

Commission on Community Investment and Infrastructure

Hunters Point Shipyard Phase 1 Block 56

Predevelopment Loan and Exclusive Negotiations Agreement

April 7, 2020

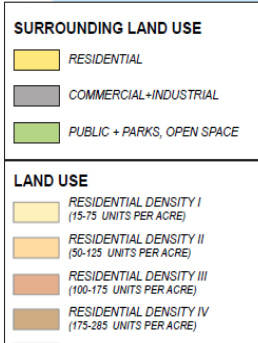


Current Request

Approval of HPS Phase 1, Block 56:

- Exclusive Negotiations Agreement
- Predevelopment Loan Agreement

Site Location and Amenities



 RESIDENTIAL
 COMMERCIAL+INDUSTRIAL
 PUBLIC + PARKS, OPEN SPACE

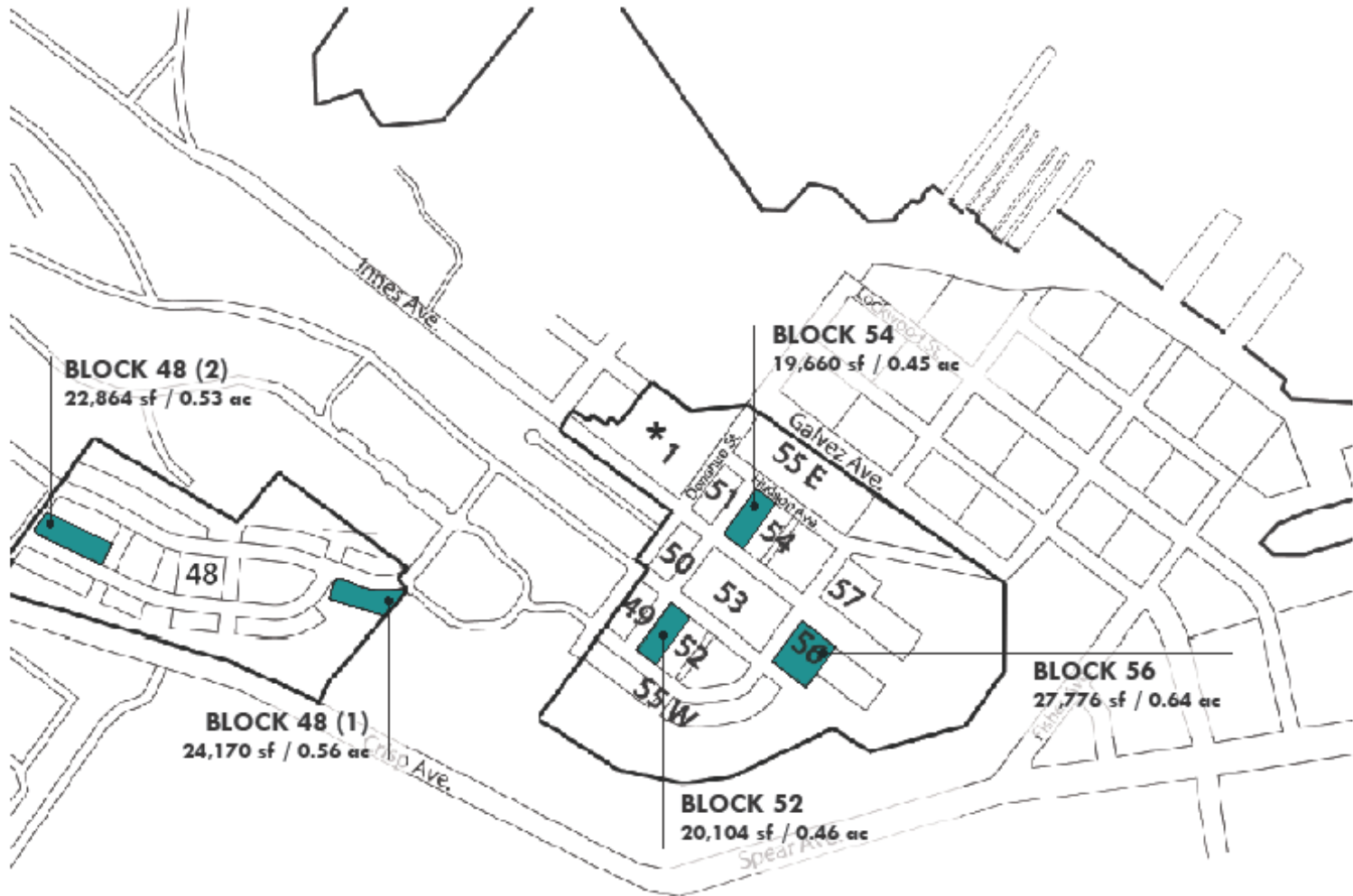
	RESIDENTIAL DENSITY I (15-75 UNITS PER ACRE)
	RESIDENTIAL DENSITY II (50-125 UNITS PER ACRE)
	RESIDENTIAL DENSITY III (100-175 UNITS PER ACRE)
	RESIDENTIAL DENSITY IV (175-285 UNITS PER ACRE)
	ARTIST (ART)
	COMMERCIAL (CM) (INCLUDES R&D, OFFICE, HOTEL)
	INFRASTRUCTURE / UTILITY (I / U)
	PARKING (SP)
	COMMUNITY USE (CU)
	EDUCATION (E)
	PARKS AND OPEN SPACE

