



Mission Bay South Block 4 East
Phase I and Phase II
Mixed-use Affordable Housing Project

**Phase I Gap Loan Commitment
Phase I and Phase II Predevelopment Loans**

Commission on Community Investment and Infrastructure
City Hall, Room 416
Tuesday, February 3, 2026, 1 PM

Requested Actions

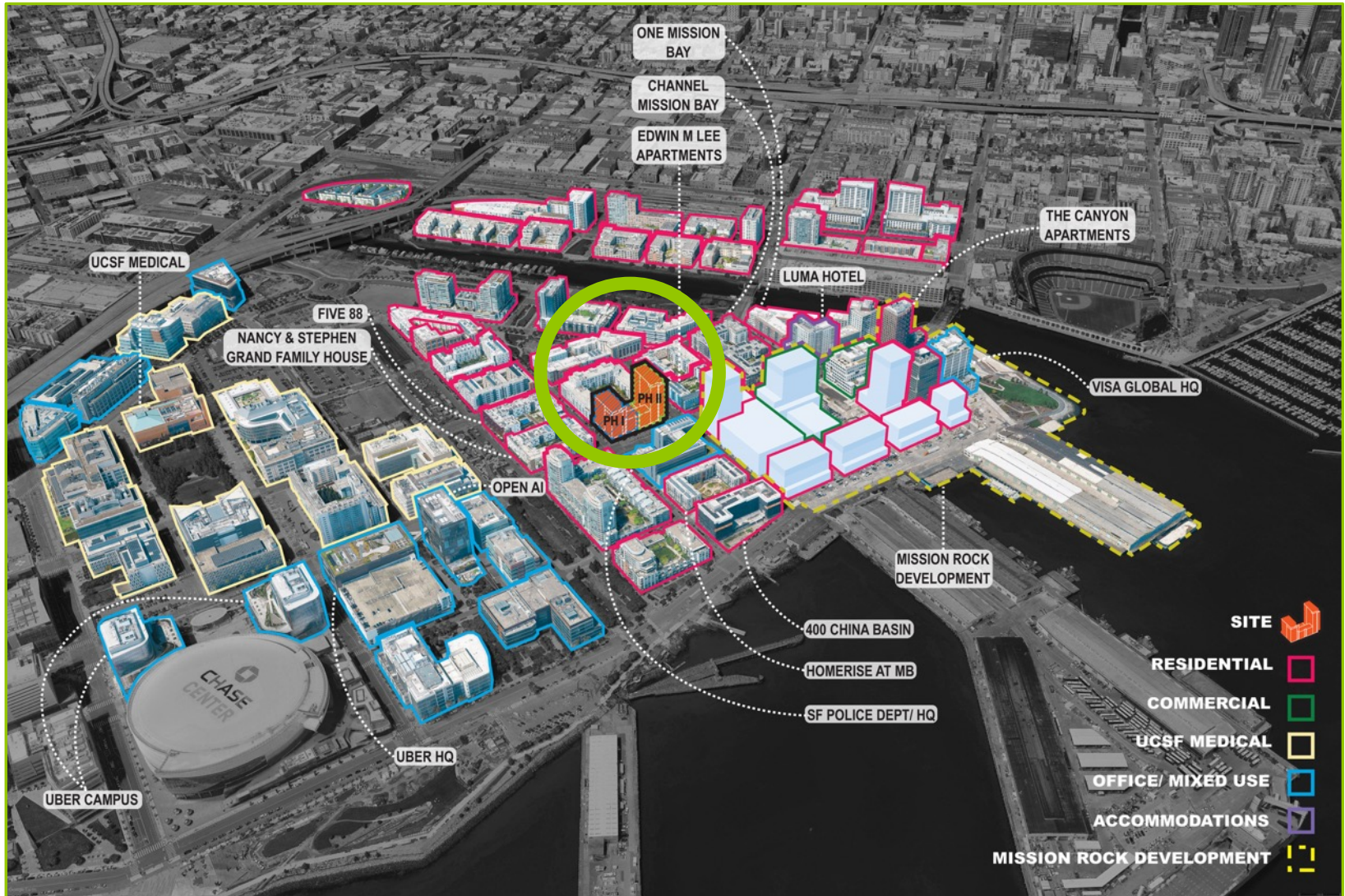
1. 5(b) Commitment of approximately \$89.6M in permanent residential gap loan funding for Mission Bay South Block 4 East Phase I
2. 5(c) Authorization of Predevelopment Loan in the amount of \$5M for Mission Bay South Block 4 East Phase I
3. 5(d) Authorization of Predevelopment Loan in the amount of \$5M for Mission Bay South Block 4 East Phase II

Background

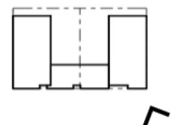
- **Mission Bay South Project Area created in 1998**
- **Affordable Housing Development:**
 - **1,218** total affordable units
 - **1,053** affordable units completed
 - **165** affordable units remaining
- **OCII Commission Meetings for 4 East:**
 - Nov. 2025 – Action Item approving Phase I and II BCSDs, Major Phase Amendments, D for D amendments, Plan Amendment, and OPA Amendment
- **Board of Supervisors:** Jan. 2026 – Approval on First Reading of Plan Amendment
- **Senate Bill No. 593 (“SB 593”)** (enacted in October 2023 and effective on January 1, 2024), authorizes OCII to use a limited form of tax increment financing to fund and develop the 5,842 units that the former SFRA destroyed and that were never replaced.
 - In 2023 and 2024, staff, with input from community groups including our Citizens Advisory Committees in The Shipyard, Transbay and Mission Bay as well as our Commission established priorities for the use of these funds.
 - The first priority is to add affordable units to our existing Project Areas, where we have land available MBS Block 4E Phase II was identified as the first of these sites.



