



Transbay Block 4 West Affordable Housing

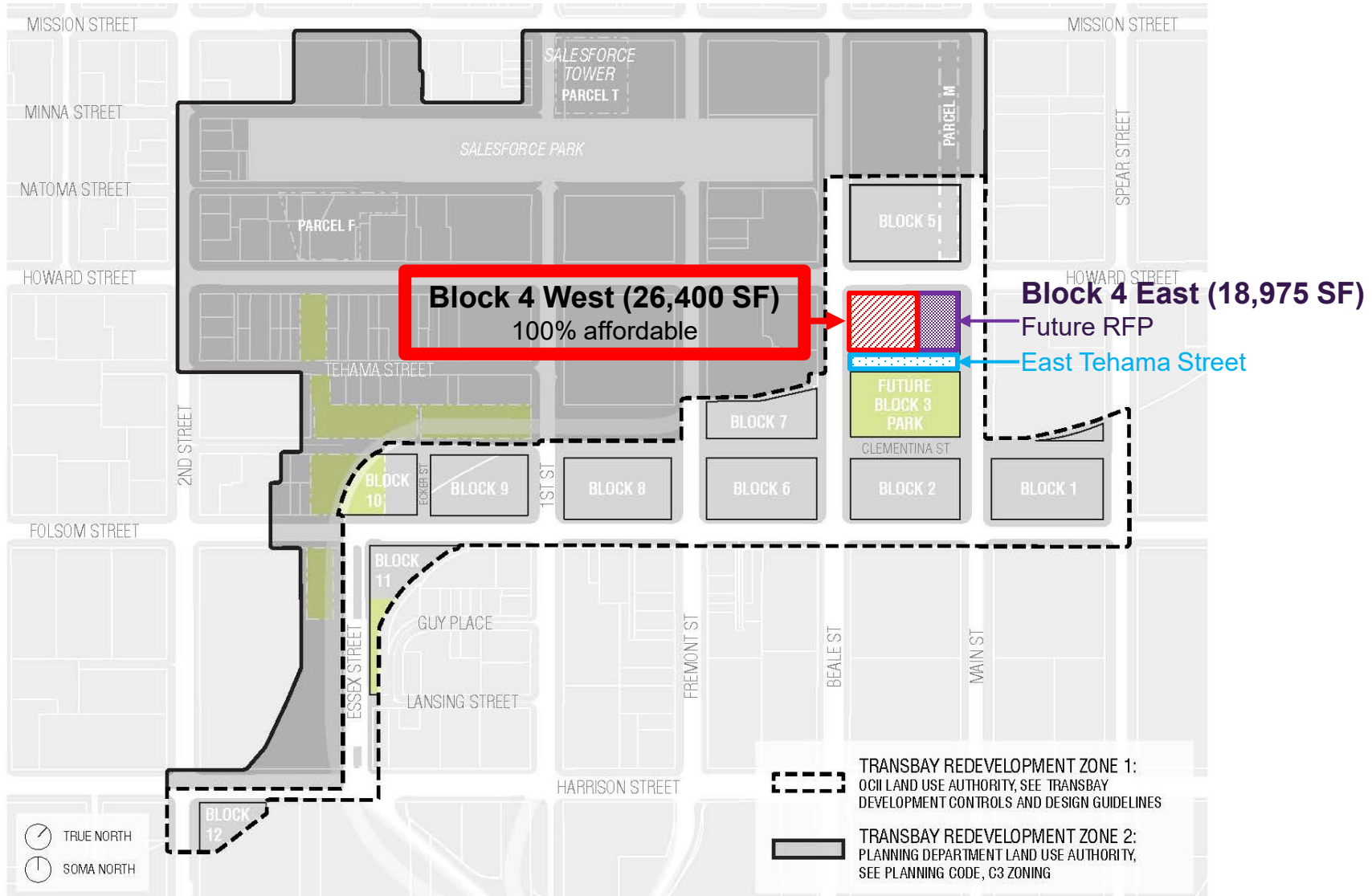
Exclusive Negotiations Agreement, Predevelopment Loan Agreement & Infrastructure Development Agreement

Commission on Community Investment and Infrastructure
City Hall, Room 416
Tuesday, April 7, 2026, 1PM

Commission Approval

- Exclusive Negotiations Agreement
- Predevelopment Loan Agreement
- Infrastructure Development Agreement

Site Location



Background

- **2005: Transbay Redevelopment Plan**
 - Minimum 35% affordable (Zones One and Two)
 - Few remaining sites in Zone One
 - Block 4: Key “balancing parcel”
 - Block 12: Planned for affordable housing (highly constrained)
- **RFP Process**
 - **May 2025:** Info Memo to Commission and subsequent OCII issuance of a Request for Proposals (“RFP”) for Transbay Block 4 West
 - **July 2025:** Submittals Due
 - Submission requirements included Development Concept, Financing Plan, and Design/Massing Concept (*design/massing concept submitted in RFP will be studied and modified and is not binding or approved*)
 - **August 2025:** Evaluation, Interviews and Scoring
 - **October 2025:** Info Memo to Commission for Developer recommendation

