OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

101-0112017-002

Agenda Item **No. 8(c)**
Meeting of September 19, 2017

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Interim Executive Director

SUBJECT: Intention to issue a Request for Proposals to develop and operate up to approximately 100 units of affordable family housing on Blocks 52 and 54 in the Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

The Hunters Point Shipyard (the "Shipyard") and Candlestick Point (together "HPS/CP") form approximately 780 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors originally adopted the Hunters Point Shipyard Redevelopment Plan in 1997 and amended it in 2010 along with the Bayview Hunters Point Redevelopment Plan in 2010 to provide for the integrated planning and development of the Shipyard and the Candlestick Point portion of the Bayview Hunters Point Redevelopment Project Area. The Shipyard property transfers after environmental remediation from the U.S. Department of the Navy (the "Navy") to OCII. Phase 1 is located on Navy Parcel A, which was transferred from the Navy to the former Redevelopment Agency in 2004. Candlestick Point is subject to State and local land transfer agreements that allow for the re-use of the stadium site and adjacent under-utilized parklands.

OCII is proposing, through a Request for Proposals ("RFP") process, to offer two Hunters Point Shipyard Phase 1 ("Phase 1") Agency Lots (OCII's funded and stand-alone 100% affordable housing developments) for development. These two Agency Lots are not adjacent to each other, but separated only by Block 53. Combining Blocks 52 and 54 into one project allows for greater operational and financially feasibility as well as developing each of the blocks simultaneously to produce more affordable housing units sooner. Collectively these two OCII affordable housing sites will provide approximately 100 units, and contribute significantly toward Mayor Lee's goal of increasing affordable housing in the City.

Block 52 is a 20,104 square foot site bounded by Friedell Street to the northwest, Kirkwood Avenue, Jerrold Avenue, and a mid-block break, Avocet Way to the southeast ("Block 52"). Block 54 is a 19,660 square foot site bounded by Friedell Street, Innes Avenue, Hudson Avenue, and

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an unnamed mid-block break to the southeast ("Block 54" together with Block 52 the "Blocks 52/54 Project" or the "Project").

The RFP calls for the development of affordable family rental housing composed of 1-, 2-, 3-, 4-, and 5-bedroom units. In addition one Family Child Care ("FCC") unit will be incorporated at each block. The units will be marketed to very low-income families earning no more than 50% of the Area Median Income ("AMI"), however, OCII strongly encourages applicants to provide tiered income levels below 50% AMI in order to maximize opportunities for lower-income households. Residents will be selected through a lottery process with first preference to Certificate of Preference holders. Appropriate on-site management and services space are required to be incorporated into the development. In addition, the development will be required to comply with all applicable green building standards.

If the Commission has no objections or concerns, staff will release the RFP to the development community in September 2017, with a proposal due date in late November 2017. Staff anticipates returning to the Commission in the fall with a recommended developer. In Winter 2017-18 staff will return to the Commission to request an authorization to enter into an Exclusive Negotiations Agreement and predevelopment loan agreement consistent with the funding estimates included in ROPS 17-18 line item number 395.

DISCUSSION

The Phase 1 Disposition and Development Agreement, dated December 2003 ("Phase 1 DDA") between OCII and master developer, HPS Development Co, LP ("Master Developer" or "HPS Dev Co" an affiliate entity of Lennar Urban), implements the development on the Hilltop and Hillside areas of Phase 1 (described in more detail below). The Phase 1 DDA has been amended six times since its approval in 2003.

The Phase 1 development program includes the construction of infrastructure, 26 acres of parks and open space, and up to 1,600 housing units, of which, a minimum of 27 percent and a maximum of 40 percent will be affordable. Phase 1 is divided into two areas, the Hilltop and Hillside, and the Project is located on the Hilltop. Under the Phase 1 DDA, HPS Dev Co has built 307 units including 25 inclusionary units within market rate buildings across multiple blocks, and another 59 inclusionary units in a 100% affordable project on Block 49. Another 198 units including 18 inclusionary units are under construction. HPS Dev Co has built 47% of the infrastructure including 12 acres of park space and 40% of the roadways. OCII has not yet funded any stand-alone affordable housing, but will seek development teams and provide financing for a minimum of 218 units on designated stand-alone affordable housing sites ("Agency Lots") in Phase 1.

RFP SUMMARY

OCII staff has prepared a draft RFP, attached to this memorandum, for the development of two Agency Lots located in Phase 1 which along with RFP Attachments 1-10 is included here as Attachment A. This will be the first affordable housing developed on Agency Lots in Phase 1.

Extensive notification of the RFP will be provided to community groups, developers, contractors (including Small Business Enterprises and minority- and woman-owned contractors), other community stakeholders through OCII's Citizens Advisory Committees email lists, Mayor's Office of Housing and Community Development's

("MOHCD) RFP/RFQ interest email list and newspaper advertising. The RFP will also be available on OCII's website.

In order to ensure expedited development, OCII is seeking submittals from qualified teams comprised of: a housing developer ("Developer"), property manager, and an architect. Applicants are strongly encouraged to involve community partners (organizations from the Southeast area of the City) to assist in the development, co-development, or to provide social or clinical services. All other consultants will be selected in accordance with the OCII's Small Business Enterprise ("SBE") Policy. The selected Applicant team will be strongly encouraged to select a General Contractor joint venture including a local SBE.

Upon completion of these projects, OCII's assets related to the sites will be transferred to MOHCD, which is the designated Housing Successor Agency under Dissolution Law. MOHCD has reviewed the RFP, and will participate in the selection of the development teams, and will also review and comment on each project's financial underwriting and funding and disposition documents in order to ensure a smooth transition to MOHCD at project completion.

DEVELOPMENT PROGRAM

Staff seeks submittals that:

- maximize affordable housing opportunities in the Project Area serving very low-income households at a variety of income levels;
- deliver a robust outreach and marketing program to maximize participation of households meeting Project Area occupancy preferences, including Certificate of Preference Holders and Rent Burdened households; and
- effectively balance excellence in architectural design with feasible development costs.

Block 52/54 Program Requirement Summary

Number of units	Approximately 100
Area Median Income and General population	Up to 50% AMI. Families. Use of income tiers is encouraged.
Unit mix	2 five-bedroom unit 8 four-bedroom units Remaining mix of one, two and three bedroom units
Family Child Care units	2 units
Parking	Assume a .6:1 parking ratio

- Provide a supportive services plan to support the service needs of the residents;
- Create a visually attractive and distinctive design;
- Consider the relationship of building massing with the public realm;

- Incorporate sustainable and innovative design typologies; apply site and structural design which is energy- and resource-efficient;
- Maximize solar access to public and private open spaces;
- Provide continuity with the history and culture of the Shipyard;
- Maximize the opportunity for views within the development and promoting the preservation and enhancement of views from the adjacent sites and neighborhoods;
- Integrate new development with the adjacent existing areas;
- Promote harmonious transitions between building masses, open spaces, materials, colors, and textures;
- Integrate open spaces and building massing with the topography of the site;
- Design all building facades, including roofs, to be as attractive as possible from the public realm, near and far; and
- Incorporate "green" and sustainable building strategies in accordance with the City's requirements.

FINANCING

Funding will likely come from a number of sources including but not limited to 4% low-income housing tax credits with tax-exempt bonds, Federal Home Loan Bank Affordable Housing Program funds, OCII subsidy, and any other outside funding developers deem applicable. Proposals using 9% low-income housing tax credits will not be considered. Rents will be set at 50% of Area Median Income. OCII strongly encourages applicants to provide tiered income levels below 50% AMI in order to maximize opportunities for lower-income households. Each Applicant's Financing Plan will be ranked according to the degree to which it is feasible and consistent with the requirements, limitations and opportunities associated with the proposed sources; proposes development costs that are comparable to other similar projects; minimizes OCII's permanent financing; proposes innovative sources or financing instruments; and uses practical materials or methodologies designed to reduce development, construction and/or operating costs, either directly or indirectly, without reducing the overall quality of the completed Project.

MARKETING

<u>Occupancy Preferences and Resident Selection</u>

Preferences for the housing will be leased in the following order:

- Certificate Holders (Property Owner and Occupant Preference Program, as amended and restated, codified and clarified recent amendments that the former Redevelopment Agency Commission authorized in Agency Resolution No. 57-2008 (June 3, 2008) and extended by OCII Resolution No. 77-2015 (December 15, 2015).

- Rent Burdened Residents (persons paying more than fifty percent (50%) of their income for housing) and Assisted Residents (persons residing in public housing or project-based Section 8 housing)

- Ellis Act Displacement Certificate Holders (if such preference does not conflict with other financing sources) (Inclusion of the Ellis Act Housing Preference ("EAHP") in OCII projects was adopted by the OCII Commission at its meeting of August 5, 2014 (Resolution No. 64-2014).

- San Francisco Residents or Workers

- Members of the General Public

In 2016, the City and County of San Francisco adopted the Displaced Tenant Housing Preference ("DTHP") program which both expanded and supplanted the Ellis Act Housing Preference. In the 2017, OCII's Commission will be considering the DTHP for application to the projects it oversees. Should the OCII Commission adopt the DTHP, that program will supplant the EAHP and any and all references to EAHP in project-related documents will be superseded to denote DTHP as the applicable preference.

These preference referrals must meet the selected Applicant(s) established screening requirements for the project, and final selection will lie with the selected Applicant(s). Any authorized preference shall be permitted only to the extent that such preference: (a) does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age, sexual orientation, or other protected characteristic of any member of an applicant household; and (b) is not based on how long an applicant has resided or worked in the area. OCII will work with the selected developer teams to resolve potential occupancy conflicts, ensure adherence to OCII occupancy preferences and marketing requirements and determine additional occupancy preferences and marketing requirements.

CONTRACTING AND WORK FORCE HIRES

The selected Applicant(s) will be required to adhere to the Bayview Hunters Point Employment and Contracting Policy ("BVHP-ECP") which is designed to ensure that OCII projects provide employment opportunities for lower-income BVHP Residents and San Francisco Residents in areas of construction, professional services, and permanent jobs. In addition, OCII implements other equal opportunity programs, including the Small Business Enterprise ("SBE") Policy to ensure equity in small business contracting with an objective of meeting an overall SBE participation goal of 50% established by the OCII Commission. The selected Applicant team will be strongly encouraged to select a General Contractor joint venture including a local SBE.

The development team(s) shall submit a Workforce and Contracting Action Plan ("WCAP") that addresses how the team will implement: (1) OCII's BVHP-ECP with respect to trainee, construction workforce, and permanent workforce hiring; and (2) equal opportunity programs, which include the following policies and programs: Small Business Enterprise Policy, Nondiscrimination in Contracts and Benefits, Minimum Compensation Policy, Health Care Accountability Policy, and Prevailing Wage Policy.

SCHEDULE

Staff intends to release the RFP in September 2017, and applicants will have approximately 60 days to submit their qualifications, due in November 2017. Upon receipt of the Applicants submittals, OCII staff will verify the completeness and only complete responses will be evaluated. An Evaluation Panel consisting of OCII staff, representation from MOHCD, and a representative from the Hunters Point Shipyard Citizens Advisory Committee ("CAC"), will then review the complete responses to determine whether they demonstrate the qualifications as specified in the RFP, and may interview Applicant teams as part of the evaluation process. Following a selection by the panel of reviewers, a presentation will be made to the CAC, and staff will then recommend an Applicant team to the Commission by early 2018. The recommended team must demonstrate the highest level of readiness and recent successful experience with similar high-density, affordable rental housing. Staff will seek the Commission's authorization to enter into and authorization to enter into an Exclusive Negotiations Agreement and a predevelopment loan agreement with the recommended team in the spring 2018.

