



118-0272016-002

August 16, 2016

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Approving the selection of Tenderloin Neighborhood Development Corporation and Young Community Developers for the development of 140 affordable rental housing units (including one manager's unit) for low income and formerly homeless families at Candlestick Point North Block 10a; Bayview Hunters Point Redevelopment Project Area

Approving the selection of San Francisco Housing Development Corporation and Mercy Housing California for the development of 150 affordable rental housing units (including one manager's unit) for low income and formerly homeless families at Candlestick Point South Block 11a; Bayview Hunters Point Redevelopment Project Area

EXECUTIVE SUMMARY

On July 19, 2016, the Commission on Community Investment and Infrastructure ("Commission") received an informational memorandum regarding the results of the initial phase of the selection process for evaluating responses to the Request for Proposals ("RFP") for 140 units of affordable rental housing for low income and formerly homeless families at Candlestick Point North Block 10a ("CPN 10a" or "10a") in the Bayview Hunters Point Redevelopment Project Area and 150 units of affordable rental housing for low income and formerly homeless families at Candlestick Point South Block 11a ("CPS 11a" or "11a"). OCII staff now requests approval of the recommendation as described in this memorandum.

The Hunters Point Shipyard (the "Shipyard") and Candlestick Point ("CP," together "HPS/CP") form approximately 780 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors originally adopted the Shipyard Redevelopment Plan in 1997 and the Bayview Hunters Point Redevelopment Plan in 2006. Both redevelopment plans were amended in 2010 to

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provide for the integrated planning and development of the Shipyard and the Candlestick Point portion of the Bayview Hunters Point Redevelopment Project Area. Candlestick Point is subject to State and local land transfer agreements that allow for the re-use of the Candlestick Stadium site and adjacent under-utilized parklands.

The Candlestick Point and Hunters Point Shipyard Phase 2 Disposition and Development Agreement (the "Phase 2 DDA") between CP Development CO. LP ("Master Developer") and the former San Francisco Redevelopment Agency, now the Office of Community Investment and Infrastructure ("OCII"), provides for the development of approximately 700 acres that includes the second phase of the Shipyard and the entire Candlestick Point area ("Phase 2 Project"). The Phase 2 DDA calls for 10,500 new housing units, 32% of which will be Below Market Rate for a total of 3,345 BMR units. The 3,345 BMR units will be comprised of approximately:

- 1,140 Agency Affordable Units on ten (10) Agency Lots (to be leased to households earning 0% - 60% Area Median Income or "AMI") in the Phase 2 Project (10a and 11a are the first of the Agency Lots in Phase 2 to be developed and the selection of the developer teams is the first step in this process),
- 256 Alice Griffith Replacement Units and approximately 248 Agency Affordable Units on Alice Griffith Lots,
- 809 Inclusionary Units (to be leased or sold to households earning 80% - 120% AMI) and
- 892 Workforce Units (to be leased or sold to households earning 121% - 160% AMI).

On February 18, 2016 OCII released a Request for Proposals ("RFP") for the development and operation of two of OCII's Agency Lots in Candlestick Point, the first to be offered for development. Releasing two parcels in one RFP provided for economies of scale in the procurement process and more importantly furthered the Mayor's goal of accelerating affordable housing production. This is the first time OCII has included two affordable housing parcels in one RFP.

The subjects of the RFP were Candlestick Point South 11a ("CPS 11a") and Candlestick Point North 10a ("CPN 10a"). The development program for CPS 11a calls for up to 150 units of affordable rental housing, including a set aside for formerly homeless families and two family childcare units. The development program for CPN 10a calls for up to 140 units of affordable rental housing, including a set aside for formerly homeless families and two family childcare units. Applicant teams could submit responses for one or both parcels.

OCII staff made extensive outreach to attract RFP submittals by the April 27, 2016 deadline, and received four proposals (the "Proposals") for each parcel. All Proposals included qualified housing developers pursuant to the Phase 2 DDA, defined as a nonprofit or a for-profit organization with the ability to secure low-income housing tax credits and affordable housing financing and to develop Affordable Units consistent with the character and quality of the Residential Projects in the Phase 2 Project ("Qualified Housing Developers").

The following development teams, listed in alphabetical order, submitted proposals for each parcel:

- Integral Group LLC & Tabernacle Community Development Corporation ("Integral/TCDC")
- McCormack Baron Salazar & Bayview Hunters Point Multipurpose Senior Services ("MBS/BHPMSS")

- Mercy Housing California & San Francisco Housing Development Corporation ("Mercy/SFHDC"). This team proposed Mercy as lead developer for CPN 10a and SFHDC as lead developer for CPS 11a. As such when the team is discussed in regard to CPN 10a it will be shown as "Mercy/SFHDC" and when the team is discussed in regard to CPS 11a, this partnership will be shown as "SFHDC/Mercy."
- Tenderloin Neighborhood Development Corporation & Young Community Developers ("TNDC/YCD").

All Proposals were reviewed to ensure they met the minimum threshold submission requirements of the RFP. All the teams complied with the minimum threshold requirements and all were invited to interview. The interviews for each parcel were held on separate but consecutive days on June 27, 2016 and June 28, 2016 and were conducted by two eight-member multi-disciplinary evaluation panels.

Informed by the discussions that took place within the evaluation panels which was directed by the scoring criteria of the RFP and the Southeast capacity-building initiative outlined in Section 5.1(c) "Agency Community Partners" of Attachment G of the Phase 2 DDA (Community Benefits Agreement), OCII staff recommends, with CAC support, the following development teams:

1. CPN 10a: Tenderloin Neighborhood Development Corporation & Young Community Developers
2. CPS 11a: San Francisco Housing Development Corporation & Mercy Housing California

The recommendations are further described later in this memorandum. Staff has presented the evaluation process and these recommendations to the Mayor's Hunters Point Shipyard Citizen Advisory Committee ("CAC") Housing Subcommittee on July 21, 2016 and the full CAC voted in favor of moving the recommended teams for both parcels to the Commission for approval on August 8, 2016.

Staff recommends approving the developer team of Tenderloin Neighborhood Development Corporation and Young Community Developers for CPN 10a and approving the developer team of San Francisco Housing Development Corporation and Mercy Housing California for CPS 11a.

BACKGROUND

Affordable Housing Development in Phase 2 of Hunters Point Shipyard/Candlestick Point and Project Area Update

The San Francisco Board of Supervisors originally adopted the Shipyard Redevelopment Plan in 1997 and the Bayview Hunters Point Redevelopment Plan in 2006. Both redevelopment plans were amended in 2010 to provide for the integrated planning and development of the Shipyard and the CP portion of the Bayview Hunters Point Redevelopment Project Area.

Development of the Shipyard will occur in two phases. The first phase of development at the Shipyard, which is governed by the Hunters Point Shipyard Phase 1 Disposition and Development Agreement ("Phase 1 DDA"), 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 in the first phase became available for occupancy in Spring 2015.

The Phase 2 Project includes approximately 700 acres of the Shipyard and the entirety of Candlestick Point is governed by the Phase 2 DDA, which states that approximately 32% of the 10,500 planned residential units will be designated as Below Market Rate units.

