



Transbay Block 7 Affordable Housing 255 Fremont Street / 222 Beale Street



Commission on Community Investment and Infrastructure

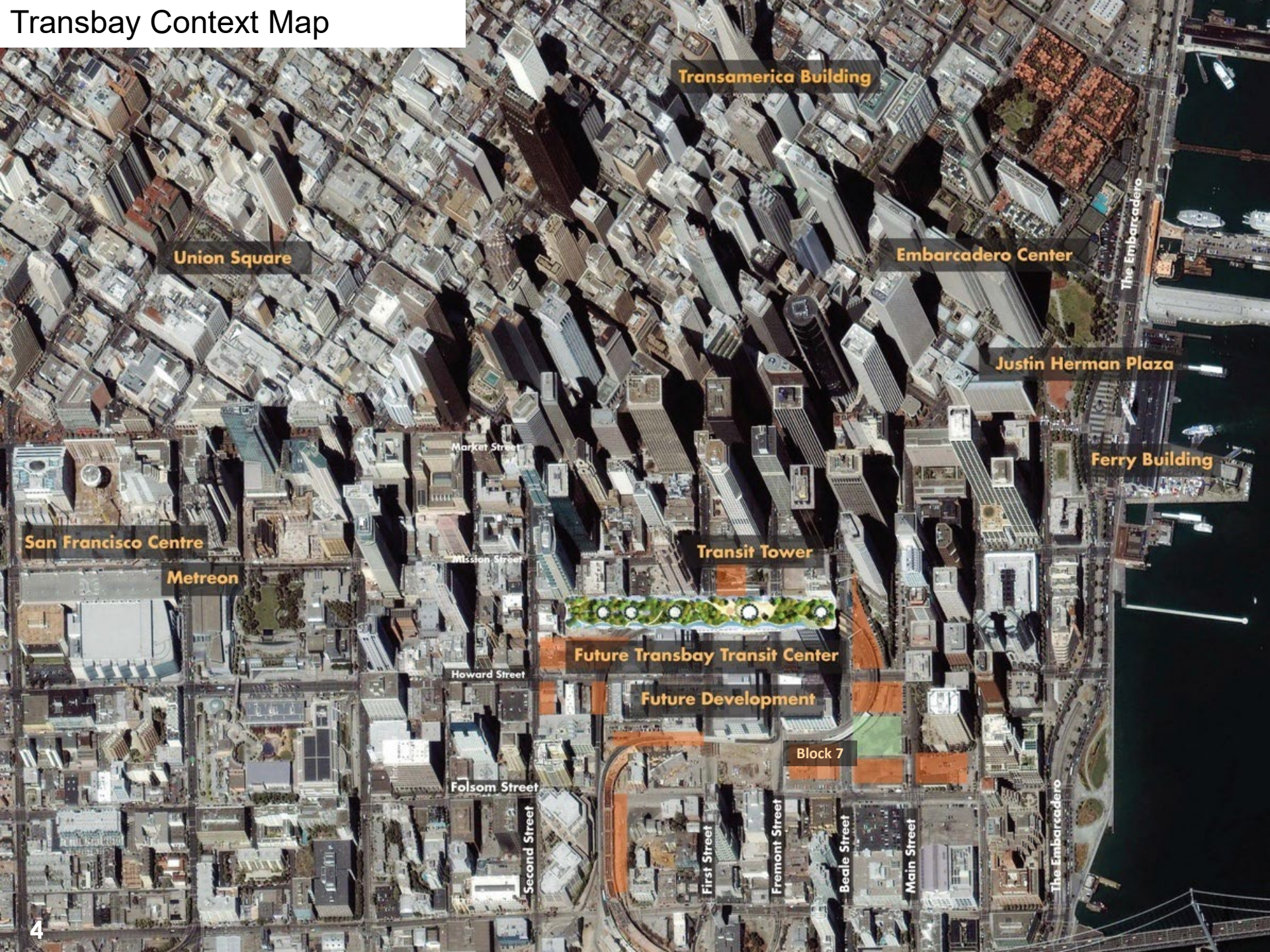
Current Request

- Approval of a Ground Lease with Mercy Housing California 64, L.P. (“Mercy”) for a term of 75 years with one 24 year option

Development Program

- **119** affordable units, plus 1 manager's unit
 - **53** One-Bedroom Units
 - **43** Two-Bedroom Units
 - **23** Three-Bedroom Units
 - **1** Two-Bedroom Manager's Unit
- **40-slot** Childcare Facility serving infants, toddler and preschoolers; admittance is open to larger Transbay community with preference given to residents of Block 7; **50% of slots subsidized**
- **Community and Open Space**