(Originated by Elizabeth Colomello, Senior Development Specialist)

Nadia Sesay
Interim Executive Director

Attachment 1: Request for Proposals for Blocks 52 and 54 Hunters Point Shipyard Phase 1

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

Request for Proposals for Blocks 52 and 54 Hunters Point Shipyard Phase 1

To develop and operate affordable rental housing for very low-income families

351 Friedell Street and 151 Friedell Street
Hunters Point Shipyard Phase 1
(as a portion of the Hunters Point Shipyard Redevelopment Project Area)

Deadline for Submission
4:00 PM – November 29, 2017

Issued by:
Office of Community Investment and Infrastructure
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Contact: Elizabeth Colomello
Email: elizabeth.colomello@sfgov.org
Phone: (415) 701-5518

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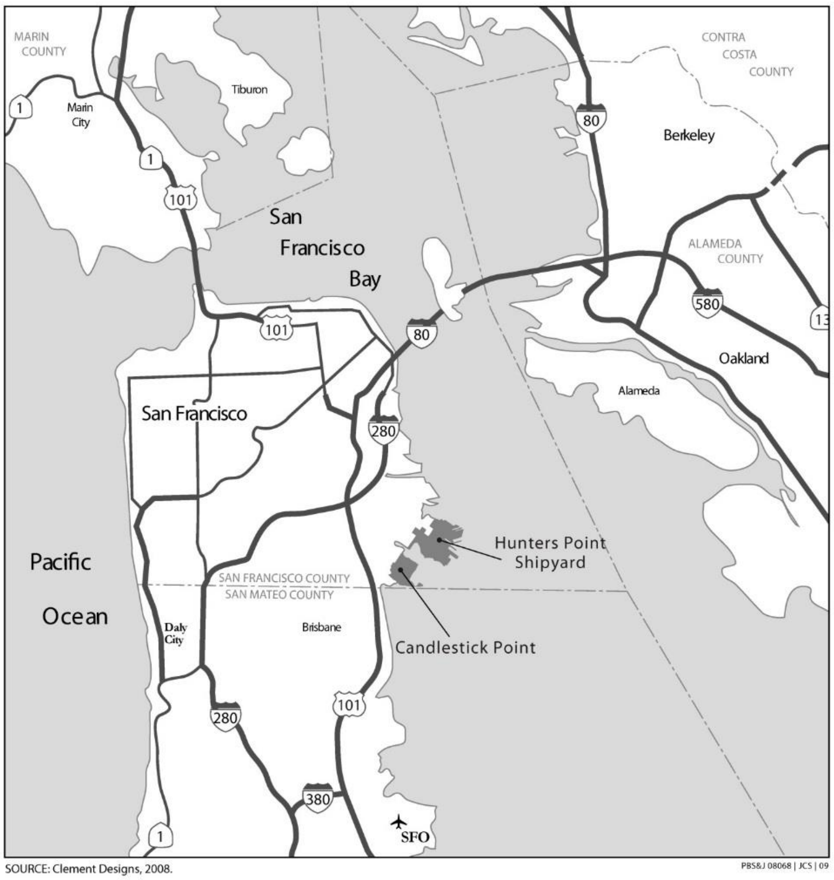
SECTION I. SUMMARY

The Office of Community Investment and Infrastructure ("OCII"), the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, is seeking proposals from qualified Applicants (defined below) to develop, own, and operate affordable rental housing on Blocks 52 and 54 in Phase 1 ("HPS Phase 1") of the Hunters Point Shipyard Redevelopment Project Area ("HPS Redevelopment Project Area").

Figure 1 – Project Area Location



The submittal is to develop a maximum number of very low-income family rental housing units (serving households earning up to 50% of Area Median Income) on portions of Blocks 52 and 54 owned by OCII, as a single scattered-site development (the "Project"). The Project should include two family childcare units (one in each building), have a parking ratio of 0.6 spaces to 1 unit, a minimum bicycle parking ratio of .5 spaces to 1 unit, and include appropriate ground floor property management, services, and community spaces. OCII seeks proposals that effectively balance excellence in architectural design with sustainable development costs, as well as Applicant teams with an ability to deliver a robust outreach and marketing program to maximize participation of households meeting Project Area occupancy preferences, including Certificate of Preference Holders.

An applicant ("Applicant") is defined as a team comprised of only the following: a housing developer ("Developer"), property manager and an architect. Applicants are strongly encouraged to involve community partners (organizations from the Southeast area of the City) to assist in the development, co-development, or to provide social or clinical services. All other consultants will be selected in accordance with the OCII's Small Business Enterprise ("SBE") Policy (Attachment 16). Please note that the City will be the bond issuer for the Project and will require the Developer to have a nonprofit partner (if the Developer is not a nonprofit) in order to issue tax-exempt bonds. The selected Applicant team will be strongly encouraged to select a General Contractor joint venture including a local SBE.

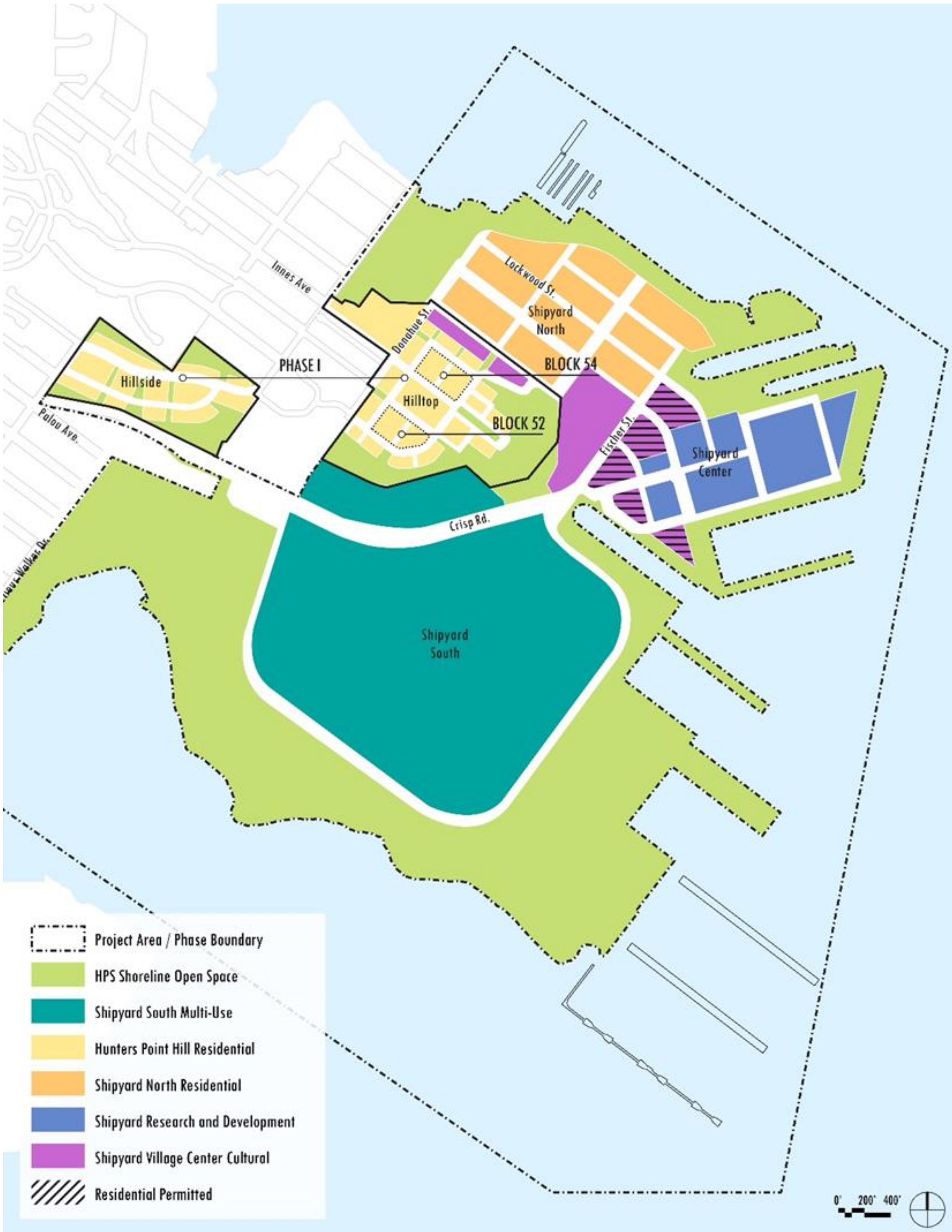
Project Site Context

The Project is located within the HPS Redevelopment Project Area (See Figure 2), which is administered by OCII. The Project will be governed by the Hunters Point Shipyard Redevelopment Plan ("HPS Redevelopment Plan") and related documents, which are discussed in detail in Sections III and IV of this RFP.

Figure 2 – Project Area Vicinity

The Project is more specifically within the “Hilltop” subarea of HPS Phase 1 (See Figure 3, following page). The Hilltop subarea is a developing neighborhood comprised of low- and mid-rise buildings characterized by a mix of housing types, unit sizes and building designs. Vertical developers have received Major Phase Approvals for all but one private development block on the Hilltop, comprising 579 units of housing. Currently 307 units (including 84 inclusionary units) are completed and 198 units (including 18 inclusionary units) are under construction.

Figure 3 – Hunters Point Shipyard Phase 1



Both Block 52 and 54 (shown in full in Figure 3) have been subdivided into privately-owned development parcels designated for market-rate housing, and OCII-owned parcels designated for development of affordable housing (shown subdivided in Figures 5 and 5A). The Project consists of the following portions of Blocks 52 and 54:

- An approximately 25,100 square foot portion of Block 52 bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and a mid-block break, Avocet Way, to the to the southeast (so described, "OCII Block 52"). See Figure 5, below. As discussed further in Section III.B, this parcel configuration reflects a lot-line adjustment and relocation of the required mid-block break (Avocet Way) currently being negotiated with the adjacent private developer/owner.

- An approximately 19,660 square foot site bounded by Friedell Street to the northwest, Innes Avenue to the southwest, Hudson Avenue to the northeast, and Avocet Way to the southeast (so described, "OCII Block 54"). See Figure 6, below.

The Project will be affordable to households earning up to a maximum of 50% Area Median Income and requires a robust early outreach and marketing plan that will outreach to low-income households, facilitate the lease-up of the Project to diverse communities including Certificate of Preference Holders. The housing development program detail is provided in Section IV of this RFP.

<u>Block 52/54 Program Requirement Summary</u>

Number of units	Approximately 100 between the two Project blocks
Area Median Income and General population	Up to 50% AMI. Families. Use of income tiers is encouraged.
Unit mix	2 five-bedroom units 8 four-bedroom units Remaining mix of one, two and three bedroom units
Family Child Care units	2 units (one per block)
Parking	Assume a 0.6:1 parking ratio

<u>Other Requirements and Selection Process</u>

Unique attributes of each portion of the Project should be given special consideration, including their location in the Hilltop neighborhood, which occupies a prominent site at the southern end of the hill residential district characterizing this part of Bayview Hunters Point. Specific sustainability requirements are established for the Project in accordance with the City's Green Building Ordinance. Applicants should carefully review the Hunters Point Shipyard Phase 1 Design for Development ("D4D") when developing the building designs particularly Section IV of the D4D which establishes the overall standards and guidelines that regulate form and character of the development.[1] Section IV provides additional detail regarding the development program and sustainability requirements for the Project.

The Hunters Point Shipyard Citizens Advisory Committee (the "CAC") will be consulted at various times during the Applicant selection, design and construction process. This is the first RFP published for these two Blocks.

OCII staff will recommend Applicants for the OCII Commission's consideration based on the evaluation of an interdisciplinary panel comprised of representatives from OCII, the Mayor's Office of Housing and

[1] The D4D is available through the link entitled "Reference Materials for RFP" below the RFP posted on OCII's "RFPs, RFQs & Bids" webpage at http://sfocii.org/rfps-rfqs-bids and should be used for purposes of this RFP.

Community Development ("MOHCD"),[2] and the CAC. The panel will evaluate each Applicant's proposed development concept as well as demonstrated successful experience on relevant and comparable projects. **<u>OCII may, in its sole discretion, disqualify any Developer and/or Architect or Other Personnel if they have any uncured defaults on any OCII, SFRA, or MOHCD agreement within the last five (5) years. OCII may also, in its sole discretion, disqualify any Applicant if they are not in good standing with OCII/MOHCD in relation to the current OCII/MOHCD Marketing Standards for existing projects in development or developed.</u>** Applicants are advised that OCII is committed to vigorous equal opportunity employment and the payment of prevailing wages. Upon selection of the Applicant, OCII will seek to enter into an Exclusive Negotiation Agreement ("ENA") with the selected Developer that will lead to a long term Ground Lease.

[2] Upon completion and permanent financing conversion of the Project, OCII will transfer the Project to MOHCD, the designated Housing Successor Agency under Dissolution Law (see Footnote 4, below). MOHCD will therefore participate in the selection of the development teams and will also review and comment on the financial underwriting and funding and disposition documents for both projects in order to ensure a smooth transition to MOHCD at project completion.

SECTION II. IMPORTANT DATES & SUBMISSION PROCESS

A. Important Dates*

Submittals are due by 4:00 PM, Wednesday, November 29, 2017

1. ISSUE DATE: RFP available at OCII[3] ($50.00 registration required)	**Thursday, September 21, 2017[1]**
2. Pre-Submission Meeting at OCII **(Location: 1 South Van Ness, 2nd Floor Atrium Conference Room)**	**1:00 PM** **Tuesday, October 3, 2017**
3. Deadline for written questions / requests for additional information	**Wednesday, October 13, 2017**
4. PROPOSAL SUBMISSION DEADLINE	**4:00 PM** **Wednesday, November 29, 2017**
5. Notification to Developer Teams who failed to meet minimum submission requirements	**Thursday, December 7, 2017**
6. Developer Team interviews **7. Submittals Evaluated & Ranked Evaluation Panel**	**Week of January 2, 2017**
8. Presentation of Panel's Selection to the Housing Subcommittee of the Hunters Point Shipyard Citizens Advisory Committee	**Thursday, January 18, 2018**
9. Presentation of Panel's Selection to the Hunters Point Shipyard Citizens Advisory Committee	**Monday, February 12, 2018**
10. OCII Commission consideration of developer team selection	**Tuesday, March 6, 2018**
11. OCII Commission consideration of Exclusive Negotiations Agreement and Predevelopment Loan	**Tuesday, May 15, 2018**

*All dates are subject to change.

B. Pre-Submission Meeting

A pre-submission meeting will be held at OCII's offices, located at One South Van Ness Avenue, 2nd Floor, on the date and time shown above, in Section II.A. The purpose of the meeting is to ensure that all teams understand the programmatic design and financing information that is required. Although attendance is not mandatory, it is highly recommended.

