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Transbay Block 1

**Design Controls and Design Guidelines
Amendment, OP/DDA, Schematic Design**

**Commission On Community Investment and
Infrastructure**

June 21, 2016



Agenda

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- Background
- Project Description
- BMR Description
- OP/DDA Terms
- Design Team Presentation
- Schematic Design

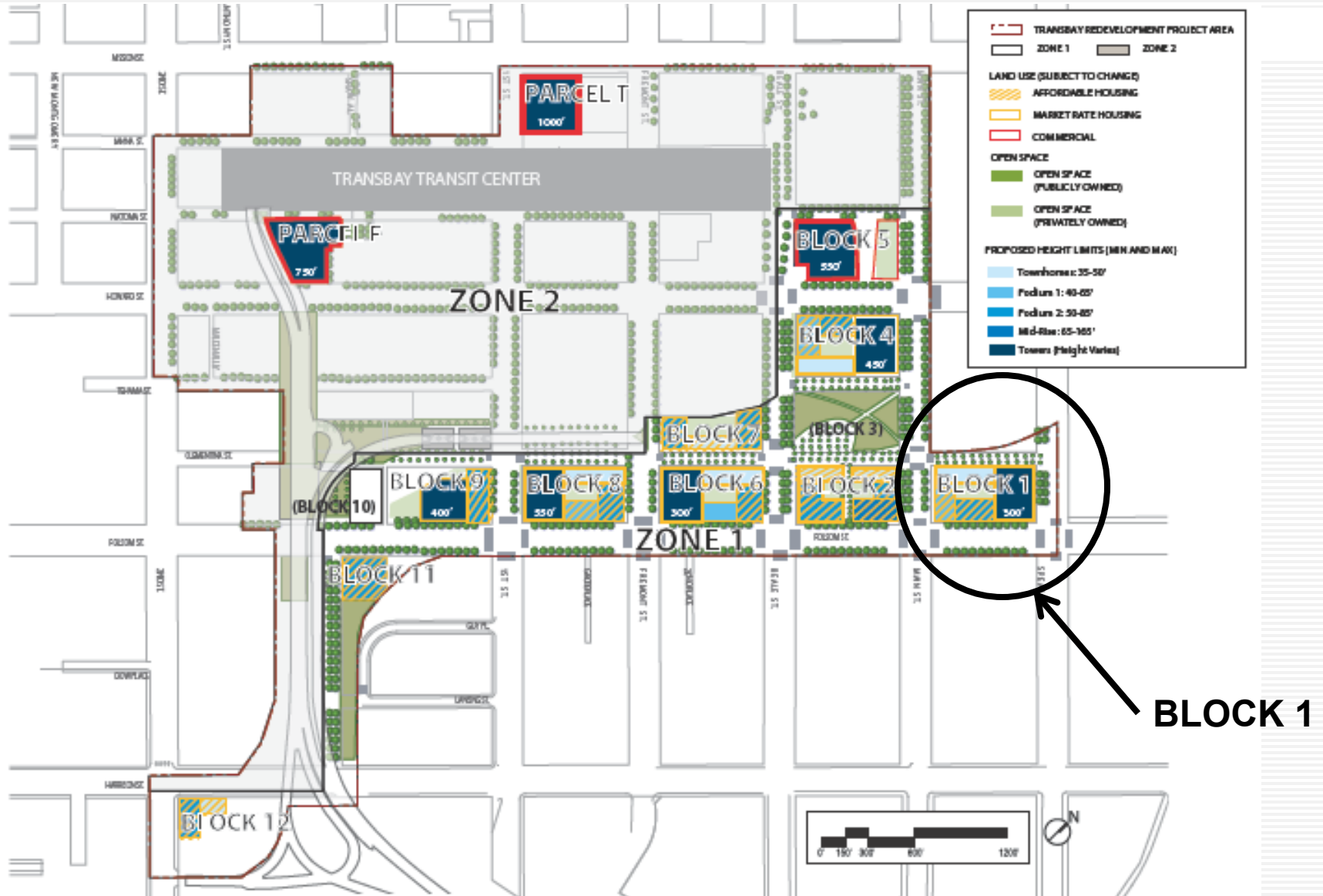
Commission Actions

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- Authorizing an amendment to Map 5 of the Design Controls and Design Guidelines to increase the maximum height limit on Transbay Block 1 from 300 feet to 400 feet
- Authorizing an Owner Participation/Disposition and Development Agreement with Block 1 Property Holder L.P.
- Conditionally Approve Schematic Design