BMR Housing Production Status

The Replacement Units and Agency Affordable Units that comprise the Alice Griffith site are the first BMR units to be developed in Candlestick Point and Hunters Point Shipyard Phase 2. Alice Griffith Phases 1 through 3, totaling 306 units, are under construction. Phase 4, comprised of 31 units, is in the predevelopment and planning stage. Phases 5 and 6, consisting of 167 units, have not yet started.

<i>Alice Griffith Unit Tracking</i>						
Phase	Block(s)	Actual/Est Construction Start	Estimated Construction Finish	Public Housing Replacement Units	Affordable New Units	Total Units
1	2	March 2015	December 2016	58	35	93
2	4	March 2015	December 2016	56	35	91
3A/ 3B	1	February 2016	September 2017	93	29	122
4	5	April 2017	May 2018	13	18	31
5	8,14, 9 (portion of)	TBD 2019	TBD 2021	36	0	36
6	9	TBD 2019	TBD 2021	0	131	131
Total Units				256	248	504

Candlestick Point North 10a and Candlestick Point South 11a are the first of the 10 Agency Lots reserved for 100% affordable projects to begin development. Agency Affordable Units will be built on Agency Lots, which have been pre-selected for affordable housing development; OCII will select development teams and provide funding for these affordable housing developments. Exhibit F "Below Market Rate Housing Plan" of the Phase 2 DDA ("BMR Housing Plan") establishes that "Agency Affordable Units" are units "constructed within an Agency Affordable Project or an Alice Griffith Replacement Project... for which the rental charge is Affordable with an AMI Percentage equal to a minimum of zero percent (0%) and a maximum of sixty percent (60%)." As an example and based on 2016 figures, income for a family of four at 60% of AMI as published by the Mayor's Office of Housing and Community Development ("MOHCD") would be \$64,600 per year with a monthly rent restricted to no more than \$1,615 for a three-bedroom unit.

The Workforce and Inclusionary units that comprise the remaining BMR units are still in a preliminary planning stage.

Project Area Update

On March 15, 2016 the Commission on Community Investment and Infrastructure adopted amendments to the first Major Phase Application for Candlestick Point ("Major Phase 1 CP"), the Candlestick Point Streetscape Master Plan ("Streetscape Plan"), Candlestick Design for Development ("D4D") and corresponding changes to exhibits in the Phase 2 DDA.

The updated Major Phase 1 CP is comprised of sixteen blocks of new development, and consists of two significant projects, the redevelopment of a major portion of the Alice Griffith public housing site and the CP Center mixed-use destination featuring housing, retail and entertainment.

Major Phase 1 CP encompasses the creation of a new neighborhood that is projected to include 1.1 million square feet of mixed commercial uses, 47,000 square feet of community facilities, and a total 2,214 new residential units, of which 939 units are affordable. As outlined above, the affordable units include 256 Alice Griffith Replacement Units, an additional 248 OCII Affordable Units to be built as part of the Alice Griffith project, and the 290 Agency Affordable Units on CPN 10a and CPS 11a.

Over nine acres of open spaces will be developed as part of this Major Phase to serve neighbors and visitors alike with a mix of gathering places for a range of active and passive pursuits. The new neighborhoods in Major Phase 1 CP will be easily accessible, with roadway improvements to serve automobiles, bicycles, pedestrians, and public transit.

Local Commitment to Increasing Affordable Housing Units and Housing the Homeless

The development programs for CPS 11a and CPN 10a are aligned with the goals outlined in the City of San Francisco and MOHCD's Consolidated Plans. The City's 2010-2014 Consolidated Plan prioritizes affordable family housing development in San Francisco. The plan for the sites is also in furtherance of the goals of MOHCD's Consolidated Plan (2010) by requiring that 20% of the units be set aside for formerly homeless families. Goal 4 of the Plan states, "San Francisco residents of all income levels will have safe, healthy and affordable housing;" the Plan's very first objective is to create housing for individuals and families earning 0-60% AMI. The Plan's fourth objective is to provide services and supportive housing for people with specific needs. Subsequent to the release of the RFP, and consistent with the City's efforts to combat family homelessness, OCII staff proposes to increase the percentage of homeless set aside from 20% to 25%, which will provide an additional 15 units at both sites combined for formerly homeless families for a total of 73 units set-aside for formerly homeless families at both development sites.

10a and 11a Request for Proposals Process

OCII developed the RFP through a multidisciplinary approach of engaging various stakeholders including the Master Developer of Phase 2, former HSA (now Department of Homeless and Supportive Housing or "DHS") employees, MOHCD and Office of Early Care and Education. As a result of this process, OCII and the stakeholders developed a plan for the site calling for 20% of the units to be set aside formerly homeless families including five (5) Transition Aged Youth Parenting Units, 80% of units to be leased to low-income households and two larger units to be set aside as Family Childcare Units to support the needs of larger families on-site. As mentioned above, the percentage of formerly homeless units is now proposed to be 25%, and the City through

MOHCD will fund the increased allocation of local operating subsidies available during the year the projects will be completed.

In order to ensure expedited development, OCII sought submittals from qualified teams comprised of a Qualified Housing Developer, a property manager, an architect, and a supportive services provider with experience in serving the target population (together, an "Applicant") to develop, manage and provide resident supportive services for up to 140 units (including one manager's unit) for formerly homeless families and low-income families on CPN 10a and up to 150 units (including one manager's unit) for formerly homeless families and low income families on CPS 11a. The Phase 2 DDA defines Qualified Housing Developers as "nonprofit or for-profit organizations with the ability to secure low-income housing tax credits and affordable housing financing and to develop Affordable Units consistent with the character and quality of the Residential Projects in the Project Block and with the Redevelopment Requirements." In conjunction with Section 5.1(b) Agency Community Builder Protégé Program and 5.1 (c) Agency Community Partners, of Attachment G of the Phase 2 DDA (Community Benefits Plan), Qualified Housing Developers were strongly encouraged to involve community partners (organizations from the Southeast area of the City) to act as co-developers or to provide social or clinical services.

As mentioned earlier, offering two affordable housing parcels for development in one RFP allows for an acceleration of affordable housing delivery; the RFP was the first time OCII has included two parcels for development simultaneously.

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

DISCUSSION

When OCII issued the RFP in February 2016, it was publicized to developers, architects, and real estate professionals, including SBEs, through direct mailing, advertisements in newspapers of general circulation and community newspapers, and postings on OCII's and the City's Office of Contract Administration websites. This robust outreach resulted in a strong turnout from the development, design and community based organization community at the pre-submittal meeting for the RFPs.

Development Program

Both CPN 10a and CPS 11a are part of a new mixed-use community in the Candlestick Point Area, which will consist of four distinct neighborhoods: Candlestick Center, Candlestick North, Candlestick South and Alice Griffith. Both Block 10a and Block 11a are within the Candlestick Mixed-use Residential District which will be comprised of low and mid-rise buildings. Design principles for the Candlestick Point area include: "locating lower density building forms nearest to the existing Bayview neighborhood; creating landmarks for "urban place-making;" clustering higher density near important nodes; linking highest density with adjacency to transit stops; minimizing impacts on public open space; and, framing view corridors and on Candlestick, preserving the view from Bayview Hill." CPN 10a and CPS 11a are both located near "important nodes" where higher density is recommended.

