

## THE 50% AFFORDABLE DECEPTION

The Balboa Reservoir Project takes credit for the 17% “Additional Affordable” that will be paid for with public monies as being part its project. This is deceptive advertising.

The 17% “Additional Affordable” is not objectively part of the Reservoir Community Partners, LLC (Avolon/Bridge) project.

Although marketed as 50% affordable, in reality, the Reservoir Community Partners project is a 60/40 split (60% market-rate/40% affordable—see yellow crosshatch on chart for 1100 units).

From BOS Budget Analyst’s Report regarding 17% Additional Affordable:

### ***Uncertain Financing for Affordable Housing Not Financed by Reservoir Community Partners***

Fourth, the development of the additional 17 percent affordable housing does not have identified financing sources. Potential sources identified in the Development Overview for the additional 17 percent affordable housing units include future voter approval of gross receipts taxes and state housing bond ballot measures, General Fund revenues generated by the project, State grants or loans. BRIDGE Housing, Mission Housing, and Habitat for Humanity would be responsible to develop the additional 17 percent affordable housing units.

Also, ownership of the land on which the additional 17 percent of affordable housing would be built has not been defined. The Mayor’s Office of Housing and Community Development (MOHCD) could potentially own the land and enter into long term ground leases with affordable housing developers, which is the current practice of MOHCD. The Board of Supervisors should request MOHCD to report back to the Board of Supervisors early in the process of negotiations between the City and Reservoir Community Partners on (a) potential financing sources for the additional 17 percent affordable housing; (b) whether the City will own any land on which 100 percent affordable housing developments are constructed; and (c) conformance of the additional 17 percent affordable housing units to City policy and requirements.