



# San Francisco





# HOUSING THE BAY

**SUMMIT**  
APRIL 15, 2026



TURNING THE PAGE? SHAPING HOUSING'S NEXT CHAPTER

# Housing the Bay Sponsor Benefits

## Major Sponsor

- 2 branded table (16 tickets) to the Summit
- Up to 5 additional discounted tickets to the Summit
- 4 tickets to all lead-up programs
- Prominent placement of company logo featured at the Summit and all Housing the Bay marketing (4,500+ people)

## Contributing Sponsor

- 1 branded table (8 tickets) to the Summit
- Up to 4 additional discounted tickets to the Summit
- 2 tickets to all lead-up programs
- Company logo featured at the Summit and all Housing the Bay marketing (4,500+ people)

## Summit Supporter

- 2 tickets to the Summit
- Up to 2 additional discounted tickets to the Summit
- 1 ticket to all lead-up programs
- Company name featured at the Summit and all Housing the Bay marketing (4,500+ people)



San Francisco

## Contributing Sponsors



**David Baker**  
Architects



## Summit Supporters

Alta Housing Cahill Contractors Eden Housing Mithun

Prado Group Sand Hill Property Co.

The Martin Group

Wilson Meany

# Strategies for Feasible Housing Production

## Meet the Speakers



**Ramie Dare**  
Mercy Housing



**Vanessa Diffenbaugh**  
Housing Accelerator Fund



**Patrick McNerney**  
Martin Building Company



**Daniel Simons**  
David Baker Architects



**Niran Somasundaram**  
Hanson Bridgett



**Randall Thompson**  
Nibbi Prefab



**Sarah White**  
Santa Clara County Housing Authority

# Martin Building Company

San Francisco · Est. 1989





- Polk Street NCD
- 65'/130' Height Limits
- Historic Resource (possible)
- ~175 units (including garage conversion)



- 303 Apartments (102 Affordable @ 50% AMI)
  - Studios to 4 Bedrooms (825sf Average)
- 22-Stories, 240' Height
- 342,000 GSF
  - 255,000sf Rentable
  - 18,000sf Amenity
  - 8,000sf Outdoor Decks
  - 4,000sf Childcare
- HCC < \$420/GSF (100% Union)

# Resident Lobby + Lounge

Soaring ceilings, custom lighting and dual entrances from Sutter and Hemlock Street with a curated gallery space, water feature, and lounge seating, including tiered seating area that leads to an open-air courtyard on Hemlock.





## 2-Level Indoor-Outdoor Fitness Center + Library Lounge

05 / AMENITIES

COMMUNITY AMENITIES · FITNESS CENTER, LIBRARY + SOCIAL SPACES





06 / INTERIORS

## Finishes + Features

INTERIOR FINISHES · STUDIOS TO 4-BEDROOMS





# Panoramic Views of San Francisco

22<sup>nd</sup> Floor Roof Terrace

# Keys Contributors to Groundbreaking

- SF Planning (and DBI)
- HUD and CalHFA
- David Baker Arch. and Nibbi Brothers
- Pension Funds and Unions
- Bifurcated Structure

# Bifurcated Structure

## ▪ Market Rate

(Separate Ownership and Permits)

- Equity
- HUD/Berkadia = \$125M (AFLCIO-HIT)
- Mezzanine = \$6M (TDA)

## ▪ Affordable

(Separate Ownership and Permits)

- Equity
- HUD/Berkadia = \$17M (AFLCIO-HIT)
- LIHTC = ~\$50M (BFM and Monarch)
- EBL = \$43M (AFLCIO-HIT)
- TE Bonds = \$43M
- CalHFA
  - \$17M TE Perm
  - \$4M MIP Second



10 / MARTIN BUILDING CO.

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# Housing Delivery in San Francisco: High Cost, Slow Delivery



mercy  
HOUSING



HOUSING  
ACCELERATOR  
FUND

# High Cost, Slow Delivery

- **High-cost of construction**
  - \$700,000 average cost per studio
- **Long horizon to deliver new units**
  - On average, 5-7 years from entitlement to delivery
- **Public capital slow to secure**
  - High demand – programs oversubscribed



## What Worked?

### Tahanan Supportive Housing

Completed in *less than 3 years*  
*and at 40% lower cost* than  
traditional affordable housing.



