



Candlestick Point Block 10a North – 100% Affordable Parcel

Commission on Community Investment and Infrastructure

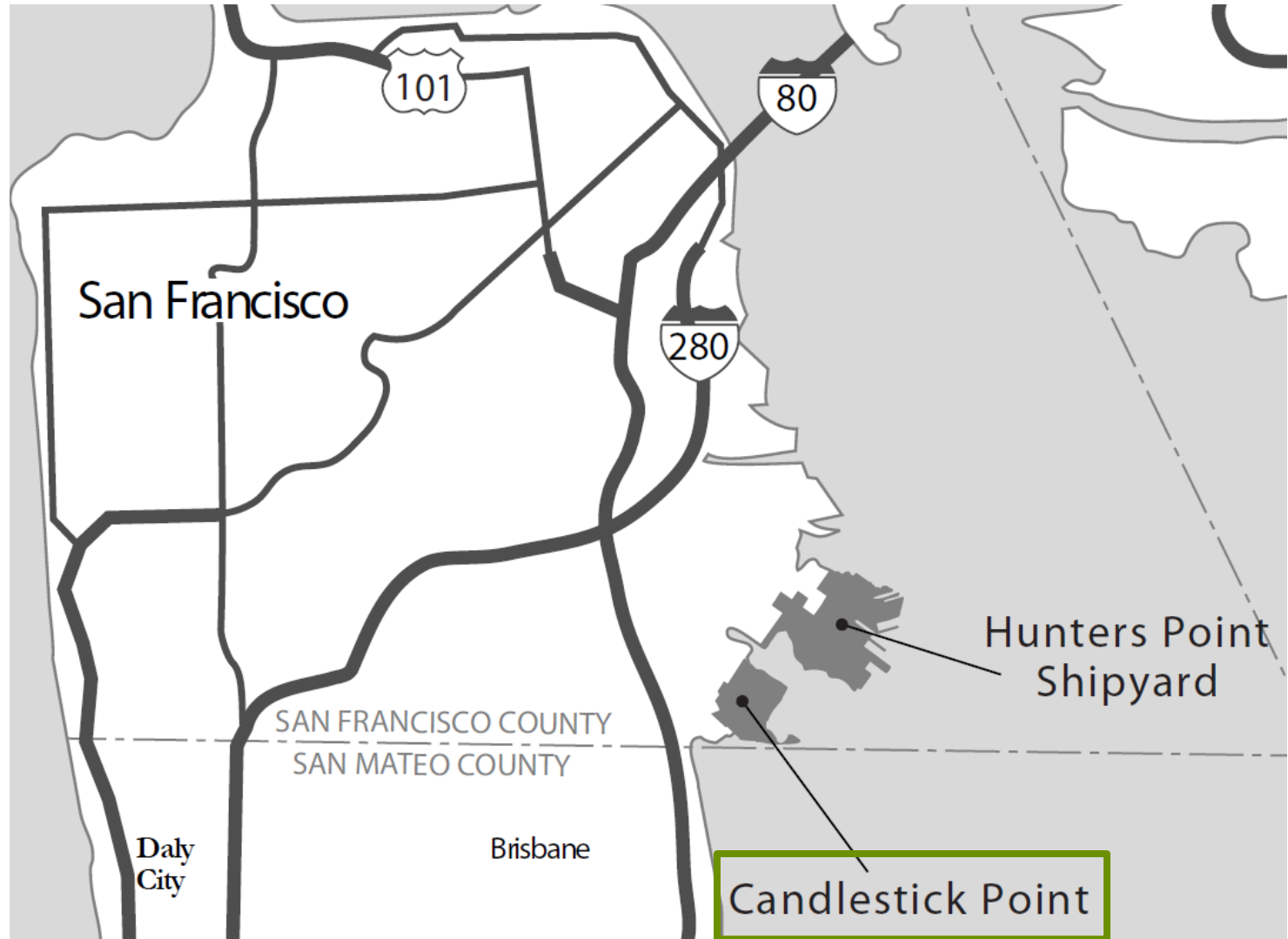
December 6, 2016

Current Request

- Approval of Candlestick Point North Block 10a:
 - Exclusive Negotiations Agreement
 - Predevelopment Loan Agreement



