



Preservation Next California Academy

Welcome to the third
session: Property
Identification, Evaluation,
and Acquisition

December 1, 2022



Today's Agenda

2 THANK YOU TO OUR FUNDERS

4 PRESERVATION NEXT OVERVIEW

8 DATA AND TOOLS TO IDENTIFY PROPERTIES FOR PRESERVATION

- ***Characteristics of the SMMF Inventory.*** Andrew Jakabovics, Policy Development, Enterprise
- ***Local Tools to Identify SMMF Acquisition Opportunities.*** Ruby Harris and Caroline McCormack, Southern and Northern CA, Enterprise

9 ACQUISITIONS IN PRACTICE: TNDC'S SCREENING TOOL AND PROCESS

- ***Property Evaluation, Identification, and Due Diligence.*** Chris Cummings, Tenderloin Neighborhood Development Corporation

12 ALIGNED PRESERVATION NEXT TOOLKIT RESOURCES

14 AUDIENCE Q&A

15 PREVIEWING THE NEXT SESSION

A Special Thank You to the Funders of Preservation Next

MacKenzie Scott



**KAISER
PERMANENTE®**



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 **Enterprise®**

PRESERVATION NEXT

Preservation Next Overview

Preserving Affordability in Small to Medium Multifamily Properties and Protecting Residents from Displacement

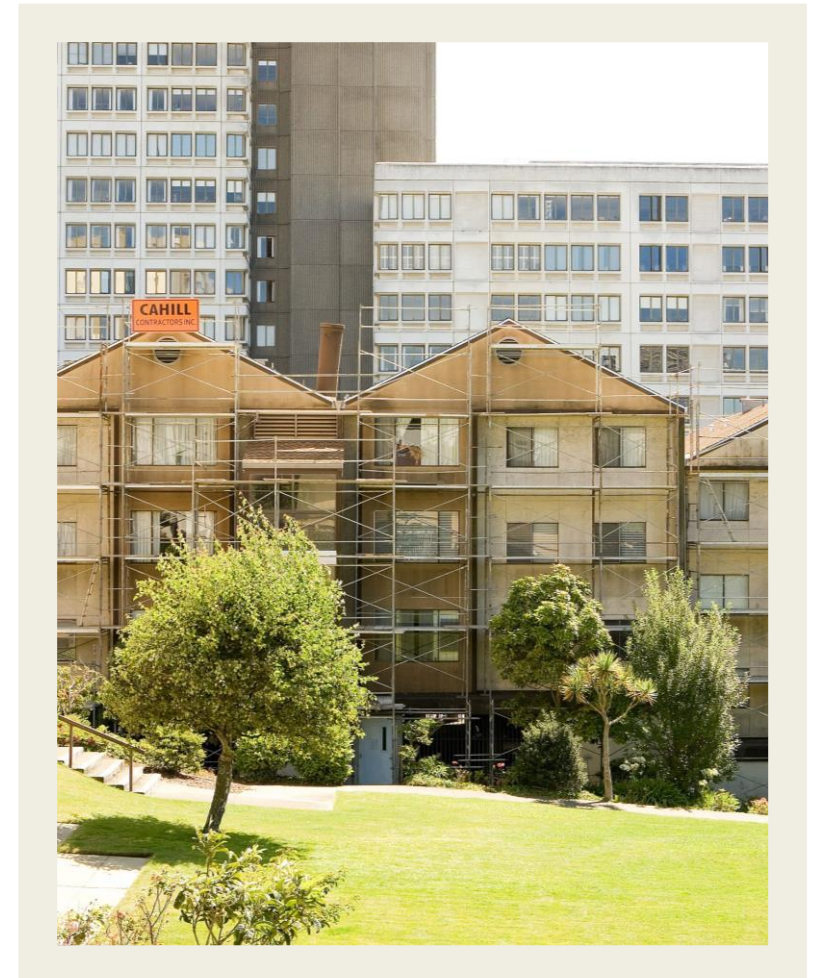
Solutions at the intersection of renter and owner stability to promote an eviction prevention-first approach

Through **Preservation Next**, Enterprise is committed to preserving affordable small to medium multifamily homes and ensuring that residents have access to safe, healthy, and resilient places to live.

To truly preserve these homes and protect affordability for residents now and into the future, we must:

- Protect existing affordability where it currently exists.
- Provide housing stability and prevent displacement of existing residents and families.
- Invest in healthy, sustainable, and resilient homes.
- Foster responsible stewardship by mission-aligned owners.

Small and medium sized properties provide a crucial foundation for affordable housing in this country: 80 percent of homes in these buildings are available to people who earn less than 80 percent of the area median income



Meet Our Preservation Next Team

National Staff



Sara Haas

ENTERPRISE, SENIOR DIRECTOR, SOUTHEAST

At Enterprise, Sara leads affordable housing preservation programming in Miami and Atlanta, the Keep Safe Florida Resilience program, and the National Preservation Next program. Prior to joining Enterprise, Sara developed and managed national AmeriCorps VISTA programs at Habitat for Humanity International and Points of Light. Sara lives in Atlanta with her husband Stew, son Eli and dog Dolly Parton.



Meaghan Vlkovic

ENTERPRISE, VP AND MARKET LEADER, SOUTHEAST

Meaghan leads Enterprise's programmatic work in the Southeast region, focused on providing an array of resources to affordable housing and community development partners. This includes capacity building assistance for proactive preservation and production of housing, and helping communities plan for future development, such as transit-oriented development opportunities.



Jessie Wang

**ENTERPRISE, PRESERVATION FELLOW,
PRESERVATION NEXT**

At Enterprise, Jessie supports program development and delivery for the National Preservation Next program. Prior to joining Enterprise, Jessie conducted applied research and technical assistance to assist a variety of community-based organizations and affordable housing advocates. Jessie lives in Chicago.

PRESERVATION NEXT

Meet Our Preservation Next Team

Northern and Southern California Market Staff



Ruby Harris

SENIOR DIRECTOR OF CAPITAL SOLUTIONS AND PARTNERSHIPS, SOUTHERN CA

At Enterprise, Ruby is a thought partner with CBOs and tasked with creating new capital pathways to increase affordable housing. Ruby joins Enterprise with 22 years of experience in the community development field. Her experience ranges from nonprofit management, program and product design, public policy, and lending to grant-making. Notably, Ruby launched the Small Sites Program for the City and County of San Francisco, a \$100M endeavor to preserve NOAH properties.



Caroline McCormack

DIRECTOR OF PRESERVATION, NORTHERN CA

Caroline oversees the Northern CA office's work to advance preservation policies, capital, and tools. Before Enterprise, Caroline was the Program Manager for the San Francisco Mayor's Office of Housing's acquisition and anti-displacement financing programs, including the \$170M Small & Big Sites Program and the \$260M Preservation and Seismic Safety Program. In addition, Caroline was one of the lead underwriters implementing the City's portfolio preservation strategy for its 23,000 existing affordable homes.



Elizabeth Richards

SENIOR PROGRAM DIRECTOR, SOUTHERN CA

Elizabeth Richards is Senior Program Director for Enterprise Community Partners in Southern California, managing the Local Rental Owners Collaborative initiative in partnership with the Chan Zuckerberg Initiative. Elizabeth's twenty-year career in affordable housing began in Chicago with a focus on supportive housing, policy, and finance. She's been with Enterprise for ten+ years and has worked nationally across Enterprise markets.



Geeta Rao

SENIOR DIRECTOR, NORTHERN CA

At Enterprise, Geeta oversees the Northern CA office's programmatic work and operations. She brings 20 years of experience in affordable housing and community development: program design and implementation, policy development, technical assistance, and legislative advocacy. Geeta serves on the leadership team of Bay Area Housing for All (BAHA), an effort to place a \$10-20 billion housing measure on the 2024 ballot for the San Francisco Bay Area, and led Enterprise's co-sponsorship efforts of AB 1487, which created the Bay Area Housing Finance Authority (BAHFA).

Join Us!

California Preservation Academy Sessions

**November 2022 –
June 2023**

Dates	Sessions
November 3, 2022	Preservation Academy Kickoff
November 17, 2022	Preservation Deals: Organizational Sustainability and Business Planning
December 1, 2022	Acquisition, Property Identification, and Evaluation of SMMF Properties
January 12, 2023	Financing SMMF Preservation
February 2, 2023	Sustainability, Resilience and Health Considerations for SMMF Preservation
February 23, 2023	Navigating Rehabilitation of SMMF Properties
March 16, 2023	Preservation Development Models
April 6, 2023	Community Land Trusts and Preservation: Deep Dive Special Session
April 27, 2023	Policy and Its Impacts on Preservation
May 18, 2023	Property and Asset Management
June 8, 2023	Housing Stability and Eviction Prevention

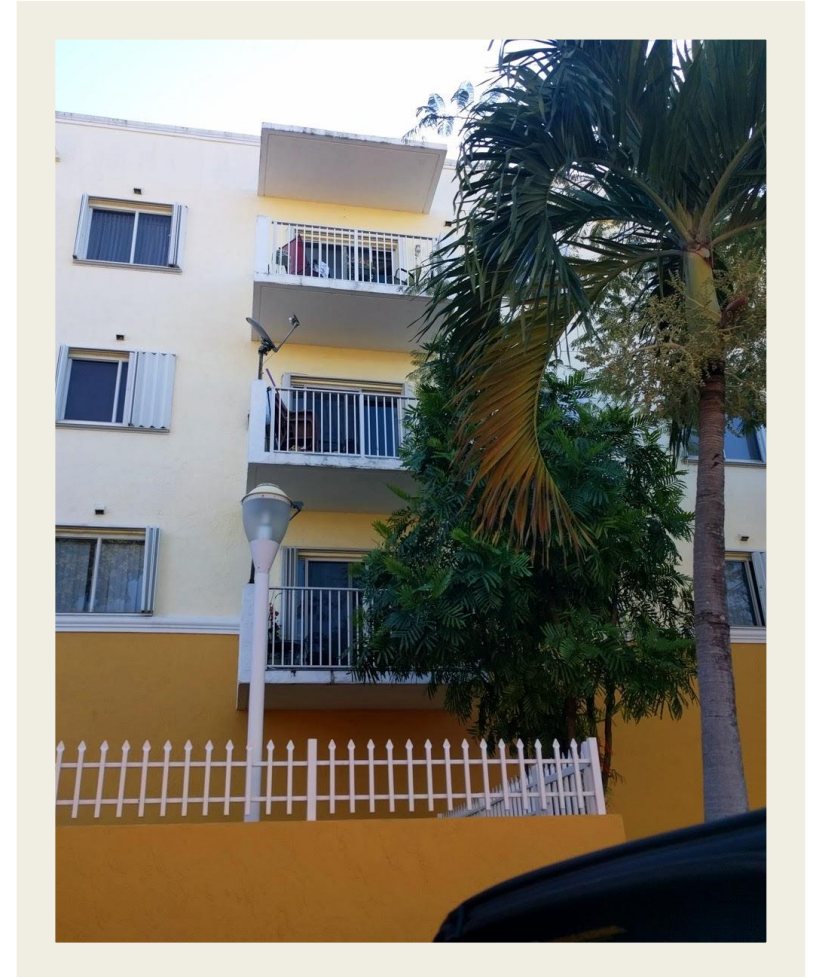
Property Identification, Evaluation, and Acquisition

Before acquiring a property for preservation, setting criteria and understanding the inventory of SMMF properties and residents who live in these homes can help identify which properties are suited for preservation

Factors to consider include:

- **Property characteristics:** Size, age, condition, ownership type
- **Resident characteristics:** AMI levels, length of tenure, household makeup, displacement risk
- **Market conditions:** Local rents and sales prices, displacement risk, perceived risk for funders
- **Neighborhood access:** Access to transit, jobs, and services and proximity to environmental hazards
- **Preservation feasibility:** Land use and building code compliance, financing eligibility, relationships with key stakeholders
- **Opportunity to advance community and organizational goals:** Racial equity, economic mobility, housing stability, community ownership and stewardship

Establishing a property identification and acquisition framework can inform go/no go decisions





Andrew Jakabovics – Vice President of Policy Development, Enterprise Community Partners

At Enterprise, Andrew oversees the Policy Development & Research team, researching issues related to affordable housing, equitable housing and community development, housing finance, foreclosures and neighborhood stabilization, and broader housing supply and demand concerns. He has most recently been analyzing small multifamily properties' ownership patterns, preservation strategies for unsubsidized and subsidized affordable housing, LIHTC development and neighborhood dynamics, and the relationship between disasters and affordability. Prior to joining Enterprise, Andrew served as senior policy advisor to the assistant secretary for policy development and research at the U.S. Department of Housing and Urban Development. His primary focus was on housing finance reform, with a particular eye toward issues of access and affordability.