- CPN 10a is located in Candlestick Point North and is an approximately 57,000 square foot site bounded by M Street to the southeast, an unnamed mid-block break to the northeast, Earl Street to the northwest and Ingerson Avenue to the southwest.
- CPS 11a is located in Candlestick Point South and is an approximately 65,000 square foot site bounded by Candlestick Park Drive (which becomes Arelious Walker Drive) to the southeast, 9th Street to the northeast, Harney Way to the northwest, and an unnamed mid-block break to the southwest. The RFP called out the importance and prominence of this gateway location and sought designs responsive to that location.

The RFP sought proposals that included the following elements:

- Development of rental housing affordable to formerly homeless families and low-income families, with 20% (subsequently increased to 25%) of the units to be leased to formerly homeless families including 5 units set aside for Transition Aged Youth and the remaining units to be leased to low-income families;
- A unit mix including:
 - Three (3) four-bedroom units,
 - One (1) five-bedroom units, and
 - a remaining mix of one- two- and three-bedroom units
 - An average unit size of 2.5 bedrooms for each site
 - One (1) manager's unit per site;
- Formerly homeless units that will serve households not exceeding 30% AMI as defined by MOHCD, and based on the U.S. Department of Housing and Urban Development's ("HUD") AMI. Furthermore, the homeless units must include administrative and supportive services which will be coordinated with the Department of Homelessness and Supportive Housing;
- A formerly homeless housing model that depends on operating and services subsidies from the City's Local Operating Subsidy Program ("LOSP") and the Department of Homelessness and Supportive Housing to support the formerly homeless units including the 5 Transition Aged Youth units;
- Low income family units that will serve families with income levels not exceeding 60% AMI as published by MOHCD, and based on the HUD AMI for the area containing San Francisco adjusted only for individual and family size;
- On-site supportive services, associated services space and 24 hour front desk coverage;
- Two (2) Family Childcare Units to be leased to an income-qualified state licensed caregiver;
- A robust marketing plan that will outreach to and provide supportive services, technical assistance and rental readiness services to Certificate of Preference holders as well as other populations with leasing preference;

- 10,000 square feet of ground floor retail space on parcel CPS 11a and 15,000 square feet on parcel CPN 10a must be provided to meet the requirements of the Major Phase document as well as to complement the Master Developer's retail plan for Candlestick Point;
- An exterior design that distinguishes and emphasizes building corners, especially at the corner of Harney and Candlestick Point Drive for parcel 11a given its "gateway" location in the Candlestick Point neighborhood;
- A recommended parking ratio of 0.6-0.8 parking spaces per unit and 25 bicycle spaces plus one space for every 4 additional dwelling units over 50 units, and
- A program that incorporates "green" and sustainable building strategies in accordance with the City's requirements and is constructed to a minimum Green Point Rated standard of 125.

Pre-Submittal Meeting and Applicant Teams

On March 8, 2016 and as advertised prominently in the RFP document, a pre-submittal meeting was conducted by OCII housing, project area and design staff to review the requirements of the RFP and answer questions from prospective applicant teams. Thirty-four representatives of developers, service providers and architectural firms attended the meeting. A list of questions and answers resulting from pre-submittal meeting were distributed to prospective applicant teams who registered with OCII.

On April 27, 2016, four proposals were received for the 10a site, as follows (listed in alphabetical order by developer name):

Table 2: CPN 10a Applicant Teams			
Qualified Housing Developer	Architect	Property Manager	Services Provider
The Integral Group LLC and Tabernacle Development Corporation	GA Architects	John Stewart Company	Providence Foundation and United Council of Human Services
McCormack Baron Salazar and Bayview Hunters Point Multipurpose Senior Services	HKIT Architects	McCormack Baron Management	Bayview Hunters Point Multipurpose Senior Services as Lead Coordinator of BHP Foundation, Hunters Point Family, Rafiki Wellness and Young Community Developers
Mercy Housing and San Francisco Housing Development Corporation	Paulett Taggart Architects	Mercy Housing	Mercy Housing and SFHDC in partnership with Episcopal Community Services

Tenderloin Neighborhood Development Corp and Young Community Developers	Herman Coliver Locus Architects	Tenderloin Neighborhood Development Corp	Tenderloin Neighborhood Development Corp in partnership with Larkin Street Youth and Bayview YMCA
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Four proposals were received for the 11a site (listed in alphabetical order by developer name). As is seen, the Applicant teams were identical between both parcels with an exception of three parcel's architectural teams.

Table 1: CPS 11a Applicant Teams			
Qualified Housing Developer	Architect	Property Manager	Services Provider
The Integral Group LLC and Tabernacle Development Corporation	David Baker Architects	John Stewart Company	Providence Foundation and United Council of Human Services
McCormack Baron Salazar and Bayview Hunters Point Multipurpose Senior Services	HKIT Architects	McCormack Baron Management	Bayview Hunters Point Multipurpose Senior Services as Lead Coordinator of BHP Foundation, Hunters Point Family, Rafiki Wellness and Young Community Developers
San Francisco Housing Development Corporation and Mercy Housing	Leddy Maytum Stacy Architects	Mercy Housing	Mercy Housing and SFHDC in partnership with Episcopal Community Services
Tenderloin Neighborhood Development Corp and Young Community Developers	Herman Coliver Locus Architects	Tenderloin Neighborhood Development Corp	Tenderloin Neighborhood Development Corp in partnership with Larkin Street Youth and Bayview YMCA

Selection Process and Criteria

The proposals were reviewed by each member of the Evaluation Panels in advance of the interviews. The interviews were held at OCII's offices over a course of two days. The format of the interviews was as follows: a 20-minute presentation and 30 minute question and answer period to help the Evaluation Panel complete its evaluation.

Proposals were evaluated using the selection criteria set forth in the RFP: (1) a total of up to 50 points were awarded for the proposed development concept and (2) up to 50 points for developer team experience and

capacity, for an overall total of up to 100 points. A detailed breakdown of the RFP proposal criteria is provided below:

Table 3 Selection Criteria		
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
	15	Financial Feasibility & Level of OCII Subsidy
	10	Proposed Services Plan
	5	Proposed Marketing Plan
50		Developer Team Experience and Capacity
	10	Developer experience in developing and marketing affordable housing <i>comparable</i> to the housing proposed in this RFP
	5	Developer experience with government assisted affordable housing programs and financing sources and/or "green" housing; Developer Workload Capacity
	5	Workforce and Contracting Action Plan
	10	Architect experience & capacity, including "green" housing
	10	Service Provider experience & capacity
	10	Property Manager experience & capacity, including retail operation
100	100	Total Points

The RFP also stated that the selected development team would be required to comply with all of OCII's policies, including the Certificate of Preference Program, Bayview Hunters Point Employment and Contracting Policy, Small Business Enterprise ("SBE") Program, Minimum Compensation Policy, Health Care Accountability Policy, Construction Workforce Agreement, Permanent Workforce Agreement and Prevailing Wage Policy.

Results of the Selection Process

Upon receipt of the four Applicants' submittals, OCII staff verified the completeness of each submittal. Each of the teams submitted complete proposal packages for each parcel and thus all teams were invited to interview.