Transbay Context Map



Transamerica Building

Union Square

Embarcadero Center

Justin Herman Plaza

Ferry Building

San Francisco Centre

Metreon

Transit Tower

Future Transbay Transit Center

Future Development

Block 7

Market Street

Mission Street

Howard Street

Folsom Street

Second Street

First Street

Fremont Street

Beale Street

Main Street

The Embarcadero

TRANSBAY REDEVELOPMENT PROJECT AREA



er-Ramp Park
s: 2.5
struction Start: 2018



Block 9
500 Folsom Street

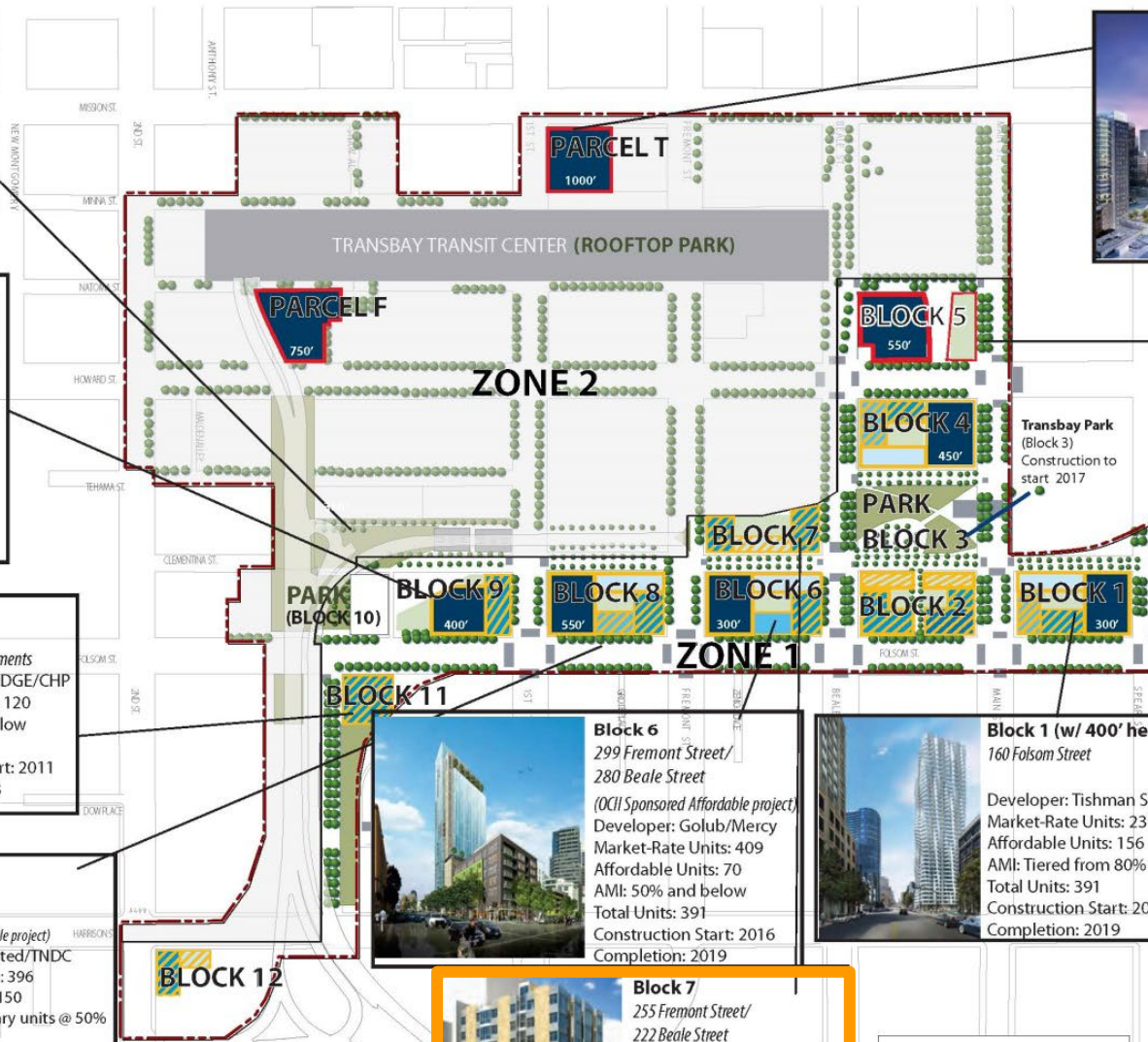
Developer(s): Essex/ BRIDGE
Market-Rate Units: 436
Affordable Units: 109
AMI: 50% and below
Total Units: 545
Construction Start: 2016
Completion: 2019



Block 11A
25 Essex Street
Rene Cazenave Apartments
Developer(s): BRIDGE/CHP
Affordable Units: 120
AMI: 50% and below
Total Units: 120
Construction Start: 2011
Completed: 2013



Block 8
400 Folsom Street
250 Fremont Street
(OCII Sponsored Affordable project)
Developer(s): Related/TNDC
Market-Rate Units: 396
Affordable Units: 150
AMI: 70 inclusionary units @ 50%
and below;
80 OCII sponsored units @ 50%
Total Units: 546
Construction Start: 2016
Completion: 2019



Parcel T
101 First Street
Salesforce Tower

Developer(s): Boston Properties/Hines
Office Sq. Ft.: 1.4 Million
Construction Start: 2014
Completion: 2017



Block 5
250 Howard Street
Park Tower

Developer(s): Golub/ John Buck
Office Sq. Ft.: 767,000
Construction Start: 2015
Completion: 2018



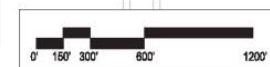
Block 6
299 Fremont Street/
280 Beale Street
(OCII Sponsored Affordable project)
Developer: Golub/Mercy
Market-Rate Units: 409
Affordable Units: 70
AMI: 50% and below
Total Units: 391
Construction Start: 2016
Completion: 2019



Block 1 (w/ 400' height)
160 Folsom Street
Developer: Tishman Speyer
Market-Rate Units: 235
Affordable Units: 156
AMI: Tiered from 80% -120%
Total Units: 391
Construction Start: 2016
Completion: 2019