[1] Packets are available for pickup as of this date. RFP materials are also posted on OCII's RFPs, RFQs & Bids website at http://sfocii.org/rfps-rfqs-bids.

C. Questions and Requests for Additional Information

Please submit all questions and information requests to the attention of the contact person listed on the cover page of this RFP. All questions and requests for additional information regarding this RFP must be received **in writing** by OCII (via messenger, mail, or e-mail) – *on or before* – the time and date as shown above, in Section II.A. Questions received after the deadline may not be answered. All responses and additional information will be distributed to all registered RFP holders. OCII reserves the right, in its sole discretion, to determine the timing and content of the response, if any, to all questions and requests for additional information. In addition, OCII may respond via messenger, fax, or e-mail.

D. Registration and Fee for RFP Packet Required

Responses to this RFP will be accepted only from those Applicants who have registered with OCII by completing the RFP Registration Form and paid a non-refundable registration fee of **Fifty Dollars ($50.00)** at the time the RFP is obtained. RFP packets will be available on and following the Issue Date listed in Item II.A., above, at the offices of the Office of Community Investment and Infrastructure, One South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103, and online at **http://www.sfocii.org**.

E. Submission Time, Place, Date, Contact

The MOHCD receptionist will collect and timestamp all submittals on behalf of OCII. One original plus six (6) copies, and one CD with a complete electronic copy, of the submittal must be received by the MOHCD receptionist no later than:

Wednesday, November 29, 2017 at 4:00 p.m.

Office of Community Investment and Infrastructure
One South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attn: Elizabeth Colomello

SECTION III. BACKGROUND

A. Project Area Overview

The Project is located in the Hilltop neighborhood of HPS Phase I in the HPS Redevelopment Area. All reference documents relevant to the Project Area and this RFP can be found by following the link entitled "**Reference Materials for RFP**" below the RFP posted on OCII's "RFPs, RFQs & Bids" webpage at http://sfocii.org/rfps-rfqs-bids.

1. Overview of the Hunters Point Shipyard Redevelopment Project

The San Francisco Board of Supervisors originally adopted the HPS Redevelopment Plan in 1997 and amended it in 2010.[4] In 2003, OCII's predecessor entered into the Hunters Point Shipyard Phase 1 Disposition and Development Agreement, dated December 2003 ("Phase 1 DDA") with HPS Development Co, LP ("Master Developer" or "HPS Dev Co" an affiliate entity of Lennar). HPS Phase 1 is divided into two

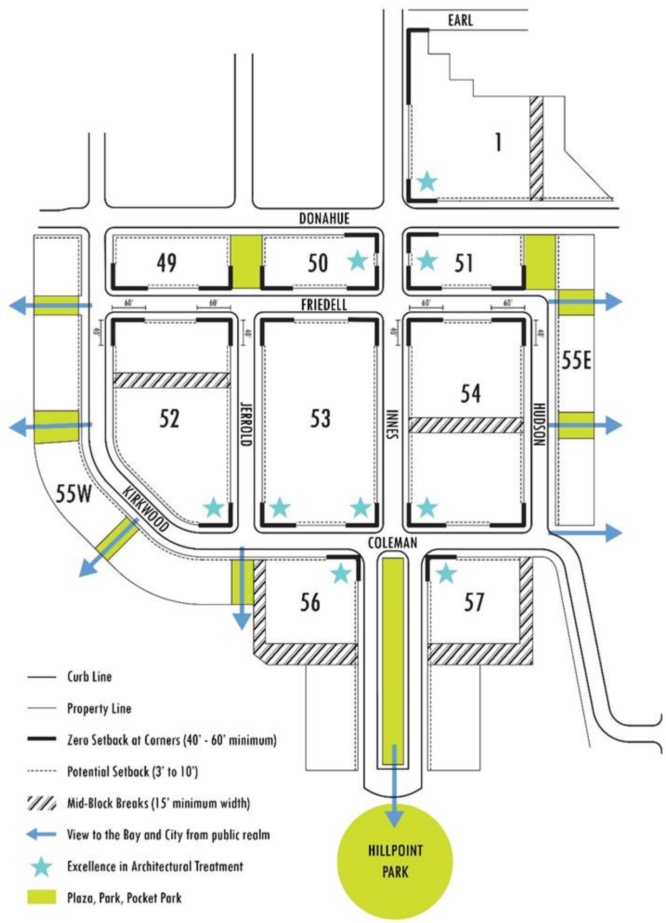
[4] Pursuant to state law, redevelopment agencies throughout the State of California were eliminated on February 1, 2012, California Health and Safety Code §§34161 et seq. (the "Dissolution Law"). Pursuant to Dissolution Law, OCII (as Successor Agency to former Redevelopment Agency) is responsible for implementing the former Agency's enforceable obligations. On December 14, 2012, the California Department of Finance ("DOF") determined "finally and conclusively" that the Phase 1 DDA and Tax Allocation Pledge Agreement, including that the affordable housing programs are enforceable obligations under the Dissolution Law.

areas, the Hilltop and Hillside. Figure 4, below, depicts the Hilltop area where the Project is located. HPS Phase 1 will ultimately include up to 1,600 homes, 27% to 40% of which will be affordable, and 26 acres of open space. The first residential units became available for occupancy in Spring 2015.

2. Affordable Housing in Hunters Point Shipyard Phase 1

The HPS Phase 1 development program includes the construction of infrastructure, 26 acres of parks and open space, and up to 1,600 housing units, of which, a minimum of 27 percent and a maximum of 40 percent will be affordable. Under the Phase 1 DDA, HPS Dev Co is required to deliver “finished lots” (i.e., subdivided land improved with streets, sidewalks, parks, open space and utilities) to be sold to various vertical developers (either Lennar affiliates or third parties) or retained by OCII for the development of affordable housing. OCII has not yet funded any stand-alone affordable housing, but will seek development teams and provide financing for a minimum of 218 units on designated stand-alone affordable housing sites in Phase 1. The development of the OCII-sponsored units will be subsidized through bonded tax increment funds. This RFP for Blocks 52/54 is the first offering for Agency Housing Parcels to be developed in Phase 1.

Figure 4 – Hilltop Area



Note: this figure depicts the realigned mid-block break within Block 52, as discussed further in Section III.B, below.

3. Target Populations

The Project will be developed as one affordable housing project serving very low-income families. Pursuant to the Phase 1 DDA, the Affordable Housing Units are to serve low-income households up to but not exceeding 50% of AMI as defined by MOHCD, and based on the U.S. Department of Housing and Urban Development's ("HUD") AMI for the area containing San Francisco adjusted only for individual and family size. **However, OCII strongly encourages applicants to provide some units below 50% AMI to maximize opportunities for lower-income households.**

Pursuant to the Affordable Housing Program and the Property Owners and Occupancy Preference Program (October 1, 2008)[5], priority shall be given first to Hunters Point Certificates of Preference Holders, then Western Addition Certificate of Preference Holders, then rent burdened residents (persons paying more than fifty percent (50%) of their income for housing) or assisted residents (persons residing in public housing or project-based Section 8 housing), then Ellis Act Displacement Certificate Holders (if such preference does not conflict with other financing sources), then San Francisco residents or San Francisco workers, and then members of the general public. OCII reserves the right to modify preferences should policies change in the future.

4. Development Context: HPS Phase 1 Blocks 52 and 54

The Phase 1 DDA obligates HPS Dev Co to construct the infrastructure necessary to support the total vertical development of 1,600 housing units and 26 acres of open space and parks in HPS Phase 1. HPS Phase 1 is well underway. Horizontal infrastructure construction is complete. Vertical developers have received Major Phase Approvals for all private development blocks on the Hilltop (with the exception of Block 1), for 579 units of housing. To date 298 units of housing have been built on Blocks 49, 50, 51, 53, and 54. Of the 298 Units, 82 are Inclusionary BMR units (23 units at 80 percent of AMI and 59 units at 50 percent AMI). OCII has issued site permits for construction on an additional 207 units of housing, of which 29 are BMR units at 80 percent AMI (Blocks 52, 54, 55, 56, and 57). All of the 80 percent AMI Inclusionary BMR units are ownership units. OCII has three stand-alone affordable housing sites on Hilltop (Blocks 52, 54, and 56), which will provide at least 143 BMR units at up to 50 percent AMI.

A variety of transit options will be available for residents of Blocks 52/54, including the Geneva-Harney Bus Rapid Transit ("BRT") line, which is expected to begin running in 2023. Prior to the BRT completion, the area is currently served by temporary transit improvements including shorter-haul shuttles. This will provide a connection between the Hilltop area and BART, Caltrain, etc. Additionally, pedestrian and bicycle options will be encouraged for the HPS area. These additional transportation options were developed in conjunction with the Planning Department and SFMTA to ensure a level and quality of transit service for the area. This RFP is asking the Applicants to assume a parking ratio of 0.6 spaces to1 unit. This ratio is higher than OCII's practice, but it recognizes that the proposed future BRT and other contemplated transit improvements may not be in place by the time the affordable housing developments are completed. Bicycle parking spaces shall be at a ratio of 1 space for every 2 dwelling units, applicants are strongly encouraged to exceed the bicycle parking requirement.

All utilities for the vertical development are the responsibility of the vertical developer. The selected Applicant will be encouraged to meet early with OCII and the Master Developer for coordination of connections from the private development to the main utility lines.

5. Citizens Advisory Committee

The CAC reviews all Schematic Design submittals for the Hunters Point Shipyard and Candlestick community subsequent to staff review. OCII staff will arrange for the selected Applicant to present their RFP submittal to the CAC prior to Commission action, and for the review of the selected design concept as it moves forward to Schematic Design approval.

6. California Environmental Quality Act

On June 3, 2010, the Former Redevelopment Agency Commission by Resolution No. 58-2010 and the Planning Commission by Motion No. 18096, acting as co-lead agencies, approved and certified the

[5] The Property Owners and Occupancy Preference Program (October 1, 2008) is available through the link entitled "Reference Materials for RFP" below the RFP posted on OCII's "RFPs, RFQs & Bids" webpage at http://sfocii.org/rfps-rfqs-bids

Environmental Impact Report for the HPS/CP Project. On the same date, both co-lead agencies adopted environmental findings, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations, for the HPS/CP Project by Former Redevelopment Agency Commission Resolution No. 59-2010 and by Planning Commission Motion No. 18097. On July 14, 2010, the Board of Supervisors affirmed the certification and findings by Resolution No. 347-10 and found that various actions related to the HPS/CP Project complied with the California Environmental Quality Act ("CEQA"). Subsequent to the certification, the Commission and the Planning Commission approved Addenda 1 through 4 to the Environmental Impact Report for the HPS/CP Project analyzing certain HPS/CP Project modifications (together, the "HPS/CP EIR"). The Project Mitigation Monitoring and Reporting Program ("Project MMRP") is available on OCII's website (http://sfocii.org/index.aspx?page=186) as Phase 1 Environmental Impact Report Addendum I and II. The selected team will work with OCII staff to ensure that the mitigation monitoring measures for the Block 52/54 Project are appropriately documented and implemented.

B. The Blocks

Block 52

The OCII parcel on Block 52 is bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and currently, the private market-rate parcel to the to the southeast. The parcel's frontage is approximately 90' x 222', constituting approximately 20,500 square feet (See Figure 5). The OCII-owned parcel is vacant.

The adjacent market-rate developer intends to submit an entitlement application in Fall 2017, which includes a request to realign the mid-block break within Block 52 (Avocet Way) to the northwest of its current location (i.e., towards the OCII parcel – See Figure 5 below). Under the developer's proposal, the realigned Avocet Way would form the southeast property boundary of OCII's parcel on Block 52, and shift the current property boundary of the OCII-owned parcel approximately 26 feet to the southeast. This would make the parcel's frontage is approximately 113' x 222', constituting approximately 25,700 square feet (See Figure 5A) (about a 5,000 square-foot increase). This realignment will be accomplished through a lot-line adjustment to the current tentative subdivision map covering Block 52, processed jointly by the market-rate developer and OCII.