The four teams were interviewed on June 27, 2016 and June 28, 2016 by two eight-member evaluation panels comprised of: one member from the Hunters Point Shipyard Citizens Advisory Committee, a representative from the Department of Homelessness and Supportive Housing, a representative from the Mayor's Office of Housing and Community Development and OCII staff including the Senior Project Manager for Hunters Point Shipyard and Candlestick Point, an architect, and three OCII housing staff members (collectively the "Evaluation Panels"). A representative from OCII Contract Compliance was also present but did not participate in scoring. After the interviews on the June 27th the evaluation panel scored each Applicant based upon the selection

criteria and point allocation described in the RFP. This same process was completed by a separate evaluation panel on June 28th.

For both CPN 10a and CPS 11a the evaluation panels determined that the proposals by Mercy/SFHDC were most responsive to the RFP criteria and comprehensive in content, with TNDC/YCD following with the second most responsive submittals for both parcels. These two proposals impressed the evaluation panels because of the quality of their design proposals and conformance to the Candlestick Point Design for Development requirements, composition of developer teams with Southeast partners, strong services programming for both the formerly homeless and family populations, extremely well thought out financial plans that included competitive strategies to obtain state financing sources in order to reduce the required subsidy from OCII and architecture teams with relevant experience and compelling precedent projects. The concept massings included in both the CPN 10a and CPS 11a proposals are included in this memo as Exhibit C.

Proposal Detail - Marketing

Both the Mercy/SFHDC and TNDC/YCD proposals included thorough marketing proposal summaries describing a strong understanding of OCII's marketing processes and a commitment to outreach to COP holders. The TNDC/YCD proposal stated a commitment to hiring a Rental Readiness and Homeownership Counseling Provider with experience in marketing and providing technical assistance to COP holders, while SFHDC/Mercy's proposal noted that SFHDC's Financial Empowerment Center would dedicate a 0.5 FTE staff person to specifically outreach to and work with COP holders to facilitate application preparation and submissions. Staff felt that both of these marketing proposals took into account the importance of COP outreach and either acknowledged in-house expertise in this area in the case of SFHDC/Mercy's proposal, or noted a commitment to partnering for that expertise in the case of TNDC's/YCD's proposal.

Proposal Detail - Workforce and Contracting Action Plan ("WCAP")

Both the SFHDC/Mercy and TNDC/YCD proposals included comprehensive preliminary workforce action plans; the Evaluation Panels assigned each of these two teams the same scores in this category. SFHDC will act as the workforce lead for the SFHDC/Mercy team with an in-house Workforce Development Coordinator staff person who would enforce and coordinate the WCAP. The SFHDC/Mercy team submitted an extensive preliminary plan for outreach, record keeping and capacity building for local small businesses at each stage of the development process, from predevelopment to pre-bidding, through construction and finally post-construction/building operations and maintenance. Over the past seven years, SFHDC has worked on two OCII related housing projects, Alice Griffith Phase 1 Block 2 and Alice Griffith Phase 3 Block 1 in the capacity of co-developer with an overall SBE participation of 53% on both professional services and construction contracts. Over the same period, Mercy has worked on four OCII stand-alone affordable housing projects with an overall SBE participation rate of 43.1% on professional services and construction contracts.

TNDC/YCD will both work to carry out the workforce action plan and will also contract with a to-be-determined SBE and Outreach Consultant, to be solicited through an RFP process. The TNDC/YCD proposal similarly included an extensive amount of detail on planned good faith efforts to meet SBE and local participation goals. The plan emphasizes communicating to community groups and training and development organizations early on in the process to create a database of possible construction hires to draw upon in addition to those sourced from OCII's partnership with CityBuild. In the past seven years, TNDC has worked on one OCII stand-alone affordable housing project, Mission Bay 6E, which is currently in the design stage. Thus far, TNDC has shown a

firm commitment towards complying with OCII's equal opportunity program, achieving an overall SBE participation of 54.4% for design services. Similarly, YCD has worked on one OCII related housing, project, Block 49 in the Shipyard, in past years in the capacity of co-developer and achieved an overall SBE participation of 56.8% for professional services and construction contracts on the project.

The highest scoring proposal overall was the SFHDC/Mercy (with SFHDC as lead developer) for CPS 11a.

Table 4: Candlestick Point 10a and 11a Scoring

Applicant Team	11a	10a
	Average Score	Average Score
Mercy & SFHDC	96	95
TNDC/YCD	93	83
MBS / BHPMSS	67	63
INTEGRAL/ TCDC	66	61

The evaluation panel for CPS 11a collectively agreed, in addition to the other scoring criteria described above, the strength of the SFHDC/Mercy proposal was especially strong due to the capacity- building opportunity offered by including a Southeast developer partner (SFHDC) as lead developer (with Mercy Housing actively involved) as well as an especially inspired design proposal that responded well to the RFP's criteria of emphasizing the "gateway" nature of the 11a site.

Below are some conclusions of the Evaluation Panel as well as scoring outcomes for CPS 11a:

1. The SFHDC/Mercy partnership proposed in the MOU submitted for CPS 11a best exemplifies the development partnership OCII is looking for in terms of a larger organization supporting and building the capacity for a smaller organization. The executed Memorandum of Understanding presented in the SFHDC/Mercy submittal proposed SFHDC play a lead role in most aspects of the development and to earn a 50% developer fee. For reference, third and fourth ranked proposals did not have as clearly defined relationships and had a lower fee split such as 90%/10%.
2. OCII's lead architect / planner scored SFHDC/Mercy ahead of TNDC/YCD for CPS 11a. This is of import as CPS 11a is a "gateway" parcel into the Candlestick Point neighborhood per the Major Phase document. CPS11a is a prominent neighborhood parcel and thus its design is especially important.

Overall, the CPS 11a SFHDC/Mercy proposal scored the highest when comparing the results from CPS 11a and CPN 10a. Based on the outcome of the Evaluation Panels as summarized above, staff recommends the SFHDC/Mercy development team for CPS 11a.

For CPN 10a, OCII staff recommends the TNCD/YCD development team, which scored second highest after the Mercy/SFHDC team, for the following reasons:

1. The TNDC/YCD team scored high on CPN 10a and offers a strong capacity building opportunity for an additional Southeast partner (YCD). Specifically, the ownership and developer fee split between TNDC and YCD is 80%/20%. Although TNDC will act as lead developer, the executed Memorandum of Understanding submitted in this team's proposal stated that YCD will "provide assistance and meaningful input on all key decisions and activities throughout the development process" and outlines clear roles for YCD for most managerial and decision making roles in the development process. Involving more than one Southeast community partner in the development of the two parcels was an outcome that was interpreted by the evaluation panels as working towards the goal laid out in Section 5.1(c) "Agency Community Partners" of Attachment G of the Phase 2 DDA (Community Benefits Agreement) which states that the "agency will keep within its customary practice of using good faith efforts to involve community partners in the development.... of Agency affordable units."
2. The proposed design submitted by the TNDC/YCD team was well conceived with residents' needs in mind and met the standards of the D4D. The TNDC/ YCD team scored second highest for design of the 10a parcel.
3. Having a different team on each parcel is consistent with OCII's objective of creating opportunities for community partners and diverse teams and represents an effort to bring about as many partnerships as possible with community based organizations in the Southeast, again consistent with Section 5.1(c) "Agency Community Partners" of Attachment G of the Phase 2 DDA (Community Benefits Agreement).
4. Staff concluded that one developer per site would result in the best outcome for OCII by eliminating any and all concerns about developer team capacity and ensuring timely delivery of both projects.