Transbay Block 1

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Proposed Project Summary

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- Sale of OCII owned parcel to Block 1 Property Holder, L.P. (Tishman Speyer affiliate)
- Mixed income homeownership project (391 Units)
 - 235 market rate units
 - 156 affordable units (40%)
- Inclusionary units dispersed in first 26 floors of tower and townhomes
- OCII subsidized units in podium buildings
- Mix: 5 Studios, 111 1Bdrms, 220 2Bdrms, 55 3+Bdrms, 391 Units Total
- Amenities shared by all residents
- HOA protections and dues assistance fund for BMR units

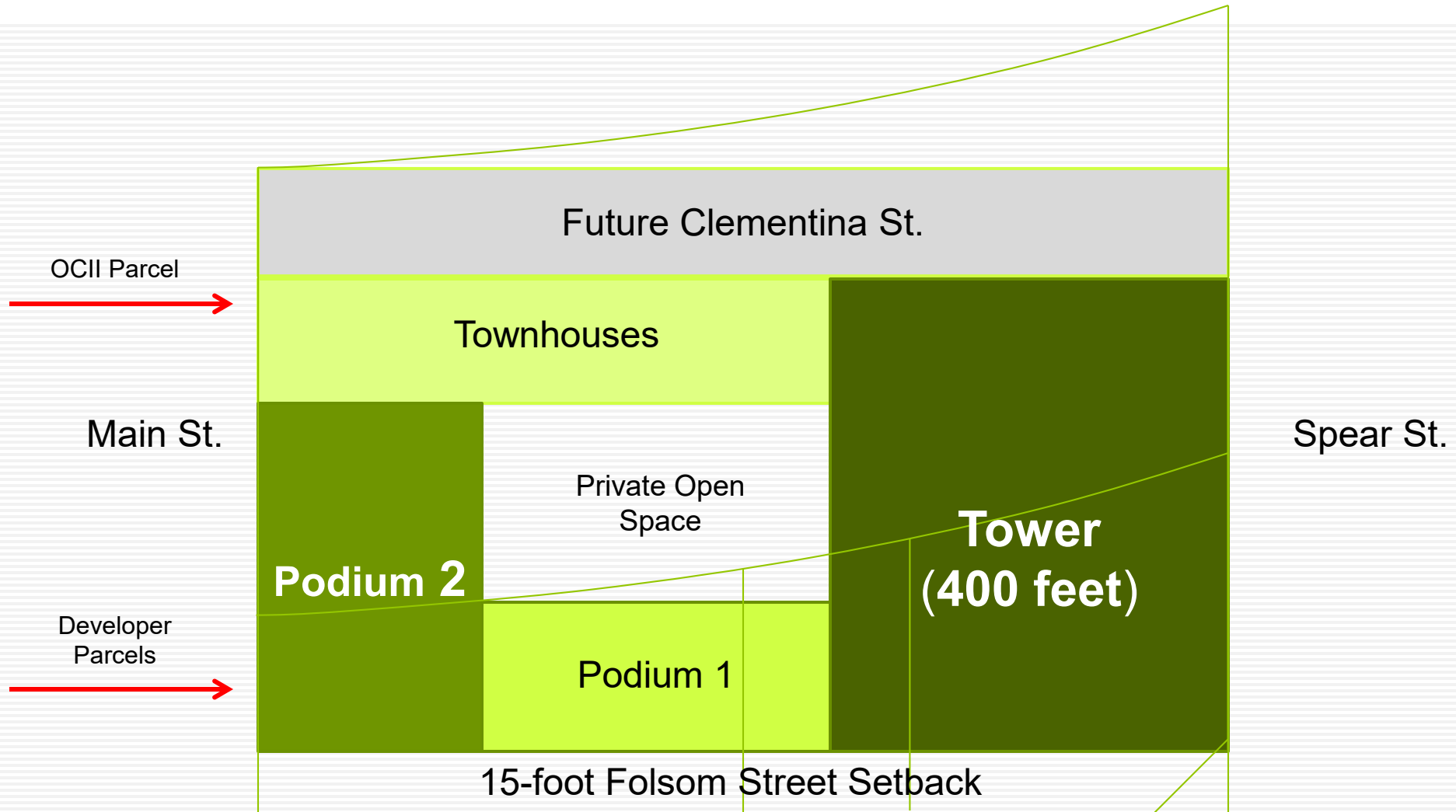
Background

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2003	OCII purchases portion of Block 1
2013 - 2015	Tishman Speyer purchases portions of Block 1
2014	OCII & Tishman Speyer execute Exclusive Negotiation Agreement
2014 – Present	Ongoing design and terms negotiation
January 2016	Transbay CAC and OCII Commission approve Plan Amendment to increase tower height from 300' to 400'
April 2016	BOS approves Plan Amendment
May 2016	Transbay CAC approves DCDG amendment, OP/DDA terms and SDs

Proposed Development Program

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Proposed Project - Mix

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Units	Location
235 Market Rate	Tower – floors 1-39
80 Inclusionary BMR (100-120% AMI)	Tower and townhomes floors 1-26
76 OCII subsidized BMR (80%-100% AMI)	6 and 8 story podiums

Proposed Amenities – Retail, Lobby, Open Space

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Amenity*	Size
Neighborhood Serving Retail	10,210 SF
Outdoor Courtyard on Level 2 of podium	3,178 SF
Outdoor Roof Garden on Level 5	3,180 SF
Lounge on Level 5	844 SF
Shared Access to Lobby Attendant	N/A

* No Fees for residents to use amenities beyond HOA dues

Proposed Amenities — Parking

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- Three underground levels of parking.
- 334 unbundled spaces plus 6 car share stalls, and 150 bicycle parking spaces.