# What Worked? **Tahanan Supportive Housing**

- Efficient design and modular construction
- Entitlement streamlining
- Philanthropic capital provided financing certainty
- Private capital bridged to public subsidy
- Reduced regulatory burden



# Building off Successes: 1633 Valencia

## Cost & Time Goals

- Total development cost of \$550,000 or less per studio\*
- Complete within 3 years of entitlement
  - Use Progressive Design-Build method of project delivery
  - Use Tahanan Supportive Housing as Basis of Design

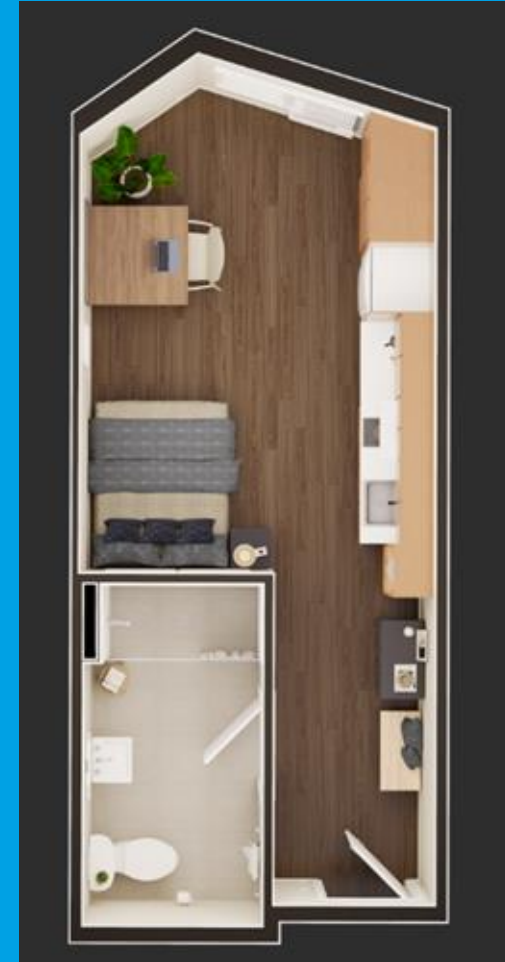
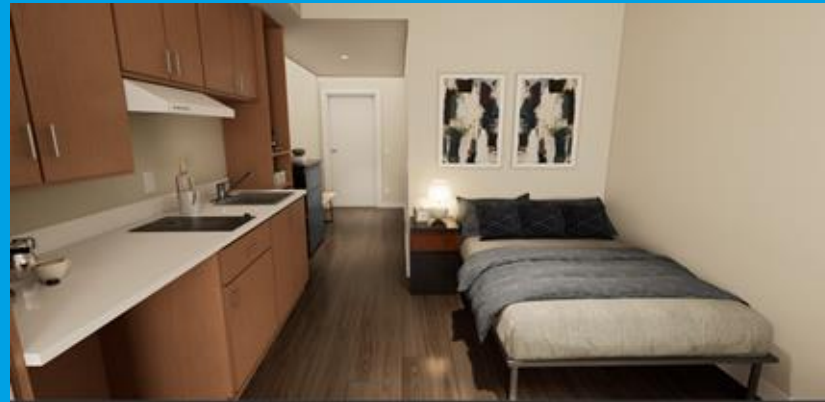
## Community Goals

- 100% Permanent Supportive Housing
- Prioritize Mission District seniors



## Progress on Development Goals: **1633 Valencia**

- **Projecting \$542,000 cost per studio unit**
- **Substantial Completion within 3 years of entitlement**
- **Population Equity Pilot**
  - 50% referred by Mission neighborhood access points
  - 50% Housing Ladder



# How did we achieve these time & cost goals without a \$50M grant?

## Reduced Regulatory Burden

- **SAME:** Privately financed through perm (not a public construction contract or public site)
- **NEW:** Committed public funding post-construction

## Financing Certainty

- **NEW:** All \$s had to revolve→ Revolving DAF-supported Construction Loan + Inaugural Bay Area Housing Innovation Fund construction to perm investment

## Unlocking of Efficiencies of Scale

- **SAME:** Team
- **NEW:** Design-Build, Design Replication (not modular)

# Reduced Reg Burden: Cost & Time Savings in SF

Post Tahanan, City committed to allowing projects WITH a local gap commitment but WITHOUT public construction dollars to streamline regulatory requirements.

