



Mission Bay South Block 6 West



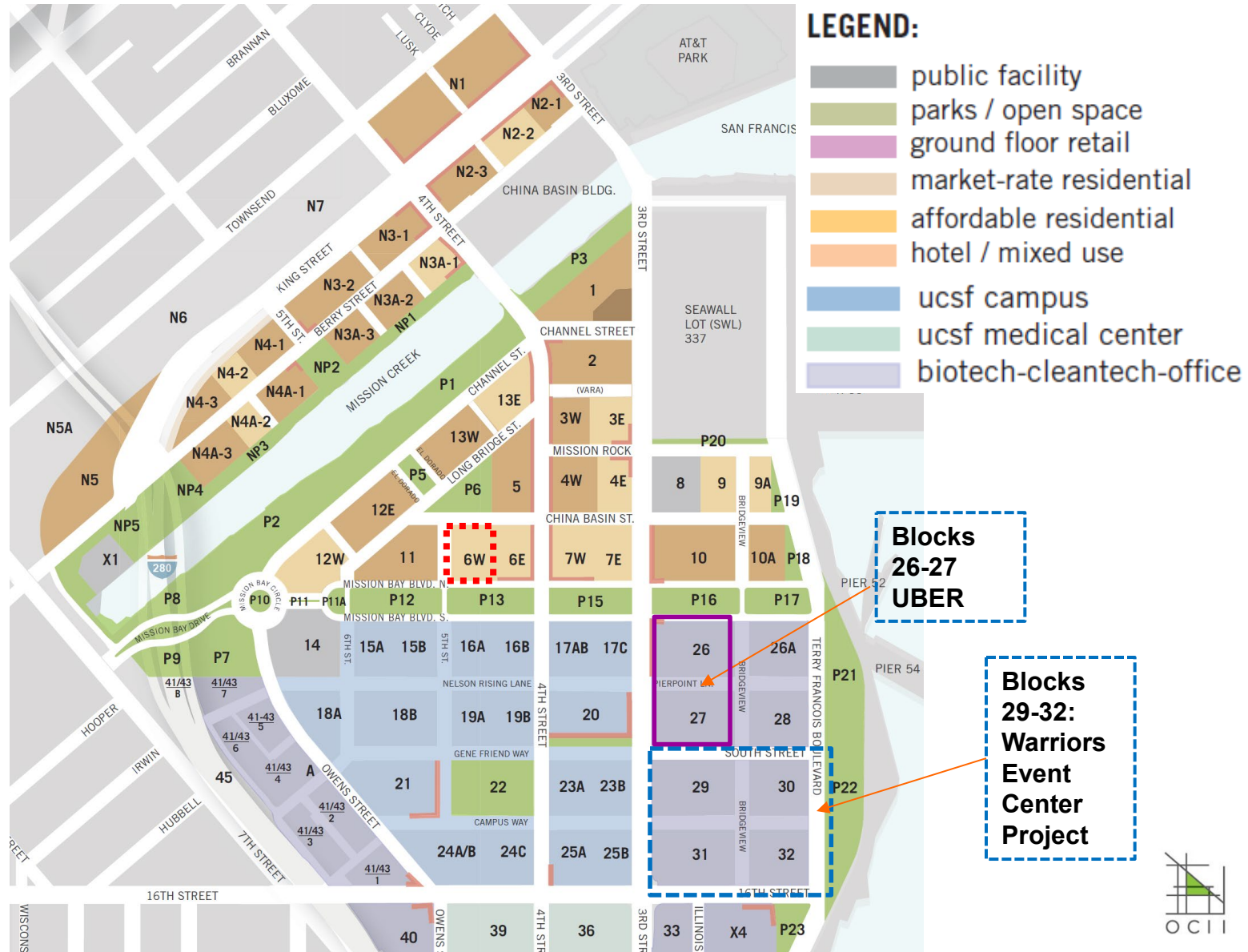
Commission on Community Investment and Infrastructure