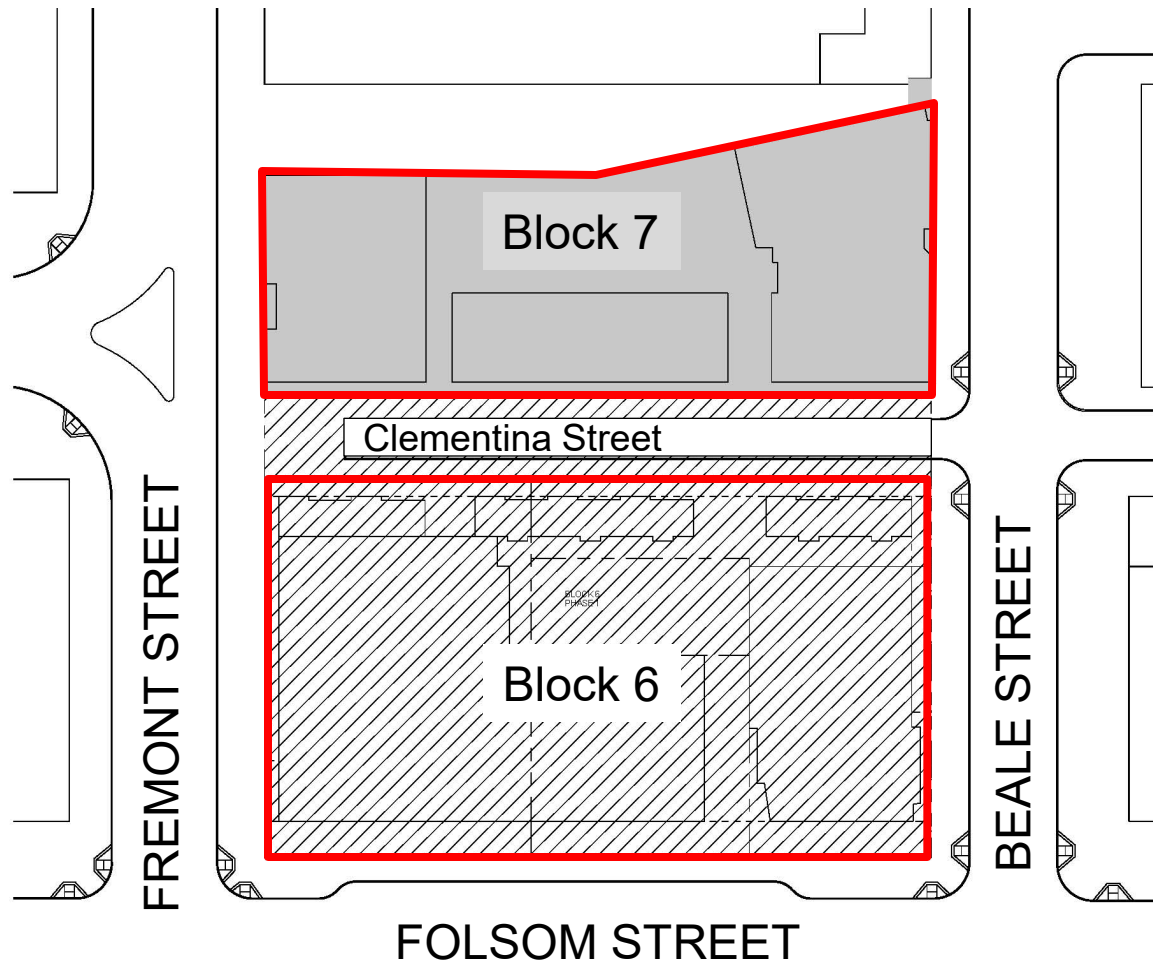
Block 7
255 Fremont Street/
222 Beale Street
Developer: Mercy
Affordable Units: 120
AMI: 50% and below
Construction Start: 2016
Completion: 2018