Transbay 4W Development Team

Lead Developer	Mercy Housing
Co-Developer	Young Community Developers (YCD)
Lead Architect	Kennerly Architecture & Planning / SCB (joint venture)
Services Provider	Mercy Housing, Episcopal Community Services
Property Manager	Mercy Housing
Workforce and Contracting Rep.	Mercy Housing and YCD
Vision	▪ 314 units for families in one high-rise building, prioritizing Preference Holder needs ▪ Intergenerational community with shared spaces ▪ Promote resident well-being with thoughtful building amenities

Preliminary Program

Block 4W Development Program (Preliminary)	
Number of units	314 in a single building
Unit types**	80 one-bedroom (25%) 156 two-bedroom (50%)* 78 three-bedroom (25%)*
Commercial	4,200 SF
Population	Low-income families (40%-60% AMI) Formerly homeless families (30%-50% AMI)***
Parking	Vehicle: No residential parking Bicycle: Class I bicycle parking spaces at a ratio of 1:1
Resident amenities/ community spaces	Amenities to be determined throughout predevelopment and may include: • Community room with kitchen • Central landscaped open space parcel • Roof terraces • Laundry/lounge rooms on every floor • Property management and resident services offices • Generous lobby with package lockers
Streetscapes and sidewalks	Howard Street, Beale Street, and East Tehama Street sidewalks and streetscape improvements
Tehama Improvements	Roadway, crosswalks, sidewalks, and related streetscape improvements, designed and constructed in accordance with City standards

*Includes two (2) two-bedroom manager's units and one (1) three-bedroom manager's unit

** Sponsors will explore the possible inclusion of larger four-bed and five-bed units

***Inclusion of units set aside to serve families experiencing homelessness is subject to the availability of Local Operating Subsidy (LOSP) or similar operating or rental subsidies

Exclusive Negotiations Agreement

- **Performance Deposit:** \$10,000
- **Term:** 36 months, may extend up to additional 12 months
- **Anticipates:** Option to Ground Lease
- **Design Review and Document Approval Procedures**
- **Performance Milestones:**
 - Submittal of Design Documents and Cost Estimates
 - Submittal of Subdivision Map Application
 - Execution of Option to Ground Lease
 - Execution of Ground Lease

Predevelopment Loan Agreement

- **Loan Amount:** \$5,000,000
- **Terms:**
 - 3% simple interest rate
 - conversion to permanent loan at construction closing
- **Loan Committee approved loan on Friday, March 6, 2026**
- **Key Loan Conditions Include:**
 - Evaluate the implications of the Project's large size on operations and long-term financial feasibility
 - Engage and assess COP Holder needs throughout predevelopment
 - Prior to submitting any funding applications, evaluate the impact of the potential removal of permanent supportive housing units on competitive scoring.
 - Conduct a comparative analysis of service models from other large affordable high-rise projects

Infrastructure Development Agreement

- **OCII Funding Amount:** \$1,000,000
- **Entity:** Transbay 4 Tehama LLC
- **Background:** Design and construction of East Tehama Street to be completed by affiliated entity of Developer to ensure pedestrian and emergency vehicle access for Transbay Block 4 West.
- **Purpose:** Provides funding to Entity to complete predevelopment work associated with the design and engineering of East Tehama Street.
- **Scope of Work:** Design and engineering of East Tehama Street roadway, curbs, sidewalks, lighting, street furniture, utilities, plantings, and other improvements.

Contracting & Workforce Compliance

- **Contracting:**

- **RFQ/RFPs for professional services**

- Current SBE participation: 100%
 - Joint Venture between Kennerly Architecture & Planning (SBE/WBE) and Solomon Cordwell Buenz
 - Additional professional services opportunities forthcoming
 - RFQ/RFPs for the remaining professional service scopes are in progress.

- **RFQ/RFPs for general contractor forthcoming within the month**

- Outreach will include emailing the City's LBE list, advertisements on the OCII and City Bids/Opportunities website, a pre-submittal meeting, and announcements to OCII's CACs and to various contractor affiliations including hyper local groups in Bayview Hunters Point.

- **Workforce**

- Development team will work closely with OCII Contract Compliance team to ensure local hiring goals are met

Marketing

- **Occupancy Preferences:**

- Certificate of Preference holders
- Displaced Tenant Preference Program
- Neighborhood Resident Housing Preference
- San Francisco Residents or Workers

- **Early Outreach and Marketing Plans**

- COP Outreach
- Rental readiness counseling, technical assistance, and marketing/application collection process
- Sponsors are required to provide early outreach and marketing plans that describe specific efforts to engage preference program participants, and will be required to be as broad as possible in their outreach (e.g., religious institutions)

Tentative Development Schedule

Timeframe*	Milestone
Summer 2026	Conceptual Design Studies
Early-2027	OCII Commission - Schematic Design Approval and Preliminary Gap Loan Approval
Throughout 2027	Design and Permitting; and OCII Construction Funding Approval (late-2027)
Late-2028	Construction Start
Late-2030	Construction Completion

**Schedule is subject to change based on State financing application deadlines*

Thank you!