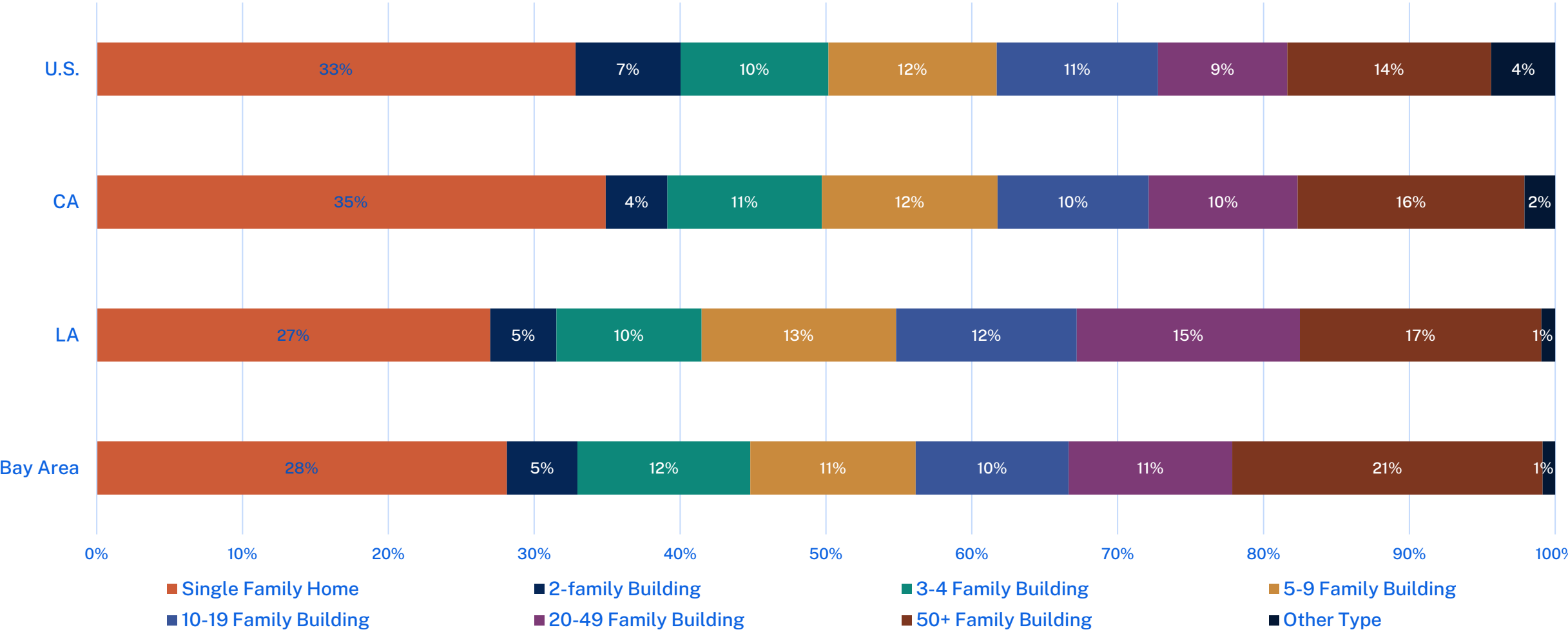


Chris Cummings – Director of Housing Development, Tenderloin Neighborhood Development Corporation (TNDC)

Chris is deeply passionate about affordable housing development, and more specifically, in preservation strategies for TNDC's existing building portfolio in the context of acquiring existing rent-controlled properties to preserve as affordable in perpetuity. At TNDC, Chris worked on both new construction and acquisition/rehab projects, delivering over 300 units of housing to San Francisco. In his previous role as Associate Director of Housing Development, Chris led the development and execution of TNDC's Portfolio Recapitalization Plan, a comprehensive five-year plan which included the rehabilitation of over 250 units of existing TNDC housing. Chris also developed and currently leads TNDC's Acquisitions Strategy Group, a multi-department team which focuses on identifying priorities for new acquisitions and opportunities that meet community needs and TNDC's overall mission, race-equity framework, and Theory of Change.

UNDERSTANDING THE SMALL TO MEDIUM MULTIFAMILY HOUSING STOCK

SMMF: A Critical Source of Rental Homes

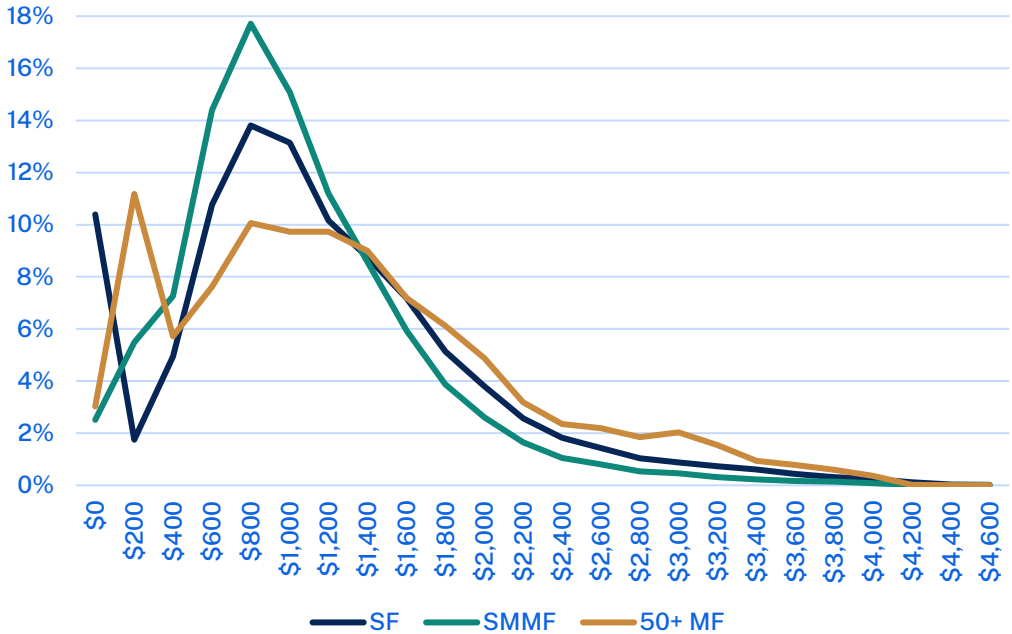


Source: 2019 American Communities Survey

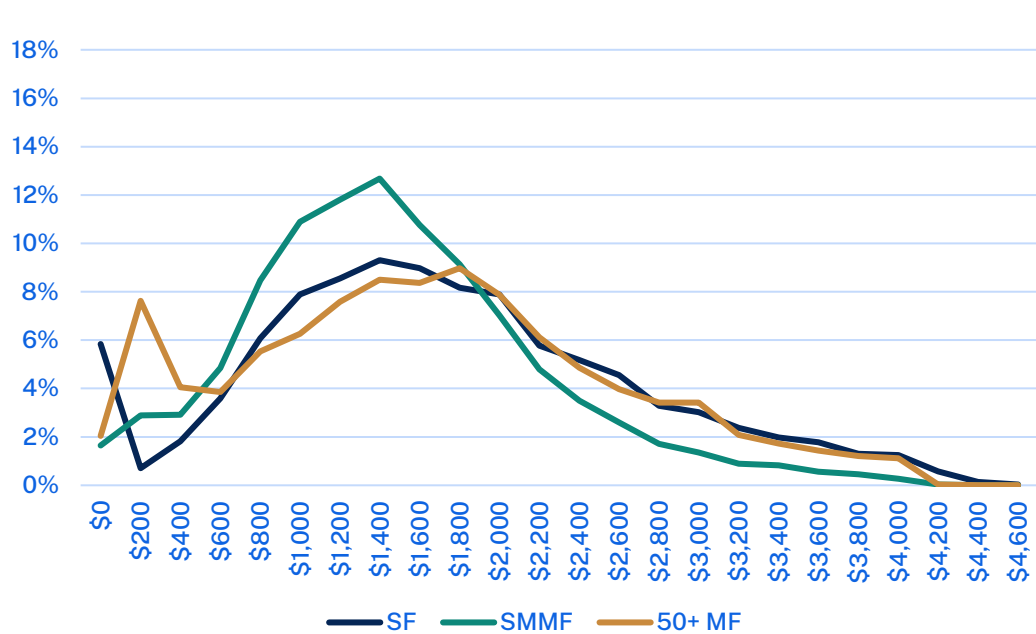
SMMF Rents Tend Towards Greater Affordability

