



Mission Bay South Block 3 East 1150 3rd Street



Commission on Community Investment and Infrastructure

October 18, 2016

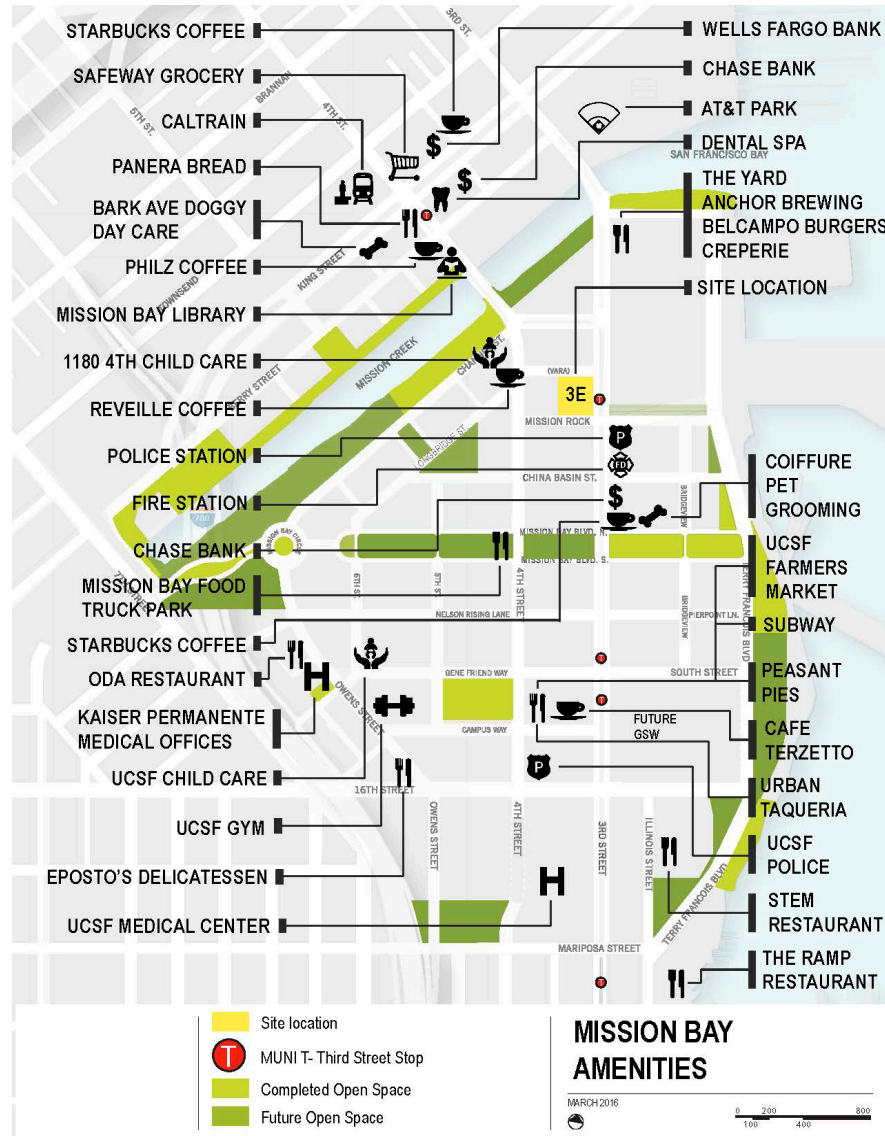
Current Request

- **Approval of MB South Block 3 East:**
 - Conditional Approval of Basic Concept and Schematic Design
 - Option to Ground Lease

Mission Bay Context Map



Site Amenities



Background

- **September 17, 1998: SFRA Commission approved Mission Bay North and South Redevelopment Plans and Owner Participation Agreements**
 - The OPAs provide for the development of 6,514 residential units, with 1,916, or nearly 30%, set aside as affordable
 - In Mission Bay North, 672 inclusionary and OCII-sponsored affordable units are complete with 26 developer inclusionary units currently under construction
 - In Mission Bay South, 150 affordable units are complete with another 1,068 planned or under construction
 - Remaining affordable housing units are being/will be developed by nonprofit housing developers.
 - MB Affordable Housing Policy establishes affordability at levels up to 60% of Area Median Income (AMI). (Family of 4 at 60% AMI = \$64,600)