With the highest scoring team SFHDC/Mercy being recommended for the CPS 11a, the second highest scoring team TNDC/YCD is recommended for CPN 10a. It should be noted that both teams employed AMI tiering below the 60% AMI maximum to ensure that newly produced housing creates opportunities for households earning less than 60% AMI, with SFHDC/Mercy uniquely providing 23 units at 30% AMI. These units at 30% AMI will not be restricted to formerly homeless families and could benefit extremely low income Certificate of Preference holders who might not income qualify for units restricted at 50% and 60% AMI levels.

Team Roles & Biographies

TNDC / YCD

- Lead Developer: TNDC will act as lead developer in this partnership. TNDC has over 30 years of experience developing, managing and providing services to residents of affordable housing in San Francisco. As its name suggests, its primary neighborhood of focus has traditionally been the Tenderloin neighborhood. Its experience of building for and understanding the needs of this disadvantaged and in-danger-of-being-displaced community make it well-suited to work in the Southeast, in conjunction with its local partner YCD. TNDC is currently co-developing the following OCII projects: Mission Bay Block 6E (143 units in the Mission Bay South Project Area); and Transbay Block 8 (150 units in the Transbay Project Area). It has also developed numerous MOHCD projects including Mason Street Housing (143 units in the Tenderloin neighborhood) and Eddy and Taylor and Arnett Watson (83 units also in the Tenderloin neighborhood). Both of these MOHCD developments were built in conjunction with a smaller nonprofit partner (Glide Economic Development Corporation and Community Housing Partnership), similar to the partnership it proposes with YCD.

- Co-developer: YCD will act as co-developer and will participate in every decision making and action of the development process alongside Mercy, with the goal of gaining capacity to merge into a leadership role. YCD is a community based organization formed in 1973 that primarily provides professional training and support services for the residents of the Bayview Hunters Point neighborhood. YCD serves approximately 1,800 individuals annually through its job readiness programs and is seeking to build its capacity as an affordable housing developer. Recently it partnered with AMCAL Multi-Housing, a statewide builder of affordable and workforce housing, to complete 60 low income rental units on Block 49, which is an affordable housing obligation funded by the Shipyard master developer in the Hunters Point Shipyard Project Area.
- Architect: Herman Coliver Locus ("HCLA") will be the prime architect on the TNDC/YCD team. HCLA is a SBE architecture firm founded in 2009 and its principals have been designing in the Bay Area for almost 50 years. The firm has completed numerous MOHCD-funded projects including 1100 Ocean Avenue (71 units in the Balboa Park / Ingleside neighborhood); Canon Barcus Community House (48 units in the SOMA neighborhood) and Geary Polk Senior Housing (110 units in the Tenderloin neighborhood).
- Services Provider: TNDC will act as the lead services provider, in partnership with Bayview YMCA for afterschool programming and Larkin Street Youth. TNDC Resident Services staff includes licensed social workers with long-standing experience working with low income and disenfranchised individuals and families who have repeatedly experienced trauma in their lives.

SFHDC / Mercy

- Lead developer: SFHDC will act as the lead developer in this partnership, with support and guidance from Mercy Housing. SFHDC was formed in 1988 and focuses on serving people of color and the Bayview Hunters Point neighborhood. Its mission is to "foster financial stability through the development of affordable housing, the facilitation of homeownership and the economic empowerment and revitalization of Bayview Hunters Point and other neighborhoods of Southeast San Francisco." SFHDC has expertise in group and individual Financial Empowerment counseling and training and holds regular workshops in First Time Homebuying, Rental Readiness and Credit Matters and provides individualized follow-up. For over 12 years, the organization has provided supportive services to housing communities, including Bayview Commons in the Bayview Hunters Point ("BVHP") Project Area and Rental Assistance Demonstration ("RAD") projects Hunters Point East and West as well as Westbrook Apartments on Hunters Point Hill. In a housing development capacity, SFHDC is currently working with Mercy Housing on a 108-unit MOHCD project, Parcel O, in Hayes Valley and is acting as a Shipyard Community Builder on Block 48 Lot A, (16 homeownership units in the Shipyard Project Area). SFHDC was also the sole developer of Bay Oaks Condominiums, 18 San Francisco Redevelopment Agency ("SFRA") funded homeownership units located in Bayview Hunters Point and was the co-developer of Bayview Commons Apartments, 30 MOHCD- and SFRA-funded rental units located in the BVHP Project Area.
- Co-developer: Mercy Housing California will act as co-developer and as a resource to SFHDC as it builds capacity in affordable housing development. Mercy Housing California is a part of a national organization formed in 1981 that builds affordable housing and provides property management and resident services in cities across the U.S. Mercy Housing California has recently developed or is developing the following OCII projects: Bayview Hill Gardens (72 units in the Bayview); Bill Sorro, formerly known as the Hugo (67 units in the SOMA Project Area); Mission Creek Senior (140 units in the Mission Bay North Project Area); 1180 4th Street (150 units in the Mission

Bay South Project Area); and Transbay 6 and 7 (70 and 120 units, respectively, in the Transbay Project Area). Mercy Housing provides supportive services in-house all of its affordable buildings in San Francisco, while working with external providers to support populations with more extensive needs.

- Architect: Leddy Maytum Stacy ("LMS") will be the prime architect on the SFHDC/ Mercy team. LMS has been designing residential, education-related and public buildings in the Bay Area since 2001. LMS designed the following OCII projects: Rene Cazenave (120 units in the Transbay Project Area); Plaza Apartments (106 units in the SOMA Project Area); and 474 Natoma Apartments (60 units located in the SOMA Project Area). In addition, LMS is the prime architect on OCII's 97-unit Block 3E project in the Mission Bay South Project Area.
- Services Provider: SFHDC and Mercy will act as the lead services providers, with Mercy providing Resident Services Coordinator positions and SFHDC providing Case Management positions. SFHDC will also contract with Episcopal Community Services to provide technical assistance through clinical, technical and mentoring support to SFHDC staff in the first year of building operations in order to build SFHDC's capacity. Episcopal Community Services, headquartered in the SOMA neighborhood, has worked with low income, formerly homeless and at-risk of homelessness populations in San Francisco for over 30 years and is the lead services provider at OCII's 1180 4th Street project in the Mission Bay South Project Area.

NEXT STEPS

In the winter of 2016, staff will request the Commission's authorization to enter in an ENA and predevelopment loan agreement with the selected teams, and in early 2018 for the approval of a permanent gap loan and long-term ground lease.