- Tower and townhome parking parity between MR and BMRs is 1:1 ratio.
- Parking in Podium is 1:4 ratio, consistent with OCII Transbay blocks.
- Parking available to BMRs at a below market cost of lesser of $\frac{1}{2}$ market rate or operating cost.

Proposed Terms – Affordable Housing

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- Sale of units through OCII Limited Equity Program

	Number of Units	AMI Levels	Unit Mix	Sample Sales Prices (2016, 2-Bedroom Units)
OCII Affordable Units (Podiums)	76	25 units 80% 26 units 90% 25 units 100%	1Bd 42 units 2Bd 19 units 3Bd 15 units	\$217,777 (80% AMI); \$306,966 (100% AMI)
Developer Inclusionary Units (Tower and Townhomes)	80	50 units 100% 30 units 120%	1Bd 30 units 2Bd 45 units 3Bd 5 units	\$306,966 (100% AMI); \$396,074 (120% AMI)

Proposed Terms - OCII Limited Equity Program

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- Provides homeownership opportunities for low and moderate income residents earning 80%-120% of AMI
- Sale prices of BMR units based on predetermined AMI level for each specific unit pursuant to OP/DDA
- Deed restricted resale prices for life of project (permanent affordability)
- Eligibility requirements:
 - Cannot have owned residence past 3 years
 - Income eligibility includes income from all assets
 - 5% down payment, minimum 3% buyers own funds
 - Private mortgage must be written to MOHCD standards

Proposed Terms - Marketing and Occupancy Preferences

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- Key marketing requirements of Developer:
 - Submission of Early Outreach Plan to OCII within 30 days after commencement of construction
 - Required to use qualified non-profit organization to assist counseling potential BMR buyers
 - Emphasis on Certificate Of Preference holders
 - Submission of Marketing Plan 12 months prior to TCO
 - Application, lottery process
 - Developer to provide \$55,000 for marketing staffing
 - Multiple modes of advertising, community meetings, and open houses
 - Strategies to target moderate income buyers

Proposed Terms - Marketing and Occupancy Preferences cont.