Background

- **OPA requires master developer to submit overall plans for development in “Major Phases” for particular blocks (including: developments, public infrastructure, and parks)**
- **Major Phase is required as part of the entitlement process for each development**
- **1150 3rd Street was initially approved as part of the Major Phase application for Blocks 2 - 7 and 13 in 2005**
 - Confirms 1150 3rd Street as an affordable housing site

Background

- **Spring 2015 - OCII staff issued a Request for Proposals (“RFP”) for MB South Block 3E (“1150 3rd Street”)**
- **Spring 2015 – Mayor announced partnership with sf.citi to leverage \$5M in philanthropy to accelerate development of 1150 3rd Street, a veterans’ housing project**
- **Summer 2015 - Team of Chinatown Community Development Center (“CCDC”) and Swords to Plowshares (“STP”)(collectively the “Developer”) selected as the developer, property manager and service providers with Leddy Maytum Stacy Architects (“LMS”) as the lead architect**
- **February 2016 - Commission approved an Exclusive Negotiations Agreement, and approved a \$2.5M predevelopment loan for design and related work**

Development Program

- **Rental housing affordable to formerly homeless veterans and low-income families**
 - Approximately half of the units (62) will be set aside for formerly homeless veterans restricted at no more than 30% AMI (Single individual at 30% AMI = \$22,600)
 - Remaining half of the units (57) affordable to families at 60% of AMI (Family of 4 at 60% AMI = \$64,600)
- **A Supportive Services Plan for both veterans and families**

Development Program cont.

- **A total of 119 units including:**
 - **Veterans Units**
 - 12 Studio units
 - 50 1BR units
 - **Family Units**
 - 5 1BR units for families
 - 30 2BR units for families,
 - 21 3BR units also for families, and
 - **1 2BR manager's unit**
- **Veterans will be referred for the units by the City's new HSH department**

Development Program cont.

- **Interior, podium level open space**
- **Ground floor programming including offices, services, etc.**
- **Visually interesting design that is financially feasible**
- **“Green” and sustainable building strategies**
- **Utilize the total 47,140 s.f. site for a maximum of 119 units (including 1 manager’s unit)**
- **Consistent with green building guidelines and parking demands in MB, with no more than a one-to-one parking ratio**

Schematic Design Highlights

- **Approximate building size – 124,000 square feet**
- **Five story, U-shaped building with four floors of housing above a concrete podium**
- **Multiple community/service spaces including: large central community room, computer lab, teen gathering space, a multipurpose room, kids' play room, resident services office, veterans counseling office, bike parking, two laundry rooms, and a two-level, central open space**

Schematic Design



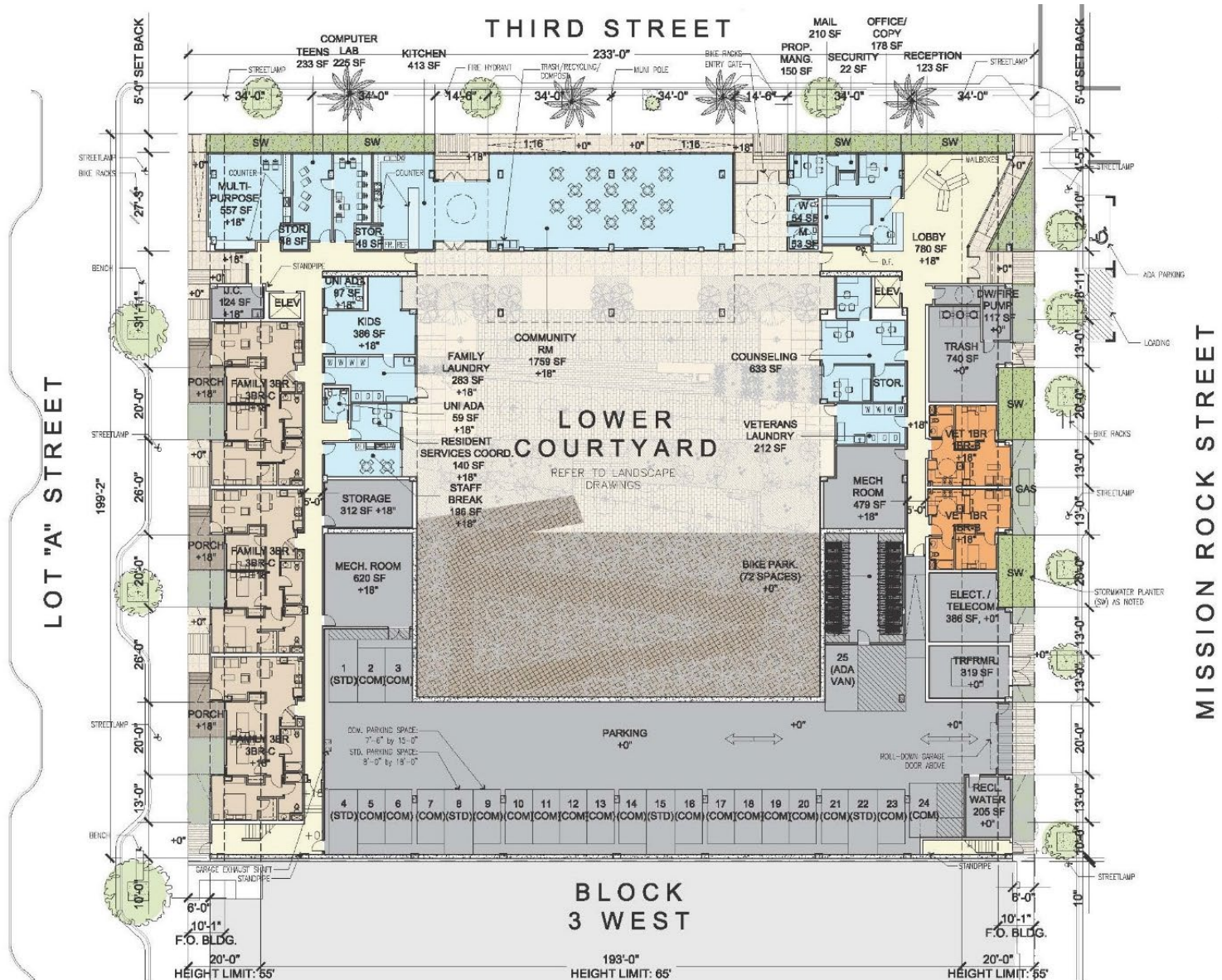
Southeast Corner Perspective from 3rd & Mission Rock Streets

