>
<td>930</td>
<td>PH replacement/&lt;60 % AMI, Market Rate</td>
<td>Private debt/equity, Tax Credits, Bonds, Local, PBS8</td>
<td>$558,000,000</td>
<td>2024</td>
</tr>
</tbody>
</table>
Case Study: Marea Alta, San Leandro

- Two-phase intergenerational development
- Transit Oriented Development on BART property
- Built with off-site modular construction to save time and cost
Case Study: Marea Alta, San Leandro

- Modular construction saved time and money
  - Costs expected to be 12% less than stick-built equivalent
  - Schedule reduced by 4 months
- Fabricated in a controlled environment
  - Quality of product is enhanced
- Design meets BRIDGE’s standards

ZETA Manufacturing Facility, McClellan CA
Lessons Learned:

- Engaged and experienced contractor and architect essential to success
- Site specifics contribute to outcome
- Extra effort and requirements to address lender concerns
- Heavy reliance on sub performance with few alternatives available
- Logistics related to insurance, transportation, protection, inspections required before construction start
- Savings can be significant
Housing for All: New Strategies for Providing Housing for Low- to Middle-Income Households in High-Cost Cities

Ann Silverberg
Executive Vice President, BRIDGE Housing
ULI Fall Meeting, October 7, 2015