Figure 5 – Block 52 Pre-Avocet Realignment

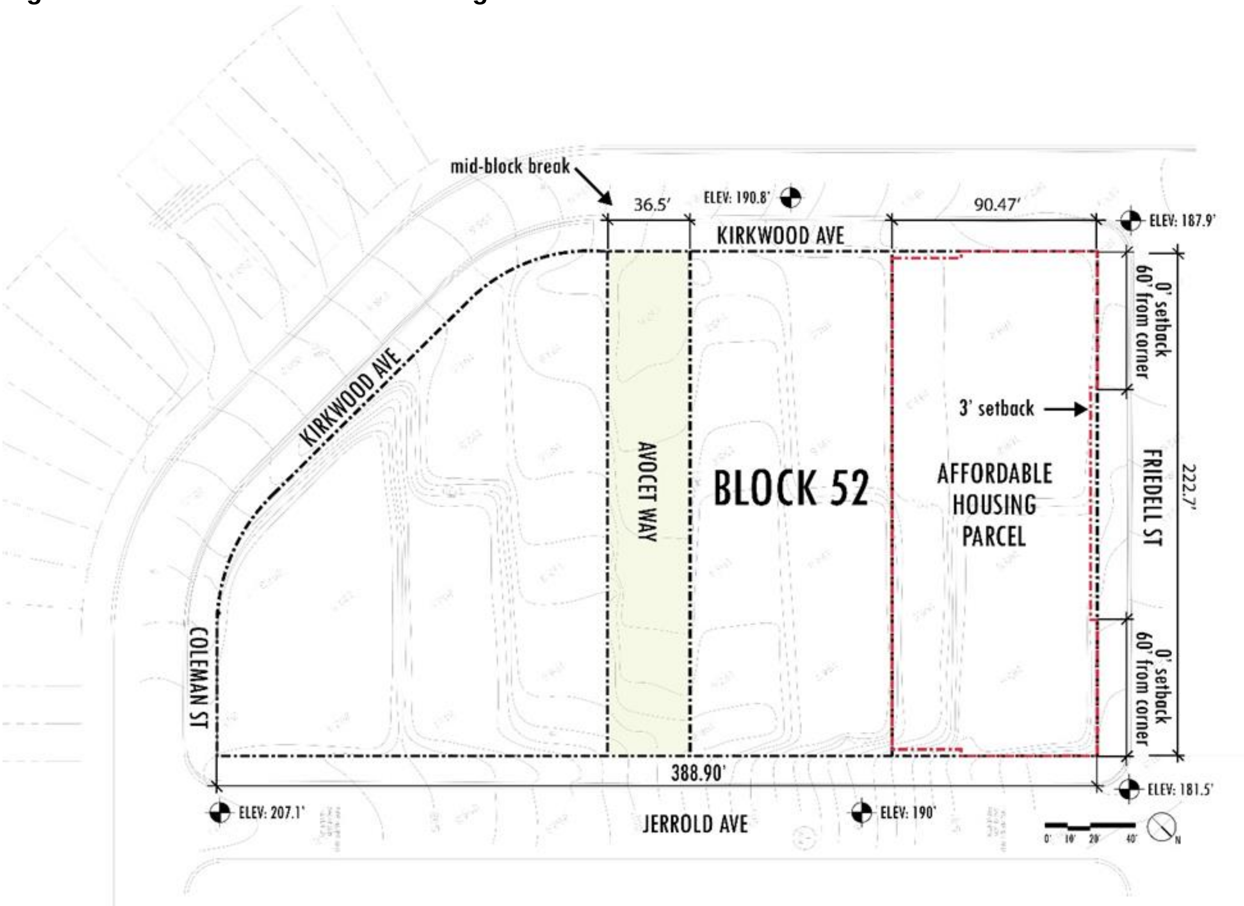
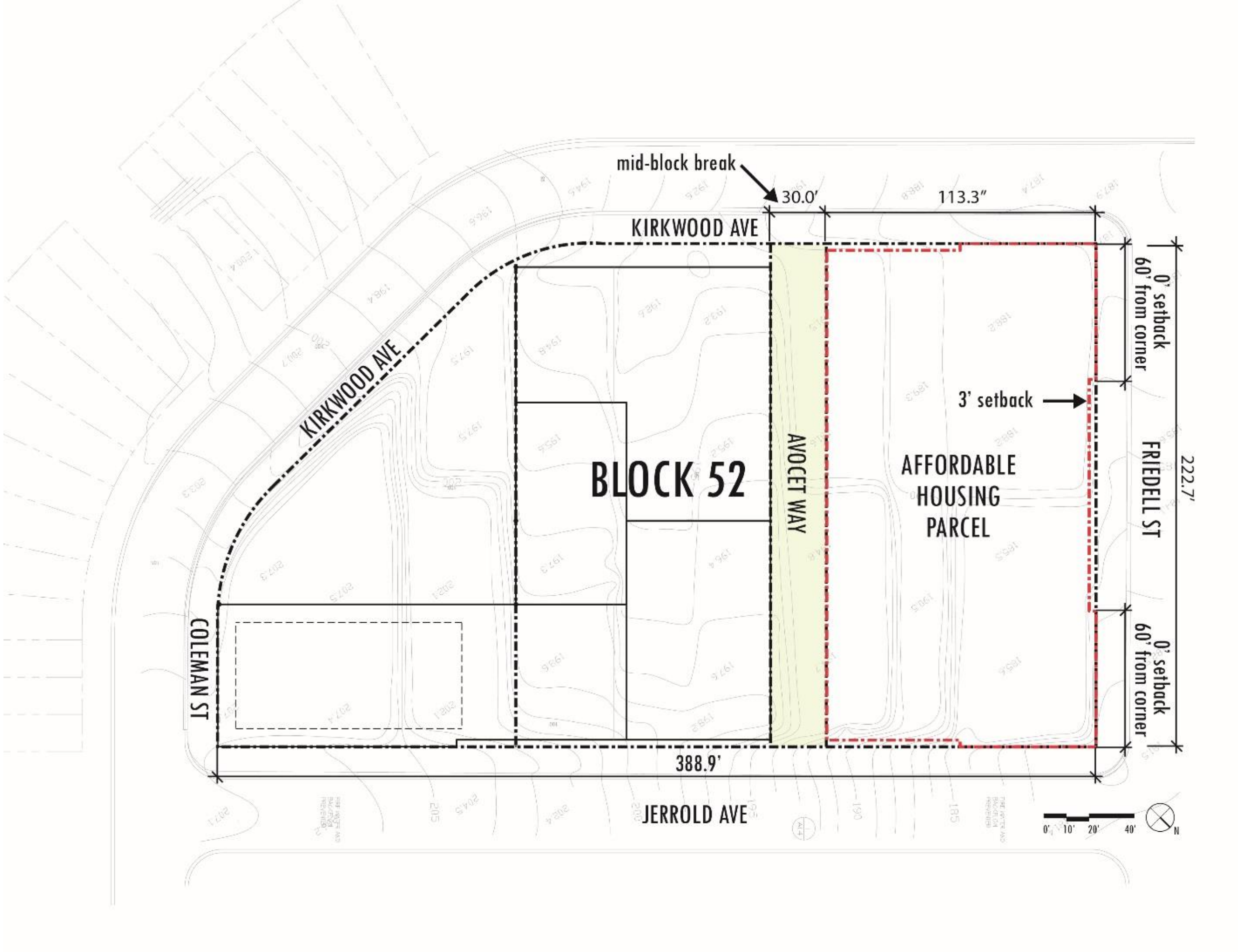


Figure 5A – Block 52 Anticipated Avocet Realignment



Because market-rate developer's request will allow additional density and overall increase in affordable units in the adjacent Project, OCII is requesting that Applicants use the realigned parcel configuration in their proposals.

Block 49 is across Friedell Street from Block 52 and includes 60 BMR rental units at 50% AMI.

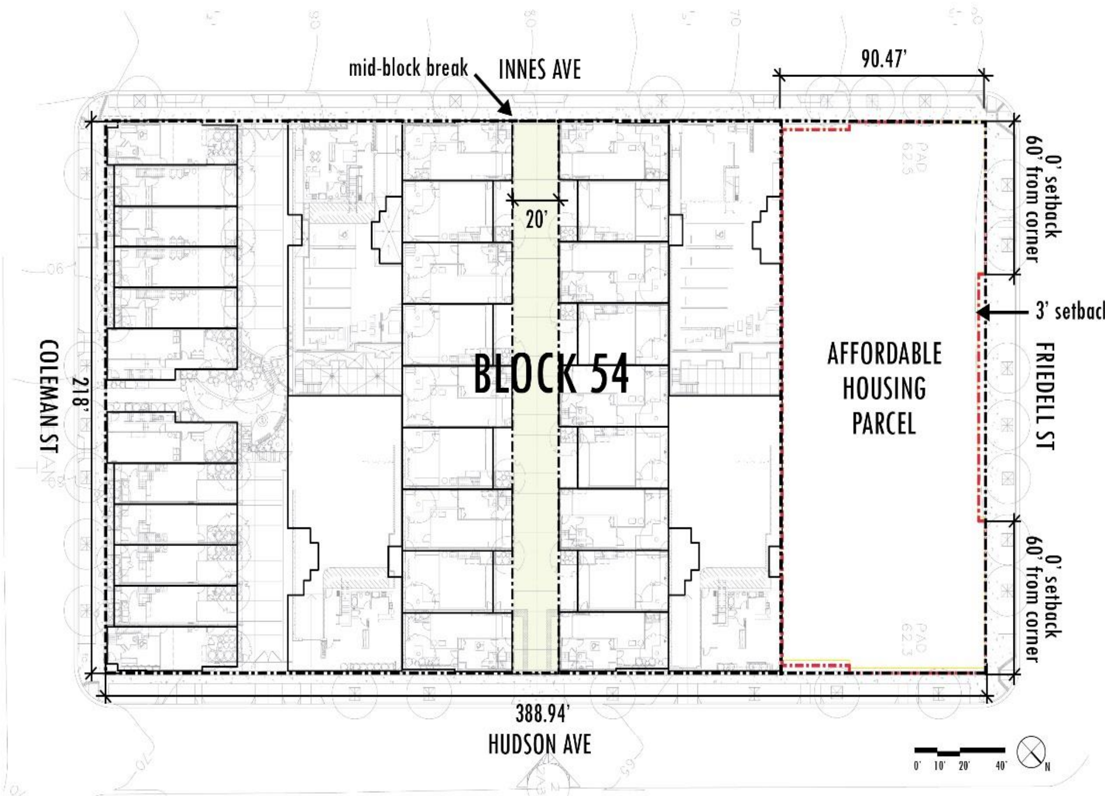
Block 53 across Jerrold Avenue from Block 52 includes 93 market rate and 9 inclusionary for-sale units.

Block 55 West across Kirkwood Avenue from Block 52 will contain 39 market rate and 2 inclusionary for-sale town-homes.

Block 54

The OCII parcel on Block 54 is an approximately 19,660 square foot site bounded by Friedell Street to the northwest, Innes Avenue to the southwest, Hudson Avenue to the northeast, and Avocet Way to the southeast. The parcel's frontage is as follows: 218 feet along Friedell Street and the unnamed mid-block break, and 90.47 feet along Hudson and Innes Avenues. The Block is currently vacant.

Figure 6 – Block 54



Block 51 across Friedell Street contains 63 market rate and inclusionary for-sale units.

Block 53 across Innes Avenue from Block 54 includes 93 market rate and inclusionary for-sale units.

Block 55 East across Hudson Avenue from Block 54 will contain 27 market rate and 1 inclusionary for-sale town-homes.

Transfer of Agency Housing Parcels

OCII owns fee simple interest in the Project.[6] OCII will select the development team and issue all project approvals for the Project. At the start of construction, OCII will enter into a long-term ground lease with the Developer so that OCII will retain fee simple interest in the Blocks.

Once the project is constructed and occupied, and permanent financing conversion has occurred, fee simple interest and the Ground Lease will be transferred to MOHCD as Housing Successor pursuant to Dissolution Law. Assuming the Applicant will require site control in order to access certain funding sources,

[6] Regarding OCII Block 52, OCII ownership will be consolidated in accordance with the lot-line adjustment described in Section III.B, above.

OCII will enter into an Option to Ground Lease with the Applicant in order to meet the site control requirements of the approved funding source.

C. Soil Conditions

The below report is available upon request. Please note the recommendations and conclusions present in the below reports represent general findings and Applicants will be required to order a site specific geotech report during the predevelopment phase.

- ENGEO 2004 – "Geotechnical Exploration, Parcel A – Hunters Point, San Francisco, California," dated October 22, 2004. The subsurface exploration included eleven borings, pushing 6 exploratory probes; and the excavation and logging of 8 exploratory test pits.

D. SF Health Code Article 31 Compliance

Blocks 52/54 are on Navy Parcel A. Parcel A was transferred to the former Redevelopment Agency from the Navy in 2004 and is suitable for unrestricted residential reuse with no durable cover requirement. The Project is subject to San Francisco Health Code Article 31 ("Article 31"), which specifically applies to all construction activities on the Shipyard.

Article 31 requires that prior to receiving permit approval for excavating or grading, Developer must submit planning documents to the San Francisco Health Department ("DPH") to ensure safe work practices and environmental protection during construction. Specific requirements for Parcel A include:

- Submittal of a Serpentinite Cover Plan to address the requirement for one foot of clean fill, vegetative cover that holds soil in place, or hardscape over areas containing serpentinite fill (which is presumed to contained naturally occurring asbestos).
- Implementation of the Parcel A Dust Control Plan which requires daily control and monitoring activities. Some of the activities include watering work areas prior to and during excavation, running particulate and asbestos monitors, submitting the daily particulate and asbestos records to DPH, and noting if any particulate or asbestos was recorded above an action level or if there are any problems with the monitors. DPH reviews these records to verify proper implementation and to determine if there are any dust control problems.

During construction, DPH has enforcement authority under Article 31 and can respond to community complaints and conduct inspections to verify that Developer is complying with approved plans. Prior to receiving Temporary Occupancy Certificates ("TCO") Developer must submit a closure report verifying that plans were properly implemented.