Neighborhood Context Map



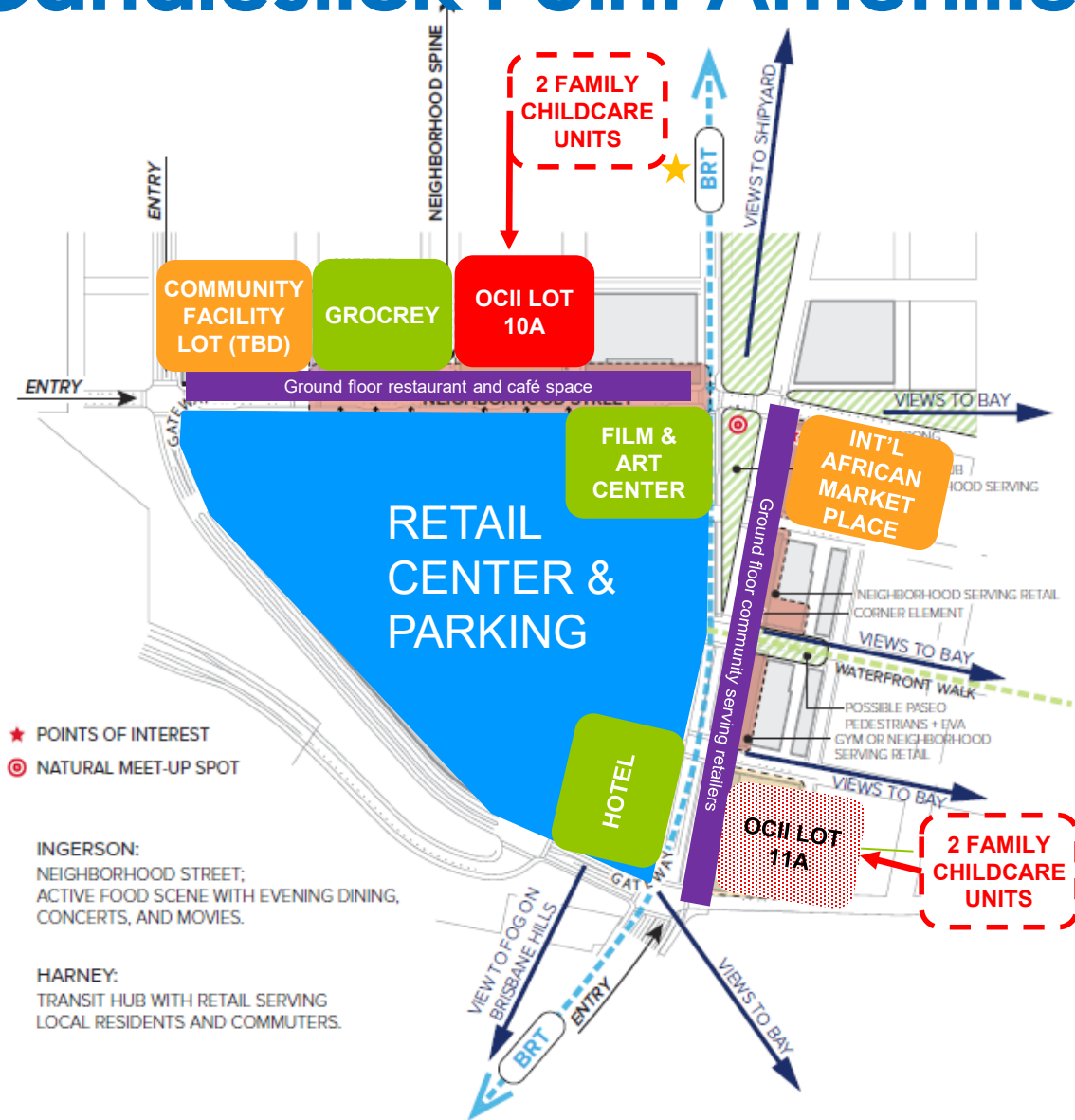
Hunters Point Shipyard Phase 2 & Candlestick Point Project:

- 10,500 homes, 32% below-market
- 352 acres of parks and open space
- 3,150,000 sq. ft. of R&D/office space, producing more than 12,000 permanent jobs
- 885,000 sq. ft of retail
- 325,000 sq. ft of artist and community facilities
- \$83.2 Million in Community Benefits
- Rebuilding of Alice Griffith Public Housing
- New Bus Rapid Transit, express busses and extending crosstown lines



Candlestick Point Amenities

- Bret Harte Elementary school (~0.25 miles)
- Alice Griffith development (~0.25 miles)
- 3rd Street (~1 mile)



Candlestick Point
 State Recreation
 Area and
 waterfront

HPS Phase 2 and CP: Below Market Rate (BMR) Housing Plan

- CPN 10A Site is covered by the HPS Phase 2/CP DDA – BMR Housing Plan:
- 10,500 housing units, 32% of which will be BMR units.