Schematic Design

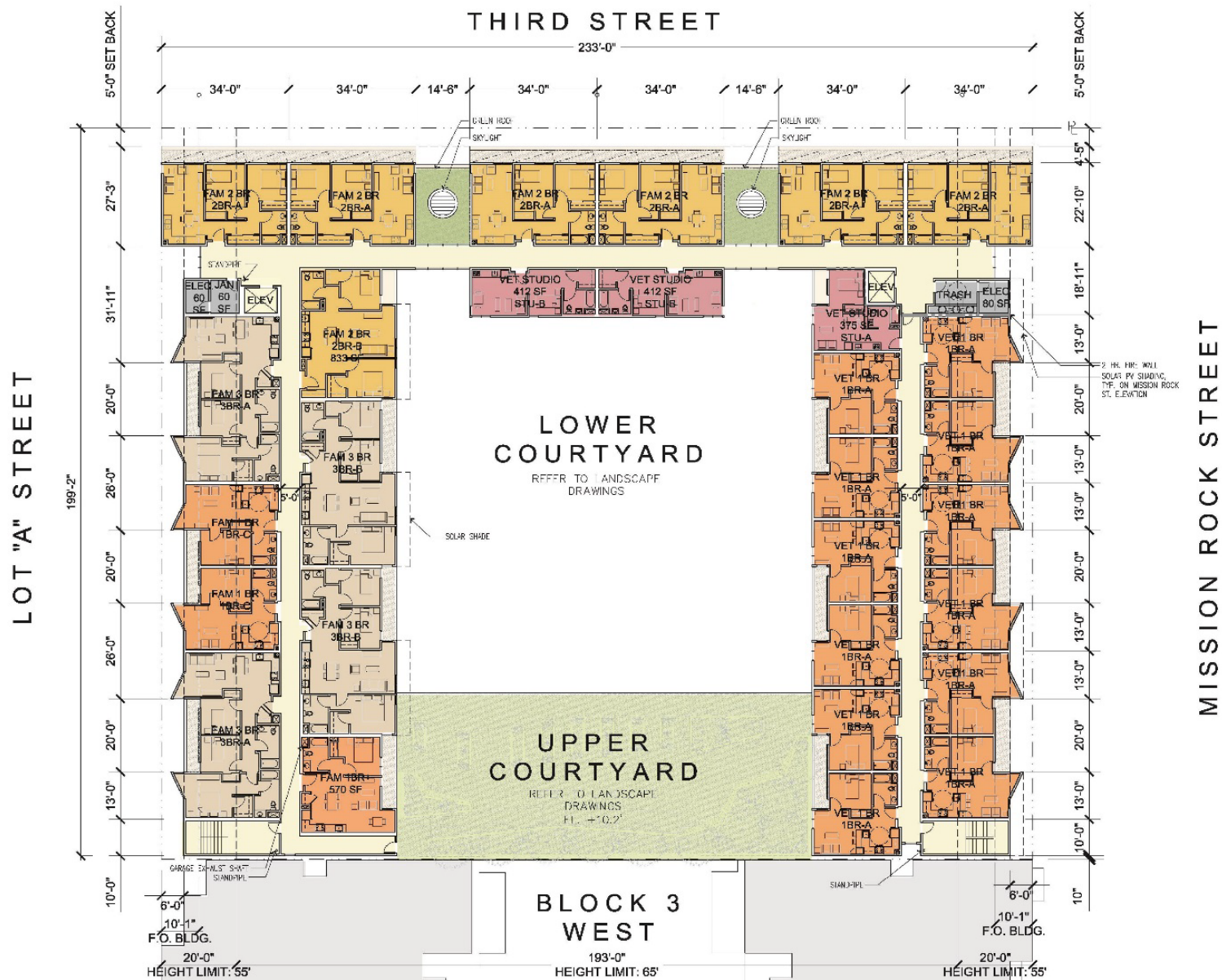


Northeast Corner Perspective from 3rd & Lot A Streets

1st Floor Plan



2nd Floor Plan



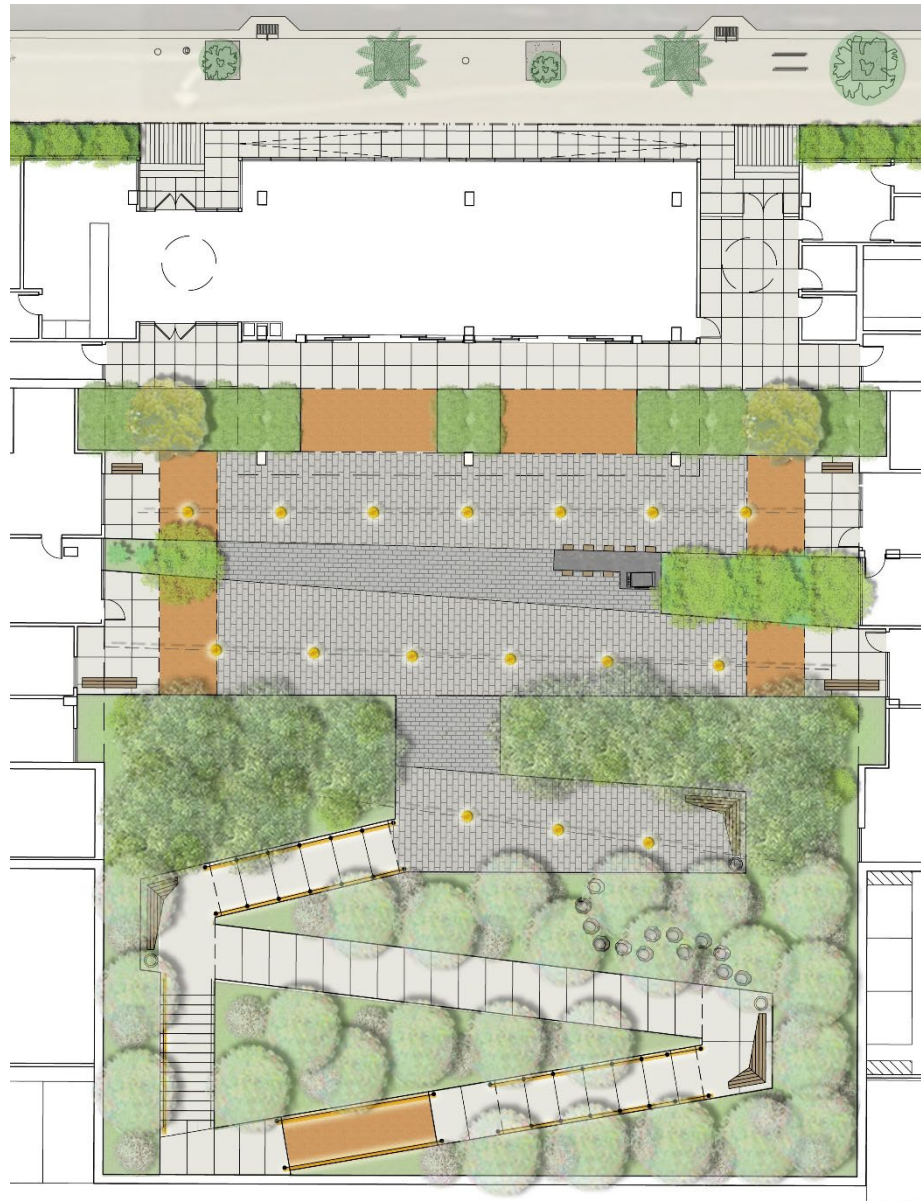
3rd Floor Plan



4th & 5th Floor Plans



Ground Floor Courtyard Plan



Second Floor Courtyard Plan



Courtyard – Rendered Perspectives



Courtyard – Rendered Perspectives



East Elevation – 3rd Street



South Elevation – Mission Rock Street



West Elevation – Block 3W/3E Party Wall



North Elevation – Lot A Private Street



Parking at 1150 3rd Street

- **Parking lot with controlled access parking for 25 vehicles, including 1 accessible space**
- **Based on other affordable housing for formerly homeless individuals, parking demand from the 50 formerly homeless veterans units is expected to be minimal**
- **Parking ratio for family units is .44 space/dwelling unit**
- **Limited parking at Project is in line with San Francisco's transit first policy**
- **Site located on 3rd Street with the Muni T stop directly in front of the property at Mission Rock Street**
- **72 bicycle parking spaces in protected room**

Mission Bay Transit Options



Conditions of Approval

- **Design items to be approved by staff**
 - A Building Signage Master Plan will be submitted for staff review
 - Dimensions of units, unit rooms, window sizes, and sizes of other spaces throughout the Project
 - Materials, colors, finishes and architectural details