## SF Regulations Triggered by Using Public Funds During Construction

- 14B
- Mandatory Local Hire
- Mayor's Office of Disability Approval
- SFPUC

=

**+\$100 - 150,000 per unit**

**+15 - 24 months**

## Cost Incurred While Navigating Regulations

- Hard Cost Inflator (materials, labor)
- Soft Cost Inflator (insurance, additional services)
- Financing Inflator (construction interest)
- Tax Credit Equity Reduction while lease-up is delayed

# A win for prioritizing housing delivery!

<b>Public Construction Contract Requirement</b>	<b><i>1633 Valencia Street</i></b> <i>Project-Based Subsidy Option</i>
<b>Arts Commission Design Review</b>	Not required
<b>MOD Review</b>	Not required
<b>LBE (14B)</b>	Not required
<b>Local Hire</b>	Not required
<b>PUC Power</b>	Feasibility analysis by the PUC to provide electric service
<b>Green Buildings</b>	Not required

# Affordable Housing Finance, Accelerated & Certain

The Housing Accelerator Fund, Sobrato, Apple and Destination: Home launched the Bay Area Housing Innovation Fund in 2024.

- Vision: Alternative to affordable housing finance status quo
- Approach: Construction to perm 1st or 2nd mortgages with forward commitment to reduce financing uncertainty for projects that commit to cost & time containment
- Pipeline: Over \$165 million; upsizing fund now to \$100 million



**The Bay Area Housing  
Innovation Fund is the solution  
that will unlock over 1,000  
homes in the next 2 years**

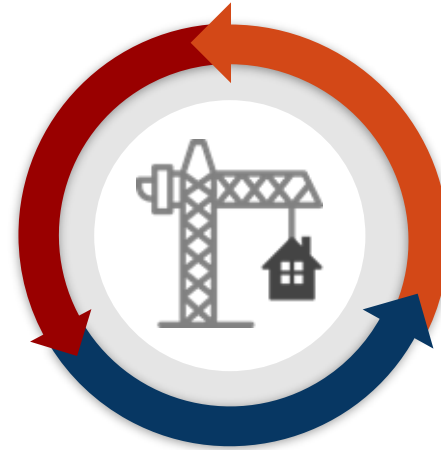
**2x faster**  
**30% lower cost**

# Accelerating Production: A Shared Solution

## Developers

Commit to ambitious cost and time goals

- **Drive down construction costs** to as low as \$750K per unit for 2BR+ projects, or \$550K for new 100% studio projects
- **Complete projects in less than 3 years**
- **Minimum 25% of homes targeted to ELI/PSH households**



## Innovation Fund

**Bring unique capital products to market that don't exist**

- *Long term, low-interest investments with **return of principal** in year 15-22*
- *Initial \$50M launched in May 2024; Upsizing to \$100M*

## Government

Commit to back an innovative approach with public subsidy

- **Government subsidy commitments + Project Based Voucher commitments**
- **Complementary repayment terms** that allow for Innovation Fund repayment

# Design-Build Affordable: **Benefits for Developer/Owner**

- **Schedule Certainty**
  - Compressed Predevelopment / Construction Schedules
  - Project is better-positioned to meet financing deadlines
  - Date certain for construction start is required to lock in pricing
- **Cost Certainty**
  - Frontloading design and coordination
  - Subs and GC lock in pricing during design
  - Single-point of responsibility for coordination/design misses = reduced change orders, RFIs and construction delays
- **Minimizes Construction Period Issues**
  - Disputes replaced by collaborative problem solving on conflicts in the field

