



The Affordability Project

Giving the Middle a Chance

Our Mission:

Fill the gap in affordable housing for educators, nurses, first responders, small business owners, and the many people who serve San Francisco

Why is *The Affordability Project* Different?

- 501c3 Housing Developer that ***will not take public funding***
 - Less expensive to build housing
 - Faster decision making and entitlement
 - No red tape – operate like a for-profit company
- Self-sustaining Projects
 - Projects will have positive cash flow to capitalize next development
 - Mixed-income developments to improve value, financing and cash-flow
 - Off-market first purchase with high-equity to be used as collateral for future projects
 - Secured LOI for construction loan for 38M

How can *The Affordability Project* do this?

- Created and operated by successful developers / builders
- Investment from business and individuals
 - High net worth individuals and other non-profits
 - Technology companies
 - Housing funds
 - Large regional land partnerships

Leadership



Since 2008, Tim built funding and resource partnerships and projects, valued at more than \$100million, which directly invested in San Francisco and Bay Area communities. Tim is a graduate of Georgetown University's McCourt School of Public Policy

Tim Szarnicki, Executive Director



Since 2010, Joey has helped to entitle and build more than 700,000 square feet of residential real estate in San Francisco. Joey conceived of The Affordability Project to bridge the affordable housing gap for San Francisco's middle class or workforce population.

