



118-0342021-002

Agenda Item **No. 5(c)**
Meeting of November 16, 2021

MEMORANDUM

TO: Commission on Community Investment and Infrastructure

FROM: Sally Oerth, Interim Executive Director

SUBJECT: Workshop on Annual Housing Production Report Fiscal Year 2020-21

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure (“OCII”) is the driving force in creating four vibrant and inclusive neighborhoods in San Francisco. Beginning under the leadership of the San Francisco Redevelopment Agency Commission, and now under the Commission of Community Investment and Infrastructure, 21,846 new housing units will ultimately be created through the build out of these four major project areas:

- Hunters Point Shipyard Phase I
- Hunters Point Shipyard Phase II/Candlestick Point
- Mission Bay North and South
- Transbay Zone 1

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Sally Oerth
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OCII staff have prepared an Annual Housing Production Report (“Report”) for Fiscal Year 2020-21 (FY20-21), a draft of which will be presented at the November 16, 2021 Commission meeting for discussion and comment. In summary, 9,098 housing units, or approximately 42% of the OCII’s total housing obligation, had been completed by the end of FY20-21. Of those completed units, 2,613 were affordable housing units serving very low- to moderate-income households. These housing units represent many different types of housing and project types, and include OCII funded affordable housing, inclusionary affordable housing, and market rate unrestricted housing. The Report also provides data on key milestones achieved during FY20-21, such as that shown in Table 1, on the next page.

TABLE 1: FY20-21 Accomplishments

Milestone	Outcome
Housing Unit Construction Completions	468
Housing Unit Construction Starts	218
OCII Affordable Housing Funding Approved	\$10.65 M
Affordable Housing Unit Construction Completion	468
Certificate of Preference Holders Housed	0

108 Affordable Housing Units Achieved 100% Occupancy during FY20-21

DISCUSSION

The Report provides a description of OCII's housing program and goals, and a description of housing types such as family rental, senior rental, supportive rental and homeownership housing. OCII's housing production status for our four major project areas are shown both combined and by project area. FY20-21 housing accomplishments are described by housing completions, construction starts, projects already in construction, and marketing outcomes by projects that reached 100% occupancy. Occupancy preferences applicable to OCII housing is detailed followed by our early outreach and marketing practices. An overview of Certificate of Preference Program for the past eight years shows the increase impact of our marketing efforts compared to eight years ago. The application of the Small Business Enterprise and workforce goals in our affordable housing is also presented. The Report includes an appendix with additional detail on a project by project basis. Below are examples of some of the data included in the Report.

At full build out, the four major projects will ultimately deliver 21,846 housing units, of which approximately 32% will be below market rate, serving a wide range of Area Median Incomes. Table 2 provides a breakdown of OCII's total housing obligation by housing type, while Table 3 specifies where these housing units are, or will be, located.

TABLE 2. Status of OCII Total Housing Production Obligation Across All Project Areas*, as of June 30, 2021

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable*
Completed	9,098	6,485	651	1,962	2,613
In Construction	218	69	9	140	149
Predevelopment	3,159	1,763	252	1,114	1,366
Preliminary Planning	1,411	861	162	388	550
Future Development	7,960	5,617	1,490	853	2,343
TOTAL	21,846	14,825	2,564	4,457	7,021
Affordable Units as % of Total Housing Obligation					32%

* HP Shipyard Phase I, HP Shipyard Phase II/Candlestick Point, Mission Bay North & South, Transbay Zone 1

** OCII Affordable does not include on-site property managers' units, which are not income restricted

By the end of FY20-21, approximately 42% of all housing had been completed, as shown below in Table 3.

TABLE 3. Total Housing Status by Project Area, as of June 30, 2021					
Status	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 & Candlestick Point	Mission Bay North & South	Transbay Zone 1	Total
Completed	505	337	6,060	2,196	9,098
In Construction	77	-	141	-	218
Predevelopment	813	1,263	148	935	3,159
Preliminary Planning	-	1,225	186	-	1,411
Future Development	33	7,847	-	80	7,960
TOTAL	1,428	10,672	6,535	3,211	21,846
% AFFORDABLE	29%	31%	29%	43%	32%
% COMPLETE ALL UNITS	35%	3%	93%	68%	42%

In FY20-21, OCII achieved significant milestones in bringing this critical resource to the City, delivering 468 housing units as shown in Table 4. Of the 468 housing units, all are affordable. Staff estimates that these completed affordable units offered much needed, high quality housing to over 1,150 San Franciscans.