# Innovations?

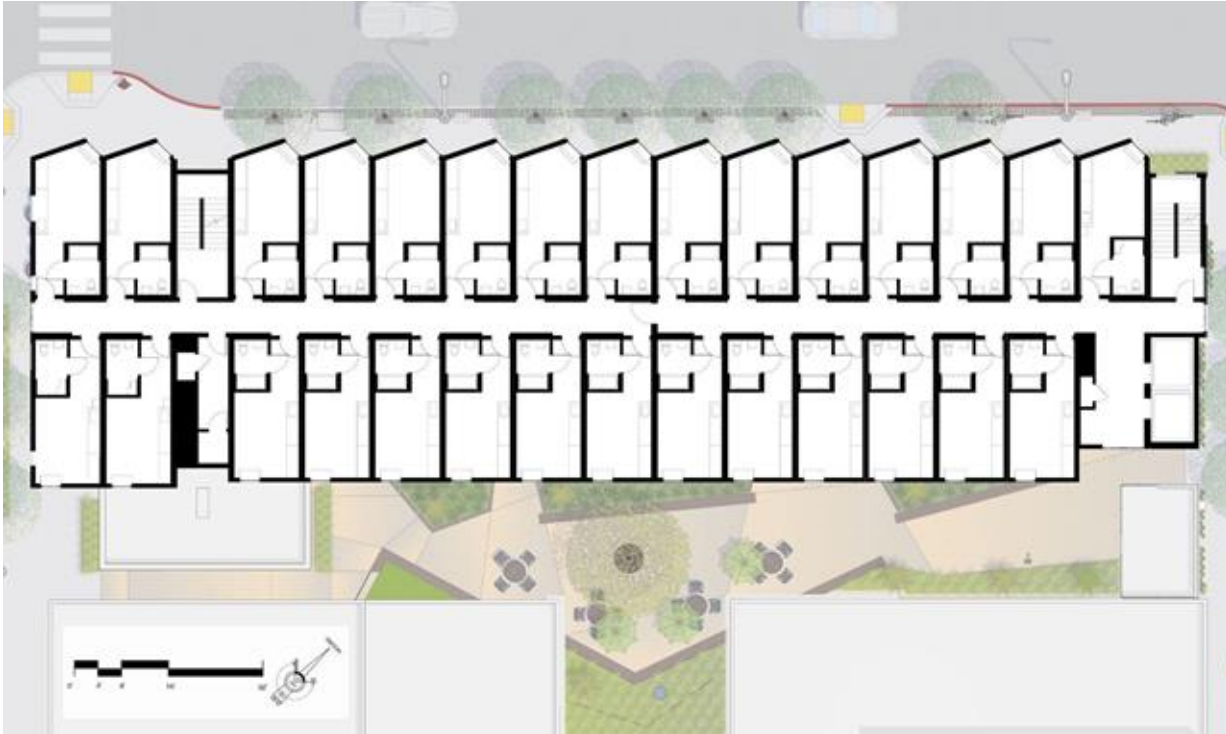
- **Replication**
- **Modular**
- **Design-Build**