Affordability		Under Construction	Units Planned	TOTAL
	Public Housing Replacement	207	49	256
OCII Lots	60% AMI*	99	1,289	1,388
Inclusionary	80-100% AMI	0	363	363
Inclusionary	120% AMI	0	446	446
Workforce	121-140% AMI	0	446	446
Workforce	141-160% AMI	0	446	446
	Market Rate	0	7,155	7,155
TOTAL		306		10,500

Request for Proposals Process

- OCII staff issued a Request for Proposals (“RFP”) for CPN 10a and another CPS 11a, another OCII 100% affordable parcel
- RFP strongly encouraged applicants to include a partner from the Southeast acting in a co-developer or supportive services role
- Developer selection approval for 10a and 11a teams – August 16th 2016
 - CPN 10a parcel – Tenderloin Neighborhood Development Corporation and Young Community Developers
 - CPS 11a parcel – San Francisco Housing Development Corporation and Mercy Housing team approved

Proposed 10a Program

- 140 units of rental housing, including one manager's unit, affordable to low income and formerly homeless families
 - 25% of the units will be set aside for formerly homeless families
 - 75% of the units affordable to families earning up to 60% of AMI
 - **10a will feature AMI tiering at a maximum of 40% and 50% AMI to ensure maximum opportunities for COP households**
 - Mix of 1- 2- and 3-bedroom units with three 4-bedroom units and one 5-bedroom unit; fulfills exact unit replacement requirements at Alice Griffith
 - Average unit size of 2.5 bedrooms pursuant to Phase 2 DDA

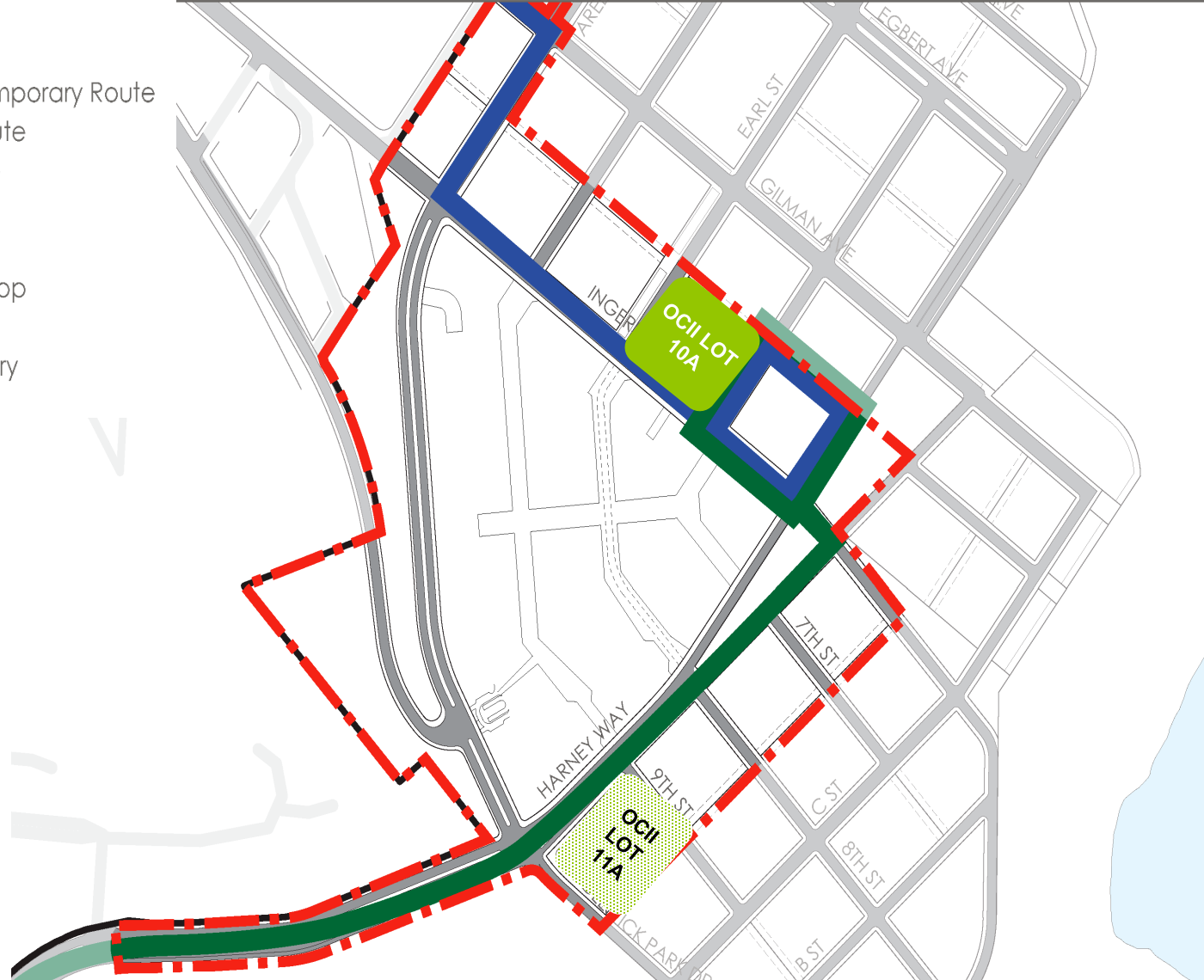
Development Program cont.