Mission Bay South



Block 4 East Night View



AERIAL RENDERING - LOOKING SOUTHWEST FROM MISSION ROCK ST & 3RD ST

Phase I Project Financing

OCII Funding	
OCII permanent residential gap loan	\$87,600,000
OCII AHP bridge loan	\$2,000,000
Total OCII Funding (Requested Commitment)	\$89,600,000

Residential Financing	
OCII permanent residential gap loan (incl. predev.)	\$87,600,000
Low-Income Housing Tax Credit equity	\$76,511,382
State Tax Credit equity (MIP)	\$3,443,656
CalHFA Permanent Loan (MIP)	\$10,250,000
CalHFA MIP Loan	\$3,000,000
AHP	\$2,000,000
Accrued deferred interest	\$4,236,123
Deferred developer fee	\$540,000
Residential Total	\$188,529,999
Residential Total Per Unit	\$1,142,606

Phase I Gap Funding Commitment

- Needed to demonstrate local contribution for CDLAC/TCAC application purposes
- Commitment in an amount of approx. \$89.6M
- Commitment does not authorize spending
- Authorizes Executive Director to provide commitment letter and/or related documents
- Sponsor will seek Commission authorization of an amended and restated loan agreement in later 2026

Original Predevelopment Loan

- **Commission Approval:** September 2024
- **Funding amount:** \$5,111,731
- **Primary Uses:** Professional design work by construction contractors to improve efficiency during construction, architecture and engineering fees, permit fees, utility fees, professional contracts

Original Predevelopment Loan	\$5,111,731
<i>Amount expended for Phase I Project</i>	<i>\$1,943,150</i>
<i>Amount expended for Phase II Project</i>	<i>\$1,749,266</i>
Total Expended to Date	\$3,692,416
Balance of Original Predevelopment Loan	\$1,419,315

Predevelopment Loan Uses

- **Advancing designs** through construction documents, permit documents, and bid documents
- **Professional services** (e.g., utility engineering, sustainability)
- **Utility and permit fees** (e.g., PG&E and Dept. of Building Inspection)
- **Fees for securing financing** (e.g., application fees, financial consultants, legal)
- **Procurement of construction contractors for early scopes** (e.g., elevators, foundation piles, exterior skin system)

Phase I Predevelopment Loan

- **Funding amount:** \$5,000,000
- **Primary Uses:** Advancing designs through construction documents, covering permit and utility fees, professional services, financing-related fees, and developer fee

Amount expended under Original Predevelopment Loan	\$1,943,150
Additional predevelopment funds requested	\$3,056,850
Phase I Predevelopment Loan Total	\$5,000,000

Phase II Predevelopment Loan

- **Funding amount:** \$5,000,000
- **Primary Uses:** Advancing designs through construction documents, covering permit and utility fees, professional services, financing-related fees, and developer fee

Amount expended under Original Predevelopment Loan	\$1,749,266
Additional predevelopment funds requested	\$3,250,734
Phase I Predevelopment Loan Total	\$5,000,000

Contracting and Workforce Compliance

- **Phase I Professional services:**

- 83.4% Small Business Enterprise (“SBE”)
- 77.1% San Francisco SBE

- **Phase II Professional services:**

- 84.5% Small Business Enterprise (“SBE”)
- 80.0% San Francisco SBE

- **Phase I and Phase II Construction contracting:**

- The Developers selected Swinerton and Rubecon Builders (a minority-owned San Francisco SBE) joint venture as the general contractor
- Projected to achieve 61% SBE credit for MEPF contracts
- February 2, 2026 – Swinerton/Rubecon released a bid package for 100% Design Development documents
 - Swinerton/Rubecon estimates that approximately 70% of construction subtrade work remains available for contracting opportunities

Schedule

Timeframe	Milestones
January/February 2026	- Board of Supervisors Redevelopment Plan Amendment hearings - Commission hearing on Phase I Permanent Gap Loan Commitment and Additional Predevelopment for Phase I and Phase II
November 2025 – 2026	- Phase I and II design development, permitting, and mapping - Phase I funding applications, Commission hearing on ground lease and gap loan
Early 2027	Phase I Close on construction financing, begin construction
2027	Phase II permitting and funding applications, Commission hearing on ground lease and gap loan
Early 2028	Phase II Close on construction financing, begin construction
2029	Phase I Construction completion and lease-up
2030	Phase II Construction completion and lease-up



AERIAL RENDERING - LOOKING NORTHWEST FROM CHINA BASIN ST & THIRD ST

Thank you!