(Originated by Gretchen Heckman and Pamela Sims, Development Specialists)



Tiffany Bonee
Executive Director

- Exhibit A: Candlestick Point Location Map
- Exhibit B: Parcel Locations within Candlestick Point
- Exhibit C: TNDC/YCD Conceptual Design for CPN 10a and SFHDC/Mercy Conceptual Design for CPS 11a

Exhibit A Candlestick Point Location Map

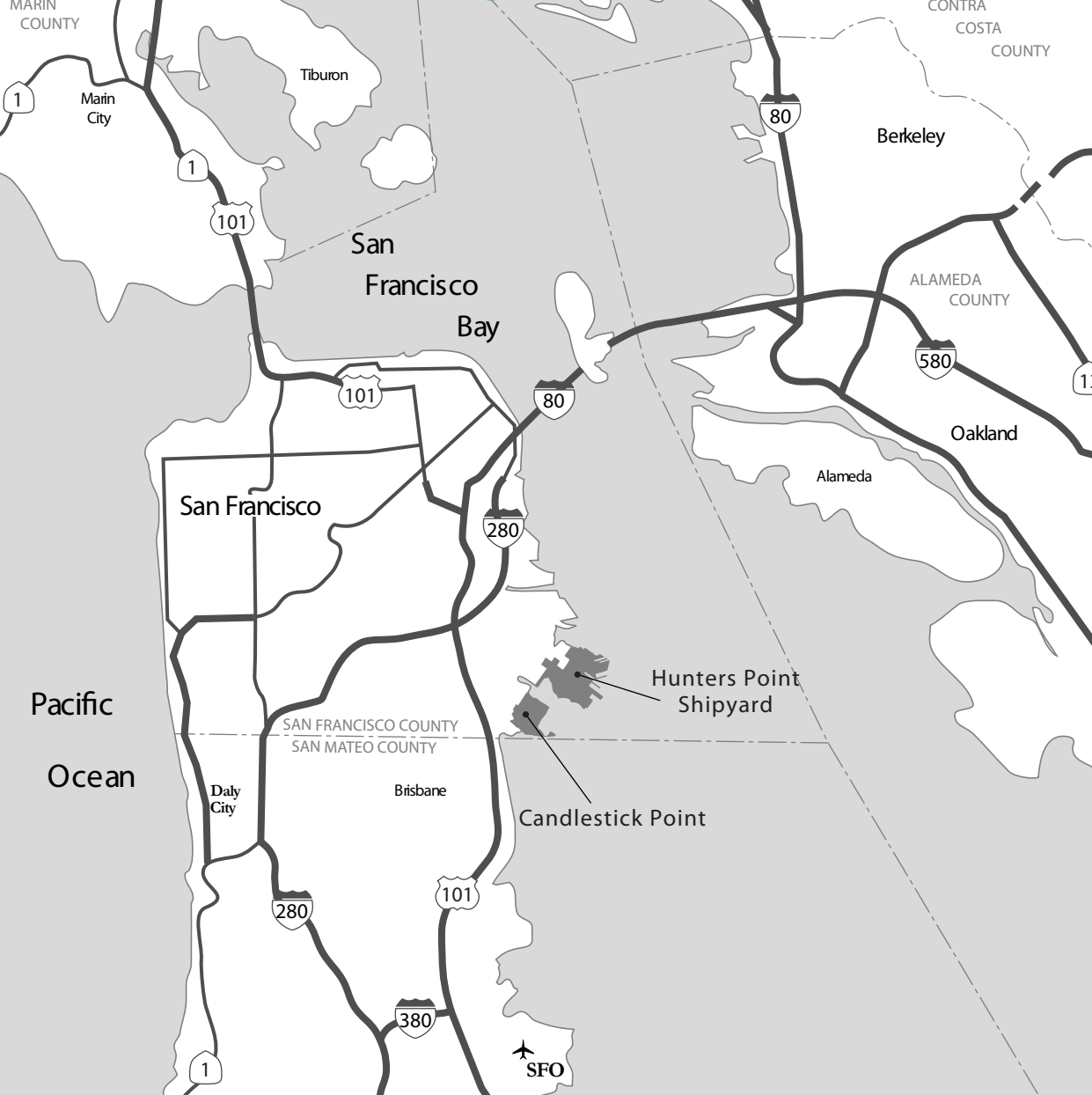
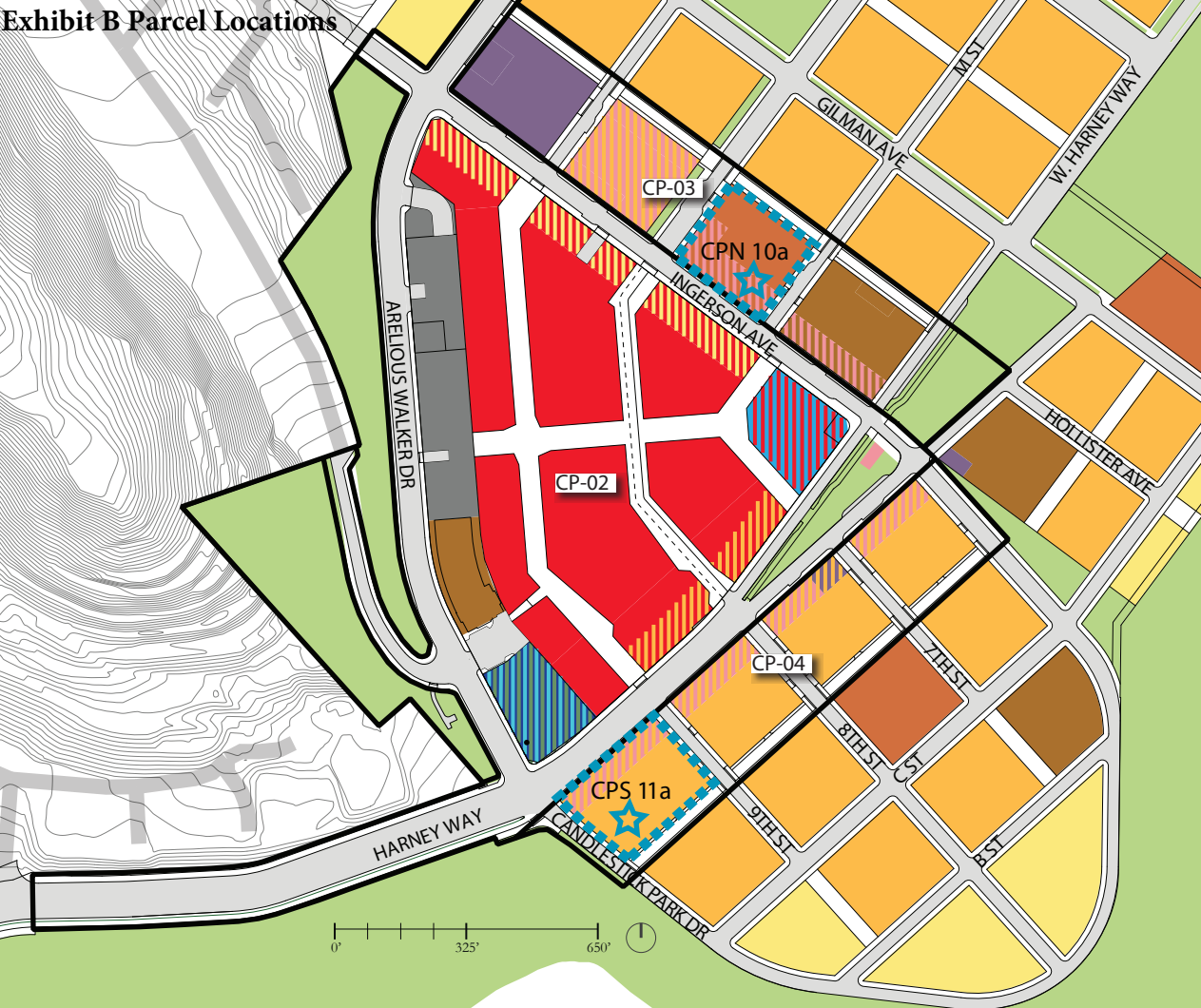