July 18, 2017

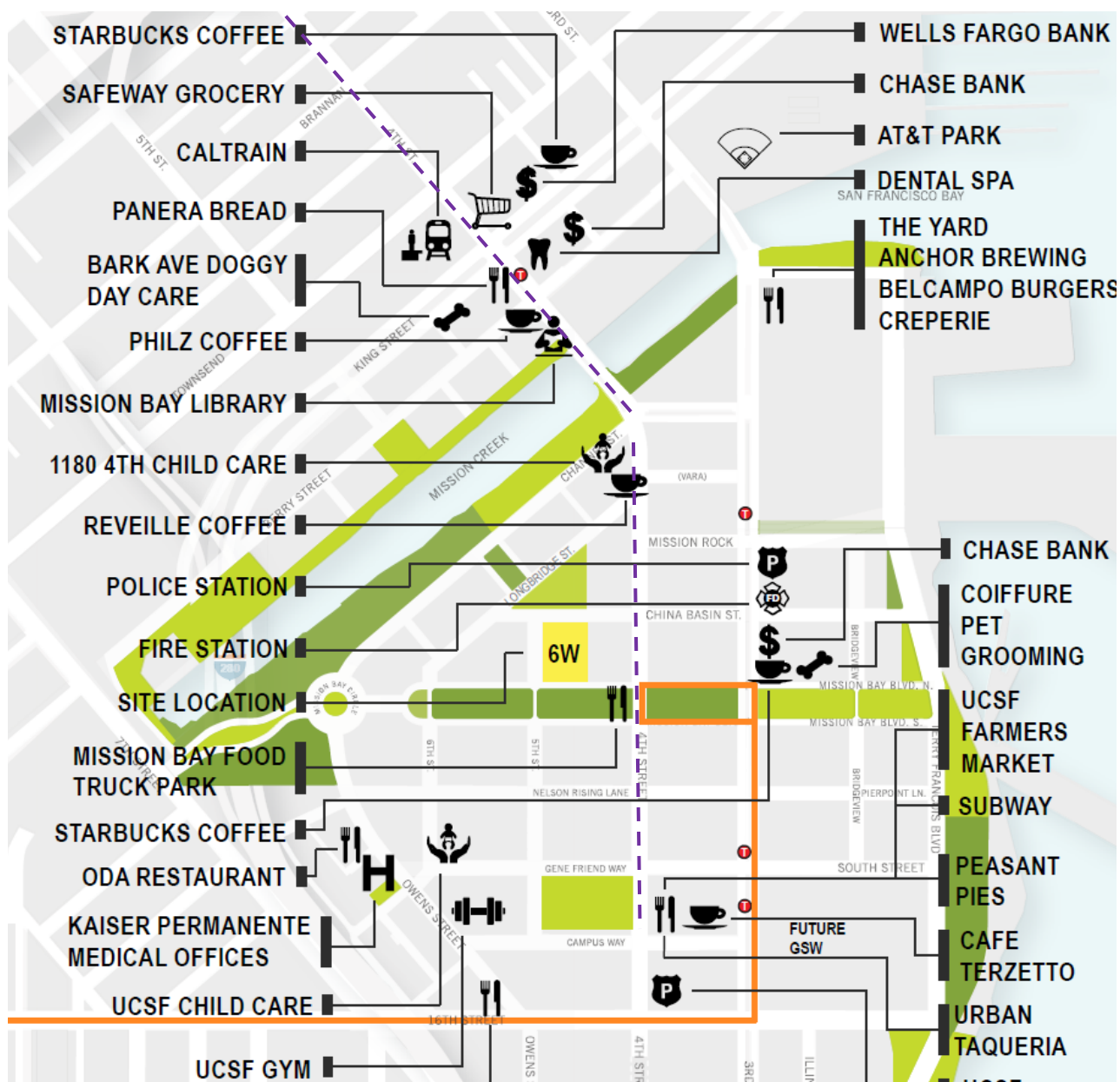
Current Request

- Approval of Mission Bay Block 6 West:
 - Exclusive Negotiations Agreement
 - Predevelopment Loan Agreement
- Previous Approval:
 - Developer Selection of Mercy Housing California on February 21, 2017