* GROUND FLOOR NEIGHBORHOOD RETAIL /
MAKER PDR SPACE IS ALLOWED ON ALL BLOCKS,
PER THE D4D.

Background

- In HPS Phase 1, OCII will fund 218 units on 5 designated stand-alone affordable housing sites
- OCII subsidy through bonded tax increment funds
- RFP for Block 56 is the second offering for OCII-funded units to be developed in Phase 1

Phase 1 OCII Parcels



Note: OCII Parcels on Hunters Point Shipyard Phase 2 are not shown



Request for Proposals

- In September 2018, OCII issued an RFP for HPS Block 56
- RFP Goals
 - Maximize affordable housing opportunities
 - Maximize participation of households meeting occupancy preferences, including COP Holders
 - Balance excellence in architectural design with feasible development costs

Development Program

- 73 units of affordable family housing on Block 56
- Households earning up to 50% of Area Median Income
- A mix of 1, 2, 3, 4, and 5 bedroom units
- 1 Family Childcare unit
- Parking ratio of approximately 0.6/1 (exceeds OCII practice of .25/1)

Submittal Scoring

- Three submittals
- Teams interviewed on March 7
- Evaluation Panel scored each submittal
- Top ranking based on total scores

Developer	Score Ranking
Mercy Housing California (MHC) and San Francisco Housing Development Corporation (SFHDC)	1
Freebird Development Company and Bayview Hunters Point Multi-purpose Senior Services (BHPMSS)	2
Chinatown Community Development Corporation (CCDC) and Young Community Developers (YCD)	3