Exhibit B Parcel Locations



Legend

- | | |
|---|--|
|  Residential Density I (15-75 units per acre) |  Hotel |
|  Residential Density II (50-125 units per acre) |  Office |
|  Residential Density III (100-175 units per acre) |  Parking |
|  Residential Density IV (175-285 units per acre) |  Community Use |
|  Regional Retail |  Parks & Open Space |
|  Neighborhood Retail |  Sub-Phase Boundary |
|  Performance Venue/Film Arts Center | |



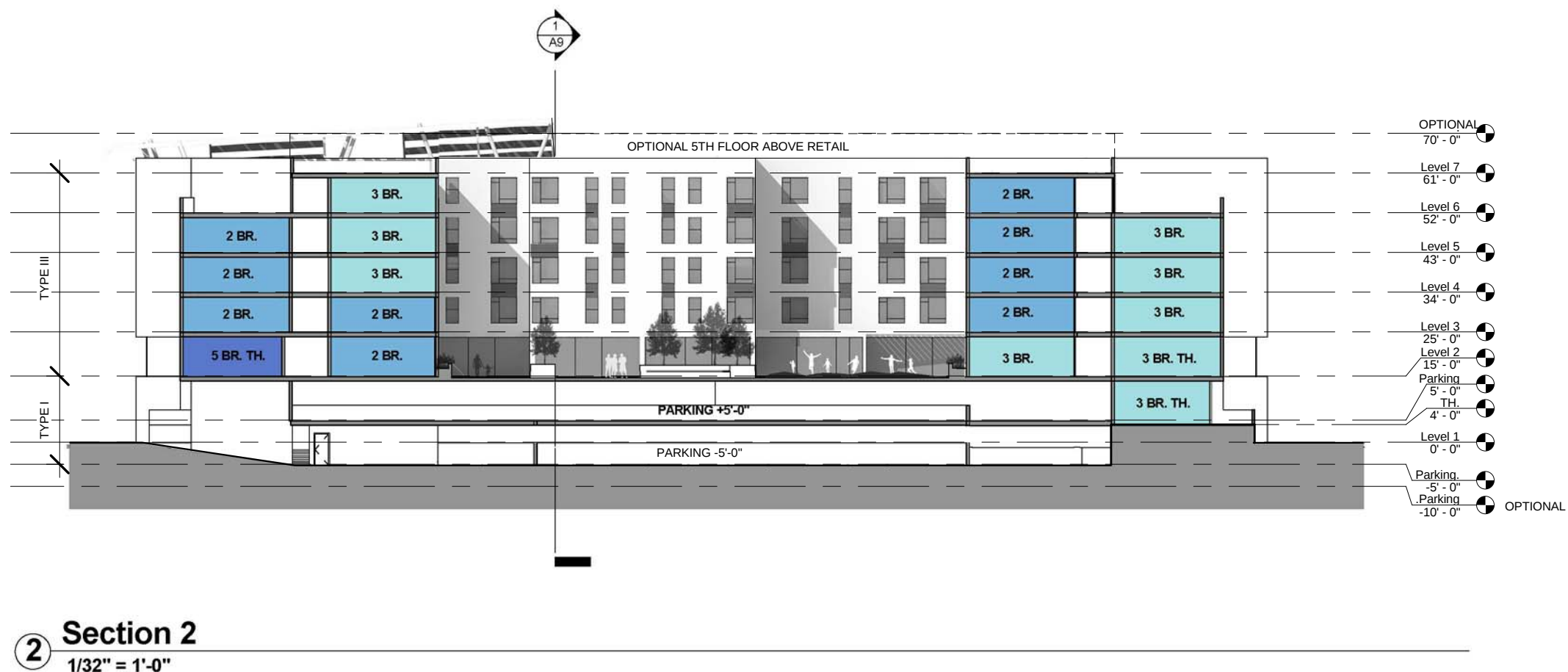
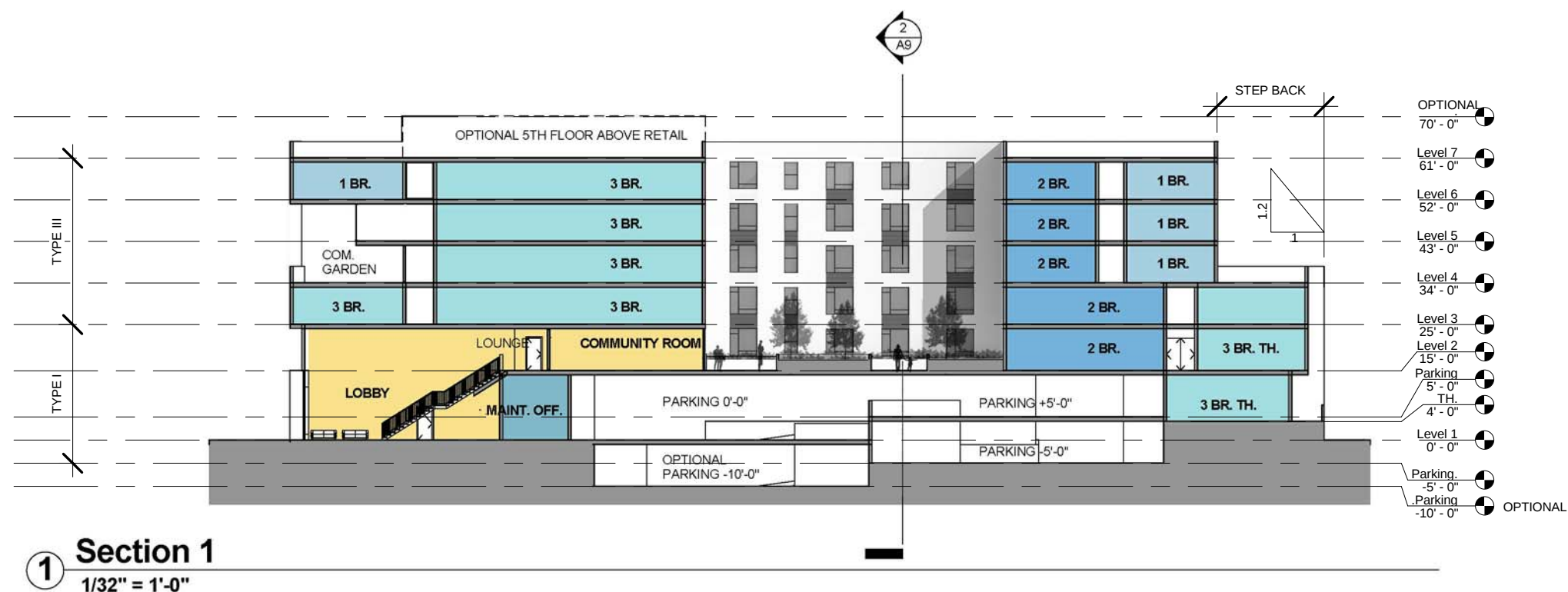