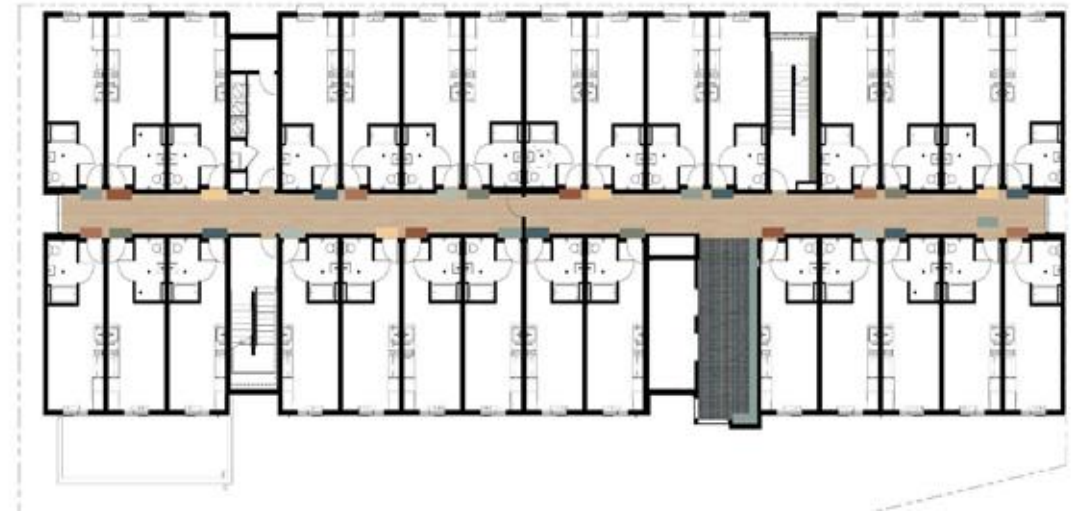
# Replication



# Typical Floor Plan

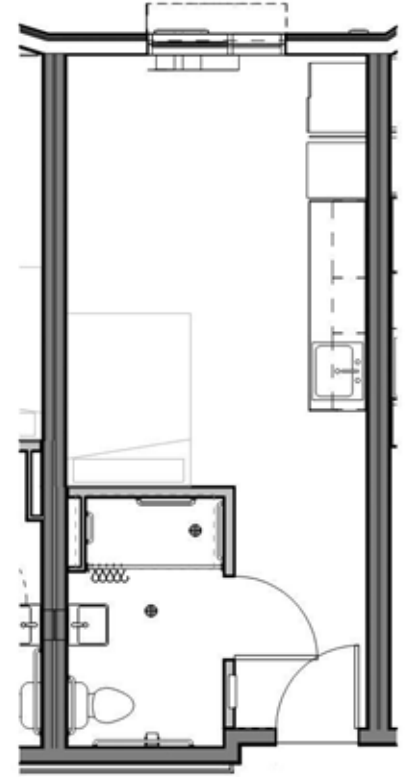
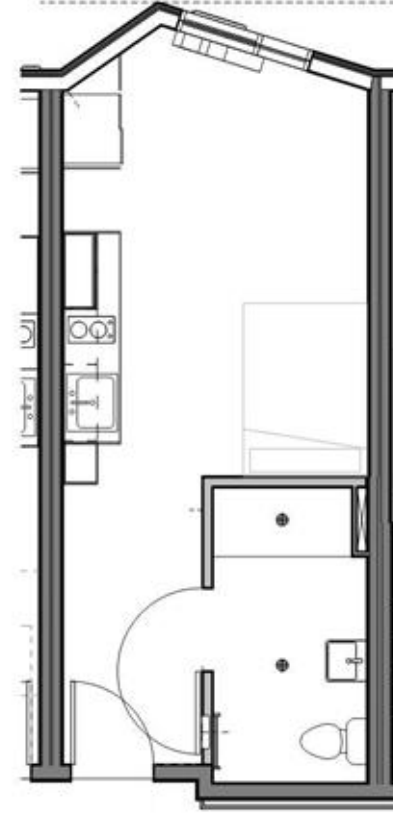
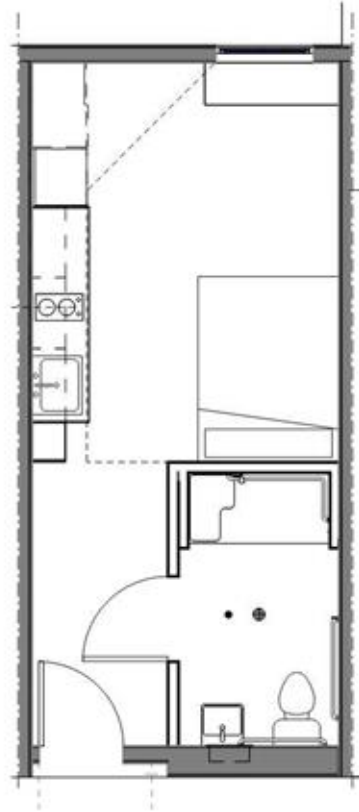
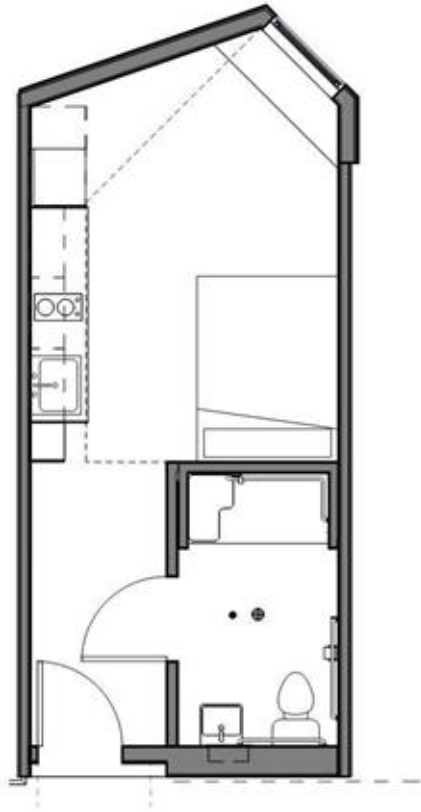