Mission Bay Context Map



Site Amenities



T MUNI T- Third Street Stop

MUNI 55 Local Service

Future Muni T

Site location

Completed Open Space

Future Open Space

MISSION BAY AMENITIES

MARCH 2016



Background

- **September 17, 1998: SFRA Commission approved Mission Bay North and South Redevelopment Plans and Owner Participation Agreements**
 - Development of 6,514 residential units in total, with 1,916, or nearly 30%, set aside as affordable

Mission Bay Affordable Housing Development			
# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
BUILT	698	350	1,048
PLANNED	-	725	725
UNDER CONSTRUCTION	<u>0</u>	<u>143*</u>	<u>143*</u>
TOTAL	698	1,218	1,916

- MB Affordable Housing Policy establishes affordability at levels up to 60% of Area Median Income (AMI). (Family of 4 at 60% AMI = \$69,200)

Background Cont'd

- **OPA requires master developer to submit overall plans for development in “Major Phases” for particular blocks (including: commercial and residential developments, public infrastructure, and parks)**
- **Major Phase is required as part of the entitlement process for each development**
- **MBS 6W was initially approved as part of the Major Phase application for Blocks 2 - 7 and 13 in 2005**
 - **Confirms the site as an affordable housing site**

Site / Project Background

- **OCII staff issued a Request for Proposals (“RFP”) for Mission Bay South Block 6W in the summer of 2016**
- **CAC member representative on Evaluation Panel; Highest scoring developer team recommended to Mission Bay CAC on February 9, 2017**
- **Developer selection approval for development team of Mercy Housing and Paulett Taggart Architects – February 21, 2017**

Current Development Program

Programming	MBS 6W
Unit Mix	35 1-BED (25% total) 70 2- BED (50% total) <u>35 3-BED (25% total)</u> 140 units total *(may change with addition of a maximum of five 4- and 5-bedroom units)
Population	Low and extremely low income families 35 units set aside for households voluntarily relocating from public housing sites through the HOPE SF initiative
AMI Restrictions	30% – 60% AMI 35 units (100% of HOPE SF set aside) at 30% AMI 15 units (14% of family units) at 30% AMI 18 units (17% family units) at 40% AMI 44 units (42% family units) at 50% AMI 27 units (26% of family units) at 60% AMI
Amenities	• Childcare facility on ground floor with subsidized spots • Community serving commercial space on ground floor • Large exterior courtyard • Large community room with full kitchen • On-site parking in covered podium garage

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
 - Predevelopment period milestones

Predevelopment Loan Agreement Terms

- **Loan Amount = \$3.495M**
- **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:**
 - On-going cost containment measures in collaboration with OCII's Design Review, Construction Management and Housing teams
 - Applying to other sources of financing to reduce OCII's subsidy

Parking at MBS 6W

- **Controlled access parking for 28 vehicles, plus two car share spaces**
- **Consistent with other 100% affordable OCII sites in Mission**
- **140 bicycle parking spaces in protected room**
- **Site located within 3 blocks of the Muni T at Mission Rock Street**
- **Staff evaluated the addition of parking to reach 42 parking spaces; estimated result:**
 - 2,000 square feet of childcare space lost, close to halves number of slots available
 - Increase of concrete podium which adds approximately \$1m in costs
 - Loss of 2 housing units
 - Increase in housing total development costs (TDC) and per unit TDC; risks financial feasibility (especially TCAC/CDLAC cost caps)

Marketing Process

- **Mission Bay Preferences**

- COP holders
- Ellis Act Housing Preference (will become Displaced Tenants Housing Preference once presented to Commission for approval)
- 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

Equal Opportunity Program

- Designer Paulett Taggart Architects is woman-owned San Francisco LBE

Schedule

- **December 2017 – Schematic Design approval**
- **Summer 2018 – return to Commission to request gap financing**
- **Summer 2018 – apply for Tax Credits and for a bond allocation**
- **December 2018 – return to Commission for ground lease approval**
- **Spring 2019 – close financing/construction begins**
- **Spring 2019 – Early Outreach Plan begins**
- **Summer 2020 – Marketing process begins**
- **December 2020 – complete construction**

QUESTIONS AND ANSWERS