MID BLOCK BREAK







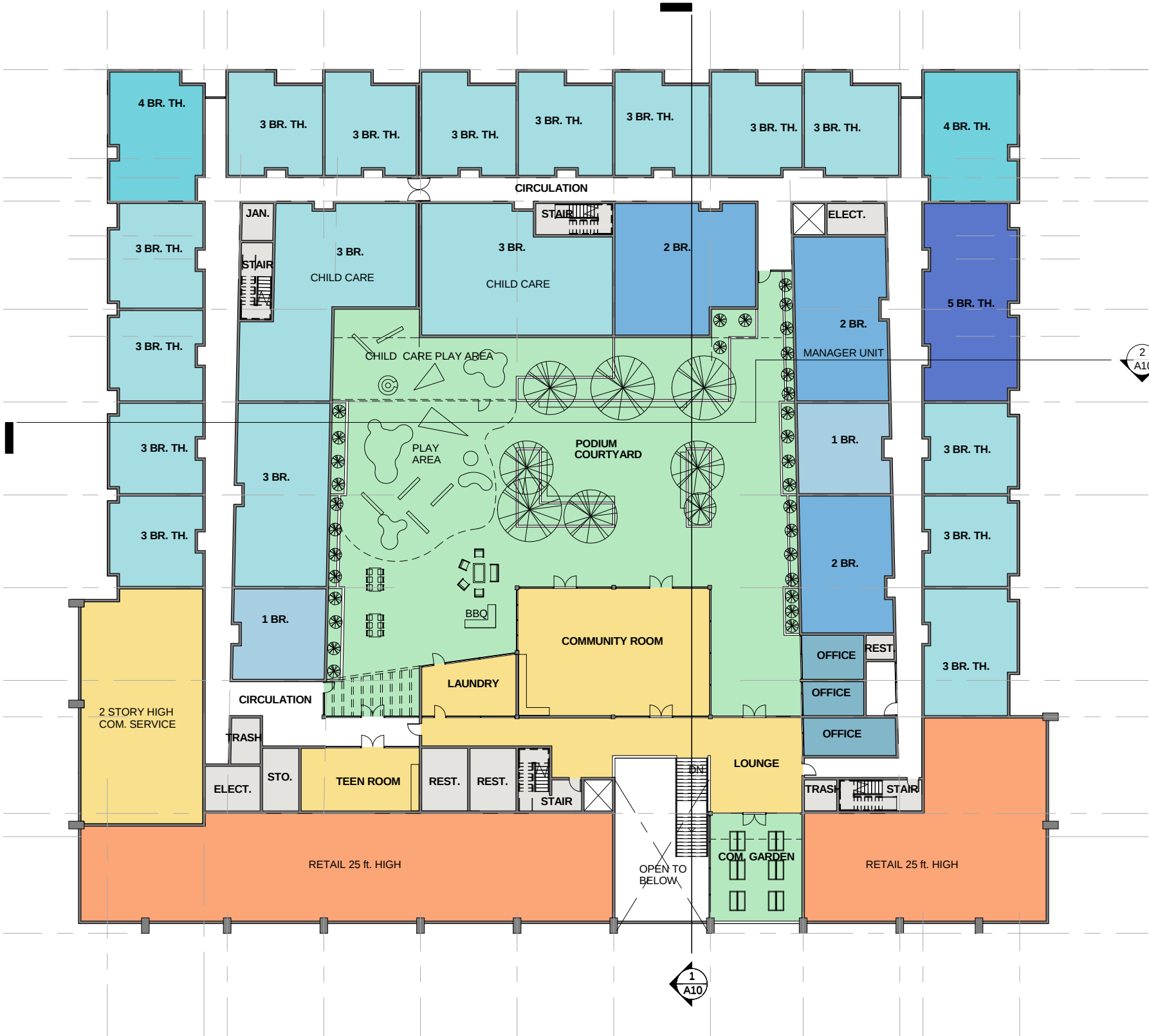
CANDLESTICK POINT
BLOCK 10A



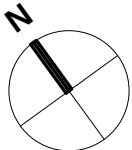
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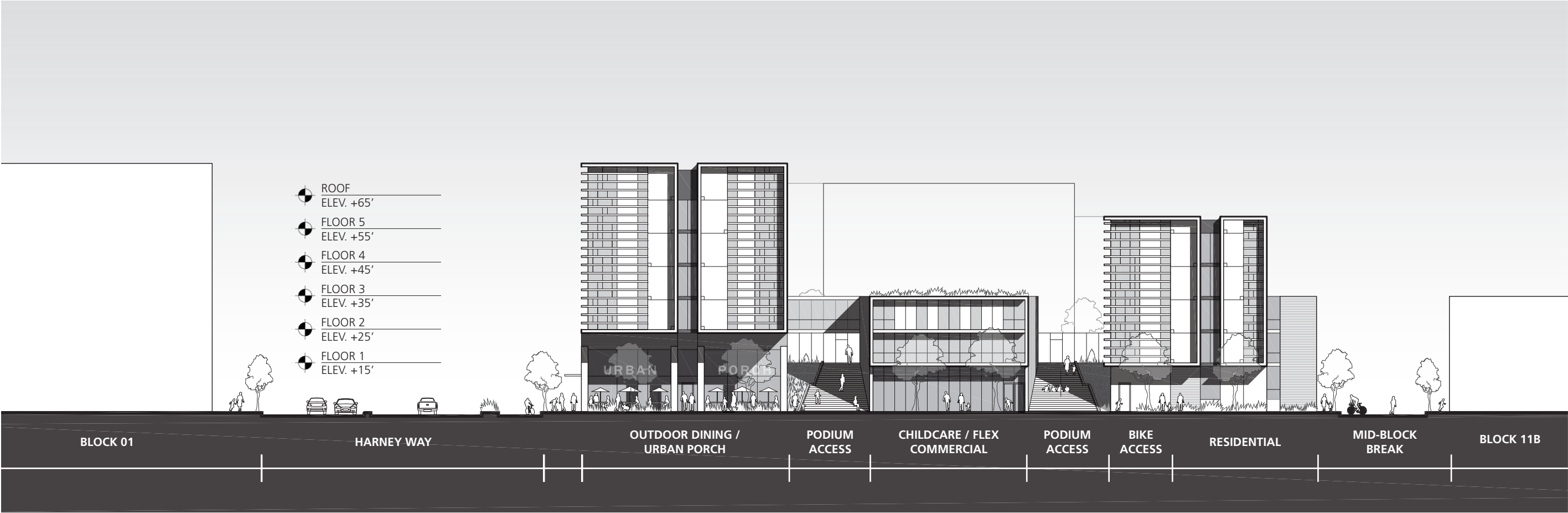




CANDLESTICK POINT
BLOCK 10A







ELEVATIONS - CANDLESTICK POINT DRIVE

CANDLESTICK SOUTH BLOCK 11A

mercy HOUSING

SFHDC

10 LMSA





ELEVATIONS - 9TH STREET

CANDLESTICK SOUTH BLOCK 11A

mercy HOUSING

SFHDC

12 LMSA