Rent Distributions

United States



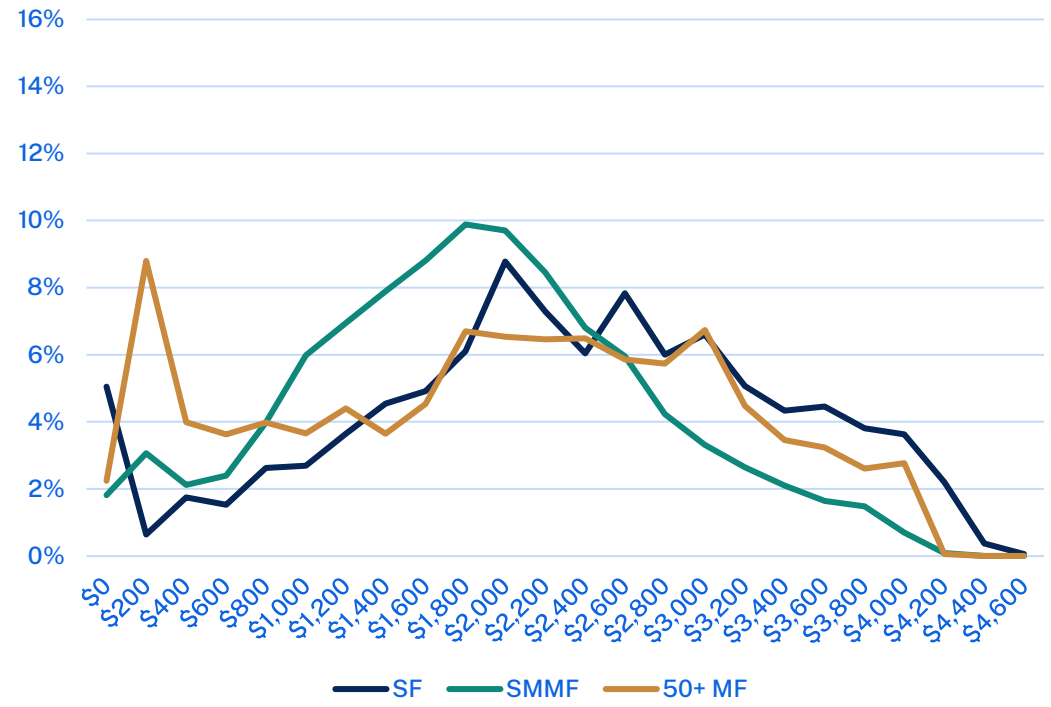
California



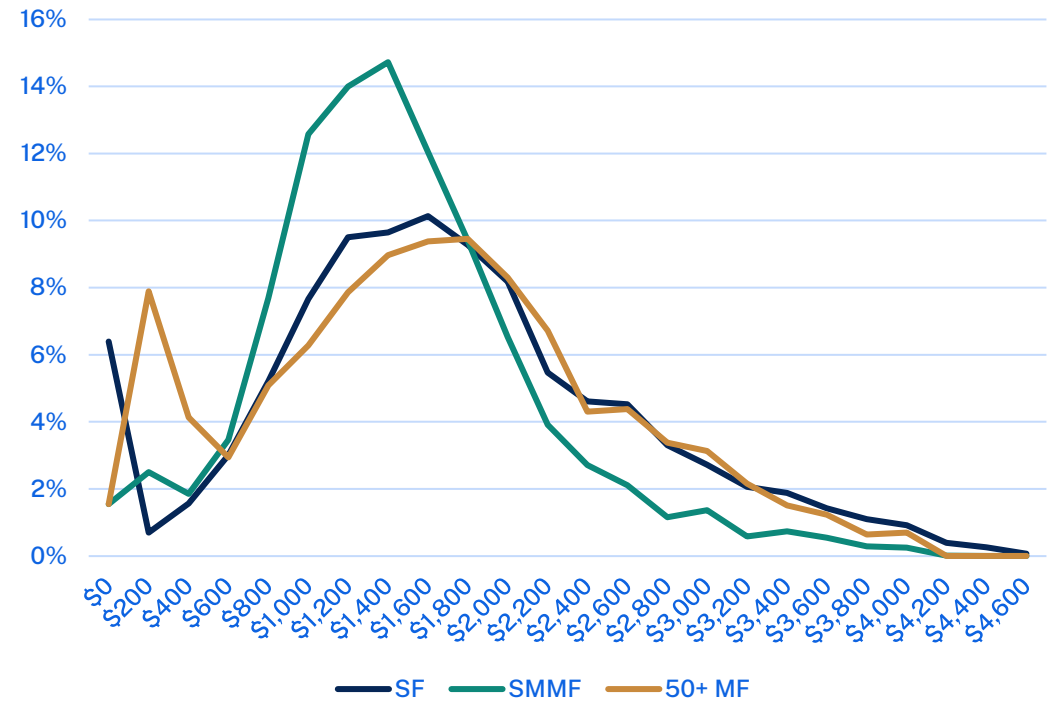
SMMF Rents Tend Towards Greater Affordability