SECTION IV. DEVELOPMENT PROGRAM COMPONENTS

A. Housing Development Concept

OCII's development goal for the Project is to maximize the amount of housing units in the Project, which will serve very low-income families. To increase child care opportunities in the neighborhood, one housing unit at each Block should be designed as Family Child Care ("FCC") Units. Family child care is care that takes place within the home of a state licensed caregiver; more information is provided in Attachment #24.

Units will be affordable to households earning up to a maximum of 50% Area Median Income ("AMI") as defined by MOHCD, and based on the U.S. Department of Housing and Urban Development's ("HUD") AMI for the area containing San Francisco adjusted solely for family size (however OCII strongly encourages applicants to provide tiered income levels below 50% AMI in order to maximize opportunities for lower-income households). The units in both Blocks units should include a mix of one, two and three bedroom units, plus eight (8) four-bedroom and two (2) five-bedroom units between both blocks. The unit mix should be approximately: one-third 1-BRs, one-third 2 -BRs, and one-third 3, 4 and 5- BRs. Unit sizes should be approximately:

- 500 to 550 square feet for one-bedroom/one-bathroom units
- 800 to 900 square feet for two-bedroom/one-bathroom units
- 1,000 to 1,100 square feet for three bedroom/one and a half- or two-bathroom units
- 1,200 to 1,400 square feet for four bedroom/two bathroom units
- 1,475 to 1,650 square feet for five bedroom/two bathroom units

Retail

Retail space is not required or anticipated on Blocks 52/54.

Vehicular and Bicycle Parking

The number of parking spaces should be 0.6 spaces per unit. The Applicant is strongly encouraged to include at least one car sharing space for the Project. The Applicant should consider transportation options specific to the location and available to resident. In addition, the Applicant is also strongly encouraged to identify opportunities to exceed the minimum number of on-site secure bicycle parking spaces, which according to D4D is defined as one Class 1 off-street bicycle space for every 2 dwelling units. The Applicant should determine the optimal construction type for the block to meet the programming, design, and cost containment requirements of this RFP.

Property Management and Services

The ground floor should include space for property management, services coordinator/connector, and community space appropriate to the resident population.

One community room with a kitchen should be provided for the Project (not one per building) and subject to scattered site requirements of TCAC. The community room will be utilized for Project-wide resident meetings as well as for services functions. At least one common laundry facility should be included on each block and should be sufficient to meet resident demand (and should provide no less than one washer and dryer for every 10 households). Private and secure office space should be available for one-on-one sessions with residents and for maintaining resident records. Indoor and outdoor space should be provided for children, as well as a designated space for teens to “hang out” for after-school, evening, and weekend activities.

The selected Developer must possess the qualifications and experience to implement a financially sound development plan to construct, market, and operate the housing, ensure that appropriate resident services are available to residents, and achieve a quality design with amenities that enhance unit livability.

Block 52: Preferred Main and Garage Entrances

The preferred main entrance is on Friedell Street and the preferred garage entrance is on Jerrold Avenue.

Block 54: Preferred Main and Garage Entrances

The preferred main entrance is on Friedell Street and the preferred garage entrance is on Innes Avenue or Hudson Avenue.

B. Land Use Restrictions and Design Controls

The land use and design controls for the Project are set out in the 1) Hunters Point Shipyard Redevelopment Plan (as amended); and 2) the Phase I Hunters Point Shipyard Design for Development (“D4D”). The Vertical Design Review and Document Approval Procedures (DRDAP) for Phase 1 sets forth the procedure for design, plan and specification review of the vertical developments of Phase 1. Additional infrastructure, streetscape and open space plans guide the public realm design of Phase 1 of the Shipyard. The above plan documents are available through the link entitled “Reference Materials for RFP” below the RFP posted on OCII’s “RFPs, RFQs & Bids” webpage at is available through the link entitled “Reference Materials for RFP” below the RFP posted on webpage at http://sfocii.org/rfps-rfqs-bids.

The Hunters Point Shipyard Redevelopment Plan regulates permitted land uses in the Shipyard. The Project is within the Plan’s “Hunters Point Hill Residential” Land Use District. The Plan established principal permitted uses within this District, which include residential, neighborhood retail and services and open space.

The D4D regulates building height, bulk, density and massing. Design controls include, but are not limited to: building height, bulk, residential unit density, open space, parking, off-street loading, bicycle parking, setbacks, signage and utilities. Major design controls specific to the Project are outlined in more detail in the following section.

C. Design and Construction

OCII has a collaborative design review process in which the Applicant should be prepared to work closely with staff and the community to design a project that contributes significantly to the larger Hunters Point community. OCII encourages developers with a non-Small Business Enterprise ("SBE") architect to consider an associate architect opportunity for an OCII-certified SBE, to be selected at a subsequent stage pursuant to OCII's SBE Policy.

Neighborhood Context

The Project is within the Hilltop neighborhood, and occupies a prominent site at the southern end of the HPS Redevelopment Plan's Hill Residential Land Use District, which characterizes this part of Bayview Hunters Point. Street layout, parcelization, and design guidelines for the Hilltop neighborhood are formulated to preserve and enhance the physical features of the site, assuring variety and interest at a pedestrian scale and resulting in a neighborhood of overall design coherence and distinctive image.

The northeast and southwest edges of the Hilltop neighborhood reveal front doors, porches and building entrances facing the street, varied facades and materials, and glimpses into mid-block open spaces, which combine to establish a pleasant pedestrian environment. An equally interesting and diverse pedestrian environment for the core blocks of the Hilltop, which accommodate higher densities, is achieved through architectural features that provide visual interest and distinction to buildings such as landscaped areas, mid-block breaks, visual and physical links to the interior of the blocks and openings for entrances and windows.

The newly constructed public children's play area and the Hillpoint Park provide community gathering spaces and views of the surrounding districts and San Francisco Bay. Viewed from below, from Candlestick Point or the surrounding hillsides, the distinctive design of the housing at the Innes Gateway and at the end of Innes Avenue and the Hillpoint Park will establish the Hilltop neighborhood image.

Design Objectives

OCII requires excellence in architectural design and maintains the highest design and construction standards. Architectural design must align with the larger goals and objectives of the master plan documents, while individual building designs should respond to the emerging Hilltop neighborhood and Shipyard District context. Major design goals and objectives include:

- Create a visually attractive and distinctive design
- Consider the context and relationship of building massing with the public realm
- Incorporate sustainable and innovative design typologies; apply site and structural design which is energy- and resource-efficient
- Maximize solar access to public and private open spaces
- Provide continuity with the history and culture of the Shipyard
- Maximize the opportunity for views within the development and promoting the preservation and enhancement of views from the adjacent sites and neighborhoods
- Integrate new development with the adjacent existing areas

- Promote harmonious transitions between building masses, open spaces, materials, colors, and textures
- Integrate open spaces and building massing with the topography of the site
- Design all building facades, including roofs, to be as attractive as possible from the public realm, near and far

Hilltop Conceptual Massing and Design Standards

As discussed previously, OCII's development goal for the Project is to maximize the development potential of the two Project sites for affordable housing.

In preparing proposals, Applicants will be responsible for ensuring that their proposals comply with applicable design development requirements. However, to achieve OCII's development goals for the Project, Applicants are encouraged to consider the density bonus provisions of the D4D (Section IV, pg. 15) when designing their project submittals. The D4D density bonus allows up to an additional 25% density increase by permitting adjustments to requisite D4D Development Controls (e.g., height, bulk, mid-block break location/construction) that allow for the larger project/density.

Density bonuses are awarded at the discretion of the OCII Commission together with approval of an Applicant's schematic designs for the Project. Primary factors considered include amount of additional affordable units created through use of the density bonus, excellence in architecture and design of the project seeking a bonus, and also the economies of scale produced by use of bonus to increase overall affordable housing density of a proposal. Density calculations for Block 52 should be based on then enlarged site resulting from realignment of Avocet Way, as discussed in Section III.B., above.

<u>Design Standards</u>
Applicants should consider the height and bulk standards identified on the Height and Bulk Limitation Map (D4D Figure 4, page 17), however exceptions to these limits can be made through a low-income housing density bonus. Precluding any density bonus, maximum heights for Blocks 52 and 54 indicated in the D4D range from 45' to 55'. The intent of the lower 45' height zone at the southwest corner of Block 52 is that building heights step down from the top of the Hilltop neighborhood to reflect the topography, respect the lower-density developments to the south and west and preserve views from both the public and private realm.

The maximum block coverage (the percentage of land and/or parking podium that may be covered by residential buildings) for Blocks 52 and 54 is 75%. This calculation is made over the entirety of the block. Within 55' height zones, buildings consisting entirely of low-income housing and associated functions (parking, office, community amenity spaces, etc.) may have a maximum diagonal dimension of 150', notwithstanding the requirements of Planning Code 270, Bulk District A.

Residential units are required a minimum amount of solar access through exposure. In all dwelling units, the windows of at least one room that meets the 120-squarefoot minimum superficial floor area (see Housing Code Section 503) shall face directly on an open area of one of the following types: a public street at least 60 feet in width, residential mews at least 28 feet in width, or to be separated by 15 feet from property lines or other buildings; minor deviations from this standard may be considered by Agency staff taking into account special conditions such as proximity of the lot to adjacent public open space or for corner lots.

Residential units are required a minimum amount of solar access through exposure. In all dwelling units, the windows of at least one room that meets the 120-square foot minimum superficial floor area (see Housing Code Section 503) shall face directly on an open area of one of the following types: a public street at least 60 feet in width, residential mews at least 28 feet in width, or to be separated by 15 feet from property lines or other buildings; minor deviations from this standard may be considered by OCII staff taking into account special conditions such as proximity of the lot to adjacent public open space or for corner lots.

Residential units should be designed to meet the needs of the target populations. Design of the services and community spaces are integral to the success of the Project and should be inviting and offer a variety of well-placed public and private spaces to ensure residents' comfort seeking assistance and also allow opportunities for community building activities.

Sustainable Design Guidelines

Improvements shall meet San Francisco Building Code and Administrative Bulletin AB-093 and shall be constructed to a Green Point Rated standard of 125. In addition, OCII seeks to maximize the overall sustainability of the Project to the extent possible through the integrated use of "green" building elements. Applicants are encouraged to incorporate and visibly feature sustainable elements beyond the baseline requirements, including natural ventilation, daylighting, energy-efficient heating and cooling, water conservation, and use of resource-efficient and healthy building materials.

Sustainable Features include but are not limited to *(applicable to buildings and associated landscaping):*

- Stormwater treatment: treat run-off before draining to the stormwater system, use low impact as described in the SF Stormwater Design Guidelines; for volume based treatment methods follow the LEED Sustainable sites Credit 6.2.
- Green Building Ordinance: applies to all new buildings.
- Reclaimed Water: install reclaimed water infrastructure (purple pipes) as part of development.
- Climate Appropriate Vegetation: use of climate appropriate vegetation not requiring irrigation.
- Landfill Diversion: construction of new buildings and demolition of existing buildings require at least 75% (ideally 90%) of generated debris and waste to be diverted from landfill.
- Recycling: all buildings to have recycling facilities.
- Concrete: to be used in construction shall include at least 25% fly ash or slag.
- Solar ready: required for all new buildings (features that minimize the cost efforts of adding solar capacity at a later date such as solar panels standoffs, conduit or roof water spigots)

Priority Permit Processing

Pursuant to San Francisco Department of Building Inspection ("DBI") policy, this project qualifies as a designated priority permit because all of the units are affordable. The Applicant should become familiar with the priority permit procedures to ensure that DBI permits are reviewed expeditiously.

D. Affordability Restrictions and Financing Plan

All proposed financing will be subject to underwriting using the most current version of OCII/MOHCD underwriting guidelines and MOHCD policies such as its Developer Fee policy, as posted on the MOHCD website (http://www.sf-moh.org/). All Applicants should use these guidelines and policies in preparing their financing plans.

OCII's goal is that Blocks 52/54 remain permanently affordable. To ensure this outcome, OCII will transfer site control to the selected Developer through a long-term ground lease (with an initial term of up to 75 years). At the time the project is completed OCII will transfer its interest to MOHCD. Furthermore, the development program for the Block is in furtherance of the goals of MOHCD's Consolidated Plan (2015-2020).

Developers should submit, as further described in Section VI.A.3, a financial plan that demonstrates project feasibility. Limited OCII resources may be available to assist in the development of the Project; however, the Applicant will be expected to aggressively pursue non-OCII sources of development financing. Submittals will be evaluated, in part, based on the level of OCII subsidy required and the extent to which these funds are leveraged to obtain non-OCII sources. Applicants must account for all costs of development, including supplementary environmental remediation, if any; utility connections and site work; demolition, grading and shoring; and all permitting and applicable City or other fees. Each Applicant's Financing Plan will be ranked according to the degree to which it is feasible and consistent with the requirements, limitations and opportunities associated with the proposed sources; proposes development costs that are comparable to other similar projects; minimizes OCII's permanent financing; proposes innovative sources or financing instruments; and uses practical materials or methodologies designed to reduce development, construction and/or operating costs, either directly or indirectly, without reducing the overall quality of the completed Development. To provide this information, Applicants should submit a detailed Sources & Uses budget that includes the following:

- Primary capital funding sources should consist of currently available sources including but not limited to: 4% low income housing tax credits with tax-exempt bonds, Federal Home Loan Bank Affordable Housing Program funds, Department of Housing and Community Development Affordable Housing and Sustainable Communities program funds, OCII subsidy, and any other funding developers deem applicable. Proposals proposing to use 9% low income housing tax credits will not be considered. OCII will require review and approval of a lender/investor Request for Proposals prior to the RFP's issuance, and as well review and approval of lender/investor selection.