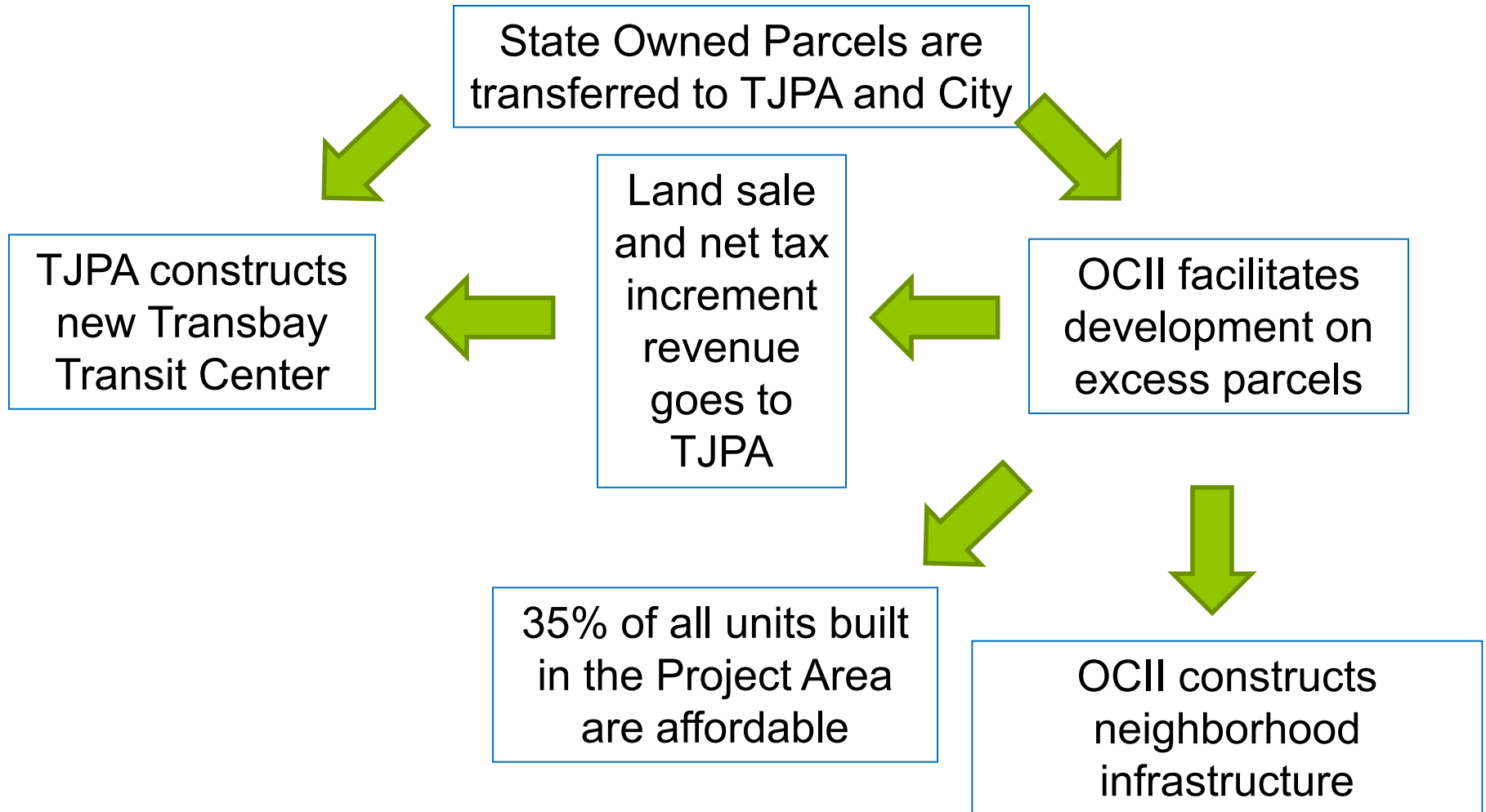
Aerial Context Map



Block Context Map



Public Parcel Development Process



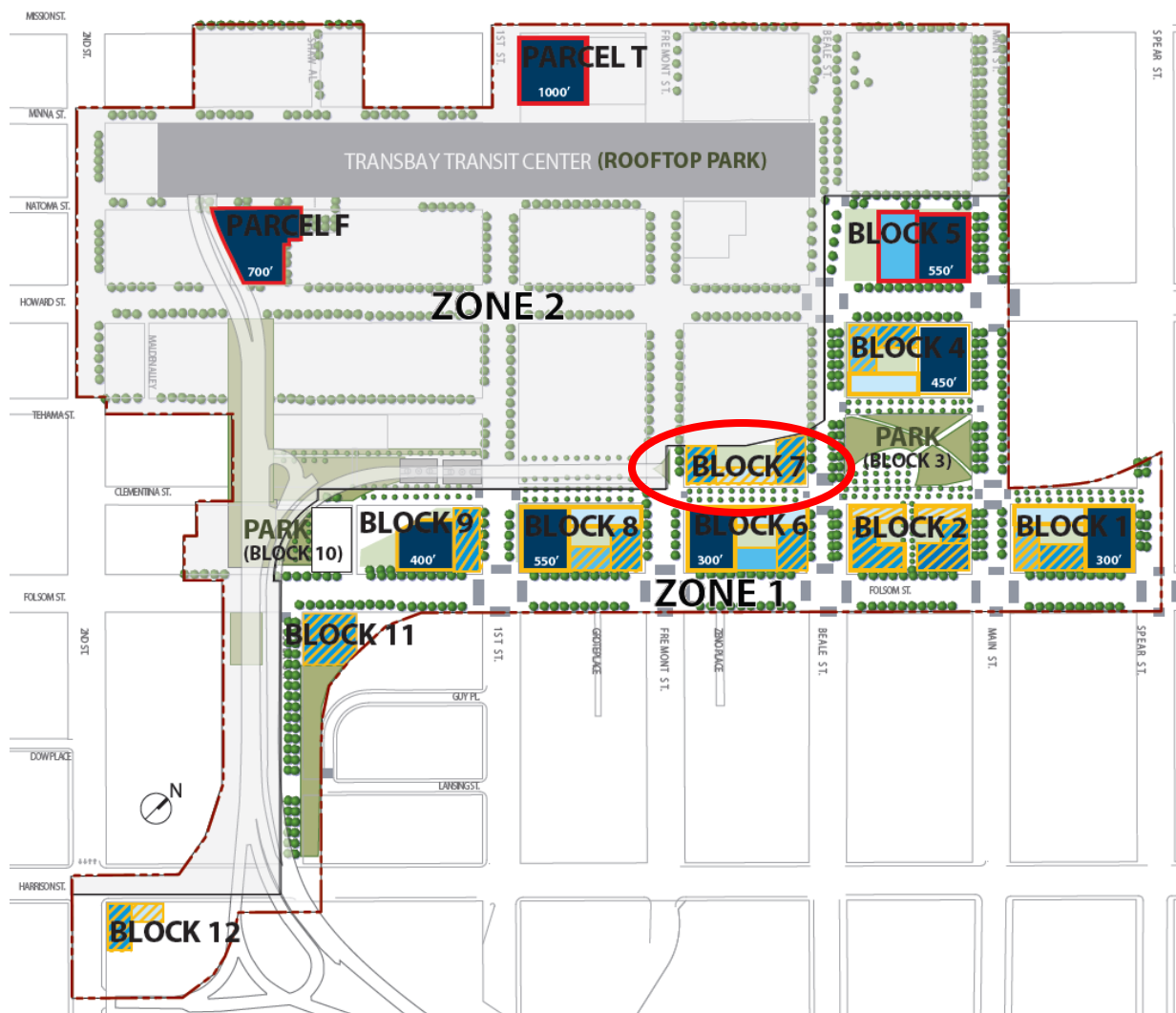
Transbay Development Program

Publicly-Owned Parcels

- Over 3,200 new residential units (including over 1,300 affordable units)
- Over 2.6 million s.f. of new office development
- 200,000 s.f. of new retail space
- 9 acres of new parks, including 5.5-acre rooftop park on Transit Center

Privately-Owned Parcels

- Over 900 new residential units
- Nearly 4 million s.f. of new office development



History of Project Approvals & Milestones

- **December 2011:** SFRA Commission approval to enter into exclusive negotiations with Golub and Mercy
- **April 2013:** Commission approval of DDA with Golub /Mercy and schematic designs for Blocks 6 and 7
- **October 2013:** Sale of Block 6 closed and Golub paid \$30M for the land parcel and a \$24.3M Affordable Housing Fee
- **November 2013:** Construction began on Block 6 Market Rate Project

History of Project Approvals & Milestones

- **April 2014:** Commission approval of permanent loan for Block 6 Affordable Housing (280 Beale Street)
- **May 2014:** Construction began on Block 6 Affordable Housing
- **August 2014:** Commission approval of first revision to Block 7 Schematic Design increasing the unit count from 77 to 85 affordable units

History of Project Approvals & Milestones

- **April 2015:** Commission approval of 2nd revision to Block 7 Schematic Design increasing the unit count from 85 to 120 affordable units
- **August 2015:** Commission approval of permanent loan for Block 7 Affordable Housing and approval of final Schematic Design
- **September 2015:** Completion and 100% occupancy of Block 6 Affordable Project
- **February 2016:** Commission approval of minor change to Schematic Design, shifting the project area footprint 9" to the south