Rent Distributions

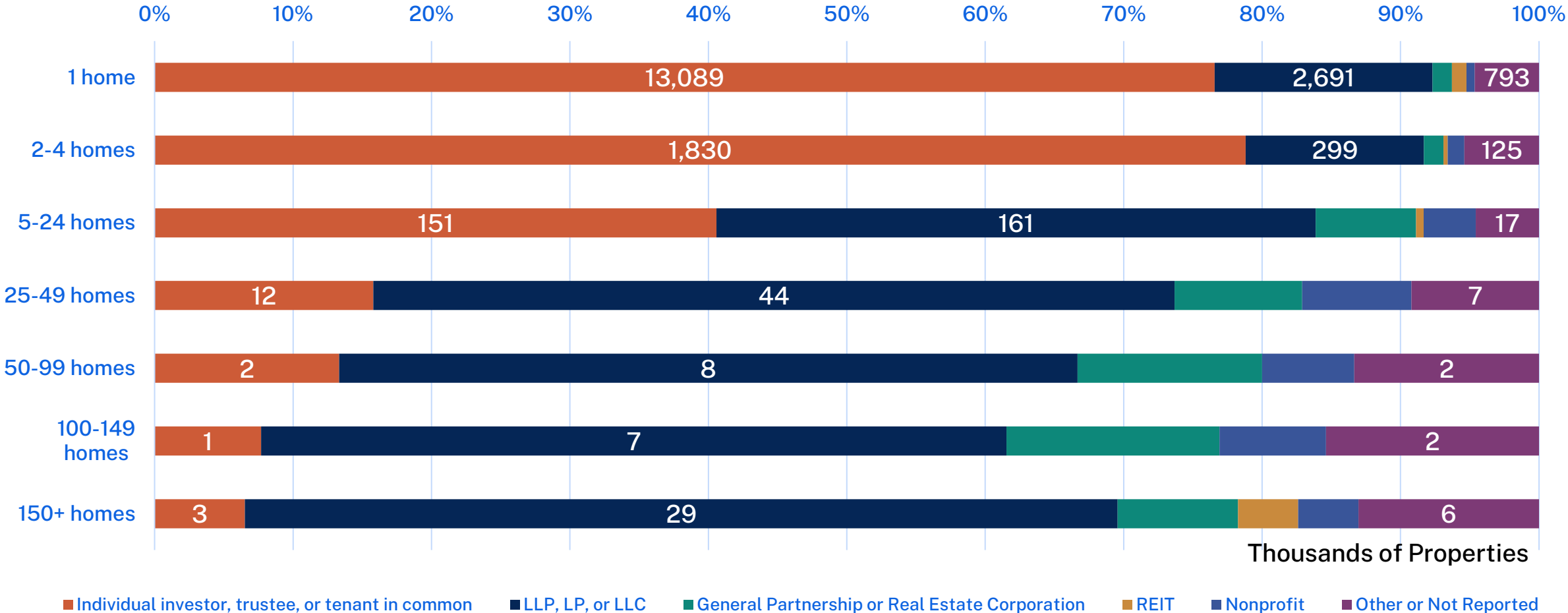
Bay Area



Los Angeles

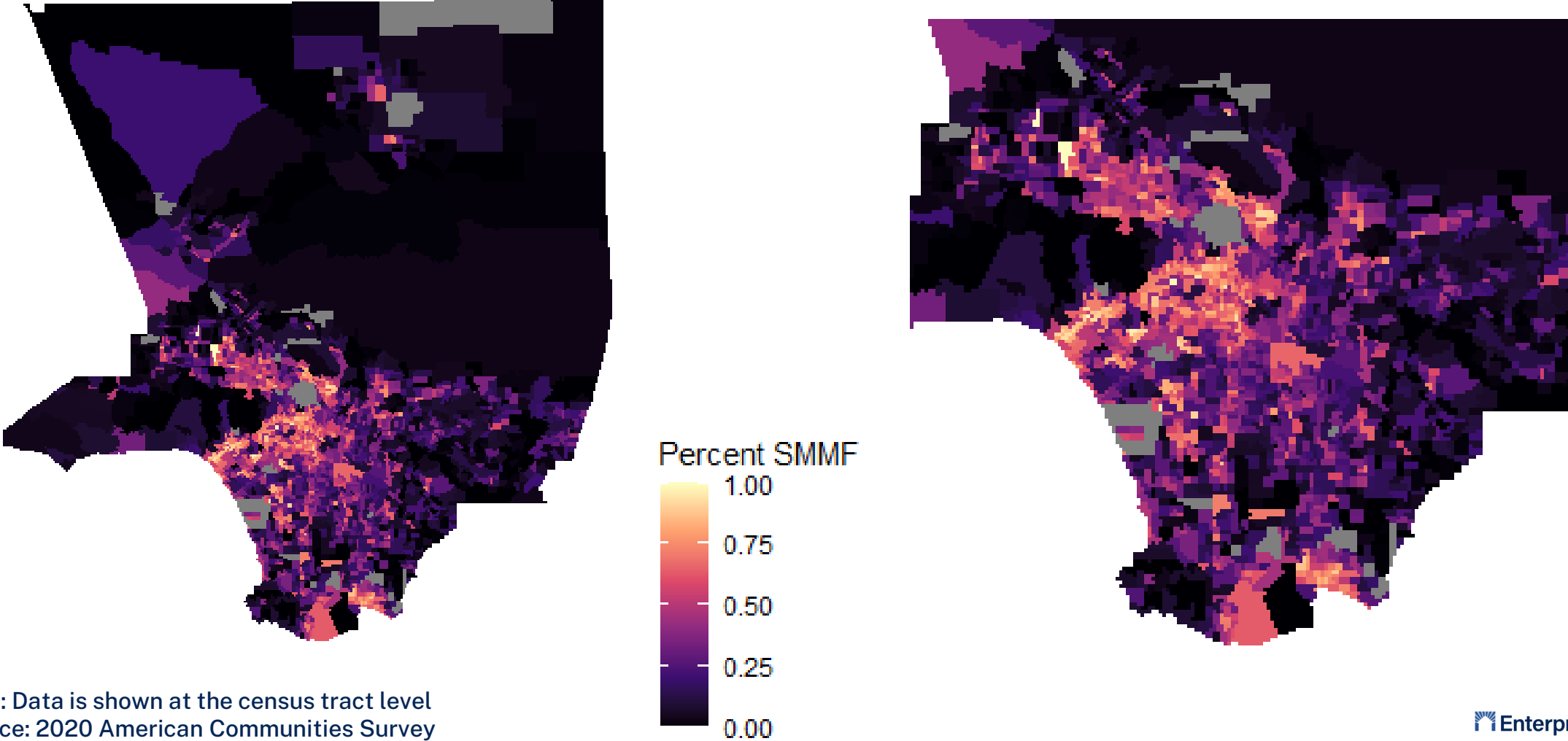


Ownership Patterns Vary by Building Size



Share of SMMF Properties in Los Angeles

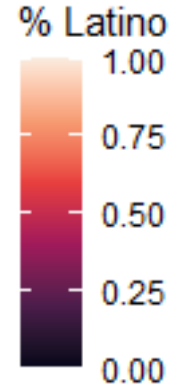
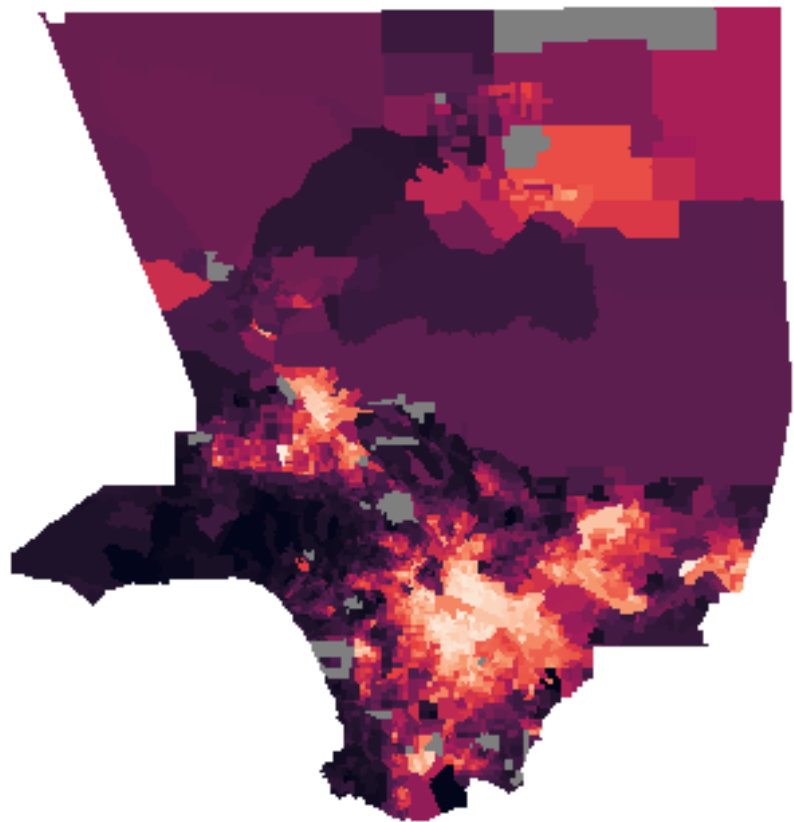
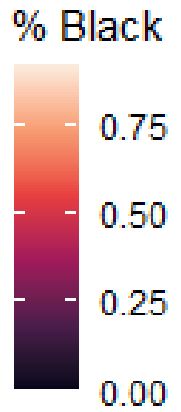
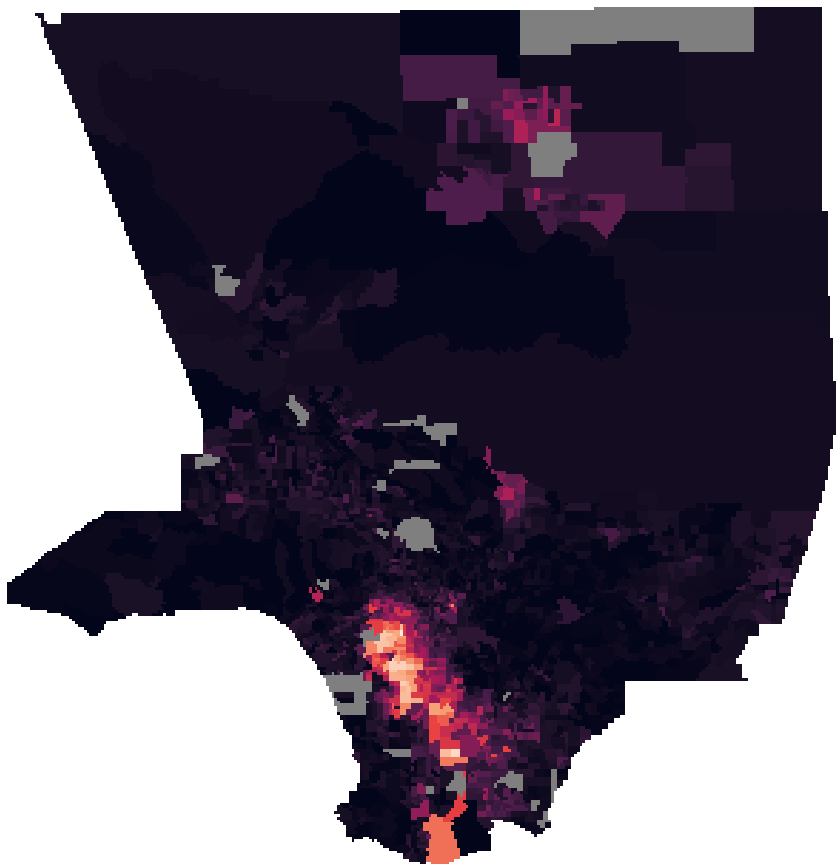
Los Angeles City has significant SMMF stock compared to the rest of the county



Note: Data is shown at the census tract level
Source: 2020 American Communities Survey

Share of Black and Latino Households in Los Angeles

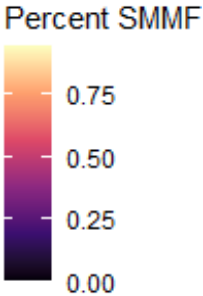
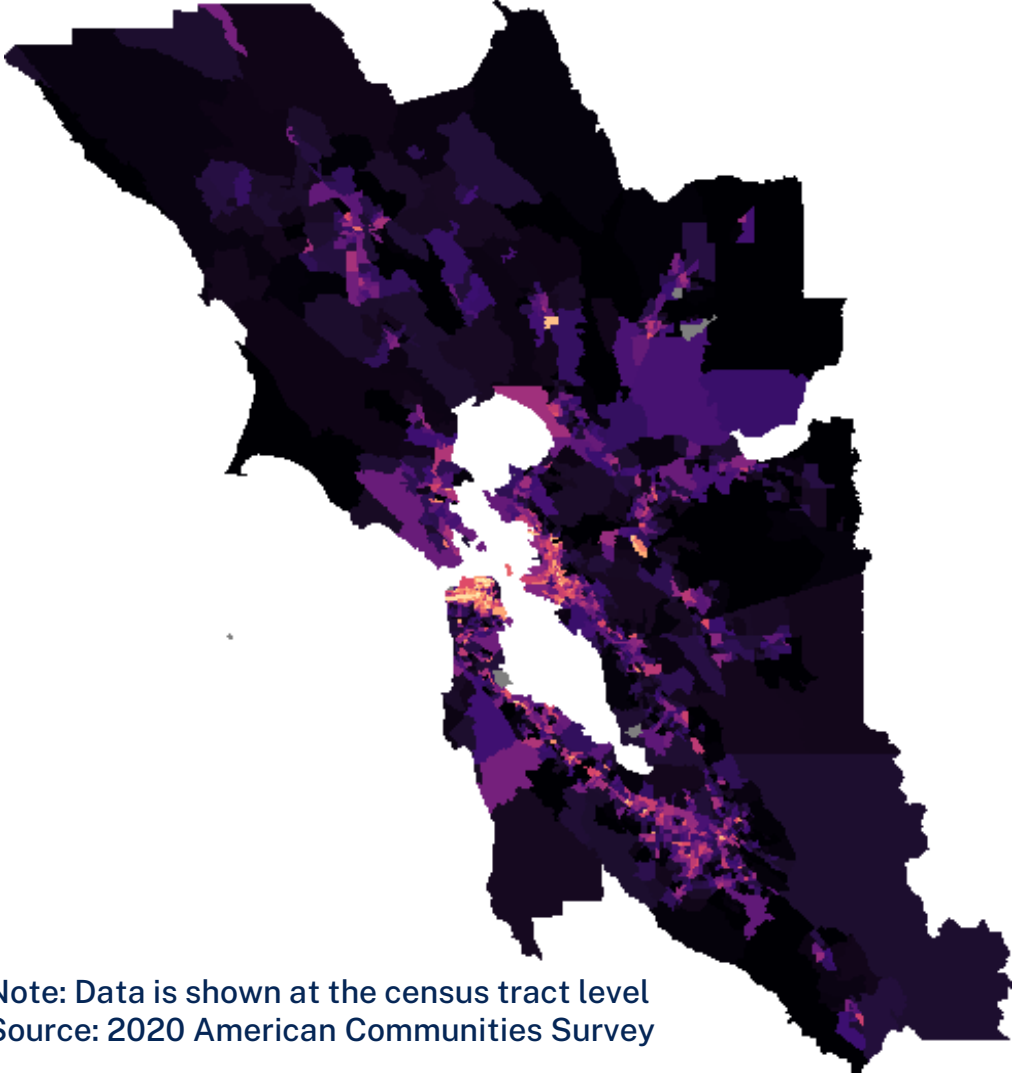
Much of the Latino population does not have access to SMMF housing



Note: Data is shown at the census tract level
Source: 2020 American Communities Survey

Share of SMMF Properties in the Bay Area

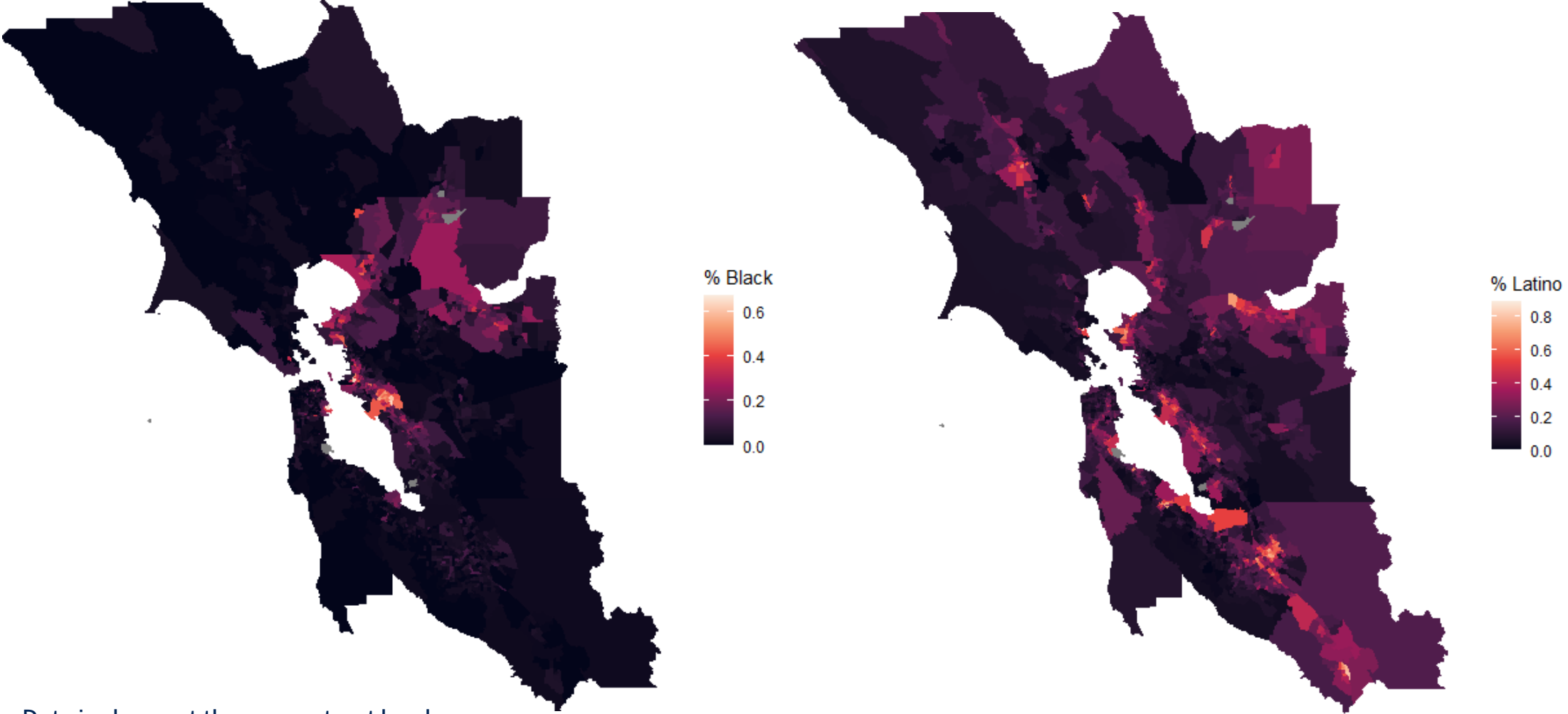
The inner ring of the bay is where most of SMMF housing is in the 9-county region



Note: Data is shown at the census tract level
Source: 2020 American Communities Survey

Share of Black and Latino Households in the Bay Area

Concentrated in the East Bay and parts of the South Bay, often outside the highest concentration of SMMF