- Rents set at the following affordability levels:

100% of the units with rents set not to exceed 50% of the unadjusted AMI for HUD Metro Fair Market Area ("HMFA") that contains San Francisco as established by MOHCD. The 50% MOHCD AMI for 2017 is $57,650 for a family of four. Depending on funding sources the Applicant proposes, rents may be tiered and be less than 50% AMI. OCII strongly encourages applicants to provide tiered income levels below 50% AMI in order to maximize opportunities for lower-income households.

- An operating budget that includes all expenses necessary to properly operate and maintain the building, including a services coordinator/connector for every 100 households.

- Construction type to be determined by the Applicant, and assuming a construction commencement date of July 2019 and a construction completion date of December 2020 for both Blocks. The Applicant should include and describe cost escalation factor for the July 2019 start date.

- A 75-year initial term ground lease agreement (with an option to extend to a total of 99 years) with OCII for the block. Applicants may assume an Annual Rent to be set at 10% of the appraised value of the Block. Annual Rent shall be re-determined every fifteen years thereafter, as determined by an MAI appraiser selected by and at the sole cost of Tenant. Additionally, the Annual Rent will be comprised of a $15,000 annual Base Rent payment to be paid as an operating expense, with the remaining amount of the Annual Rent to be paid from surplus cash, if any, as the Residual Rent.

E. <u>Occupancy Preferences and Resident Selection</u>

First preference to Agency Certificate of Preference Holders assuming such preference does not conflict with other financing sources necessary to complete this development. OCII staff will work with the selected Applicant teams to resolve potential occupancy conflicts and determine additional occupancy preferences and marketing requirements, if any. Preferences for the low-income family housing will be leased according to the bullets below. OCII reserves the right to add additional occupancy preferences, which reflect preferences applied by MOHCD in its affordable housing developments, at a later date.

- Certificate Holders (Property Owner and Occupant Preference Program, as amended and restated, codified and clarified recent amendments that the former Redevelopment Agency Commission authorized in Agency Resolution No. 57-2008 (June 3, 2008)
- Rent Burdened Residents (persons paying more than fifty percent (50%) of their income for housing); or Assisted Residents (persons residing in public housing or project-based Section 8 housing)
- Ellis Act Displacement Certificate Holders (if such preference does not conflict with other financing sources) (Inclusion of this preference in OCII projects was adopted by the OCII Commission at its meeting of August 5, 2014 (Resolution No. 64-2014)
- San Francisco Residents or Workers
- Members of the General Public

These preference referrals must meet the Developer's established screening requirements for the project, and final selection will lie with the Developer. Any authorized preference shall be permitted only to the extent that such preference: (a) does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age, sexual orientation, or other protected characteristic of any member of an applicant household; and (b) is not based on how long an applicant has resided or worked in the area. OCII will work with the selected developer teams to resolve potential occupancy conflicts and determine additional occupancy preferences and marketing requirements and to ensure adherence to OCII occupancy preferences and marketing requirements. If more applicants apply than the number of units available, the Developer shall conduct a public lottery.

Advertising and Marketing

OCII requires Developers to broadly advertise availability of new affordable units, as well as provide notice through public meetings and mailings, including outreaching to the Hunters Point Shipyard Citizens Advisory Committee. OCII, in conjunction with MOHCD, assists Developers in notifying holders of a Certificate of Preference (Certificate Holders) and others on OCII's mailing list of those interested and qualified in rental opportunities. The table below represents the initial marketing materials the Developer will be required to provide to OCII and MOHCD staff. This requirement helps to ensure the maximum number of potentially qualified applicants who may face barriers to the units.

OCII provides developer with: • Early Outreach Plan and Marketing Plan (which includes Tenant Selection Criteria) ("Plans") template • Fair Chance Ordinance link on HRC website • Operational Rules for Lotteries & Lease Up (an exhibit of the Loan Agreement) • List of MOHCD's rental readiness service providers who can assist potential applicants or Homeownership SF if for-sale project	Developer will have template prior to or by construction commencement. Developer must submit *draft* Early Outreach and Marketing Plans 30 days after construction commencement.
Upon receipt of draft Outreach Plan, OCII notifies MOHCD Team that outreach plan is forthcoming.	At least 1 month after construction commencement
OCII reviews Outreach Plan for accurate project information, partnering with a community outreach organization, and consistency with template.	OCII will provide approval no later than 10 business days after final draft is received.
MOHCD reviews and approves Outreach Plan	Approval is provided within 5 business days.
Early Outreach begins: • MOHCD monitors developer's progress on Early Outreach timeline and activities • Developer submits monthly reports on Early Outreach activities to MOHCD	
Developer provides MOHCD with Early Outreach marketing materials and MOHCD does 1st of 5 COP mailings	3 months after construction commencement

The selected Developer will be expected to implement a robust marketing plan that successfully outreaches to low income households. In addition, the Developer shall make available support service staff to Certificate of Preference holders, as they may require, for the purpose of assisting them throughout the application process and maximizing COP holder participation. Therefore, to ensure that the marketing of the Project is successful, the Applicant must include in their proposal a marketing plan that indicates the overall marketing strategy and how the Applicant intends to resource the marketing phase of the Project, such as either through direct staffing or through the use of a dedicated marketing or outreach consultant. There is no requirement to use an outside consultant, but if the Applicant proposes to use one, then such a consultant will be selected later in accordance with the OCII's BVHP-ECP and Small Business Enterprise Programs.

In addition, the Applicant must provide early rental readiness outreach services starting one month after construction commencement. The Applicant must select a third party provider of such services, subject to review and approval by OCII and MOHCD staff. A preferred provider list that was created through a MOHCD procurement process is available.

F. Resident Services

While the Project will not include intensive supportive services it should provide appropriate services coordination/connection for low and very low income families. Onsite services coordination and associated services space should be incorporated into the development. Services should be designed to serve the prospective resident households. The services provider may be provided by the Developer or Property Manager or by a separate provider. The submittal should address all elements of this Section IV. F

1. Minimum Requirements
    a. An understanding of the housing and service needs of the eligible population.
    b. A clear program design that incorporates: tenant-based services; access to and coordination of mainstream community services; subcontracted and/or partner services.
    c. Experience providing required services in a housing setting.
    d. A commitment by the service provider to coordinate with the property management through regularly scheduled tenant meetings to ensure sound operational and building management practices.
2. Organizational Capacity
    a. A track record or other demonstration of effective collaboration that illustrates the ability of the organization to effectively coordinate and deliver services and other resources needed by families being served within a housing program.
    b. Commitment(s) from housing and/or service providers; additional funders (public or private), describing in-kind, leveraged, or matching funds for proposed services that will complement the applicant's contribution, and a plan for securing additional resources over time, if necessary.

G. Property Management/Maintenance Oversight

Applicants must provide information regarding proposed property management team's experience – including previous work with formerly chronically homeless families and with family rental housing as further described in Section IV.D., above, as well as a commitment by a property management firm to provide sound operational and building management, who is willing to meet with residents, the Developer, and service provider at regularly scheduled tenant meetings.

H. Bayview Hunters Point Employment and Contracting Policy

OCII has a Bayview Hunters Point Employment and Contracting Policy ("BVHP-ECP") as amended which is designed to ensure that OCII projects provide employment opportunities for lower-income BVHP Residents and San Francisco Residents in areas of construction, professional services, and permanent jobs. In addition, OCII implements other equal opportunity programs, including the Small Business Enterprise ("SBE") Policy to ensure equity in small business contracting with an objective of meeting an overall SBE participation goal of 50% established by the OCII Commission. The BVHP-ECP and equal opportunity programs consist of the various policies and programs that are described in Attachments 11 through 17 of this RFP.

OCII strongly encourages the Applicant (and those consultants and contractors, including the general contractor, that the Applicant will bring on to the Project after this RFP) to create joint ventures or similar partnership relationships with San Francisco-based SBEs looking to build capacity and gain experience. OCII requires that the successful Applicant cooperate with OCII to identify substantive design elements of the Project, to the extent practicable and economically feasible, to be offered an ABE Associate Architect and competitively solicit and SBE Associate Architect pursuant to OCII's SBE Policy <u>even if the Applicant's prime architect is an SBE</u>.

In addition, OCII requires that the successful Applicant cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar opportunity , to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, the successful Applicant shall cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.

As part of the RFP response, a development team shall submit a Workforce and Contracting Action Plan ("WCAP") that addresses how the team will implement: (1) OCII's BVHP-ECP with respect to trainee, construction workforce, and permanent workforce hiring; and (2) equal opportunity programs, which include the following policies and programs: Small Business Enterprise Policy, Nondiscrimination in Contracts and Benefits, Minimum Compensation Policy, Health Care Accountability Policy, and Prevailing Wage Policy.

I. Community Outreach

It is critical to the success of the development program that the selected Developer conducts extensive community outreach and establishes positive links with surrounding neighbors and the larger community throughout the development process. The Mayor's Hunters Point Shipyard Citizen Advisory Committee ("CAC") is an advisory body comprised of residents, business owners, and community organizations in the Project Area, which advises OCII on all matters which affect the Project Area. The CAC will be asked to make a recommendation regarding schematic design concerning the blocks. The CAC will name a representative to OCII's evaluation panel for this RFP. The selected Applicant is expected to maintain an ongoing relationship with the CAC during development and once the Block 52/54 Project is operational.

SECTION V. SELECTION PROCESS AND CRITERIA

A. Selection Process

1. Submittals will be accepted at OCII's offices only until the date and time shown in Section II.A. and E.

2. Submittals must be complete with an original plus six (6) hard copies, and one CD with an electronic version of the submittal, to be considered. No submissions received by facsimile or electronic mail will be considered. The Applicant is solely responsible for ensuring that all information requested in Section VI, Submission Requirements, is submitted.

3. OCII staff will contact references.

4. Applicants who have provided Submittals that meet the requirements of this RFP will be interviewed. Interviews are scheduled to be held on the date(s) shown in Section II. A. These dates are subject to change. All Applicants should advise OCII staff of availability on these days. Interviews will be held at the Office of Community Investment and Infrastructure located at One South Van Ness Avenue in San Francisco on the Fifth Floor.

5. Further information or written material regarding qualifications or submittals may be requested prior to or following interviews.

6. OCII staff will make a recommendation to the OCII Commission based on evaluation of the Submittals, interviews, and reference checks.

7. The OCII Commission will approve selection of the successful Applicant.

8. The Agency will not consider a Developer team's public statements on matters of public concern that are protected under the First Amendment to the United States Constitution and unrelated to the contract in the evaluation and selection of the applicant for the contract.

Continued on next page

B. Selection Criteria

The selection of the Applicant will be based on the strength of the proposed development concept as well as the Applicant team members' experience as described below:

POINTS		CRITERIA
50		**Proposed Development Concept**
	20	Proposed Massing Concept: strength and constructability of proposed massing concept, number of units, conformance with the Redevelopment Plan, Major Phase, and the Design for Development
	20	Financial Feasibility & Level of OCII Subsidy
	5	Proposed Services Plan
	5	Proposed Marketing Plan
50		**Developer Team Experience and Capacity**
	10	Developer experience marketing affordable housing comparable to the housing proposed in this RFP ***and in accordance and in good standing with current OCII/MOHCD standards related to marketing and tenant selection***
	10	Developer experience with government assisted affordable housing programs and financing sources and/or "green" housing; Developer Workload Capacity***. Developer experience delivering affordable housing on budget (defined as maintaining or reducing a project's per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).***
	5	Workforce and Contracting Action Plan
	10	Architect experience & capacity, including "green" housing ***Architect experience delivering affordable housing on budget (defined as maintaining or reducing a project's per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).***
	5	Services provider experience & capacity
	10	Property Manager experience & capacity, including retail operation
100	100	**Total Points**

For the Applicants as a whole, ranking will also be based on staff experience and capacity in light of current and projected future workloads; success of its Submittal presentation at community meetings and in OCII staff interviews; and ability to comply with OCII policies and requirements.

SECTION VI. SUBMISSION REQUIREMENTS

The Applicant must submit **one original, plus six (6) copies and a CD with the complete electronic copy** of the submittal containing the information requested in this RFP.

Applicants are to provide the requested information in the order indicated below, to include a table of contents, with sections separated by labeled tabs corresponding to sections A-G below and their sub-sections.

An applicant (“Applicant”) is defined as a team comprised of only the following: a qualified housing developer (“Developer”), property manager, an architect, and a supportive service provider with experience in serving a comparable population. The Phase 1 DDA defines Agency Housing Parcels. Qualified housing developers are a nonprofit or for-profit organization with the ability to secure low-income housing tax credits and affordable housing financing and to develop Agency Housing Parcels consistent with the character and quality of the Residential Projects in the Project Block and with the D4D requirements. Additionally, Applicants are strongly encouraged to involve community partners (organizations from the Southeast area of the City) to assist in the development, co-development, or to provide services.

