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Item # 14



bae urban economics

SOCIAL HOUSING FINANCIAL FEASIBILITY ANALYSIS

City of South San Francisco

July 13, 2022

DEVELOPMENT PROTOTYPES

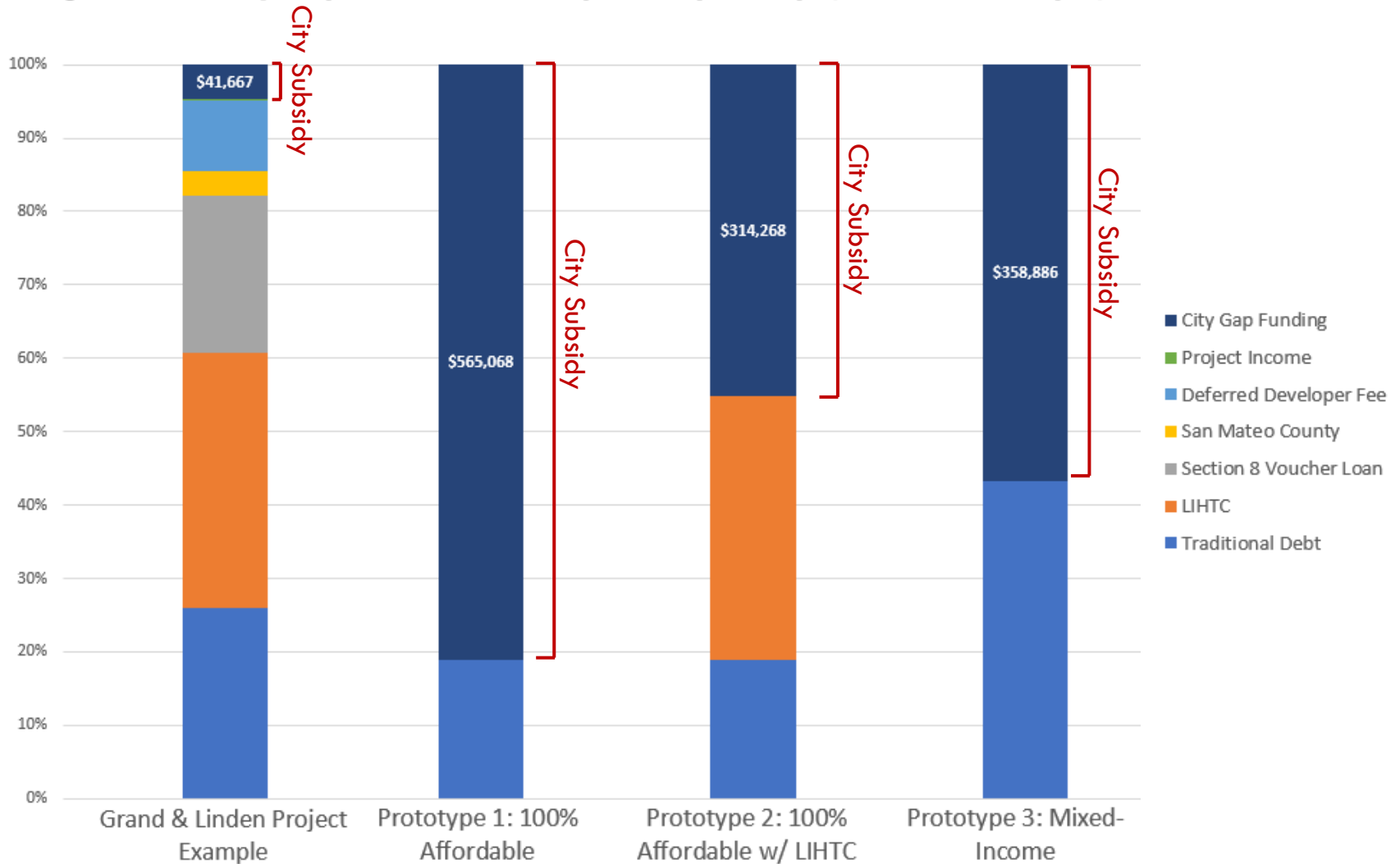
	<u>Prototype 1</u>	<u>Prototype 2</u>	<u>Prototype 3</u>
Site Size (Acres)	1.00	1.00	1.00
Number of Units	150	150	150
Affordability Levels			
50% AMI	100%	100%	50%
Market Rate	0%	0%	50%
Unit Type			
Studio	0.0%	0.0%	16.7%
1-BR	33.3%	33.3%	33.3%
2-BR	33.3%	33.3%	33.3%
3-BR	33.3%	33.3%	16.7%
Capital Funding Assumptions			
City Gap Funding	Yes	Yes	Yes
Low -Income Housing Tax Credits	No	Yes	No

FINANCIAL FEASIBILITY SUMMARY

	Project Type and Funding Plan		
	Prototype 1: 100% Affordable City Funding	Prototype 2: 100% Affordable LIHTC and City Funding	Prototype 3: Mixed-Income City Funding
150-Unit Project			
Total Development Cost	\$104,500,044	\$104,500,044	\$94,818,247
<i>TDC Per Unit</i>	<i>\$696,667</i>	<i>\$696,667</i>	<i>\$632,122</i>
Supportable Debt Amount	\$19,739,777	\$19,739,777	\$40,985,297
LIHTC Equity	\$0	\$37,620,016	\$0
City Gap Funding	(\$84,760,267)	(\$47,140,251)	(\$53,832,951)
<i>Per Unit</i>	<i>(\$565,068)</i>	<i>(\$314,268)</i>	<i>(\$358,886)</i>

Sources: City of South San Francisco; BAE, 2022.

FUNDING CAPITAL STACK COMPARISON



SOCIAL HOUSING ASSESSMENT SUMMARY

Social Housing Model

- Potential for Faster Delivery
- Long-Term City Control
- High Upfront Costs
- High Capital Costs
(\$300k-\$565k per unit)
- More Complex Transaction Documents
(Co-Developer and Management Partners)
- Higher Development Risk

Status Quo – City Support

- Dependent on Developers
- Less City Control
- No Upfront Costs
- Low Capital Costs
(\$75k per unit)
- Less Complex Transaction Documents
(Standard Loan Agreements, DA, DDA)
- Limited Development Risk

AFFORDABLE HOUSING COST V. SPEED





THANK YOU!

QUESTIONS AND DISCUSSION