Background – Transbay Blocks

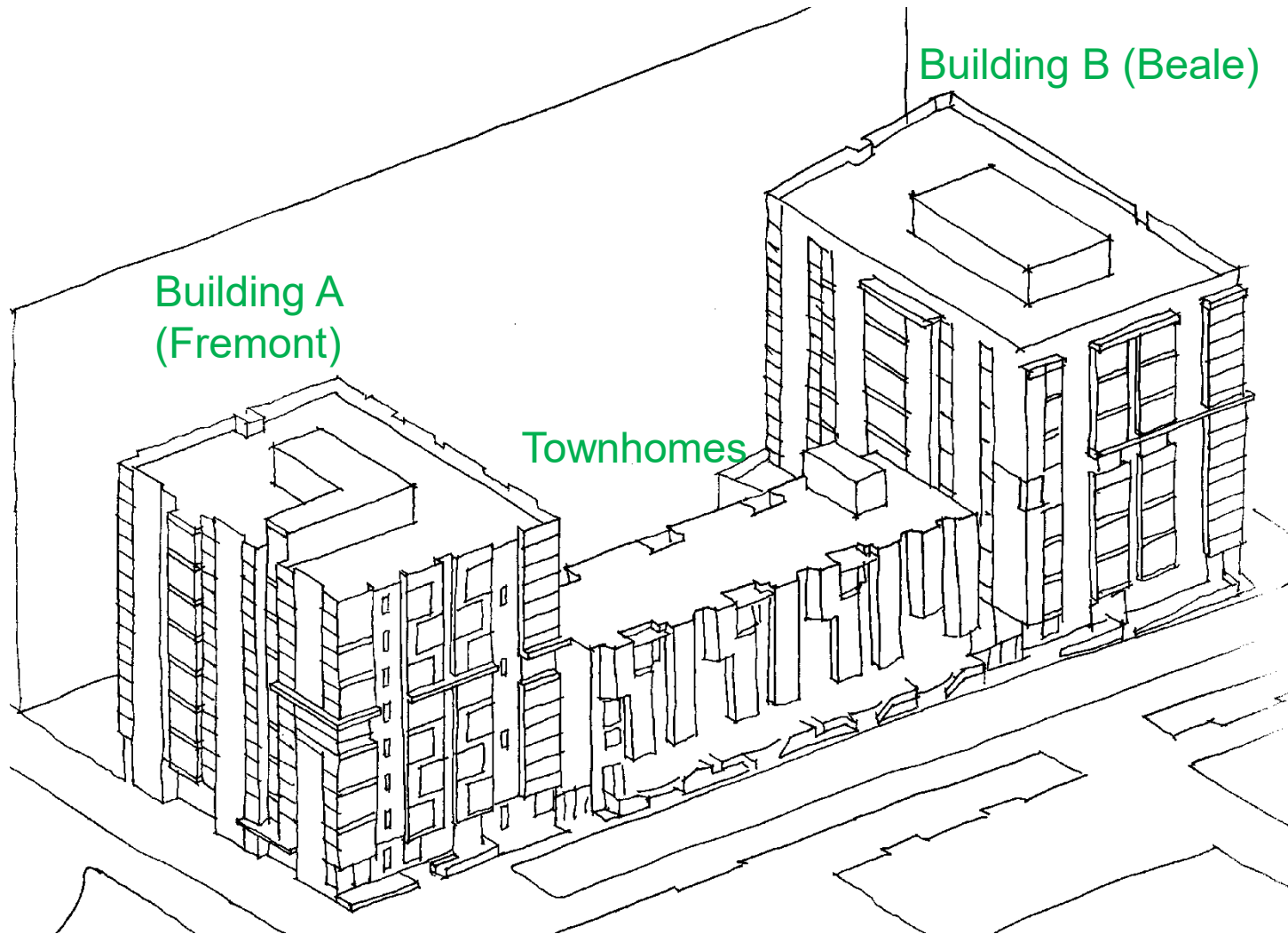
6/7 Affordable Housing Fee

- **\$24.3 million** Affordable Housing Fee (“AH fee”) paid by Golub
- **\$14 million** - Block 6 Affordable Project
- **\$10.3 million** - Block 7 Affordable Project
 - **\$470K** of the AH fee paid by Golub financed a portion of Block 7's predevelopment costs

Development Program

- **2 mid-rise buildings**
- **1 eight-story** building that contains **43 units**
- **1 eight-story** building that contains **62 units**
- **1 four-story townhouse** building that contains **15 units**

Basic Massing



Building 7A



View from corner of Fremont and Clementina Streets

Building 7B



View from corner of Beale and Clementina Streets

Townhomes / Clementina Street



Population

- Income tiers
 - 36 units @ 40% AMI
 - At 40% AMI a family of four could earn a max annual income of \$40,750
 - 83 units @ 50% AMI
 - At 50% AMI a family of four could earn a max annual income of \$50,950

Leasing Preferences

- 1. COP Holders**
- 2. EAHP Certificate Holders**
- 3. San Francisco residents or workers**
- 4. General Public**

Marketing Requirements

- Developer must submit draft Early Outreach and Marketing Plans one month after construction commences
- Developer will provide the following services or work with a City-approved Access to Housing organization to do so:
 - Landlord tenant relations
 - Tenant counseling and housing rights
 - Rental Readiness
 - Financial education workshops including eviction prevention
 - Rental application assistance and preparation
- Developer will provide a report to the OCII Commission outlining its compliance with the COP Outreach Obligation prior to the initiation of any tenant selection process

Small Business Enterprise

- Professional Services Consultants
 - 93% SBE (all San Francisco SBEs)
 - 27% MBE (all San Francisco firms)
 - 57% WBE (all San Francisco firms)

Small Business Enterprise

Biographical Info on Key Consultants

- **Architect: Santos Prescott & Associates**
 - San Francisco firm established in 1991
- **Structural Engineer: OLMM Consulting Engineers**
 - San Francisco firm established in 1986
- **Electrical Engineer: F.W. Associates**
 - San Francisco firm established 1981
- **Mechanical Engineer: Tommy Siu Associates**
 - San Francisco firm established 1988
- **Landscape Architect: Merrill Morris Partners**
 - San Francisco firm established 1980

Ground Lease

- Allows the Sponsor to develop the 120-unit affordable Project
- OCII retains ownership of land through construction
- At Completion, parcel, Lease, & Loan transfer to City (Mayor's Office of Housing and Community Development ["MOHCD"])

TERMS:

- 99 year term: Initial term = 75 years; Option = 24 years
- Rent based on 10% of Fair Market Value:
- \$15K "Base Rent" due annually
- Up to \$1,875,000 due on residual basis only if cash flow available
- Applies restrictions similar to Gap Loan: affordability, contracting policies and marketing requirements

Approved Parking Program

- Funding constraints following dissolution necessitated a parking reduction for Blocks 6/7 to make both projects financially feasible, resulting in no parking for Block 7
- The Block 6 parking lot provides 3 car share spaces that are available to Blocks 6/ 7 residents
- Additional parking would require additional OCII funding, which would divert funding for additional affordable housing units

Transit Options

- The temporary Transbay Transit Terminal (“TTC”) is across the street from the site & the future TTC is two blocks away
- Transbay district is a transit rich neighborhood
- 10 Townsend bus line runs within 1 block of the Safeway at 4th & King in Mission Bay North, and within 2 blocks of the SOMA Trader Joe’s on 9th Street

Transit Options Map



Area Amenities



Retail Amenities On-Site Blocks 6/7

- **Block 6**

- Market rate tower – 9,000 sq ft retail space
- Affordable podium building - 2,100 s.f. of retail space
leased to Philz Coffee, a San Francisco small business

- **Block 7**

- Child Care Center at ground floor - 4,058 s.f.
- Community Room at ground floor - 500 s.f.

Community Support

- The Transbay Citizens Advisory Committee approved the Schematic Design of the entire Block 7 development, including the OCII sponsored affordable project, at its April 9, 2015 meeting
- OCII Staff provided an update on the Project Timeline and Schematic Design at the February 9, 2016 meeting

Upcoming Schedule

- **March / April 2016** – Board of Supervisors consider Ground Lease and bond issuance
- **June 2016** – Construction begins on Block 7
- **Spring 2018** – Construction completion and occupancy