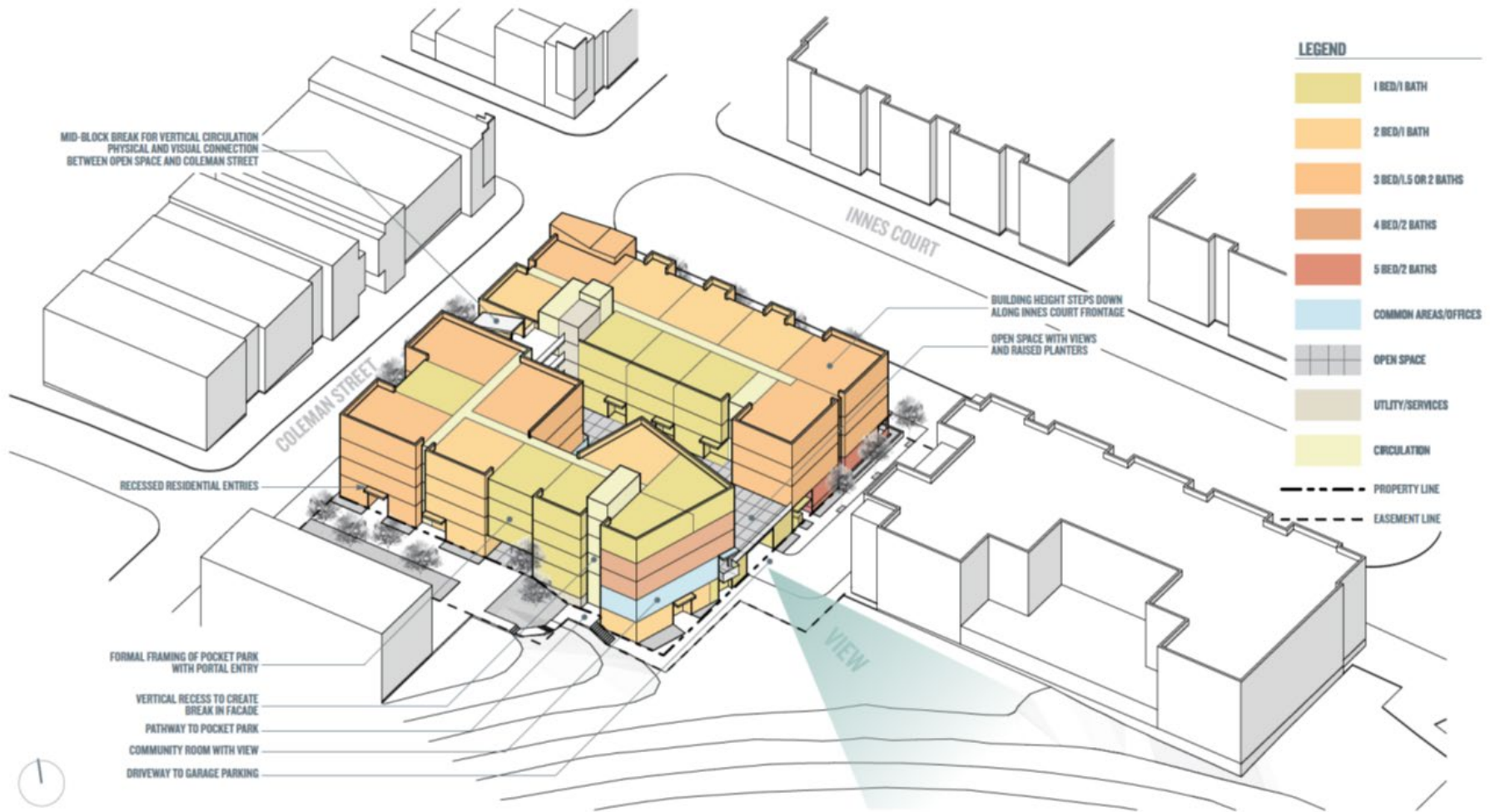
MHC/SFHDC Proposal Strengths

- Highest number of units below 50% AMI for maximum reach to COP holders
- Well developed financing plan, team experience, strong partnership (60%/40%)
- Massing concept meets Design for Development and complementary to existing Hilltop architecture
 - Maximized unit count
 - Ample natural light, orientation to views
 - Generous, well-planned indoor and outdoor community spaces

MHC/SFHDC Proposal

Number of units	73 (including 1 manager's unit)
Architect	Van Meter Williams Pollack
Services Providers	SFHDC
Property Manager	MHC
Building amenities	• Community Room • Group Fitness Room • "STEAM" Teen Center Flex Space • Courtyard (inc. garden, BBQ, multi-purpose area) • Laundry • Family Childcare unit

Massing Concept



Exclusive Negotiations Agreement

- Developer to provide a Performance Deposit of \$10,000
- Term of 18 months; may extend up to a maximum of 12 months
- Milestones:
 - Preliminary financing plan and schematic design drawings acceptable to OCII
 - Identify a general contractor and obtain a cost estimate
 - Submit design development documents and cost estimates
 - Execute of Ground Lease

Predevelopment Loan Agreement

- Loan amount = \$3.5M
- Terms include: 3% simple interest rate, will convert to a permanent loan at construction closing
- Loan Committee approved February 7, 2020
- Loan conditions include:
 - Conduct cost containment process by June 1, 2020
 - Developing a financing plan by August 3, 2020
 - Developing a services plan and budget
 - Outreaching to the Hunters Point Shipyard community

Marketing Process

- HPSY / CP Preferences
 - COP holders
 - Displaced Tenant Housing Preference holders
 - Neighborhood Resident Housing Preference holders
 - San Francisco residents or workers
- Developers will work with OCII to develop an Early Outreach and Marketing Plan
 - Rental readiness counseling, technical assistance, and marketing/ application collection process
 - COP Outreach

Contracting and Workforce Compliance

- Contracting
 - RFQ for professional services released this Spring
 - 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

Community Outreach

- Hunters Point Shipyard Citizens Advisory Committee
 - CAC Housing Subcommittee July 2018 - Announce RFP
 - CAC Full Committee August 2018– Announce RFP
 - CAC Housing Subcommittee April 2019 – Developer team recommendation
- OCII Commission
 - September 2019 – Announce RFP release
 - April 2020 –Predevelopment Loan/Exclusive Negotiations Agreement

Tentative Development Schedule

Timeframe	Action
Spring 2020	OCII Commission - pre-development loan and exclusive negotiations agreement
Fall 2020/Winter 2021	HPS CAC and OCII Commission - schematic design review
Winter 2021 – Fall 2022	Design development and construction documents, secure financing, construction permits
Summer 2022	HPS CAC - update OCII Commission – permanent loan
Fall 2022/Winter 2023	Construction start

MHC/SFHDC Introductions

Questions/Comments