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- Occupancy preferences:
 - Certificate of Preference Holders
 - Ellis Act Housing Preference (“EAHP”) certificate holders
 - San Francisco residents or San Francisco workers
 - Members of the general public
- Potential policy changes: Future items for Commission action
 - Displaced Tenant Preference (“DTP”) may replace EAHP
 - DTP priority to 20% of BMR units
 - Neighborhood Resident Housing Preference
 - Benefits residents living in same neighborhood

Proposed Terms – HOA Structure

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- Projected HOA dues for the BMR units are \$500 – \$750 per unit/month.
- HOA governance structure includes BMR protections:
 - Master HOA operates, maintains project, approves dues increases
 - BMR HOA has 2 seats (out of 5) on Master HOA
 - Annual dues increases above 10% must be approved by a super-majority (4) of Master HOA board members
 - Special assessment above 5% must be approved by a majority of a quorum of all units in project
 - Changes to HOA bylaws must be approved by BMR HOA

Proposed Terms – HOA Structure

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- Developer to provide \$225,000 for a fund to assist BMR owners with HOA dues increases or special assessments. Details to follow.
- Structure dependent on approval by California Bureau of Real Estate (BRE) and final HOA budgets.

OP/DDA Proposed Terms

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- **OCII Land**
 - \$2,000,000 deposit
 - OCII Land Price is \$19,180,000. Close of escrow no later than April 2017
 - Land Price applied as subsidy for OCII Affordable Project
 - Net savings of \$1.7M to OCII from ENA structure
- **Schedule**
 - Construction Start no later than May 2017, completion by May 2021
 - If Developer defaults after close of escrow and before completion of foundation, OCII may take back title to OCII parcel
 - Developer must make property tax and special assessment (e.g. CFD, CBD) payments per OP/DDA schedule

OP/DDA Proposed Terms cont.

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- **BMR Units**
 - Sale of BMR units per LEP program
 - HOA governance protections and dues assistance fund

- **Community Coordination & Compliance**
 - Developer to provide an active community liaison program to keep neighbors informed about construction plans
 - Comply with all City noise ordinances and regulations
 - Compliance with Certificate of Preference program, SBE program and all other OCII policies

Schematic Design - Architects

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Studio Gang –

Lead Architect

Jeanne Gang Presentation

Perry Architects –

Associate Architect (Tower)

Barcelon Jang –

Associate Architect (Podium)

Schematic Design Conditions

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- Podium and townhome materials and colors require further analysis and review
 - Mock-up, material samples
- OCII review and approval of exterior details
 - Signage, mechanical screening, landscape, Clementina St.
- Retail
 - Must be neighborhood serving uses
 - Façade design approval
 - On street parking and loading approval

Schematic Design Conditions cont.

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- BMR unit interior review and approval
 - Quality consistent with other OCII funded projects
 - Quality appliances and finishes
- Required mitigation monitoring
- Subject to applicable City fees

DCDG Amendment and Variance

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- Amendment
 - Amends Map 5 of DCDG to increase max height to 400'
- Variance
 - The DCDG allows 3 feet of encroachment, up to 15 feet wide, over the sidewalk for bay windows
 - Certain proposed migrating bay windows encroach up to 4'6" over sidewalk, up to 26'5" wide
 - Migrating bay windows are chief design feature
 - If variance not granted, BMR units fall below OCII minimum square feet requirements

Transbay Amenities Map



Bessie Carmichael Elementary 1.2 mi
Gordon Lau Elementary 1.2 mi

Transportation Map

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Community Outreach/Public Meetings

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2014 – Present	10 community outreach/public meetings
January 2016	Transbay CAC and OCII Commission approve Plan Amendment
February 2016	Planning Commission General Plan consistency findings and recommendation to BOS
April 2016	BOS approval of Plan Amendment
May 2016	CAC approves Schematic Design and OP/DDA terms
June 2016	OCII Commission considers Schematic Design and OP/DDA
July 2016	BOS considers OCII property transfer

Commission Actions

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THANK YOU