TABLE 4: FY 20-21 Construction Completions and Starts		
Project Area	Total Housing Completions	Total Housing Starts
Hunters Point Shipyard Phase 1	0	0
Hunters Point Shipyard Phase II/Candlestick Point	0	0
Mission Bay North	0	0
Mission Bay South	152	0
Transbay	316	0
TOTAL	468	0

During this period, the Commission approved funding for another 366 units in stand-alone 100% affordable developments for either predevelopment or construction activities, as shown in Table 5.

TABLE 5. FY 20-21 Affordable Housing Funding Approvals				
Project Area	Project Name	Affordable Units	Type of Funding	Amount Funded
HPSY Phase I	Blocks 52/54	112	Predevelopment	\$ 3,650,000
Transbay	Block 2 East	101	Predevelopment	\$ 3,500,000
Transbay	Block 2 West	153	Predevelopment	\$ 3,500,000
TOTAL	366			\$ 10,650,000

118-0342021-002

Page 4

NEXT STEPS

Staff will present the draft Report at the November 16, 2021 Commission meeting for comment. After incorporating any suggested revisions, OCII will finalize the Report and make it available to the public via the OCII website and distribute it to interested parties.

(Originated by Jeff White, Housing Program Manager)

DocuSigned by:

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Sally Oerth
Interim Executive Director

Attachment A: Draft Annual Housing Production Report FY20-21

ANNUAL HOUSING PRODUCTION REPORT

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

FISCAL YEAR 2020-2021





01

EXECUTIVE SUMMARY

Summary of Report	01
Housing Completions and Starts	01
Housing Funding Activity	01
TABLES:	
Table 1: Housing Completions and Starts	02
Table 2: Housing Funding Activity	02

02

HOUSING PROGRAM
& GOALS

Housing Types	05
Hunters Point Shipyard Phase I	07
Hunters Point Shipyard Phase II/ Candlestick Point	07
Mission Bay North and South	07
Transbay	07
TABLES:	
Table 3: Total Units by Housing Type	06
Table 4: Housing Production Goals and Status by Project Area	09
Table 4A: Total of All Areas	09
Table 4B: Totals by Project Area	10
Table 4C: Hunters Point Shipyard Phase I	11
Table 4D: Hunters Point Shipyard Phase II/Candlestick Point	12
Table 4E: Mission Bay North	13
Table 4F: Mission Bay South	14
Table 4G.1 & 4G.2: Transbay	15-16

03

HOUSING
ACCOMPLISHMENTS

Housing Completions & Project Summaries	19
Housing Starts & Project Summaries	23
Housing in Construction & Project Summaries	27
Marketing Accomplishments	29
TABLES:	
Table 5: Housing Completions	20
Table 6: Housing Starts	24
Table 7: Housing in Construction	28
Table 8: Marketing Outcomes Summary	30

04

CERTIFICATE OF PREFERENCE PROGRAM & MARKETING REQUIREMENTS

Certificate of Preference Program	33
Marketing Requirements	34

TABLE:

Table 9: COP Program Highlights Eight Years Ending FY20-21	34
--	----

05

SMALL BUSINESS ENTERPRISE & WORKFORCE GOALS

Equal Opportunity Programs & Affordable Housing	37
Small Business Enterprise	37
Workforce Development	39

CHARTS:

Chart 1: SBE Participation on Affordable Housing Contracts	38
Chart 2: Construction Work Opportunities Created by OCII Affordable & Inclusionary Housing Projects	40

