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Our Model

- SFCLT preserves existing residents in existing buildings in existing neighborhoods by purchasing those buildings at market rate.
- SFCLT targets 5-20 unit buildings where long-term tenants face imminent displacement.
- SFCLT also adds community and socio-economic value by converting rental buildings into Housing Co-ops, sometimes.

City of San Francisco's "Strategic" Solutions

- "Inclusionary" Housing – Main "tool"
 - BMR Rental / BMR Ownership
 - DALP/ 2nd Loan/other MOHCD \$ assistance
 - Small Site Acquisition Policy - 2009
 - Funded By community led ballot measures:
 - Housing Trust Fund
 - Proposition C!
- Latest: Housing Accelerator Fund (sfhaf.org)

Small Site Acquisition in SF

- City policy approved in 2009 – hooray!
- “Small” = 5-25 units
 - **BUT → really only fits 7-25 units**
- Competitive market requires a more nimble acquisition process
 - **AND → ‘rewards’ potential ‘bad actors’**
- Scattered sites require new approach to property and asset management
 - **MOST AHP’s say → “you’re crazy”**

How is SSP Feasible?

For \$1,000 of rent revenue, the project can carry approximately \$100,000 in hard debt

Assuming:

- \$500,000 total cost per unit
- \$5,000 Annual Operating Cost per Unit
- 1.10 Minimum Debt Service Coverage Ratio
- 5% interest rate on the hard debt (e.g., mortgage amortized over 30 years)

Affordable Monthly Rent per Unit	Is affordable to a single person household earning: _____% AMI	Can cover this much of a mortgage (5% interest amortized over 30 years)	Will need this much "Subsidy" from the City to cover the gap between income and expenses
\$500	30% (\$20,000)	\$ 20,000	\$480,000
\$700	40% (28,000)	\$ 55,000	\$445,000
\$900	50% (\$36,000)	\$ 85,000	\$415,000
\$1,000	60% (\$43,000)	\$100,000	\$400,000
\$1,200	70% (\$50,000)	\$130,000	\$270,000
\$1,500	80% (\$57,000)	\$175,000	\$225,000
\$1,800	100% (\$71,000)	\$225,000	\$175,000
\$2,200	120% (\$85,000)	\$285,000	\$115,000

Mixed-Income Buildings

10-unit Building - Average 70% AMI

# Units	% AMI	# Units	% AMI	# Units	% AMI
1	30% AMI	2	30% AMI	3	30% AMI
4	50% AMI	1	50% AMI	1	65% AMI
6	80% AMI	5	80% AMI	3	80% AMI
0	100% AMI	2	100% AMI	3	100% AMI
10	71% AMI	10	71% AMI	10	69.5% AMI

CURRENT CHALLENGE: 517-519 CASTRO

- An Edwardian three-unit built in 1879.
- Exceptional, highly visible location at 18th and Castro on the same block as Harvey Milk's camera shop.
- Iconic Sausage Factory sign is an important visual marker in the neighborhood akin to the Castro Theater sign or the rainbow flag at Harvey Milk Plaza.
- Two residential units, ground floor restaurant space with beer & wine license
- Building offered empty at \$4.1M.
- Current rents for the residential units are \$2800 and \$3100.
- The second floor residential space, "Grand Central," has been a radical faerie collective house since 2004.





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