Joey Toboni, Founder and Board President

Affordability Project's Board of Directors

Joe and Mary Toboni – Building / Real Estate Development and Philanthropists

Katy Tang - Past SF Board of Supervisors President

Hilary Newsom – President Plumpjack Group. Non-profit Executive

Adam Tartakovsky—Vice President, Crescent Heights

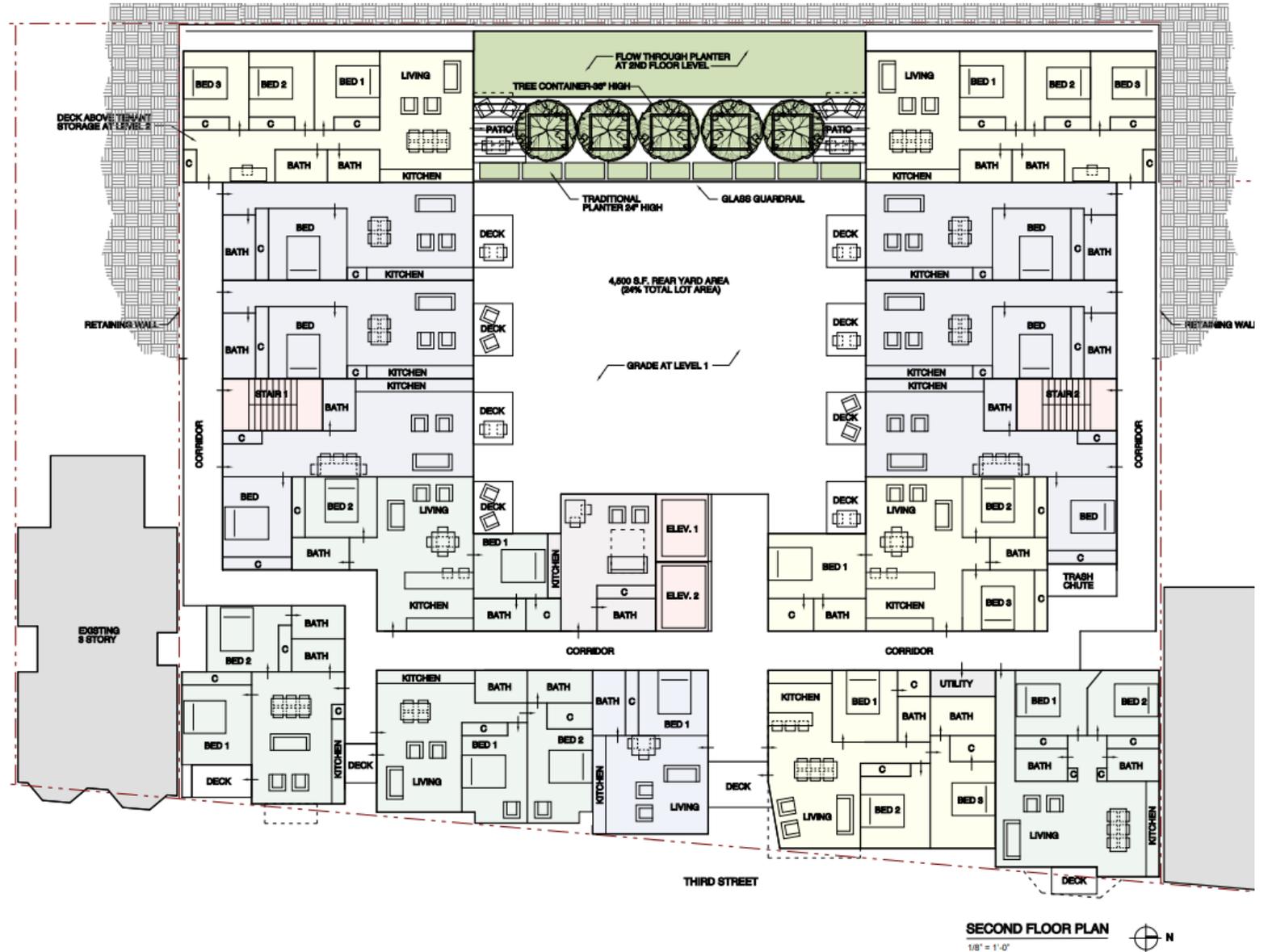


5250 3rd
Street



5250 3rd Information

- All proceeds from project will be used to fund acquisition of additional non-profit affordable housing projects
- Building will earn income for the 501c3
- Financing model will be a mix of:
 - Conventional debt
 - Low interest / interest free debt from social impact funds at technology companies
 - Low interest / interest free debt and/or grants from housing funds
 - Donations from high net wealth individuals, foundations, family charities, and San Franciscans who want to invest in their community



5250 3rd Information

- 100 Total units
 - 8 at 50-80% AMI
 - 62 at 90-130% AMI
 - 30 at market rate
- Time parameters:
 - Planning submission June 2021
 - Planning commission June 2022
 - Site Permit October 2022
 - DBI approval March 2023
 - Construction begins July 2023
 - Leasing begins July 2024
 - Building occupied December 2024



What's Next

We will change regional housing supply

- A. Our 10-year plan will produce 10%+ (2,000+ units) of the needed work-force housing in the region
- B. No organization working without public financing
- C. Government has thus far failed to solve the problem

Our impact will ripple through the community

- A. Strongest communities have mixed-income demographics
- B. People should live where they work

We are developing important partnerships

- A. Company
- B. Non-profit
- C. Housing fund
- D. Individual
- E. Regional multi-organizational consortiums