The submittal should be submitted to OCII, on or before the time, date and at the place shown above in Section II. E. **Hand delivery is advised**. Late, incomplete, emailed or faxed submittals will **not** be considered.

A. Development Concept and Financing Proposal

Using standard estimating techniques, and clearly describing all important assumptions, provide the following documents:

1. Narrative:
Submit a narrative of no more than three (3) pages describing the proposed project.

2. Sources & Uses Pro-Forma:
Submit a predevelopment and permanent sources and uses pro forma. The pro forma should be in approximately the same format as the MOHCD/OCII Uses by Sources (See **Attachment #21** for reference purposes. Applicants may add or delete line items to the pro forma as necessary to provide the most complete and accurate financial information possible). ***The selected Developer will be expected to deliver the Project at or below the per-unit costs established in the Applicant’s response to this RFP.***

3. Financing Plan:
Submit a financing plan that is consistent with the Development Program Components as described in Section IV.

4. Cash Flow:
Submit a 20-year cash flow projection (See Attachment #21).

5. Services Plan:
Submit a services plan of no more than two (2) pages that is consistent with the resident services as described in Section IV (D) and that includes the following information:

- Applicant’s overall philosophy and plan for providing services to Block 52/54 tenants. If the services provider has adopted an innovative approach to support service provision, please describe that approach.
- Methods which have been most useful in engaging clients. Please also describe ways to tailor those methods, or develop new approaches, to best serve Block 52/54 tenants.

6. Marketing Plan:
Submit a marketing plan of no more than three (3) pages that includes the following information:

- Applicant’s overall philosophy and strategy for marketing to low and very low-income families, particularly those receiving required preference (Certificate Holders and San Francisco residents). Describe both outreach elements (advertisements, community meetings, etc.) as well as the proposed staffing model to support potential tenants through the application and leasing process, i.e. through internal staffing or through the use of a dedicated consultant.

- Specific outreach methods which have been most useful in engaging potential applicants, as well as methods, to assist applicants successfully complete the leasing process. Please also describe ways to tailor those methods, or develop new approaches, to best serve Block 52/54 tenants.
- Description of early rental readiness services delivery to prospective tenants, especially Certificate Holders.
- A marketing budget that is consistent with the Applicant's marketing plan.

7. Massing Concept

a. *Narrative*: Provide a narrative description of the design concept including the Applicant's approach and the description of construction type, building materials, and green building strategies and elements.

b. *Drawings*: Provide the following drawings in black and white (color may be used only to differentiate program areas from one another and shall not be used to depict material finishes):

i. Block Plan: at 1/32" = 1'-0" showing building massing and the relationship of buildings, open space, private pedestrian walkway, streets and parking areas. Indicate locations of community space, lobby entrance, main residential entrance, retail entrances, housing layout, elevator, auto ingress/egress, etc.

ii. Sections: Two site sections at 1/32" = 1'-0", one longitudinal and one transverse, that best describe the massing concept.

iii. Floor Plans: Plans of all floors at 1/32" = 1'-0", showing proposed uses. Floor plans should indicate the number of bedrooms per unit, but not show unit layouts or detail layouts of any of the uses except for parking.

iv. Building Elevations: All Elevations at 1 /32" = 1'-0'.

v. Green Point Rating Checklist

NOTE: The intent of the drawings is not to develop an architectural design for the Block, but to illustrate unit mix and the massing implications of the proposed development program. Applicants are required to submit only their proposed architecture massing concept in their proposal according to the criteria below.

No other drawings, renderings, elevations, or models of any kind are required or will be accepted at the time of submittal. Submittals in excess of the required materials shall be returned and will not be eligible for any payments pursuant to Section IX.G.2. Furthermore, Applicants are prohibited from presenting any additional drawings, renderings, elevations or models in excess of the accepted submission at community meetings, interviews, or Commission meetings.

B. Applicant Description

1. Applicant Description Form:
Complete **Attachment #1**, Applicant Description Form.

2. Résumés:
Submit résumés for all persons identified on the Applicant Description Form.

3. <u>Organizational Documents:</u>

Submit a current copy of the following documents. NOTE: If Applicant is a joint venture or partnership of multiple Developer entities, EACH Developer entity must submit the following**:**

a. *<u>Certificate of Status (good standing) from California Secretary of State</u>*. (Please note that the Certificate must bear the official State of California seal and that web screen prints from the Secretary of State of California website are not acceptable).

b. *<u>Certification of 501(c)(3) status from the Internal Revenue Service</u>* (if applicable, for any nonprofit corporations).

c. *<u>Certification of 501(c)(3) status from the California Franchise Tax Board</u>* (if applicable, for any nonprofit corporations).

d. *<u>The latest two (2) years of either</u>*:

i. signed federal income tax returns (including schedules or attachments, if any); or

ii. audited financial statements (with management letters, if any).

C. <u>Developer Experience & Capacity</u>

1. <u>Developer's Experience in Comparable Projects</u>

a. *<u>Project Details:</u>* Complete **<u>Attachment #3</u>**, the Comparable Projects Experience Form. Developers should use this chart to convey their experience in up to a maximum of three (3) projects completed within the past five (5) years by the Developer(s), preferably in San Francisco, that are *<u>comparable</u>* to the proposed project. For purposes of this RFP, a comparable project would be newly constructed affordable housing. Photos of projects may be included, but are not required.

b. *<u>Community Outreach Narrative:</u>* Provide a narrative of no more than three (3) pages describing how the Developer successfully conducted community outreach prior to construction commencement for the projects listed on **<u>Attachment #3,</u>** the Comparable Projects Experience Form.

2. <u>Developer's Experience in Other San Francisco Projects</u>

Complete **<u>Attachment #4,</u>** the San Francisco Projects Experience Form. Developers should use this chart to convey their experience in any other projects developed *<u>within San Francisco only</u>*. Photos of projects may be included, but are not required.

3. <u>Developer's Workload Capacity</u>

Complete **<u>Attachment #2</u>**, the Staffing Workload Form. All "Key Personnel" of the Developer must complete this form.

4. <u>Developer's Workforce and Contracting Action Plan</u>

Submit a Workforce and Contracting Action Plan ("WCAP") of no more than 3 pages describing the specific steps that the development team will take to meet or exceed the contracting and workforce obligations in Attachments 11 through 17 of this RFP and includes information regarding the following:

- Demonstration of the development team's knowledge and familiarity with OCII/City workforce and contracting policies and programs.
- The person(s) that will assume primary responsibility for working with OCII in implementing the WCAP, the steps that the development team will take to meet the goals for participation by economically-disadvantaged and local businesses and workers (both construction jobs and the permanent jobs covered by the First Source Hiring Program).

- Any specific implementation actions that the development team proposes to achieve the best results for meeting or exceeding the goals.

D. **Architect's Experience & Capacity**

1. Architects Experience in Comparable Projects:

a. *Project Descriptions*: Describe at least one, but no more than three (3), completed comparable developments in San Francisco, including dates completed and client contact information for each. (If the Architect was not the sole architect, please describe the Architect's role in the project).

b. *Photos*: Submit three (3) photos of the interiors and exteriors of the comparable projects listed above, to display architectural design features, relationships of buildings and relationships with adjacent uses (other developments, streets, etc.).

2. Architect's "Green" Experience:
Describe green building design experience and evidence of current Green Point Rated professionals, if any.

3. Architect's Project Experience Outside San Francisco:

a. *Project Descriptions*: Describe at least one, but no more than three (3), completed comparable developments outside San Francisco, including dates completed and client contact information for each. (If the Architect was not the sole architect, please describe the Architect's role in the project).

b. *Photos*: Submit three (3) photos of the interiors and exteriors of the comparable projects listed above, to display architectural design features, relationships of buildings and relationships with adjacent uses (other developments, streets, etc.).

4. Architect's Experience with Local Regulatory Agencies:
Describe experience working with the San Francisco Mayor's Office on Disability ("MOD") and the Department of Building Inspection, if any.

5. Architect's Workload Capacity:
Complete **Attachment #2,** the Staffing Workload Form.

E. **Property Management Experience:**

Complete **Attachment #5** the Property Management Experience Form.

F. **Supportive Services Experience**

1. Narrative:
Provide a written narrative (no more than two (2) pages) describing the Supportive Services Provider's approach to providing services to residents of affordable housing.

2. Service Providers Experience in Comparable Projects:
Complete **Attachment #6**, Social Service Provider's Experience Form.

G. **Other Required Information**

1. Disclosure Questions
Each Developer Entity, as defined in Section A of **Attachment #1,** Applicant Description Form, shall complete and submit **Attachment #7**, the Disclosure Questions. These questions are

designed to identify any potential conflicts of interest and/or liability issues. A summary of Government Code Section 87103 containing the relevant portion of the Fair Political Practices Act is included as a footnote on the Disclosure Form for reference. **✳Failure to include a complete, signed certification will disqualify the submittal.**

2. **Statement of Compliance with OCII Policies**

The Developer must agree to comply with all of OCII's policies, including but not limited to, SBE Policy, Construction Workforce requirements, and insurance indemnification requirements found in this RFQ and shall execute a statement of compliance certifying the same, included as **Attachment #8**. **✳Failure to include a complete, signed certification will disqualify the submittal.**

3. **Offer to Negotiate Exclusively**

   a. *Form*: The Applicant shall complete and submit **Attachment #9**, Offer to Negotiate Exclusively. The person signing this form must have the authority to bind the entire Applicant Team. **✳Failure to include a complete, signed Offer to Negotiate will disqualify the submittal.**

   b. *Deposit:* The Applicant shall submit an "Offer to Negotiate Exclusively Deposit" in the amount of **One Thousand Dollars ($1,000) ("Deposit")** made payable to OCII as part of the Proposal. This payment shall be refunded to all Applicants not selected by the OCII Commission. (It shall also be refunded in the event an Applicant selected by the OCII Commission does not obtain OCII Commission approval for development of the project.) **✳Failure to include a valid "Offer to Negotiate Exclusively Deposit" will disqualify the proposal.**

4. **Submission Checklist**

The Applicant must complete and submit **Attachment #10** Submission Checklist, certifying that all items on the Checklist are contained in the Proposal.

THIS IS THE END OF THE SUBMISSION REQUIREMENTS SECTION.

ALL INFORMATION REQUESTED ABOVE IN SECTION VI MUST BE SUBMITTED IN ORDER FOR A PROPOSAL TO BE DEEMED COMPLETE.

APPLICANTS SCORES MAY BE NEGATIVELY IMPACTED BY ANY INCOMPLETE INFORMATION.

SECTION VII. ADDITIONAL REQUIREMENTS

(for Recommended Applicant Only)

After the evaluation panel's interviews and presentation to the Hunters Point Shipyard Citizens Advisory Committee, the recommended Applicant shall then be required to submit the following additional information *prior to OCII Commission consideration*.

DO NOT SUBMIT THESE FORMS WITH THE INITIAL PROPOSAL.

A. Nondiscrimination in Contracts and Benefits

The Applicant shall complete and submit **Attachment #11**, the Declaration of Nondiscrimination in Contracts and Benefits. OCII has established a policy prohibiting discrimination in contracting, which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. For further information, see instructions contained in **Attachment #11** or contact Bruk Solomon with OCII's Contract Compliance Department at bruk.solomon@sfgov.org.

B. **Small Business Enterprise ("SBE") Policy**

The Applicant shall complete and submit **Attachment #12**, the Small Business Enterprise ("SBE") Agreement. OCII has established a goal of 50 percent for SBE participation on all construction, professional services, and supply contracts. OCII requires the Developer to perform extensive good faith efforts to include SBEs in the performance of any agreement resulting from this solicitation, and any subsequent agreements between Developer and its contractors or consultants. If SBE participation goals are not met, compelling good faith efforts must be documented and provided to OCII.

OCII has established a policy where the Developer shall give priority in awarding any contracts resulting from this solicitation in the following order: (1) Project and Survey Area SBEs, (2) Local SBEs (outside an OCII Project or Survey Area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). Non-local SBEs should be used to satisfy participation goals only if Project and Survey Area SBEs or Local SBEs are not available or qualified, or if their bids or fees are significantly higher than those of non-local SBEs.

OCII will honor firms certified with the City and County of San Francisco as a Local Disadvantaged Business Enterprises (LBEs) that are consistent with OCII SBE certification standards. In order to be recognized as an economically disadvantaged SBE, the business must have an average gross receipt income based on the three most recent tax returns that does not exceed $2.5 Million Dollars for Professional Services.

OCII will also accept the information on documented small economically disadvantaged businesses (SBE, MBE and WBE) certifications from the following jurisdictions: State of California--Small Business Enterprises (SBE), Federal and any other local jurisdictions. OCII will make the final determination on the consistency of the certification standards and acceptance or denial of certifications listed above.