**Tahanan**



**1633 Valencia**

# Apartment Plans



**Tahanan**

**1633 Valencia**

# Ground Floor



**Tahanan**



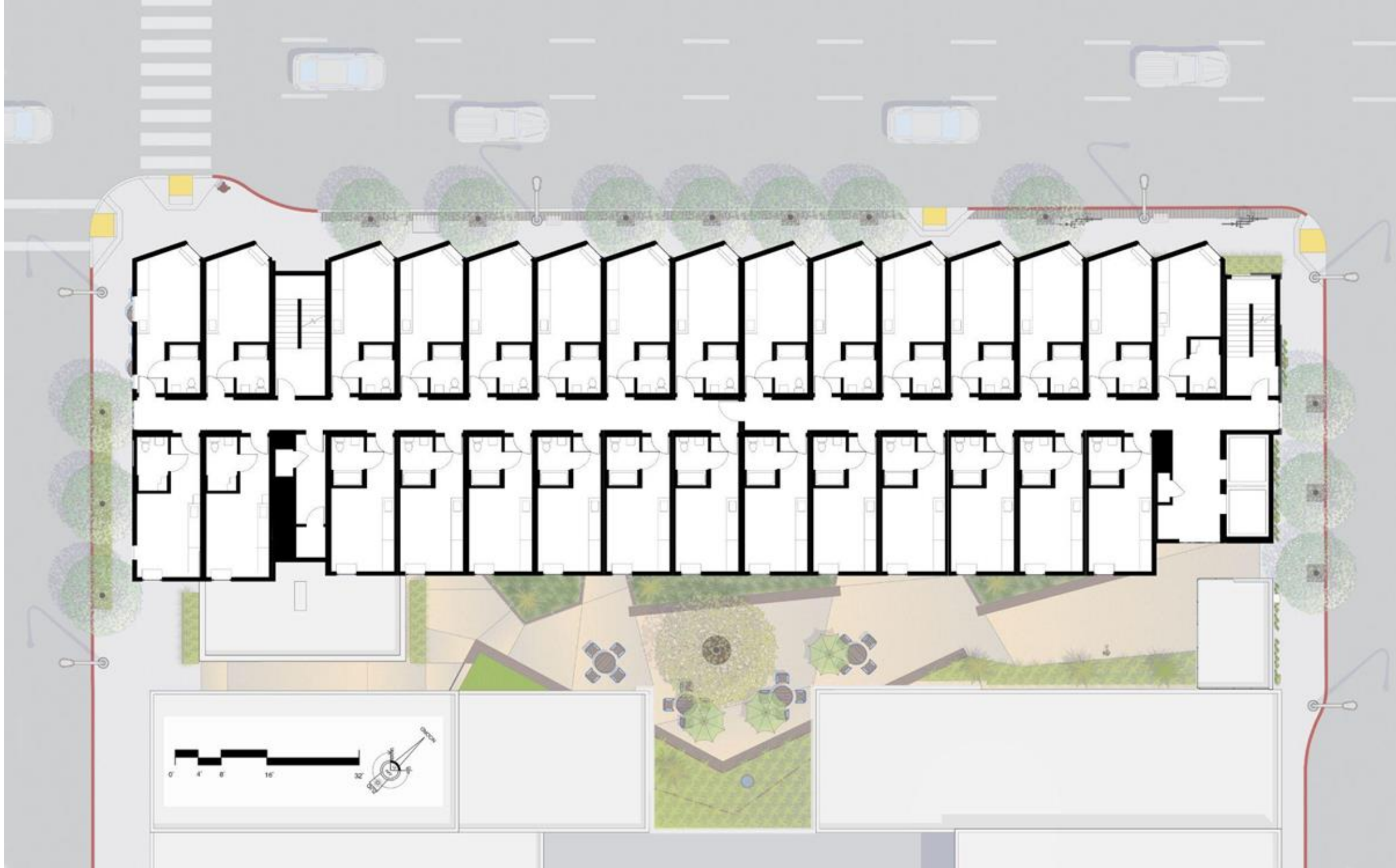
**1633 Valencia**

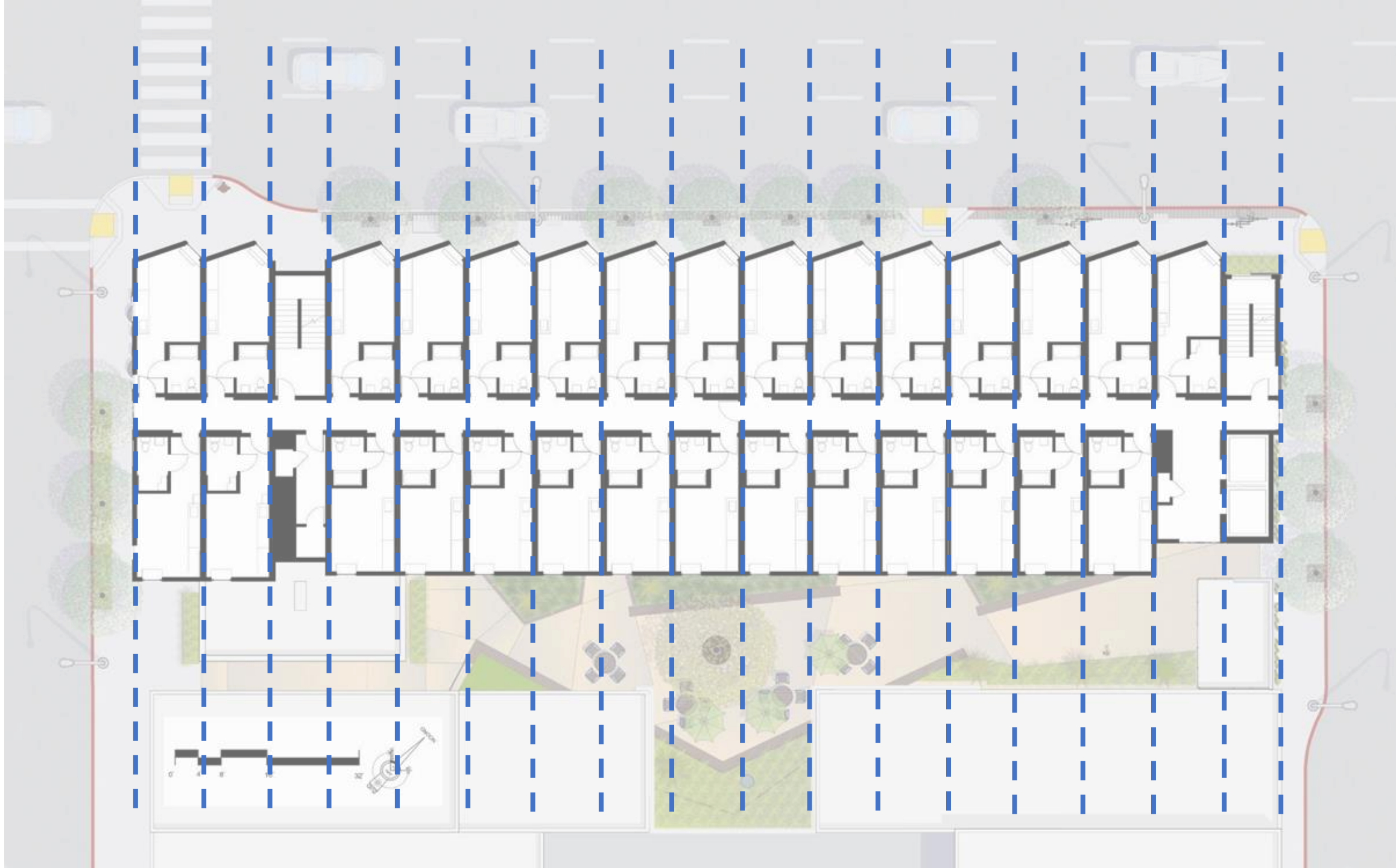
# Modular



# Modular Units: **Tahanan Supportive Housing**







# Modular Units: Tahanan Supportive Housing



# Modular Units: Tahanan Supportive Housing





# Design-Build

- **Shared Vision / Co-Location**
- **Staged Bidding**
- **Early BIM Coordination**