 - Unit plan layouts reviewed for livability
- **Developer and General Contractor to review noise regulations and hours of construction operation prior to start of construction**

Conditions of Approval

- **Developer shall comply with all applicable mitigation measures in the adopted Mitigation Monitoring and Reporting Program (“MMRP”)**
- **Upon opening of the Project, the large community room and kitchen available for public use by Mission Bay residents.**

Community Support

- **Summer 2015 – The Mission Bay Citizens Advisory Committee (“CAC”) was represented in the RFP submittal review and interview process**
- **September 2015 – The CCDC/STP team presented its Project to the CAC, and the CAC supported it and the development team as proposed**
- **July 2016 – The Developer and architect presented the Basic Concept/Schematic Design to the CAC, and the CAC voted in favor of the design and moving the Project forward**

Option to Ground Lease Terms

- **California Debt Loan Allocation Committee now requires the Sponsor to demonstrate site control through an Option to Ground Lease Agreement (“Option”)**
- **The Option allows staff to negotiate the terms and conditions for the ground lease**

Option to Ground Lease Terms

- **Terms include:**
 - 75 years from the date of construction completion, plus one 24-year option;
 - Tenant is responsible for all property taxes and assessments against the leasehold estate;
- **AMI levels will be set (and will remain) no higher than 60%;**