For more information on LBE certification with the City and County of San Francisco, please visit the following site: http://sfgov.org/cmd/LBE-CERTIFICATION. For further information, see **Attachment #12** or contact Bruk Solomon with OCII's Contract Compliance Department at bruk.solomon@sfgov.org

C. **Bayview Hunters Point Employment and Contracting Policy**

The Applicant shall comply with OCII's Bayview Hunters Point Employment and Contracting Policy, including Trainee Hiring, Construction Workforce, and Permanent Workforce Requirements to ensure that all consultants/subconsultants and contractors/subcontractors demonstrate good faith efforts to meet workforce hiring goals. OCII has established a workforce hiring goal of 50 percent for San Francisco residents with first consideration for Bayview Hunters Point area residents. See **Attachments #16** and **#17** for additional information.

D. **Minimum Compensation Policy**

The Applicant (defined throughout this RFP as the Developer, the property manager, the architect, and the service provider) shall complete and submit **Attachment #13**, OCII's Minimum Compensation Policy ("MCP") Declaration. The MCP requires the payment of a minimum level of compensation to employees for all consultants working on OCII funded projects.

E. **Health Care Accountability Policy**

The Applicant shall complete and submit **Attachment #14**, the Health Care Accountability Policy ("HCAP") Declaration. The HCAP requires that contractors offer certain health plan benefits to their employees or participate in a health benefits program developed by the City's Department of Public Health, or make a payment in lieu of such benefits to the City's Department of Public Health.

F. Prevailing Wages

The successful Developer's General Contractor and their subcontractors shall comply with OCII's Prevailing Wage Policy which includes payment of the State of California's prevailing wages.

G. Certification Regarding Insurance & Indemnification

OCII must be listed as an additional insured on such policies and the Developer Team must provide current certificates of insurance as evidence of coverage. At the time of selection, the successful Developer team must procure and maintain insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work under OCII contract by the Developer team members, the general and subcontractors, their agents, representatives, and employees. Unless the insurance requirements are modified by OCII, the selected Developer team must procure and maintain insurance with an insurance company that has an A.M. Best rating of A:VII with at least the following coverages and limits:

1. General Liability:	$5,000,000 per occurrence for contractual liability, fire damage, legal liability, advertiser's liability, owner's and contractor's protective liability bodily injury, personal injury and broad form property damage, and $10,000,000 annual aggregate limit during demolition / construction and occupancy of the Site / ongoing operations of the Project. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Policy must list Successor Agency as an additional insured. As an alternative, the development team may provide a Consolidated Insurance Program (CIP or "Wrap Up") covering its interest, the Successor Agency's and City's interest and the General and Subcontractors of every tier with minimum limits of $10,000,000 per occurrence. In any event the insurance must provide ten years of products and completed operations coverage beyond completion of construction.
2. Automobile Liability:	$2,000,000 combined single limit per accident for bodily injury and property damage including owned, hired and non-owned auto coverage.
3. Workers' Compensation and Employer's Liability:	Workers' Compensation as required by the State of California and Employer's Liability with limits of $1,000,000 for bodily injury by accident and $1,000,000 per person and in the annual aggregate for bodily injury by disease.
4. Professional Liability (Errors and Omissions):	$2,000,000 each claim/$4,000,000 policy aggregate covering all negligent acts, errors and omissions of Applicant's design team members, including all architects, engineers and surveyors. Each design team member of the Applicant must submit proof of Professional Liability Insurance of $2,000,000/$4,000,000 covering negligent acts, errors, and ommissions. If the design and engineering consultants' professional liability insurance is "claims made" coverage, these minimum limits shall be maintained by the consultants for no less than ten years beyond the completion date of the construction.
5. Crime Policy	Crime policy'or fidelity bond covering selected Developer's officers and employees' against dishonesty with respect to the Funds, in the amount of $75,000 each loss, with any deductible not to exceed $5,000 including the OCII as additional obligee or loss payee.
6. Pollution Liability / Asbestos Liability	Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than $I,000,000 per claim or occurrence and $2,000,000 aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the selected Developer's contractor to maintain these minimum limits for no less that three (3) years beyond completion of the Project.

7. Course of Construction (Builder's Risk):	Special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody, and control of the Borrower or its contractor, including coverage in transit and off-site storage, with a deductible not to exceed Ten Thousand Dollars ($10,000) for each loss, including OCII and all subcontractors as loss payees.
8. Property Insurance:	Selected developer must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows: property insurance, special form coverage, excluding earthquake and flood, but including vandalism and malicious mischief, for one hundred percent (100%) of the replacement value of all furnishings, fixtures, equipment, improvements, alterations and property of every kind located on or appurtenant to the Site, including coverage for loss of rental income due to an insured peril for twelve (12) months, with a deductible not to exceed $10,000 each loss, including OCII as a named insured; boiler and machinery insurance, comprehensive form, in the amount of replacement value of all insurable objects, with any deductible not to exceed $10,000 each loss, including the OCII as a named insured; and during construction and/or rehabilitation, performance and payment bonds of contractors, each in the amount of one hundred percent (100%) of contract amounts, naming the OCII and Developer as dual obligees, or other completion security approved by the OCII in its sole discretion OCII has approved issuance of a Completion Guaranty by an affiliate of Borrower to Borrower's institutional lender as completion security.

From the time of selection, the selected Developer team shall defend, hold harmless and indemnify OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly arising out of or connected with the performance of OCII contract and any of the contractor's operations or activities related thereto, excluding the willful misconduct or the gross negligence of the person or entity seeking to be defended, indemnified or held harmless.

H. Other Information, Forms and Attachments

The service provider will be required to comply with all contracting requirements of the Human Services Agency, including conformance to the Human Rights Commission's requirements for Professional Services Contracts (Attachment 18). The Services Provider will be required to agree to comply fully with and be bound by the provisions of the First Source Hiring Program ordinance, as set forth in S.F. Administrative Code Chapter 83. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available on the web at www.sfgov.org/moed/fshp.htm.

SECTION VIII. OCII PAYMENTS & FEES

The selected Developer is responsible for any applicable payments, deposits and fees in connection with, but not limited to, the following:

A. RFP Fee & Offer Deposit

An RFP registration fee of Fifty Dollars ($50.00) is collected when the RFP is picked up. Offer to Negotiate Exclusively Deposit in the amount of One Thousand Dollars ($1,000.00) made payable to the Office of Community Investment and Infrastructure is due at the time of Proposal submission.

B. Performance Deposit (Selected Applicant Only)

If the OCII Commission approves entering into a development contract with the Developer, then the Developer shall deposit with OCII an additional Nine Thousand Dollars $9,000.00 (“Additional Deposit”). The Additional Deposit shall be combined with the Deposit to form the performance deposit (“Performance Deposit”). The Performance Deposit shall be held by OCII until completion of the development.

C. City Fees (Selected Applicant Only)

The selected Applicant will be responsible for payment of all applicable City fees and relevant transactional costs, including but not limited to: building permit fees, utility relocation and connection fees, subdivision fees, transfer taxes, and transit fees.

SECTION IX. ADDITIONAL TERMS AND CONDITIONS

A. Selected Applicant’s Team’s Responsibility

The selected Applicant will be solely responsible for construction of all improvements according to OCII-approved construction documents, and in accordance with applicable City building codes. This includes, but is not limited to, all on-site improvements and any changes from existing conditions, including underground utilities, street lighting, curbs, gutters, street trees and sidewalks. (Note: all utilities for the vertical development are the responsibility of the vertical developer. However, some coordination will be needed for the lateral connections from the private development to the main utility lines.) The Developer Team will be solely responsible for all transactional costs and closing requirements, including, but not limited to, title insurance, escrow fees, block maps, etc.

B. Applicant’s Duty of Loyalty

Applicant for itself and its Contractors agree to abide by OCII’s duty of loyalty, which appears at (Prohibited Activities of Present and Former Employees, Commissioners and Consultants) of OCII’s Personnel Policy and which states in part the following: “Unless approved in advance in writing by OCII, no present or former employee, Commissioner or consultant of OCII shall knowingly act for anyone other than OCII in connection with any particular matter in which OCII is a party, or has a direct and substantial interest, and in which he or she participated personally and substantially as an OCII employee, Commissioner or consultant whether through decisions, recommendations, advice, investigation or otherwise. Violation of this section by a present employee, consultant or Commissioner may, in the case of an employee or consultant, be grounds for discharge or termination of the consultant contract, and in the case of a Commissioner, be considered misconduct in office pursuant of California Health and Safety Code Section 33115.”

C. OCII Non-Responsibility

OCII has no obligation to demolish any improvements on the block, remove, relocate or install utilities, complete on-site or off-site preparation work or improvements, or make any changes whatsoever to existing conditions.

D. Geotechnical Investigations

All geotechnical investigation must be conducted by a licensed geotechnical engineer, retained by the Applicant, to investigate and supervise excavation and recompaction efforts as necessary, which investigations may only occur upon the issuance of a permit to enter the block by OCII.

E. Environmental Review Approvals

The selected Applicant will be responsible for securing all environmental review approvals necessary to move forward with the development of the block. These reviews may include the requirements of the California Environmental Quality Act ("CEQA"), the National Environmental Protection Act ("NEPA") and/or Section 106 of the National Historic Preservation Act ("NHPA"), as applicable.

F. Accessibility Requirements

The selected Applicant will be responsible for meeting all applicable accessibility standards related to publicly-funded multifamily housing development under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, the Fair Housing Amendments Act of 1991, and Title 24 of the California Code of Regulations. If selected, Applicants must submit the permit set of architectural plans for the Block to the Mayor's Office on Disability for review and approval. Additionally, OCII requires an architect's certification at the completion of project design and construction that the improvements built are in accordance with all local, state and federal laws and regulations with respect to access for persons with disabilities.

G. Applicants' Expenses

1. The Applicant responding to this RFP does so at its own expense. OCII will not consider any costs related to preparing the Proposal or negotiating the development contract as reimbursable. The foregoing notwithstanding, OCII will reimburse the cost for architectural massing drawings required by this RFP as set forth in Section IX.G.2 below.

2. OCII is requiring the submittal of an architectural massing concept as part of this RFP. In order to mitigate some of these costs to the Developers submitting submittals, OCII will reimburse those Developers whose principal office is located in San Francisco and whose Proposal, in the sole discretion of OCII, has met each of the minimum qualifications described in Section VI, Submission Requirements of this RFQ. The total aggregate payment for architectural reimbursables by OCII shall not exceed $50,000, and payments to Applicants who submit complete Submittals shall be prorated accordingly, in an amount not to exceed $5,000 per Applicant. Qualifying Developers seeking architectural reimbursement payments must submit invoices from their architects.

H. OCII Right to Modify or Suspend RFP

OCII, through its Executive Director, reserves the right at any time, in its sole and absolute discretion, to modify or suspend any and all aspects of the selection process, including, but not limited to this RFP, and all or any portion of the contractor selection process in or subsequent to the RFP; to obtain further information from any Applicant member, to waive any defects as to form or content of the RFP or any other step in the selection process; to reject any and all responses submitted; to reissue the RFP; procure the desired services by any other means or not proceed in procuring the services; to negotiate with any, all, or none of the respondents to this RFP as to fees, scope of services, or any other aspect of the RFP or services; to negotiate and modify any and all terms of an agreement; and to accept or reject any Developer Team.

I. Claims Against OCII

Each Applicant member, by responding to this RFP, waives any claim, liability or expense whatsoever against OCII and its respective officers, commissioners, employees and agents by reason of any or all of the following: any aspect of this RFP, the selection process or any part thereof, any informalities or defects in the selection process, the failure to enter into any agreement, any statements, representations, acts or omissions of OCII, the exercise of any discretion set forth or concerning any of the foregoing, and any other matters arising out of all or any of the foregoing.

List of Attachments

<u>To be submitted with Submission Package:</u>

Attachment #1:	Applicant Description Form
Attachment #2	Staffing Workload Form
Attachment #3	Comparable Projects Experience Form
Attachment #4	San Francisco Projects Experience Form
Attachment #5	Property Manager Experience Form
Attachment #6	Social Services Provider Experience Form
Attachment #7:	Disclosure Questions
Attachment #8:	Statement of Compliance with OCII Policies & Certification of Applicant
Attachment #9:	Offer to Negotiate Exclusively
Attachment #10:	Submission Checklist

<u>To be completed by recommended Developer only after evaluation and interviews.</u>

Attachment #11:	Declaration of Nondiscrimination in Contracts and Benefits
Attachment #12:	Small Business Enterprise Agreement
Attachment #13:	Minimum Compensation Policy Declaration
Attachment #14:	Health Care Accountability Policy (HCAP) Declaration
Attachment #15:	Prevailing Wage
Attachment #16:	Bayview Hunters Point Employment and Contracting Policy and Amendments
Attachment #17:	Permanent Workforce

<u>For information purposes only.</u>

Attachment #18:	Intentionally Omitted
Attachment #19:	MOHCD Developer Fee Policy
Attachment #20:	Area Median Income ("AMI") Levels for 2015
Attachment #21:	MOHCD/OCII Uses by Sources example
Attachment #22:	Policy on the Development and Funding of Commercial Space in Housing Developments Funded by the Mayor's Office of Housing and Community Development ("MOHCD")
Attachment #23:	Intentionally Omitted
Attachment #24:	Selected pages from <u>We Care, A Guide for Developing Facilities with Affordable Housing</u> regarding Family Child Care Rental Units
Attachment #25:	San Francisco Health Department Article 31