

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 7-2017

SELECTING MERCY HOUSING CALIFORNIA FOR THE DEVELOPMENT OF 140 AFFORDABLE RENTAL HOUSING UNITS (INCLUDING ONE MANAGER'S UNIT) FOR LOW INCOME FAMILIES AND A CHILDCARE FACILITY AT MISSION BAY SOUTH BLOCK 6W; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

- WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 *et seq.* the “CRL”), the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (“City”); and,
- WHEREAS, In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area (the “Project Area”) by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the “Mission Bay South Redevelopment Plan.” In cooperation with the City, the Agency was responsible for implementing the Mission Bay South Redevelopment Plan; and,
- WHEREAS, The Mission Bay South Redevelopment Plan provides for the redevelopment, construction and revitalization of the area generally bounded by the China Basin Channel, Seventh and Mariposa Streets, and the San Francisco Bay and containing approximately 238 acres of land. The Mission Bay South Redevelopment Plan anticipates and describes a mixed-use development comprised of public open space, retail, commercial, entertainment uses, and parking and loading uses; and,
- WHEREAS, The Mission Bay South Owner Participation Agreement (the “OPA”) between the Agency and FOCIL-MB, LLC (the “Master Developer”) provides that the Master Developer will contribute land to the former Agency, at no cost, for the development of affordable housing and the Agency will oversee the development of up to one thousand one hundred eight (1,108) affordable housing units in the Project Area; and,
- WHEREAS, Pursuant to California Health and Safety Code §§ 34170 *et seq.*, the Former Agency was dissolved as of February 1, 2012; and,
- WHEREAS, On November 1, 2005, the Former Agency approved, by Resolution No 178-2005, the Major Phase for Blocks 2-7 and 13 that initially included Mission Bay South Block 6 West as an affordable housing site; and,
- WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure) (the “Successor Agency” or “OCII”) is completing the enforceable obligations of the Former Agency in the Project Area, under the authority of the

CRL as amended by the Redevelopment Dissolution Law, and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission (“Commission”) and delegating to the Commission the state authority under the Redevelopment Dissolution Law); and,

WHEREAS, On January 24, 2014, the California Department of Finance (“DOF”) determined “finally and conclusively” that the OPA, including its affordable housing obligations and tax allocation pledge agreement is an enforceable obligation under the Dissolution Law; and,

WHEREAS, At the Commission’s public hearing on August 16, 2016, the OCII Executive Director and Staff presented a Housing Development Request for Proposals (the “RFP”) to develop and operate affordable rental housing units for low income families as well as a childcare facility space on Mission Bay South Block 6 West (“MBS 6W”). After review and discussion of the RFP, the Commission did not object to its issuance and subsequently, on August 23, 2016, OCII issued the RFP; and,

WHEREAS, OCII staff made extensive outreach efforts to attract submittals from qualified developers by the November 10, 2016 deadline. The RFP set forth specific submission requirements to be met in order to be fully reviewed by OCII staff; and,

WHEREAS, OCII formed an evaluation panel to review proposals for MBS 6W. The seven-member panel consisted of a representative from the Mission Bay Community Advisory Committee, a representative from the Mayor’s Office of Housing and Community Development, three OCII housing staff, one member of the OCII design review staff and the Project Manager for the Mission Bay Project Area (the “Evaluation Panel”). Two representatives from OCII’s Contract Compliance team were present but only participated in scoring the Workforce and Contracting Action Plan sections of each submittal; and,

WHEREAS, OCII staff received five submittals that met the RFP’s minimum threshold requirements from the following developer teams: BRIDGE Housing, Chinatown Community Development Corporation and Related Companies, McCormack Baron Salazar and Young Community Developers, Mercy Housing California, and Tenderloin Neighborhood Development Corporation. After a thorough review of the submittals and interviews with each team, the Evaluation Panel for MBS 6W determined that the proposal submitted by Mercy Housing California with designer Paulett Taggart Architects (the “MBS 6W Development Team”) had the highest ranking because of the strength of the proposal in responding to the RFP criteria, especially in the Massing concept category; and,

WHEREAS, The recommendation of the evaluation panels was presented to the Mission Bay Community Advisory Committee (“CAC”) on February 9, 2017; The CAC did not object moving the recommended MBS 6W Development Team to the OCII Commission for approval; and,

WHEREAS, After adoption of this resolution, OCII staff will negotiate with the MBS 6W Development Team and return to the Commission to request authorization to enter into an Exclusive Negotiations Agreement and Predevelopment Loan in the coming months;

WHEREAS, The selection of a developer for MBS 6W is an administrative activity that does not constitute a “Project” as defined by the California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(5), will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA; now therefore, be it

RESOLVED, That the Commission approves the selection of Mercy Housing California as the MBS 6W Development Team and authorizes the Executive Director to negotiate an Exclusive Negotiations Agreement and Predevelopment loan for future review and approval of the Commission

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of February 21, 2017.

Interim Commission Secretary