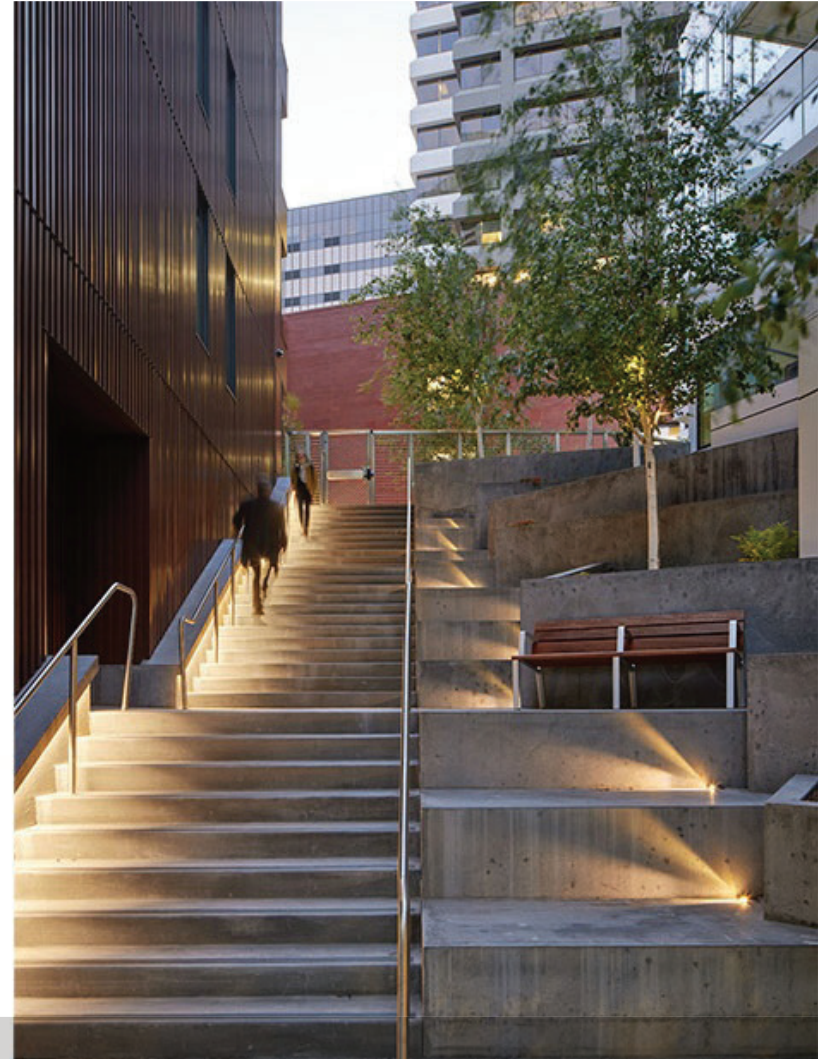
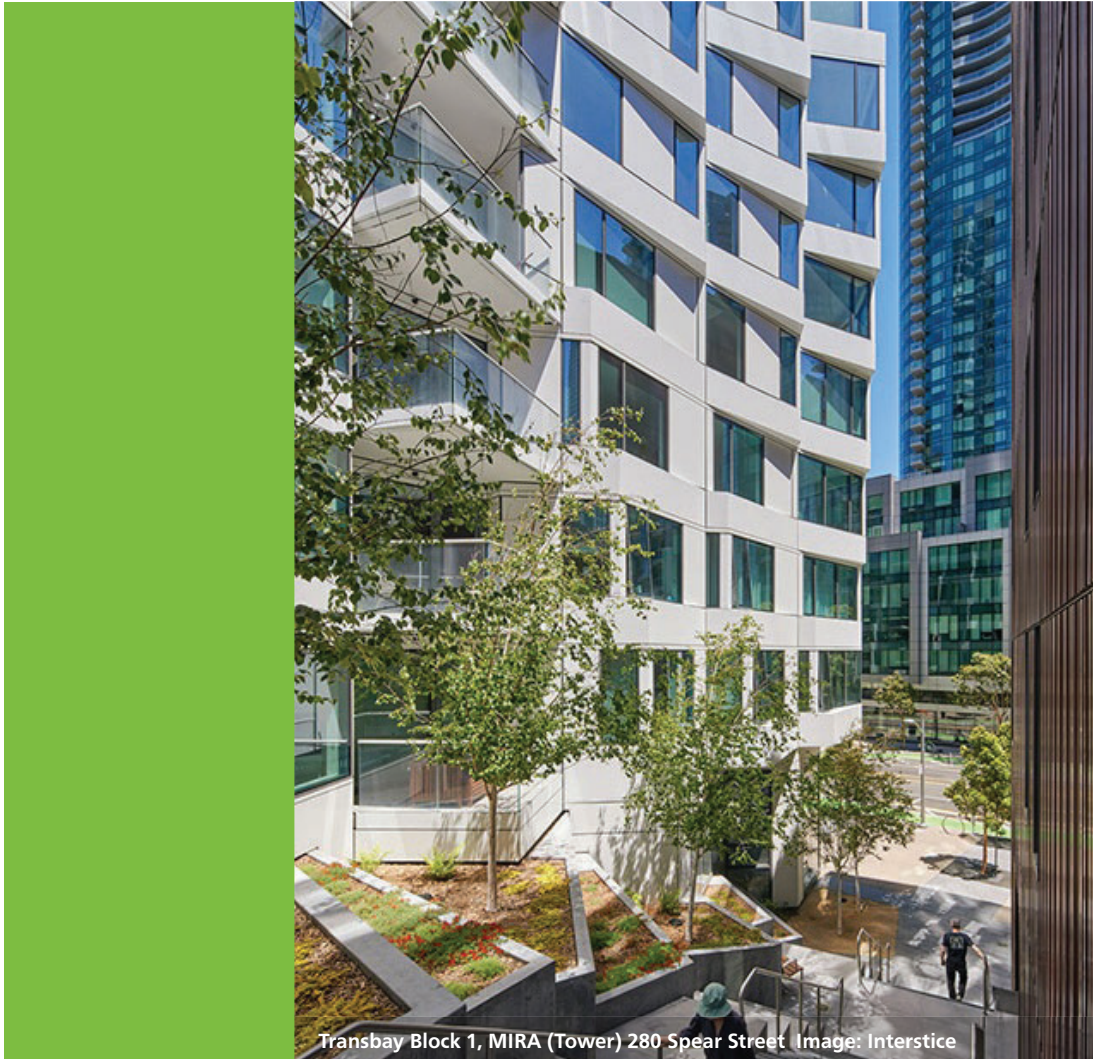
06