1633 Valencia

Owner: Mercy Housing

Architect: David Baker Architects

Stage1: 100% SD

Start Date: Feb. 2024

Duration: 18 months

Stage 2: 100% DD

Stage 3: 75% CD

# Stage 1: 100% Schematic Design

• Overall Budget Commitment for the project

• 50% of project budget subcontracts bid

Line Item	Line Item Description	Stage 1 Design	Stage 2 DD	Stage 3 CD	Budget Bid last	Comments
	<b>Demolition &amp; Structure</b>					
01	Hazardous Materials Abatement		Maybe		stage 3 if not stage 2	
02	Building & Site Demolition		Maybe		stage 3 if not stage 2	
03	Shoring, Underpinning & Soil Grouting				stage 3 if not stage 2	n/a
04	Drilled Piers, Caissons, Tie Downs & Piles	design build				Drill Tech
05	Structural Concrete	design build				Blackrock
06	Structural Steel, Metal Decking, Joists					
07	Rough Carpentry		X			
08						
	<b>Exterior Skin</b>					
09	Exterior Glazing		X			
10	Exterior Siding & Metal Panels & Exterior Brick Tile		X			
11	Exterior Cement Plaster		X			
12	Roofing & Waterproofing				X	
13	Sheet Metal, Flashing, Louvers & Exp Jts				X	
14	Exterior Building Maintenance System	design build				SITCO
15	Caulking & Sealants				X	
16						
	<b>Interiors &amp; Equipment</b>					
17	Gypcrete		X			
18	Metal Stud Framing & Drywall		X			
19	Insulation & Firestopping		X			

# Stage 1: Sub Contracts

## Design-Build Subcontractors

- Concrete
- Mechanical, Electrical, Plumbing
- Fire Protection
- Exterior Building Maintenance
- Solar Panels
- Elevators

1633 Valencia

Owner: Mercy Housing

Architect: David Baker Architects

Stage1: 100% SD

Stage 2: 100% DD

Start Date: Feb. 2024

Duration: 18 months

Stage 3: 75% CD

# Stage 2: 100% Design Development

• 30 - 35% of project budget subcontracts bid

Line Item	Line Item Description	Stage 1 Design Build	Stage 2 Bid	Stage 3 Bid List	Comments
	<b>Demolition &amp; Structure</b>				
01	Hazardous Materials Abatement		Maybe	stage 3 if not stage 2	
02	Building & Site Demolition		Maybe	stage 3 if not stage 2	
03	Earthwork		Maybe		
04	Shoring, Underpinning & Soil Grouting				n/a
05	Drilled Piers, Caissons, Tie Downs & Piles	design build			Drill Tech
06	Structural Concrete	design build			Blackrock
07	Masonry	-			
08	Structural Steel, Metal Stairs, & Misc. Iron			X	
09	Rough Carpentry		X		
	<b>Exterior Skin</b>				
10	Exterior Glazing		X		
11	Exterior Siding & Metal Panels & Exterior Brick Tile		X		
12	Exterior Cement Plaster		X		
13	Roofing & Waterproofing			X	
14	Sheet Metal, Flashing, Louvers & Exp Jts			X	
15	Exterior Building Maintenance System	design build			SITCO
16	Caulking & Sealants			X	
	<b>Interiors &amp; Equipment</b>				
17	Gypcrete		X		
18	Metal Stud Framing & Drywall		X		
19	Insulation & Firestopping		X		

# Stage 2: Sub Contracts

## Subcontractors

- Framing
- Exterior Cladding
- Misc Metals
- Roofing
- Waterproofing

1633 Valencia

Owner: Mercy Housing

Architect: David Baker Architects

Stage1: 100% SD

Start Date: Feb. 2024

Duration: 18 months

Stage 2: 100% DD

Stage 3: 75% CD

# Stage 3: 75% Construction Documents

- 15 - 20% of project budget subcontracts bid

Line Item	Line Item Description	Stage 1 Design	Stage 2 Bid	Stage 3 Bid	Comments
	<b>Demolition &amp; Structure</b>				
01	Hazardous Materials Abatement		Maybe	stage 3 if not stage 2	
02	Building & Site Demolition		Maybe	stage 3 if not stage 2	
03	Earthwork		Maybe		
04	Shoring, Underpinning & Soil Grouting				n/a
05	Drilled Piers, Caissons, Tie Downs & Piles	design build			Drill Tech
06	Structural Concrete	design build			Blackrock
07	Masonry	-			
08	Structural Steel, Metal Stairs, & Misc. Iron			X	
09	Rough Carpentry		X		
	<b>Exterior Skin</b>				
10	Exterior Glazing		X		
11	Exterior Siding & Metal Panels & Exterior Brick Tile		X		
12	Exterior Cement Plaster		X		
13	Roofing & Waterproofing			X	
14	Sheet Metal, Flashing, Louvers & Exp Jts			X	
15	Exterior Building Maintenance System	design build			SITCO
16	Caulking & Sealants			X	
	<b>Interiors &amp; Equipment</b>				
17	Gypcrete		X		
18	Metal Stud Framing & Drywall		X		
19	Insulation & Firestopping		X		

# Stage 3: Sub Contracts

## Subcontractors

- Landscape
- Interior Finishes

# BIM Coordination





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# Thank you!



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