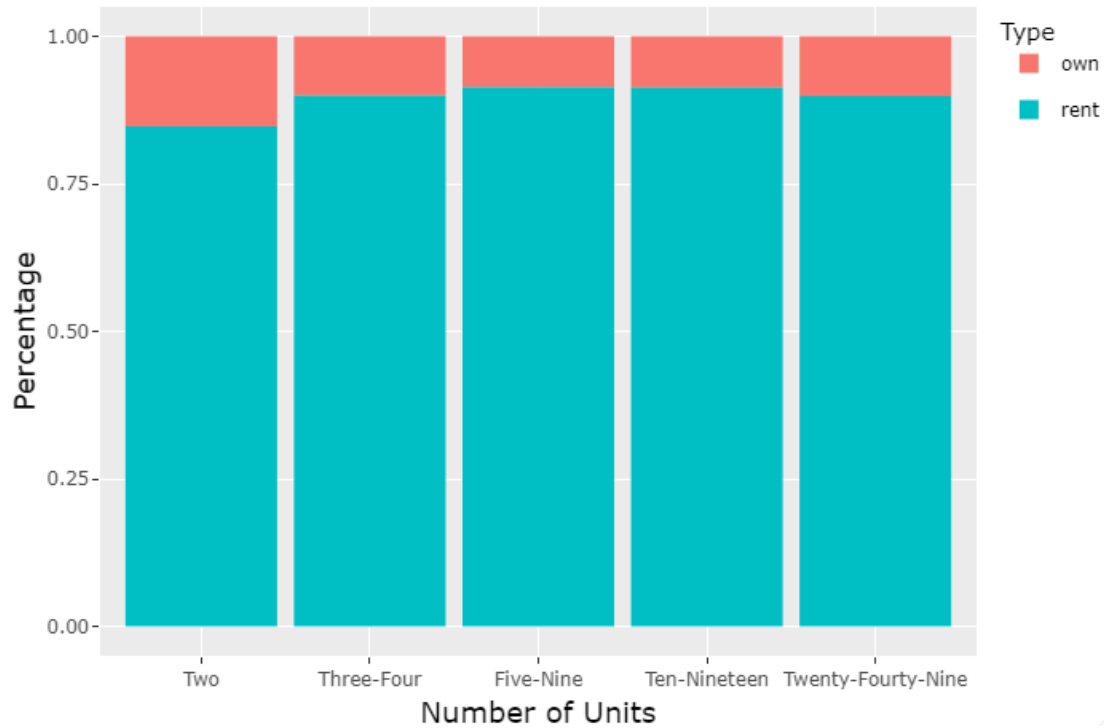


Note: Data is shown at the census tract level
Source: 2020 American Communities Survey

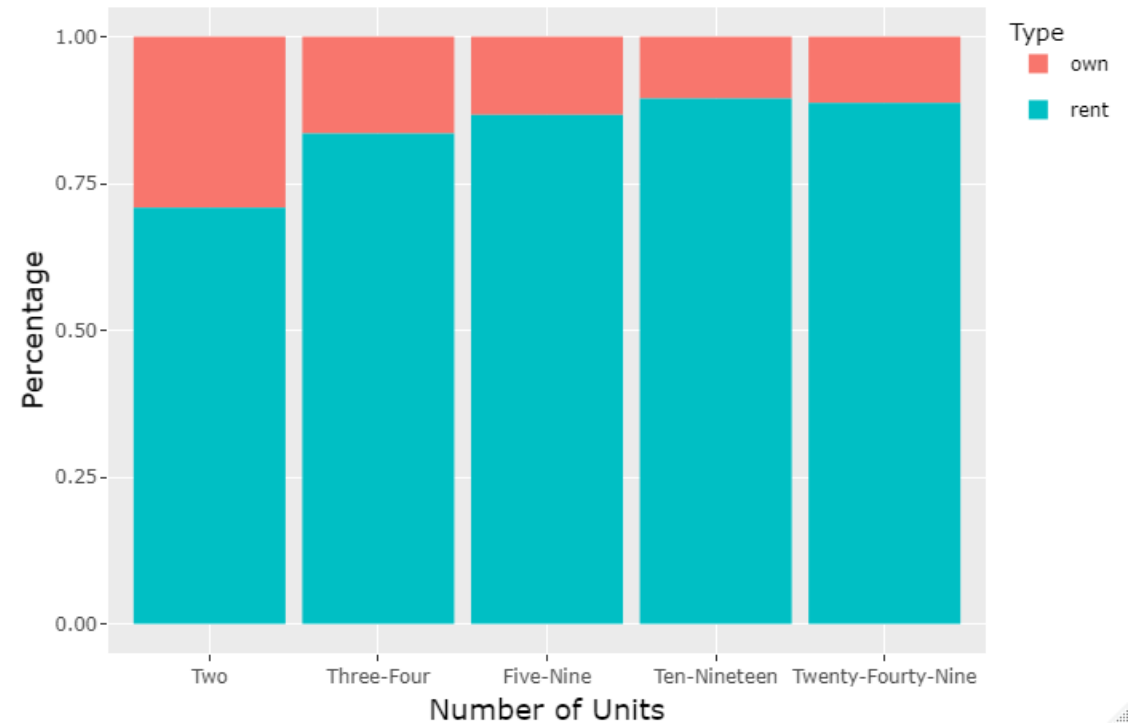
Proportion of Renters to Owners of SMMF Properties

Vast majority of residents of SMMF properties are renters

Los Angeles



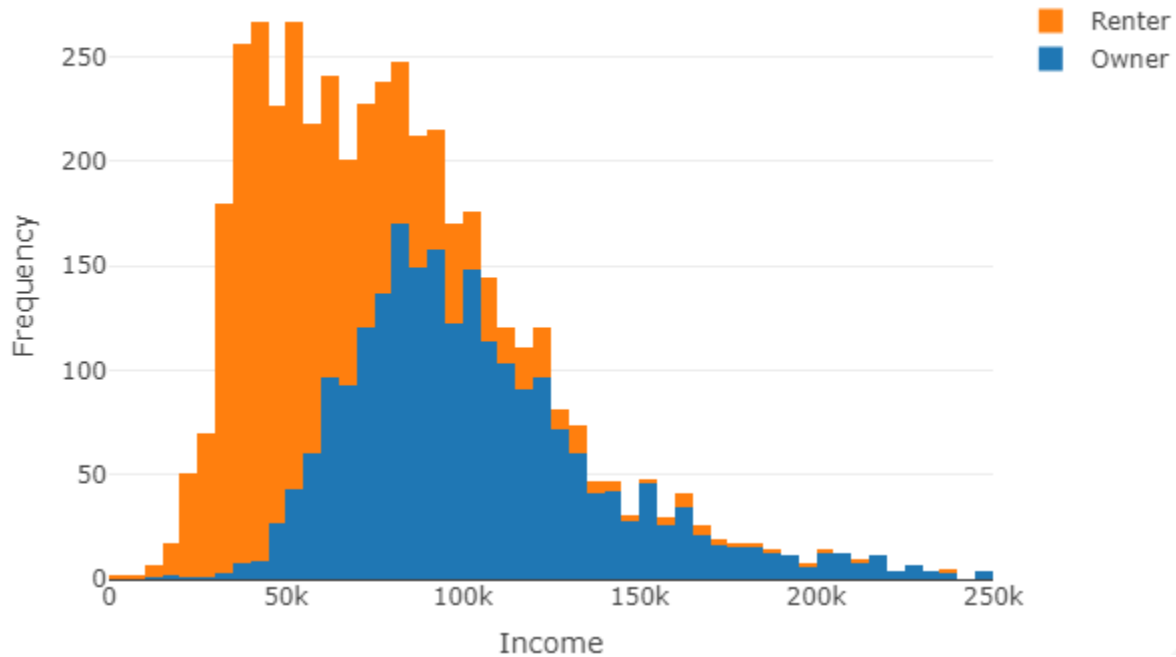
Bay Area



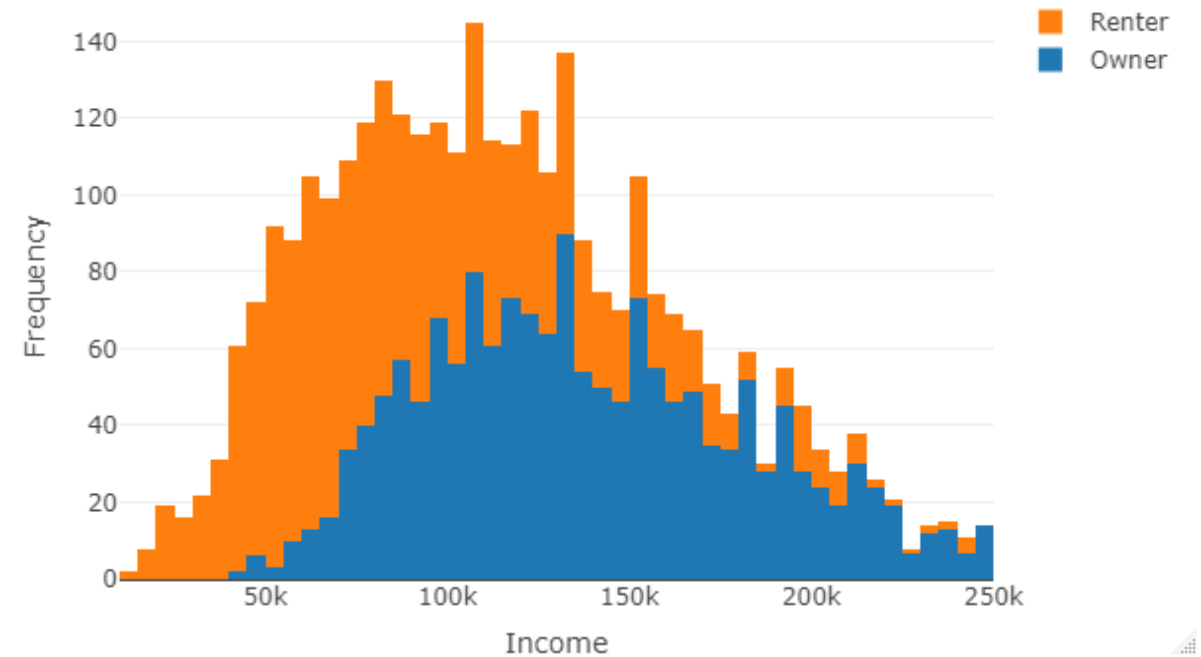
Renter vs Owner Income by Region

Renters often have significantly less income than those who own their own property

Renter vs Owner Income in Los Angeles County



Renter vs Owner Income in Bay Area Counties



Top Property Owners in San Francisco and Alameda County

Note variation in owner types and average building sizes

San Francisco

	Parcels	Units	Avg. Size
Veritas Capital	161	3833	24
Ballast Investments	67	1564	23
John Wai (Trust)	42	212	5
Mosser Capital Management LLC	41	1552	38
Flynn Investments, LLC	40	1511	38
Golden Properties LLC	27	106	4
Tenderloin Neighborhood Development Corp	26	1574	61
Giampaolo Boschetti	24	276	12
Mission Housing Development Corp.	23	494	21
Meda Small Properties LLC	22	166	8
Raul J Arriaza	21	149	7
Hawthorne-Stone Investments	21	533	25
SST Investments LLC	19	108	6
Antonio & Rita Castellucci Trust	19	114	6
Robert Imhoff - Sf Mission Properties LLC	16	221	14
Structure Properties	15	132	9
SFCC Housing Authority	10	524	52
Ali & Fatemah Khostovan	10	89	9
Del-Camp Investments Inc	9	149	17
Archdiocese Of San Francisco	9	31	3

Alameda

	Parcels	Units (Est.)	Avg. Size
The Sobrato Organization	158	180	1
REO Homes LLC	105	192	2
Michael Marr - Community Fund LLC	70	318	5
Eden Housing	39	1680	43
EBALDC	37	894	24
Lakshmireddy Lakireddy Et Al	35	418	12
Satellite Affordable Housing Associates	29	1273	44
MC Investment Partners LLC	29	58	2
Premium Property Management & Development	28	289	10
Salwan Property Management	27	507	19
RCD Housing	27	517	19
Oak Center Homes Partners LP	27	27	1
Flynn Family Holdings, LLC	25	488	20
Avalon Bay	22	1775	81
Rowland Wayne C & Washington Vanessa L Trs	21	32	2
Creekside Village Partners	20	480	24
William J. Silveira	19	83	4
Long Jack B Tr	16	32	2
Abboud Fayez E & Rima F Trs	15	45	3
Oakland Point Properties LLC	14	24	2