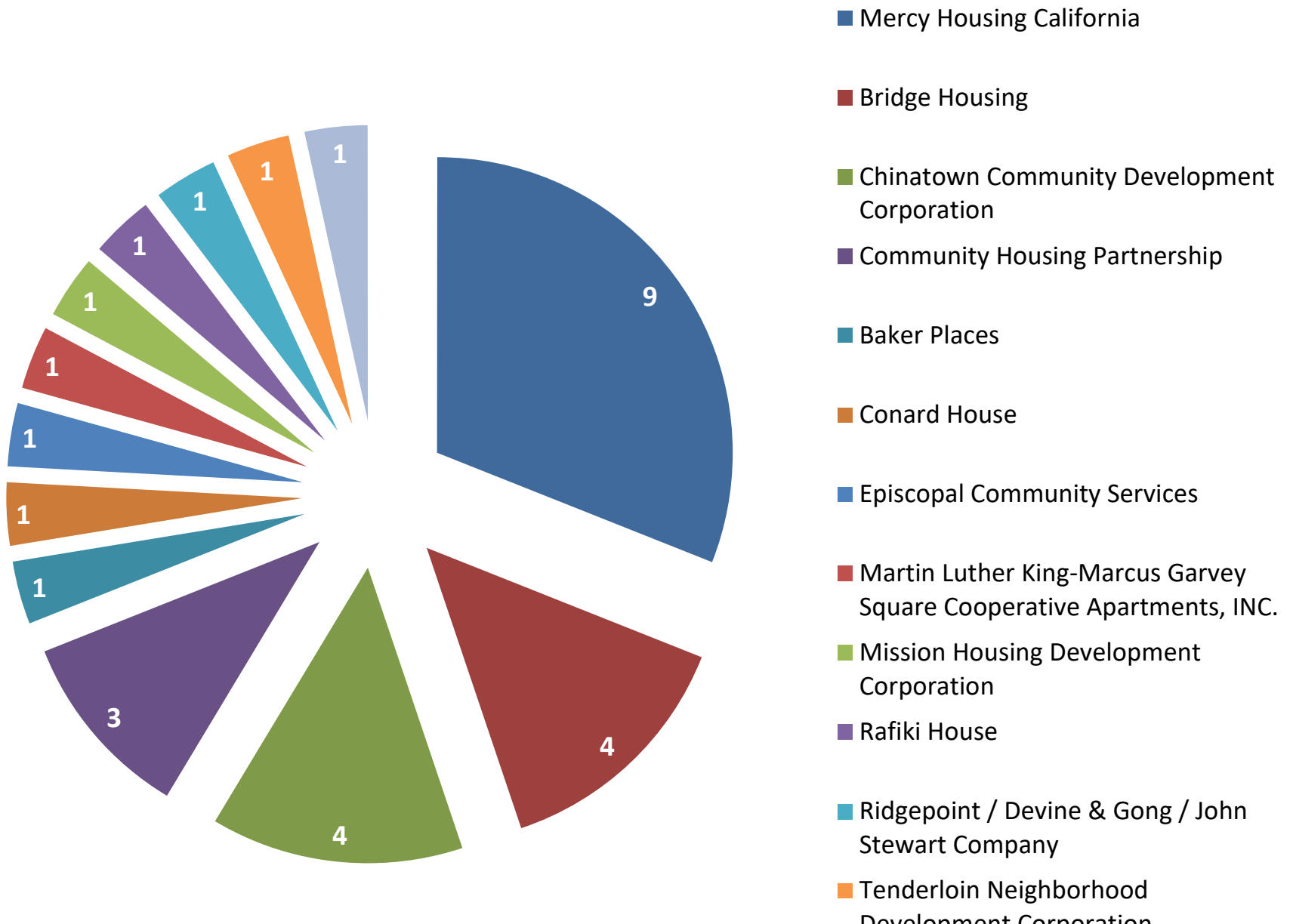
QUESTIONS AND ANSWERS



Block 6 Parking

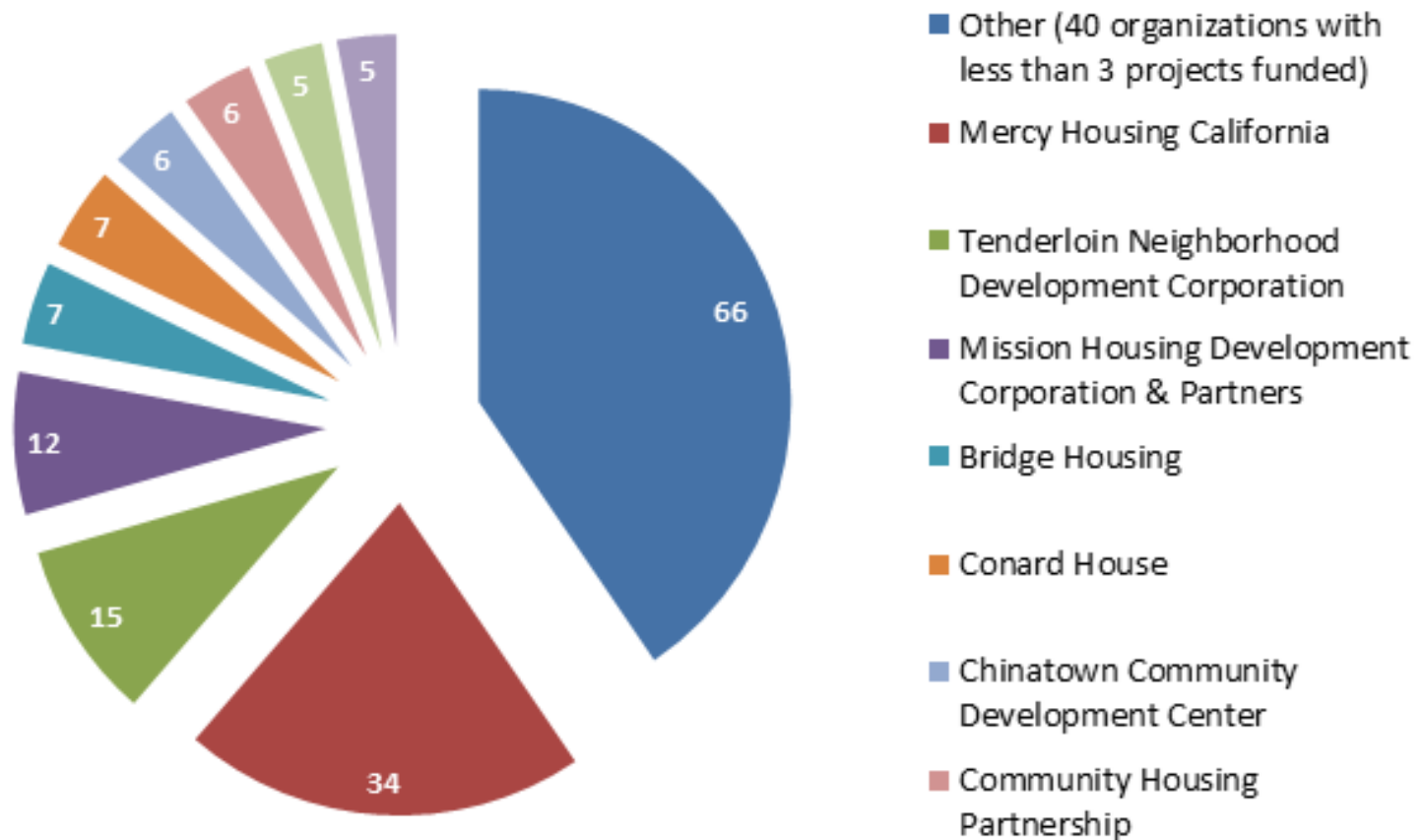
- Parking ratio for market-rate units
- 0.27 : 1 (110 parking spaces for 409 units)
- Parking ratio for affordable units
- 0.19 : 1 (13 spaces for 70 units)
- 3 car share spaces available to all residents of Blocks 6/7

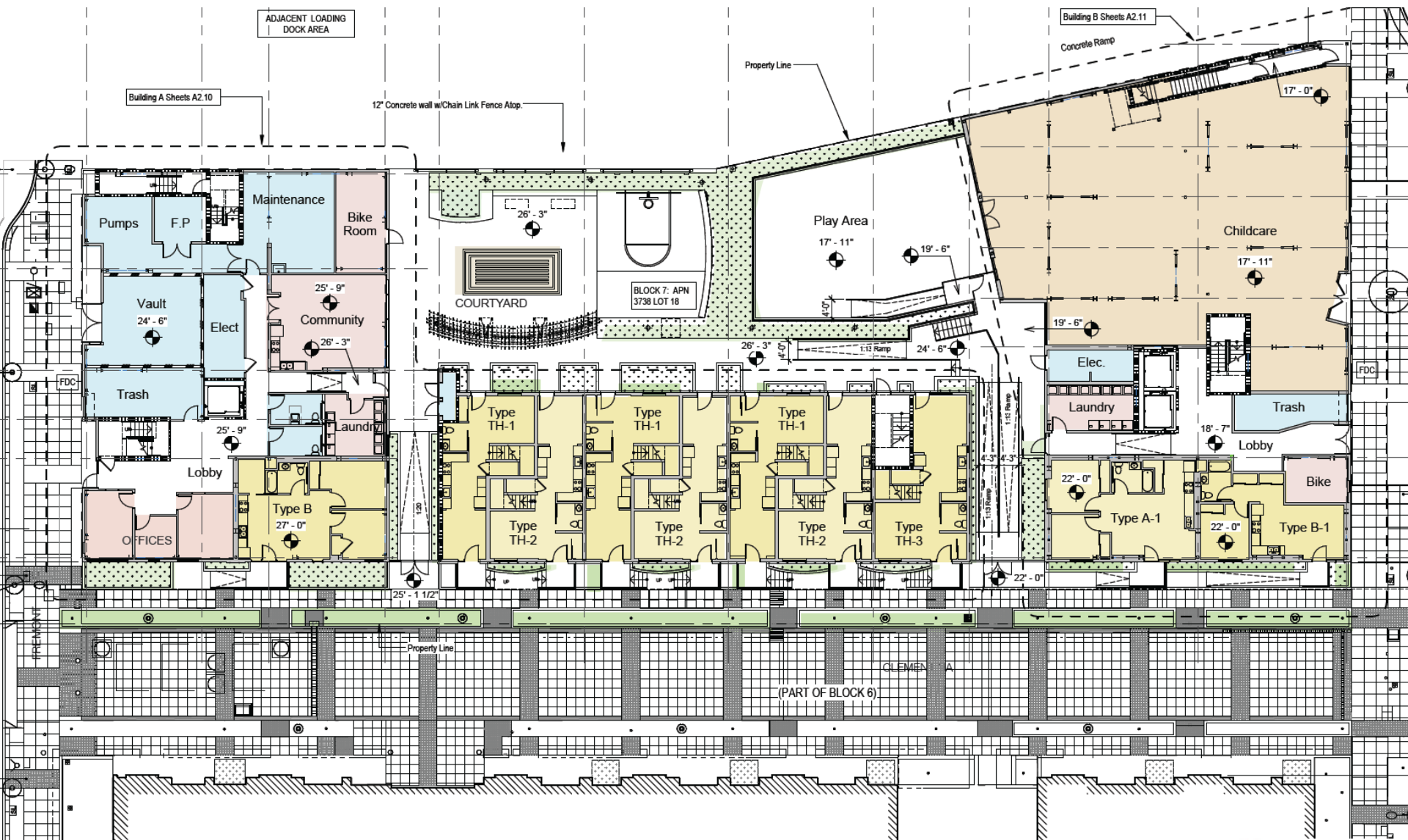
OCII/ SFRA Funded Affordable Developers - Number of Projects Funded