- 2 on-site Family Childcare Units
- Ground floor retail space along Ingerson
- Interior, podium level open space
- Community room with kitchen, property management and resident services office space
- Designated hang-out space for teens and children's outdoor play area
- Visually interesting design and “green” and sustainable building strategies
- Parking ratio of 0.6 spaces per unit

Candlestick Transit Map - Interim

LEGEND

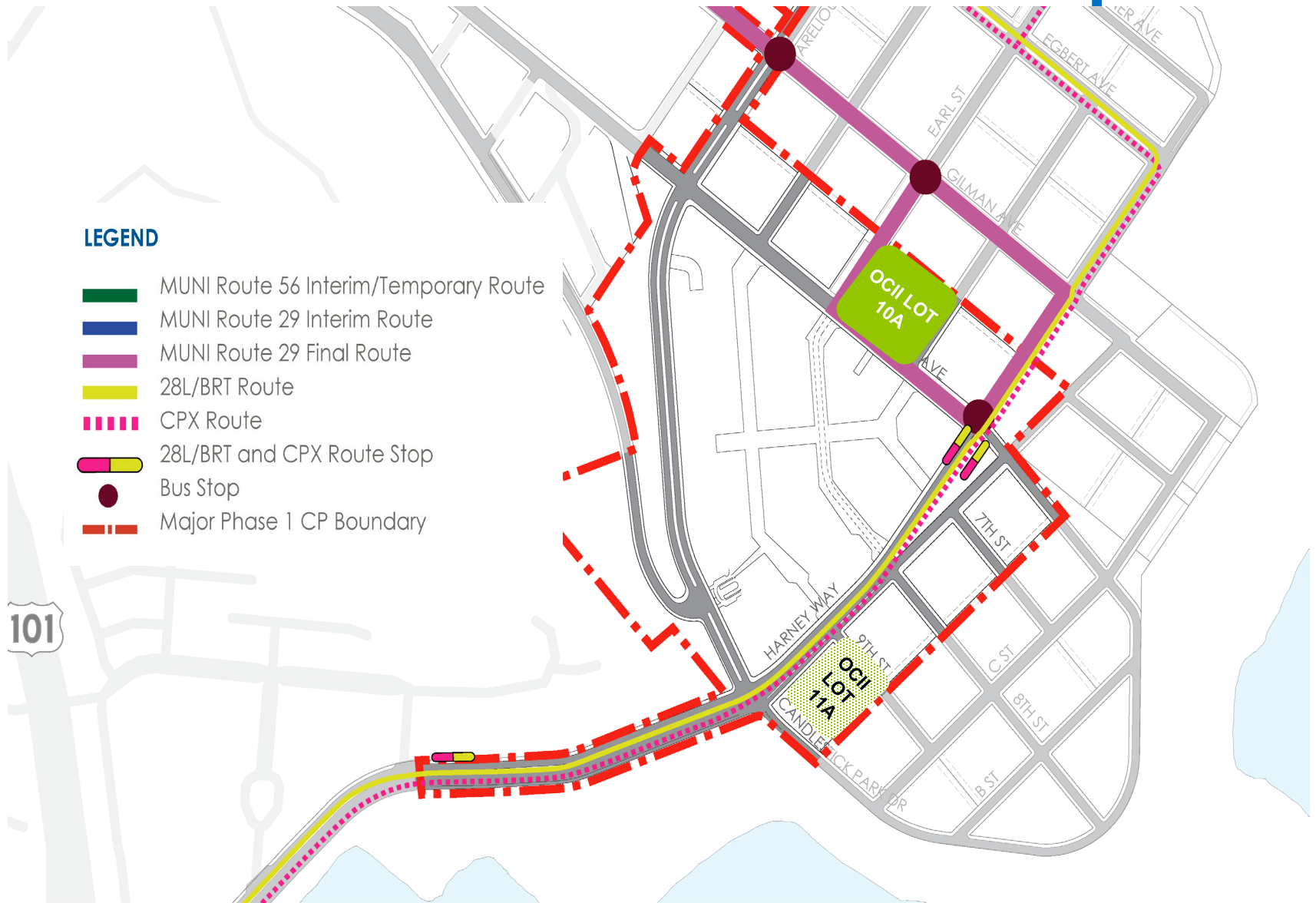
- MUNI Route 56 Interim/Temporary Route
- MUNI Route 29 Interim Route
- MUNI Route 29 Final Route
- 28L/BRT Route
- CPX Route
- 28L/BRT and CPX Route Stop
- Bus Stop
- Major Phase 1 CP Boundary