Top Property Owners in Los Angeles

Note variation in portfolio concentration across zip codes

	Parcels	Est. Units	Avg. Size	Zip Codes
PAMA PROPERTIES - GOLDEN OPPORTUNITY INVESTMENTS LP	342	3871	11	51
PI PROPERTIES LLC	110	1146	10	53
FRED LEEDS PROPERTIES	95	1282	13	30
SOLA MANAGEMENT LLC	94	559	6	25
STERLING FAMILY TRUST	94	4146	44	21
WEISS INVESTMENT PROPERTIES LP	89	2697	30	22
CLARION PARTNERS	78	714	9	4
CD ASSET COMPANY LLC	76	153	2	9
COLDWATER CANYON TRUST	70	635	9	10
PBM LLC; COELER TRUST	65	884	14	19
STANLEY A SIROTT TRUST	56	1620	29	18
CYPRUS;KIP C AND AMY L	52	95	2	13
LING;PAUL S AND EDYTHE I	49	933	19	30
LA COUNTY HOUSING AUTHORITY	49	464	9	14
EQUITY RESIDENTIAL	48	4591	96	22
LANCASTER CITY HOUSING AUTHORITY	47	205	4	2
L AND B REAL ESTATE	44	366	8	27
COMMUNITY CORPORATION OF SANTA MONICA	44	586	13	5
MONARK LP	43	136	3	14
ABODE COMMUNITIES	43	161	4	4
BARRERA FAMILY TRUST	42	389	9	10
CHAMOUN;GEORGE AND RANIA	36	304	8	11
MB EQUITY LLC	35	365	10	15

Data sources

Open data efforts have made identifying ownership more accessible

- County assessors often make their data available and, in many cases, provide websites with interactive maps
 - CA ownership data is not available from counties online
 - Can be obtained in person via assessor or recorder of deeds
 - Third party vendors will provide
 - Our data comes from Regrid
- Piercing the LLC veil:
 - www.opencorporates.com
 - CA Secretary of State business records: <https://bizfileonline.sos.ca.gov/search/business>
- Data journalists and advocates have researched institutional investors:
 - <https://www.sfchronicle.com/projects/2022/sf-bay-area-property-map/>
 - <https://sf.evictorbook.com/>

DATA SOURCES IN CALIFORNIA

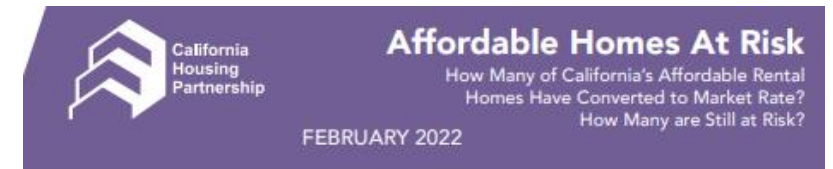
WE WANT TO HEAR FROM YOU

In the chat, please add the publicly accessible and paid data sources that your organization uses to identify key neighborhoods and properties

What other types of information would you like access to?

California Housing Partnership's Affordable Homes At-Risk Report

- California Housing Partnership's (CHP) [Affordable Homes At-Risk Report](#) quantifies:
 - The number of affordable rental homes that have converted to market rate,
 - How many remain at risk, and
 - The economic and social benefits of preservation
- Includes data for subsidized (expiring restrictions) and unsubsidized homes
- Primary data points (by county)
 - # of unsubsidized affordable properties
 - lower rent apartments and total apartments in unsubsidized affordable properties
 - lost affordable homes and homes at risk of conversion
 - risk assessment
- Data limitation: The data for unsubsidized affordable homes are underestimated since the analysis only covers properties with five or more units



California's lower income renters are served primarily by two types of affordable homes: 1) federal-, state- and locally-subsidized multifamily properties ("affordable housing") governed by regulatory agencies, and 2) less defined, less well studied "naturally-occurring" affordable housing (NOAHs) which are becoming an increasing focus for policymakers as upticks in private, for-profit acquisitions further threaten the supply of homes affordable to low-income Californians.

Lead Author: Danielle M. Mazzella
Preservation & Data Manager

Losing California's Subsidized Affordable Homes¹

The California Housing Partnership analyzed the ownership structure of subsidized affordable housing developments that lost their affordability between 1997 and 2021 and found that **65%** (13,530 affordable homes) were owned by for-profit entities (see Figure 1). Between 1997 and 2021, California has **lost 20,792 affordable homes** (see Figure 2 on page 2) due to expiring regulatory restrictions on government-assisted multifamily developments and owner decisions to opt out, sell, or allow their properties to convert to market rate.

Currently at risk:

7,053 <i>Affordable homes may no longer be affordable as soon as next year</i>	32,753 <i>Affordable homes are at risk of losing affordability in the next ten years</i>	(See page 3 for details)
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Figure 1 | Loss of Affordable Rental Homes by Ownership Type, 1997-2021



*"Other" includes Single Asset, Limited Divided, Public Agency, or Unknown owner

Source: California Housing Partnership Preservation Database, February 2022.

Quantifying California's Unsubsidized "Naturally-Occurring" Affordable Housing

The Partnership has also identified an approximate number of apartments in the private market can be deemed "naturally" affordable. Either due to age, location, or other market factors, these properties offer rents that lower income households are able to afford. In this analysis, the Partnership defines these as: 1) commercial apartment buildings with five or more units, and 2) half or more of the apartments have rents affordable to households earning 80% or below of the area median income (AMI). Unfortunately, these properties are often targeted for acquisition and conversion by for-profit entities, leading to the displacement of these lower income residents unless the property is preserved by mission-driven nonprofit-controlled organizations with the support and oversight of local government housing agencies.

(See Appendix A for at-risk affordable homes by county.)

NOAHs in California

1.134 million apartments
(in 38,643 apartment buildings)

NOAHs + Subsidized Homes

1.638 million apartments
(California's estimated total supply of unsubsidized and subsidized affordable housing)

Lower Income Renters

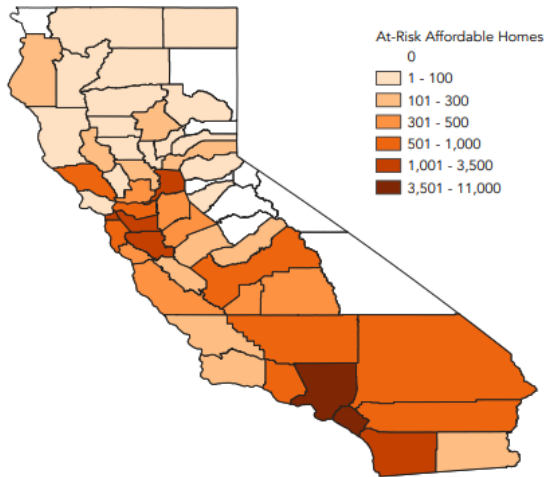
Meanwhile, California has 2.976 million lower income renter households.²

CHP's Affordable Homes At-Risk Report

GEOGRAPHIC DISTRIBUTION OF AT-RISK HOMES

In this report, "at-risk homes" are defined as affordable homes with very high, high and moderate risk of losing affordability in the next 10 years.

Figure 5 | Number of At-Risk Affordable Rental Homes within each County of California



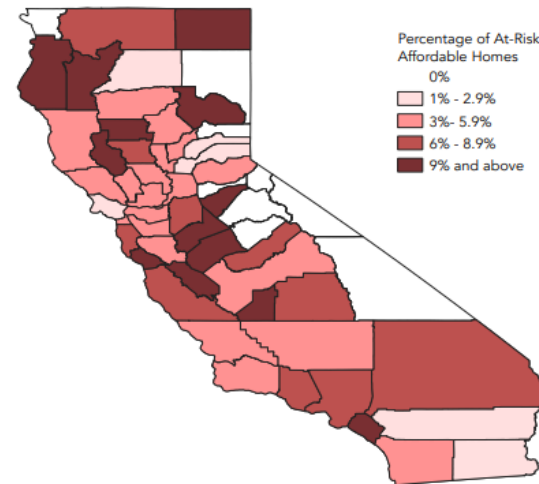
Source: California Housing Partnership Preservation Database, February 2022.

Most Populous Counties Ranked by Number of At-Risk Homes

1	Los Angeles	10,698
2	Orange	3,516
3	Santa Clara	1,963
4	San Diego	1,724
5	San Francisco	1,608
6	Alameda	1,182
7	Sacramento	1,002
8	San Bernardino	926
9	Fresno	719
10	Riverside	570
11	Kern	568
12	Contra Costa	524

3/4 of California's at-risk homes are located in these twelve counties.

Figure 6 | Percentage of At-Risk Affordable Rental Homes within each County of California



Source: California Housing Partnership Preservation Database, February 2022.

Most Populous Counties Ranked by Percentage of Affordable Homes that are At-Risk

1	Orange	13.1%
2	Los Angeles	8.9%
3	San Bernardino	6.3%
4	Santa Clara	5.8%
5	San Francisco	5.4%
6	Kern	5.2%
7	Fresno	4.8%
8	Alameda	4.3%
9	San Diego	4.0%
10	Sacramento	3.8%
11	Contra Costa	3.4%
12	Riverside	2.7%

See Appendix B for more data on at-risk affordable homes by county.

FREE DATA SOURCES

CHP's Housing Needs Dashboard & Report

CHP's [Housing Needs Dashboard](#) is an interactive tool that summarizes the housing need at the county, region and state level.

Topic Areas & Primary Indicators

1. Housing Need

- Affordable Homes Shortfall, Cost Burden by Income, Cost Burden by Race & Ethnicity, Housing for Persons Experiencing Homelessness

2. Market Trends

- Asking Rent, Vacancy Rate, Who Can Afford to Rent, Cost of Living

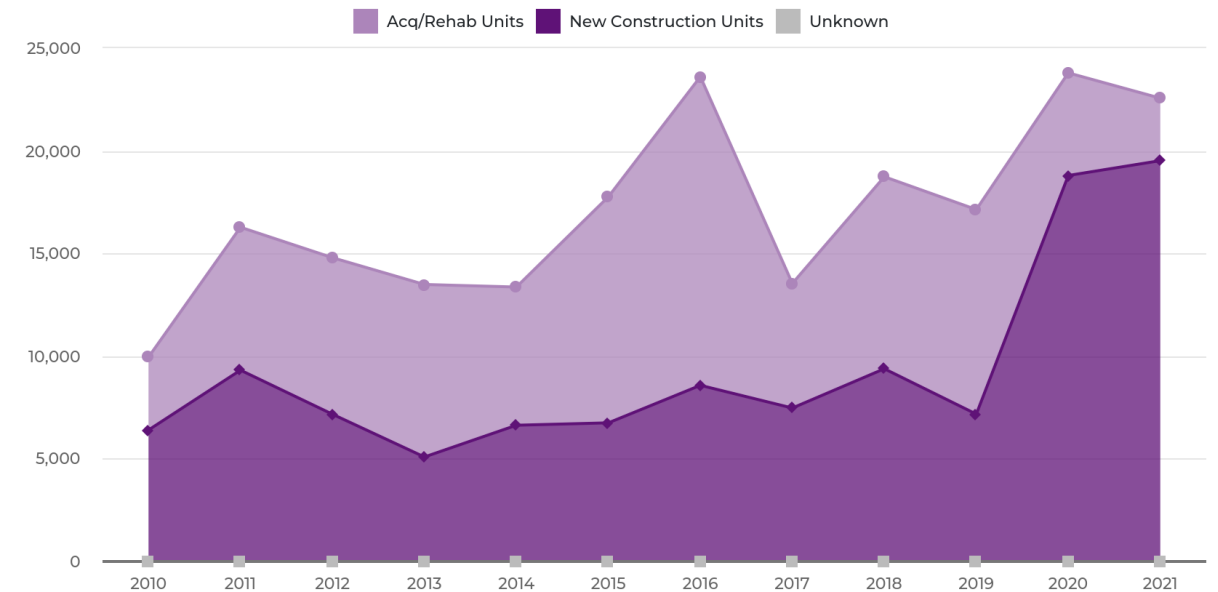
3. State and Federal Funding

4. Production and Preservation Trends

- LIHTC Production & Preservation, RHNA Progress, Multifamily Housing Production

LIHTC PRODUCTION & PRESERVATION

Low-Income Housing Tax Credit production and preservation in California **decreased by 5%** between 2020 and 2021.