OCII / SFRA Funded Developers

OCII/ SFRA Funded Affordable Developers - Number of Projects Funded



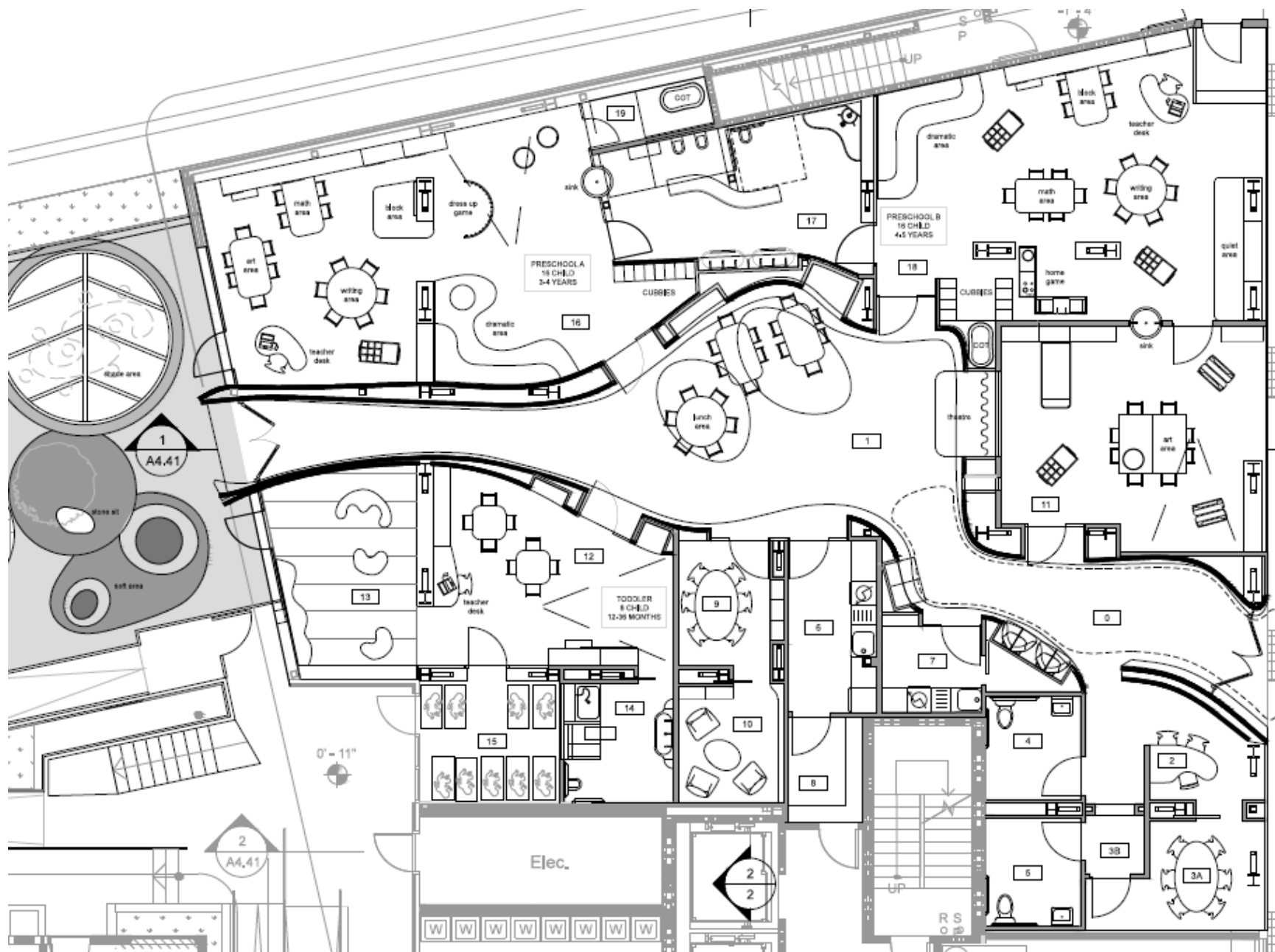


Review of Schematic Design

- Total of 35 units added, achieved economies of scale by maximizing building heights
- All 3 Buildings - Switch structural system from wood framing to Pueblo Structural Steel System
- Building 7A – Add 3 floors, increase unit count by 18
- Building 7B – Add 2 floors, increase unit count by 17
- Townhomes – No changes in floor or unit count
- Entire project footprint shifted 9" to south
- Revisions consistent with Development Controls and Design Guidelines for Transbay Project Area

OCII Restrictions

- OCII will restrict 50 units at 50% and 69 units at 60% AMI per the gap loan evaluation; protects project feasibility if other funding were to be lost



Childcare