Candlestick Final Transit Map

LEGEND

- MUNI Route 56 Interim/Temporary Route
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Parking at Candlestick Point 10a

- Parking lot with controlled access parking for 84 vehicles – serving 60% of 10a households
 - Higher ratio than other OCII projects
 - 84 bike parking spaces
 - One car share space
- Staff evaluated parking to serve 100% of households; estimated result:
 - Loss of at least 12 housing units
 - Increase in housing total development costs (TDC) and per unit TDC; risks financial feasibility (especially TCAC/CDLAC cost caps)

Parking at Candlestick Point 10a

- On street parking opportunities
 - 274 (including 19 ADA) street parking spots with parking permits
- Neighborhood will have ample visitor parking and parking for other residential development
 - Retail Center – large garage, totaling 2,400 retail parking spaces
 - Surrounding market rate residential developments blocks will also have on-site parking
 - Reduced demand for street parking

Parking at Candlestick Point 10a

- Parking ratios at OCII and MOHCD funding buildings range from 0 spaces – to one space for every 2 units. (0.0-0.5 ratio)
 - 84 spaces is the recommended amount of parking for the site given the larger sized units for families – (average unit size of 2.5 bedrooms is higher than most of OCII's family developments)
- Staff recommends preserving housing unit count at 140 units with a 0.6:1 parking ratio

Exclusive Negotiations Agreement

- The Exclusive Negotiations Agreement (ENA) includes:
 - Developer requirement to provide a Performance Deposit of \$10,000
 - Initial term of 18 months; extension up to a maximum of 12 months
 - Milestones:
 - Submission of a preliminary financing plan, design concept drawings, schematic design drawings
 - Identification of a general contractor to obtain a cost estimate
 - Submission of design development documents and cost estimates
 - Execution of Ground Lease

Predevelopment Loan Agreement Terms

- Loan Amount = \$3.5M
- Funds for design, survey and engineering, financing and legal fees, developer fees
- Term includes: a 3% simple interest rate, and it will convert to a permanent loan at construction closing
- Developer is required to meet certain loan conditions:
 - AMI tiering to maximize opportunities for lower income COP holders
 - Meeting with OCII to determine cost containment measures and set an adequate operating budget

Community Support

- A Hunters Point Shipyard Advisory Committee member was an evaluation panelist for the competitive developer selection process of 10a
- TNDC / YCD presented at two CAC meetings:
 - July 21, 2016 Housing Subcommittee meeting
 - August 8, 2016 full CAC meeting. At the full CAC meeting there was a vote to recommend Commission approval of both teams.
- OCII staff presented to the full CAC on November 14, 2016 to provide process update

Marketing Process

- HPSY / CP Preferences
 - COP holders
 - Displaced Tenants (to be presented to Commission for approval)
 - Rent Burdened
 - San Francisco residents or workers
 - General Public
- Developers will work with OCII to develop an Early Outreach and Marketing Plan
 - Chart a course for outreach, technical assistance and marketing/ application collection process
 - COP Outreach Obligation report

Contracting and Workforce Compliance

- Contracting
 - RFQ for professional services released in October
 - Responses were due on November 30th; development team will work with OCII Contract Compliance team to evaluate responses and create short list of firms for interviews
 - Development team will explore joint venture or similar partnership between general contractor and an OCII-recognized SBE contractor to extent economically feasible and practicable
- Workforce
 - Development team will work closely with OCII Contract Compliance team to ensure local hiring goals are met

Schedule for 10a

- Summer of 2017 – Schematic Design approval
- Spring/Summer of 2018 – apply for tax credits and for a bond allocation
- Summer of 2018 – return to Commission to request gap financing
- Fall of 2018 – return to Commission for Ground Lease approval
- Winter of 2019 – close financing / construction begins
- Winter of 2021 – construction completed

QUESTIONS AND ANSWERS