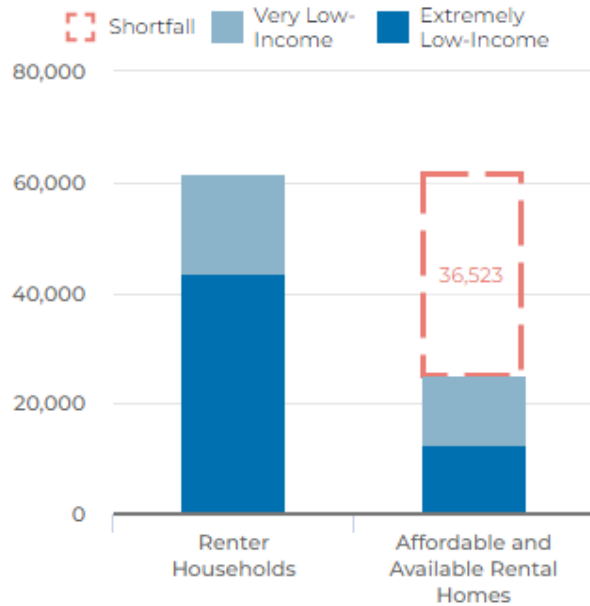
California Housing Partnership | chpc.net/housingneeds

CHP's Housing Needs Dashboard & Report

Fresno ✕

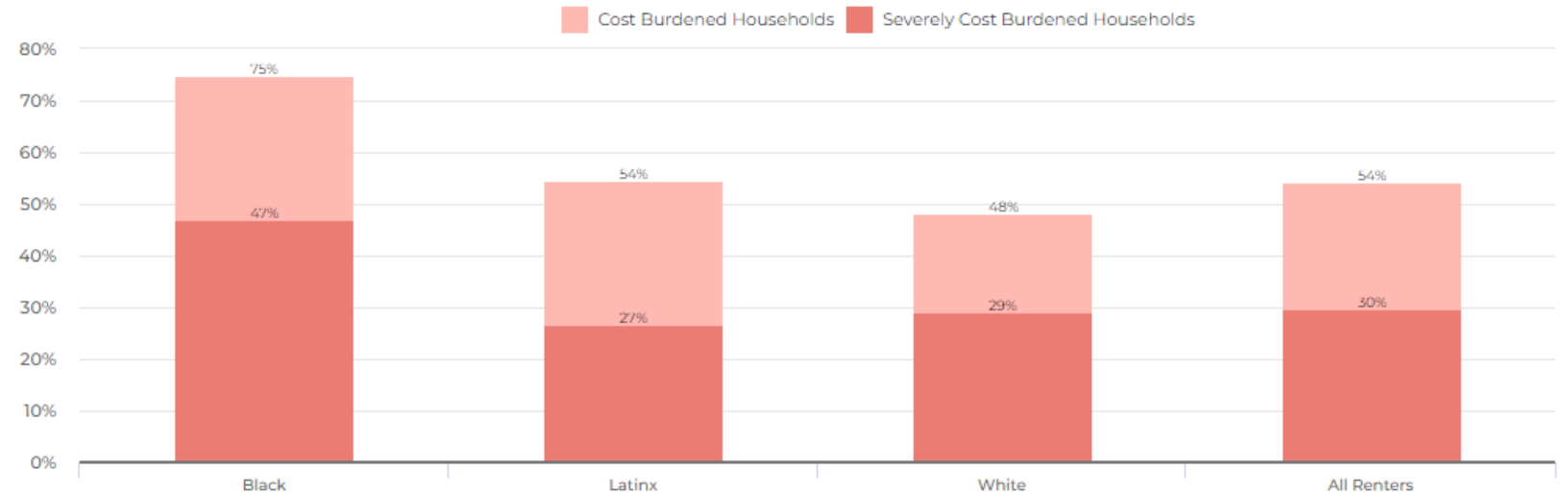
AFFORDABLE HOMES SHORTFALL 📄 [Chart](#)

36,523 low-income renter households in Fresno County do not have access to an affordable home (2019).



COST BURDENED RENTER HOUSEHOLDS BY RACE & ETHNICITY 📄 [Chart](#)

Renters of color face the highest rates of cost burden in Fresno County (2019).



Other Bay Area Data Sources



Bay Area Equity Atlas

EVICTORBOOK

1. UC Berkeley [Urban Displacement Project](#) Mapping Tool
 - Displacement typology maps, housing precarity risk models, policy tool maps
2. The [Bay Area Equity Atlas](#) is a data support system to track state of equity across the region; disaggregated by race and other demographics. Data indicators include:
 - People: race/ethnicity, median earnings, income growth, employment, etc.
 - Place: housing burden, market rent, affordable production, etc.
 - Power: voting, linguistic isolation, racial equity in income, etc.
3. Anti-Eviction Mapping Project's Evictorbook
 - Web-based tool to support housing organizers and tenants in researching properties, landlords, and webs of corporate ownership.
 - For [San Francisco](#) and [Oakland](#)

Other Los Angeles Area Data Sources

1. TRACT

Interactive mapping tool that uses housing, demographic, economic, and other relevant data to assess gentrification and residential displacement pressures in Los Angeles County.

Currently only for internal use at LACDA



2. Affordability Watch

- Preservation database that captures info on existing affordable housing developments within LACDA's purview. Data includes:
 - Projects in their loan portfolio and funded through bonds,
 - Projects subject to land use covenants, and
 - Those financed with HUD mortgages.
- Currently only for internal use at LACDA

How Do I Use These Data Sources?

- To understand the communities you're serving and where the preservation need exists
 - Neighborhood demographics
 - Displacement and eviction risk
 - Property types
 - Ownership structures
 - Rental market trends
- To conduct business planning for your organizations
 - Wrapping your head around the universe of projects available
- To make the case to funders, lenders, and the philanthropic community

IDENTIFYING PROPERTIES

IDENTIFYING PROPERTIES

Sources for Identifying Specific SMMF Properties

1. **Standard Sources:** Realtors, MLS, Costar, Property Radar
2. **Tenants or Tenants Rights Organizations:** Tenants coming to you or partnering with another group in your community (e.g. legal aid groups)
3. **County Default or Foreclosure Lists:** Could identify via PropertyRadar, or work with county to obtain.
4. **Public Spotlight:** Media coverage, public officials, etc.
5. **Sellers**



Photo: Jeff Chiu, AP Images

Collaborating with your Local Jurisdiction to ID and Scope Projects

- County default/foreclosure lists – Assessor Recorder’s Offices
- Becoming a Qualified Nonprofit Under COPA (SF Only)
- [HCD’s Expiring Covenants Notices](#) (1 year, 6 months)
- [San Francisco Property Information Map](#)
- [Los Angeles Department of Building & Safety](#)
- [Los Angeles City-Owned Property Portal](#)



About TNDC



HOMES

Helping people thrive by building affordable homes with onsite social workers and protecting existing housing from becoming market rate



HEALTH

Supporting individual and community health by growing the availability of resources such as after-school support and nutritious food



VOICE

Championing the voice of the Tenderloin community and beyond by investing in local leadership and advocating for policy change

TNDC Acquisition/Preservation Strategy

- Focus on Tenderloin and South of Market Neighborhoods
 - Target Larger Properties (60+ Units)
 - Older, Historic SRO Properties
 - Naturally Occuring Affordability
-
- 1) Assess, 2) Acquire, 3) Light Rehab, 4) Goal of Future Comp Rehab

TNDC Acquisition Challenges

- Many Internal Stakeholders
- Capacity Constrained (Central Office and Site Staff), Opportunity Costs
- Competing Interests
- Abundance of Acquisition Opportunities (especially now)

How can TNDC make consensus-based decisions on the right acquisition opportunities quickly and accurately?

TNDC Acquisition Challenges

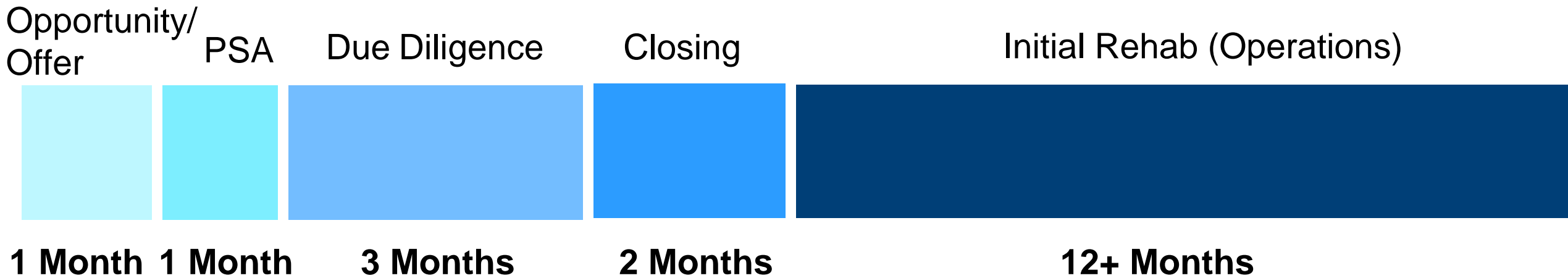
1. Acquisitions Strategy Group

- Multidepartment
- “What, Who, When” of an Acquisition Lifecycle
- We make the tough decisions and recommend to Board