The Affordability Project - 7 Year Forecast							
		Jul-23	Jul-24	Jul-25	Jul-26	Jul-27	Jul-28
The Affordability Project Metrics	TAP Total Workforce Unit	0	62	262	517	902	1287
	TAP Total BMR Unit	0	70	295	580	952	1402
	TAP Annual Fundraising	\$4,000,000	\$4,800,000	\$5,760,000	\$6,912,000	\$8,294,400	\$9,953,280
	TAP Asset Equity	\$9,050,000	\$18,663,311	\$35,136,577	\$50,839,309	\$63,106,095	\$77,643,217
	TAP Liquidity (Incl OH)	\$1,000,000	\$3,300,000	\$2,063,738	\$1,165,626	\$1,887,909	\$3,403,819
5250 3rd St San Francisco	Descriptions	Build Type: type II and IIIA					
		Units: 8 low, 62 mid, 30 market					
		Percentage Affordable: 70%					
	Status	Construction Ongoing	Leased	Leased	Leased	Leased	Leased
	Annual Cash Flow Project Equity	N/A \$9,050,000	\$1,403,738 \$18,663,311	\$1,459,888 \$19,036,577	\$1,518,283 \$19,417,309	\$1,579,014 \$19,805,655	\$1,642,175 \$20,201,768
Project 2	Description	Build Type: type II and IIIA					
		Units: 25 low, 200 mid, 25 MR					
		Percentage Affordable: 90%					
	Status	Targeting Acquisition	Construction Ongoing	Leased	Leased	Leased	Leased
	Annual Cash Flow Completed Equity	N/A N/A	N/A N/A	\$1,610,000 \$16,100,000	\$1,674,400 \$16,422,000	\$1,741,376 \$16,750,440	\$1,811,031 \$17,085,449
Project 3	Description	Build Type: type II and type IIIA					
		Units: 30 low, 255 mid, 15 MR					
		Percentage Affordable: 95%					
	Status	N/A	Target Acquisition/Entitlement	Construction Ongoing	Leased	Leased	Leased
	Annual Cash Flow Completed Equity	N/A N/A	N/A N/A	N/A N/A	\$1,500,000 \$15,000,000	\$1,560,000 \$15,300,000	\$1,622,400 \$15,606,000
Project(s) 4	Description	Build Type: type II					
		Units: 65 low, 385 mid					
		Percentage Affordable: 100%					
	Status	N/A	N/A	Target Acquisition/Entitlement	Construction Ongoing	Leased	Leased
	Annual Cash Flow Completed Equity	N/A N/A	N/A N/A	N/A N/A	N/A N/A	\$1,125,000 \$11,250,000	\$1,125,000 \$11,250,000
Project(s) 5	Description	Build Type: type II					
		Units: 65 low, 385 mid					
		Percentage Affordable: 100%					
	Status	N/A	N/A	N/A	Target Acquisition/Entitlement	Construction Ongoing	Leased
	Annual Cash Flow Completed Equity	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	\$1,350,000 \$13,500,000

	5250 3 rd Street	Project 2	Project 3	Project 4	Project 5
Cash Investment Required	\$1,000,000	\$4,000,000	\$6,000,000	\$8,000,000	\$10,000,000
Unit Count	100	230	300	375	450
Average Net Income per Unit per Year	\$14,000	\$7,000	\$5,000	\$3,000	\$3,000
Average Equity per Unit Attained	\$180,000	\$70,000	\$50,000	\$30,000	\$30,000

Who's Involved

1. Potential Institutional and Individual Investors

- A. We have made contact and are fostering relationships with 118 institutions that range from local companies, foundations with an interest in affordable housing, and banks.
- B. We have begun conversation with 80 individuals with capacity to give a gift or commit to a 3-year pledge of at least \$150,000.
- C. In October we began making formal asks which total more than \$14 million.
- D. Our end goal is to raise \$30 million to create a stable foundation for the organization and achieve our development goals.

2. Key Regional Real Estate Partnership Possibilities

- A. We have formed partnerships with the San Francisco Interfaith Council and other individuals who are actively discerning how to re-develop 800 under-utilized congregational and personal properties to offer workforce housing.

Basic timeline for launch:

- **June 2022 – December 2022** confirm initial investments in the organization with a goal of cash and pledges of \$2.5M- \$3M.
 - **Progress:** \$24M out in asks, Close to \$600,000 already raised
- **June 2022** have the 5250 3rd Street project to the planning commission.
 - **Progress:** June 16th, 2022 San Francisco Planning Commission Approved 5250 3rd Street
- **June 2022-June 2023** raise at least \$6M and be positioned to start construction of 5250 3rd Street July 2023

Join The Affordability Project mission--give working San Franciscans affordable housing.