

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

Ann Silverberg

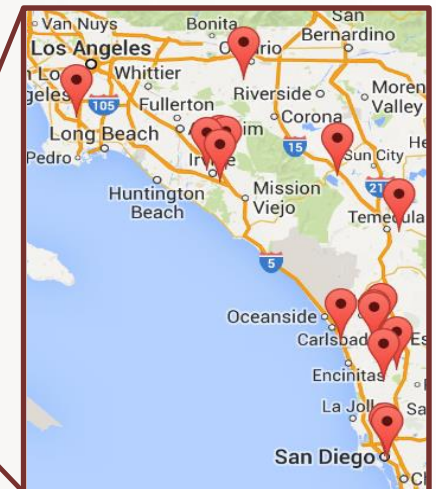
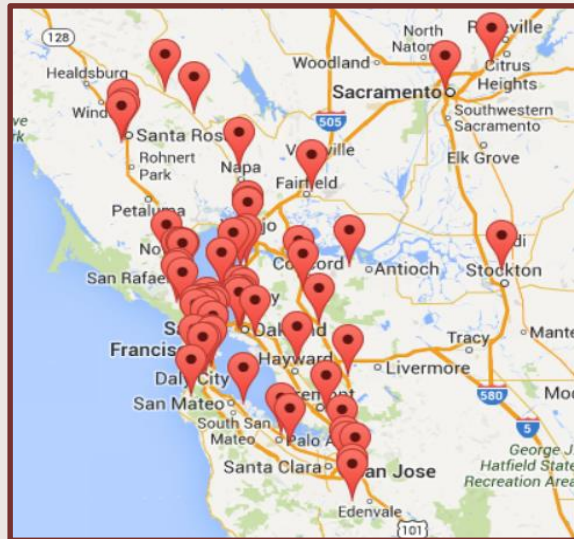
Executive Vice President, BRIDGE Housing

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



*Applications for 68-unit AveVista in Oakland CA, July 2015. Over 10,000 on interest list.*

# 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



*Potrero - Before*



*Potrero - After*

# 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

Phase	Units	Income Target	Sources	Total Costs	Start Date
Phase 1	60	PH replacement/<60 % AMI	Tax Credits, Bonds, Local, PBS8	\$36,000,000	2016
Phase 2	195	PH replacement/<60 % AMI, Market Rate	Tax Credits, Bonds, Local, PBS8, Private debt/equity	\$117,000,000	2018
Phase 3	350	PH replacement/<60 % AMI, Market Rate	Private debt/equity, Tax Credits, Bonds, Local, PBS8	\$210,000,000	2020
Phase 4	65	PH replacement/<60 % AMI	Tax Credits, Bonds, Local, PBS8	\$39,000,000	2023
Phase 5	930	PH replacement/<60 % AMI, Market Rate	Private debt/equity, Tax Credits, Bonds, Local, PBS8	\$558,000,000	2024



# 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



*Marea Alta, San Leandro CA*



# 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

# Case Study: Marea Alta, San Leandro

## 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

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