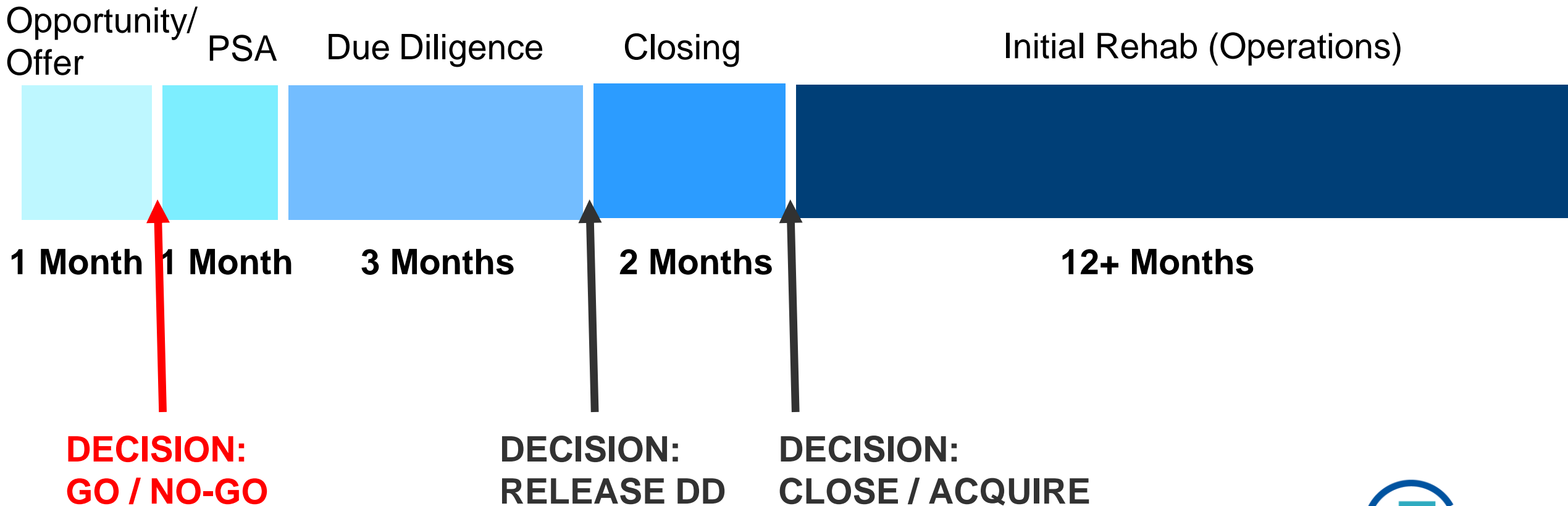
2. Acquisitions Screening Rubric

- Tool to assess opportunities and inform the right “go” / “no-go” decisions

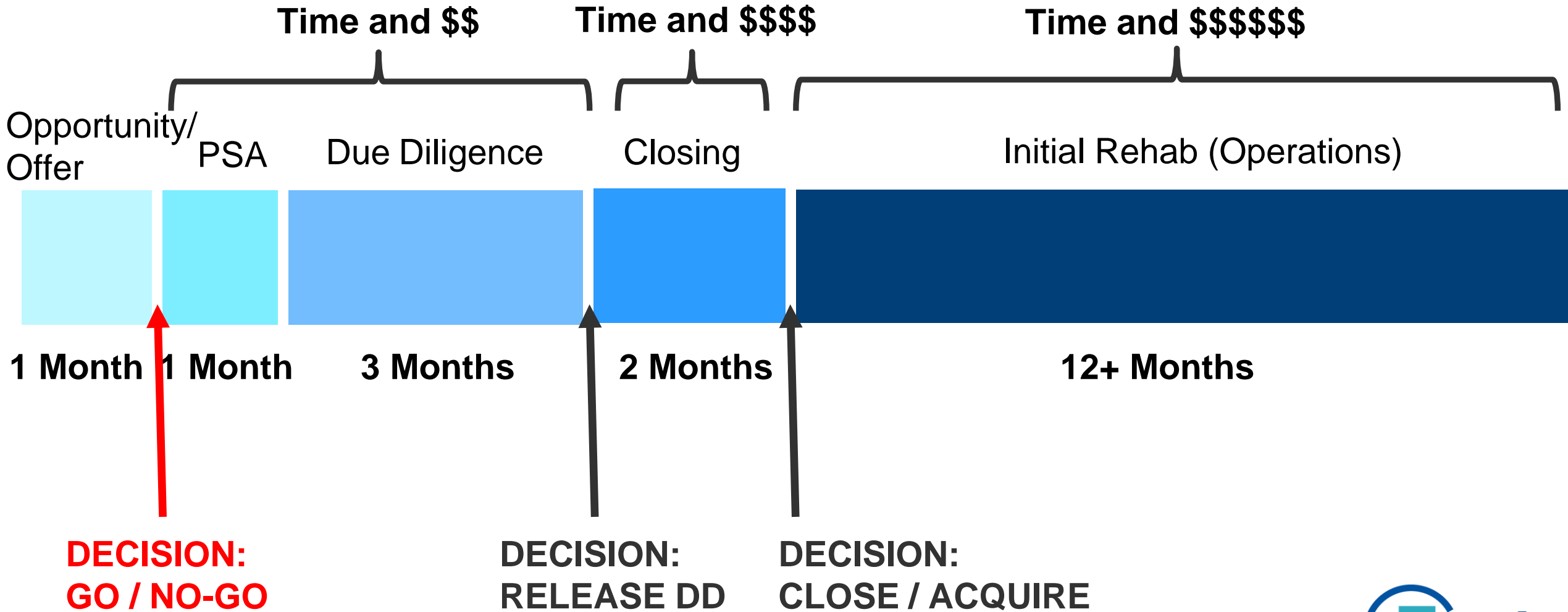
Acquistion Lifecycle



Acquistion Lifecycle



Acquisition Lifecycle



Acquisition Costs: Once Passing “Go”

USE	TYPICAL COST	REFUNDABLE?
Purchase Price Deposit	\$100,000	Yes (Typically) if not moving to closing
Physical Needs Assessment	\$10,000	No, “Risk Capital”, refundable at closing
Seismic Assessment	\$20,000	“Risk Capital”
Appraisal	\$10,000	“Risk Capital”
Legal	\$15,000	“Risk Capital”
Survey	\$100k - Refundable \$10,000	“Risk Capital”
Enviro/Waterproofing/Oth	\$75k-\$85k - Risk Capital, Refundable only if Project Closes \$17,500	“Risk Capital”

Screening Rubric

1. **Categories: 42 Total, Ever-Changing**

- Population Served / % At Risk
- Geography
- Physical Condition / Building Design
- Mission Alignment
- Financial Feasibility
- Building Typology Factors

2. **Assessment Metric: 4 Measures, Adopted Widely at TNDC**

- Epic, Target, Minimum, Failure

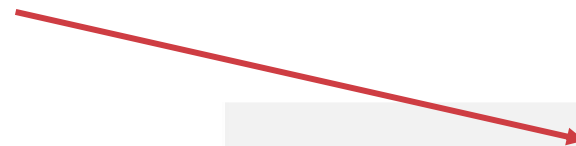
Main Category

Sub Category

Success Metric

Criteria

Success Spectrum	MISSION ALIGNMENT	
	HOME	HEALTH
MAIN POINTS	Preservation, Prevent Displacement ("At-Risk")	Healthy Housing (indoor air quality, ventilation, mold/hazmat)
EPIC	50%+ of households at risk of displacement. Example: 50% at risk of displacement from AMI level or "under housed" / vacant units can count towards displacement calculation since they can immediately house low income HHs; now what percentage falls into the targeted equity lens?	No identified issues OR know issues can be remediated as part of immediate rehab + 2 or more healthy housing initiatives are/will be implemented as part of immediate rehab (consult list below).
TARGET	21%-50%	No identified issues OR known issues can be remediated as part of immediate rehab + 1 healthy housing initiative is/will be implemented as part of immediate rehab.
MINIMUM	1% - 20%	Known issues can be remediated as part of immediate rehab.
FAILURE	0% at risk of displacement	Known mold/hazmat/indoor air quality/hazardous plumbing or other environmental issue that cannot be remediated as part of immediate rehab.



Case Study

- **97 Units; 75% Vacant**
- **Building in good condition**
- **Opportunity via SF COPA**
- **TNDC at Opportunity Stage**

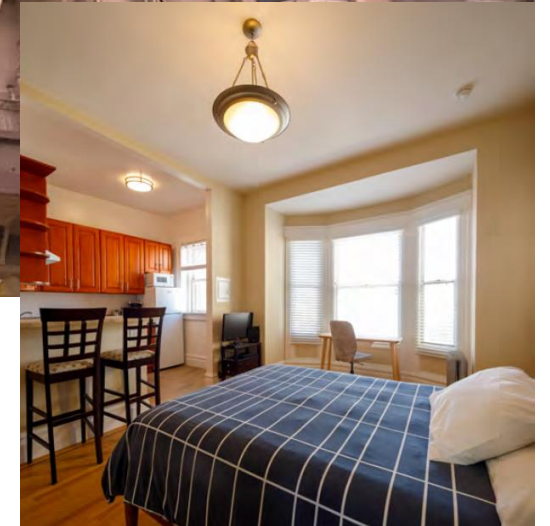
Screening Results:

Epic: 8 (25%)

Target: 7 (23%)

Minimum: 12 (39%)

Failure: 4 (13%)



Lessons Learned / Takeaways

How can organizations just getting started in this acquisitions space make these projects work with limited time and funds?

How can partnerships play a role?

Lessons Learned / Takeaways

Partnerships:

1. Joint Venture
 - *Ensure it's reciprocal*
 - *Can help fill in gaps on assessment rubric*
2. Capacity Building / Knowledge Sharing
3. Strength in Numbers
 - *Case study part of portfolio for sale*

Lessons Learned / Takeaways

Other Strategies:

1. Develop Rubric/Framework (feel free to use TNDC's!)
2. Develop Internal Decision-Making Body
3. Utilize Existing Organization Resources
4. Utilize Data, Lessons Learned from Past Projects



tndc.org

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AUDIENCE Q&A

PRESERVATION NEXT TOOLKIT

Preservation Next Toolkit

Aligned Resources

Identifying SMMF Properties for Preservation: Learn about key factors to consider when identifying and evaluating SMMF properties

Acquisitions: Learn about competencies and considerations during the acquisitions process

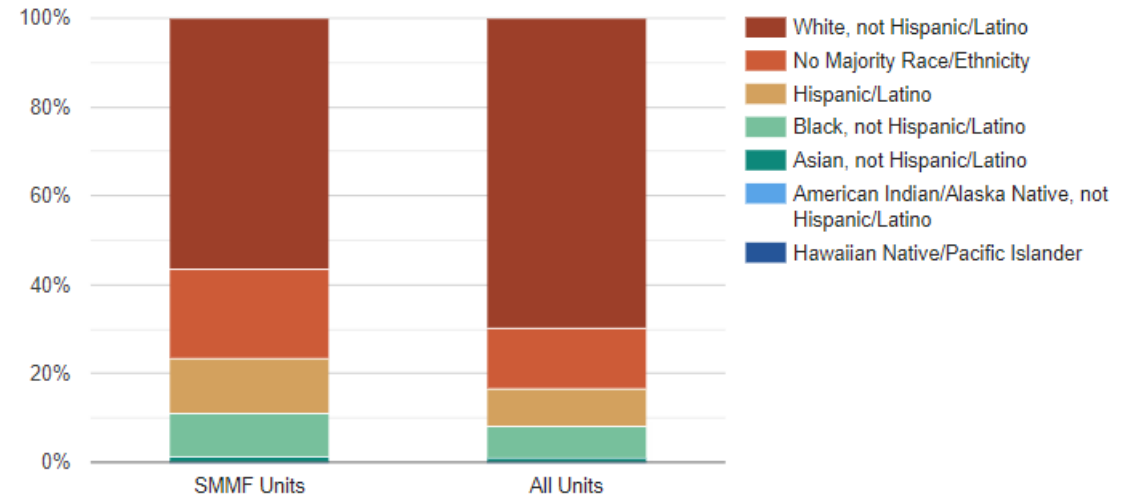
Factors for Property Evaluation and Example Considerations

Property Characteristics	<ul style="list-style-type: none"> Property size Property age/condition Current owners Existing subsidies
Preservation Feasibility	<ul style="list-style-type: none"> Land use compliance Building code compliance Financing eligibility Relationships
Local market conditions	<ul style="list-style-type: none"> Impacts on affordability Risk of displacement Perceived risk for funders
Neighborhood Access and Environmental Quality	<ul style="list-style-type: none"> Transit access Job access School quality Environmental hazards
Potential to Advance Community and Organizational Goals	<ul style="list-style-type: none"> Racial/economic equity Displacement pressures Ownership goals

Case Studies: Learn about successful and creative approaches for SMMF preservation in different housing markets

Small to Medium Multifamily Housing by the Numbers: A data profile of the SMMF housing stock nationwide and residents who live in these properties

SMMF units are more likely to be located in majority BIPOC neighborhoods



**Join us for our next
session on January 12!**

Financing Small to Medium Multifamily Preservation

Our Speakers

Zachary Patton, Director, Advisors –
Enterprise Community Partners

California guest speaker(s) – To be
announced

What to Expect This Session

- Participants will gain understanding of which **funding resources** in Southern and Northern California can be used for preservation.
- Participants will understand how to use the provided **financial modeling tool** to assess deal feasibility and identify gaps

Thank You