- **Tenant annual rent will be set at 10% of the land value and consists of:**
 - Base rent of \$15,000
 - Residual rent which is only paid to the extent there is surplus cash after the Project pays all of its operating expenses

Option to Ground Lease Terms

- **Tenant is responsible for operation and maintenance of the Project;**
- **Tenant is allowed to encumber the leasehold interest to secure necessary loans (as approved by OCII); and,**
- **Tenant may only sell, assign, convey, sublease or transfer any part of its ground lease interest to a Sponsor affiliate (with prior notice to OCII)**
- **Per Section 2 of the Option, the Executive Director approves any request to extend the term**

Equal Opportunity Program

- **Developer has achieved 51.8% SBE participation for professional services to date**
 - 32.6% SF-SBE
 - 16.2% MBE
 - 14.4% WBE
- **Developer is committed to achieve 50% SBE participation during the construction phase**
- **Developer and General Contractor, Nibbi Bros., exploring joint venture opportunities with local SBEs**

Schedule

- **Fall 2016 – Schematic Design/Option to Ground Lease approval**
- **Spring 2017 – return to Commission to request gap financing**
- **Summer 2017 – apply for Tax Credits and for a bond allocation**
- **Late Summer 2017 – return to Commission for ground lease approval**
- **Fall 2017 – close financing/construction begins**
- **Fall 2019 – complete construction**

QUESTIONS AND ANSWERS