APPENDIX

TABLE:

Table 10: Construction Completions in FY20-21	43
Construction Starts in FY20-21	45

01



EXECUTIVE SUMMARY

Summary of Report
Housing Completions and Starts
Housing Funding Activity

TABLES:
Table 1:
Housing Completions and Starts

Table 2:
Housing Funding Activity

“

“I applied to 20 or so places with the help of a very good, respectful, understanding, and helpful housing councilor before moving. I was also lucky to receive assistance from the Q foundation.

My favorite part about coming home is the fact that it's mine and no one can come in the main door without a fob or without the apartment door fob. Sometimes it's quiet, other times loud, but we are next to an elementary school and across the street from a big park.

I love the location. It's not far from the store, the hospital, or my mom's house. I love my view and the way my apartment smells when I come in.

My advice to other COP holders is that it is worth it. Please take your time to check out the unit and the area. I'm glad I did. I picked a good one... thank you GOD! I'm very thankful for the COP program.

”

Certificate of Preference holder now residing at Mason on Mariposa.

Executive Summary

The Office of Community Investment and Infrastructure (“OCII”) is the driving force in creating three vibrant and inclusive neighborhoods in San Francisco. Beginning under the leadership of the San Francisco Redevelopment Agency Commission and now under the Commission on Community Investment and Infrastructure, 21,834 new housing units are being created in its major development project areas as summarized below.

- Hunters Point Shipyard Phase I
- Hunters Point Shipyard Phase II/ Candlestick Point
- Mission Bay North
- Mission Bay South
- Transbay

As of the end of Fiscal Year 2020-2021 (“FY20-21”), 9,098 units (2,613 affordable units and 6,485 market rate units) have been completed in these project areas.

Of the 21,834 units, 32% (7,042 housing units) will be affordable. Affordable units are defined as being restricted to and priced for households earning up to 120% of the Area Median Income (AMI). Affordable rental projects typically serve low- or very low-income households (up to 60% or 50% of AMI), while affordable homeownership units are designated for first-time low to moderate-income buyers earning between 80%-120% AMI.

This Annual Housing Production Report for Fiscal Year 2020-2021 provides a summary and status

of OCII’s housing goals, and accomplishments from FY20-21 as of June 30, 2021, including the following:

- Housing construction completions
- Housing construction starts
- Housing funding activity
- Affordable housing marketing outcomes including Certificate of Preference results
- Small Business Enterprise and Workforce results
- An appendix with additional housing project details

Total Housing Completions and Starts

In FY20-21, 468 housing units were completed, and 218 housing units started construction as shown in **Table 1**.

Housing Funding Activity

One of OCII’s key tools in delivering affordable housing is the ability to secure funding through public financing and make direct loans to affordable housing developers. In FY20-21, the OCII Commission approved three predevelopment loans, for a total of \$10.65 million in loans as shown in **Table 2**.

The sources of funding for OCII’s affordable housing include taxable housing bonds authorized under Redevelopment Dissolution law, “pay-go” tax increment, and developer fees such as jobs-housing linkage fees.

**TABLE 1. FISCAL YEAR 2020-21
TOTAL HOUSING COMPLETIONS AND STARTS**

Project Area	Total Housing Completions	Total Housing Starts
Hunters Point Shipyard Phase I	0	77
Hunters Point Shipyard Phase II/ Candlestick Point	0	0
Mission Bay North	0	0
Mission Bay South	152	141
Transbay	316	0
TOTAL	468	218

TABLE 2. HOUSING FUNDING ACTIVITY

Project Area	Project Name	Affordable Units	Type of Funding	Amount Funded
Hunters Point Shipyard Phase I	Block 52/54	112	Predevelopment Assigned	\$3,650,000
Transbay	Block 2 East	101	Predevelopment	\$3,500,000
Transbay	Block 2 West	153	Predevelopment	\$3,500,000
TOTAL		366		\$10,650,000

02



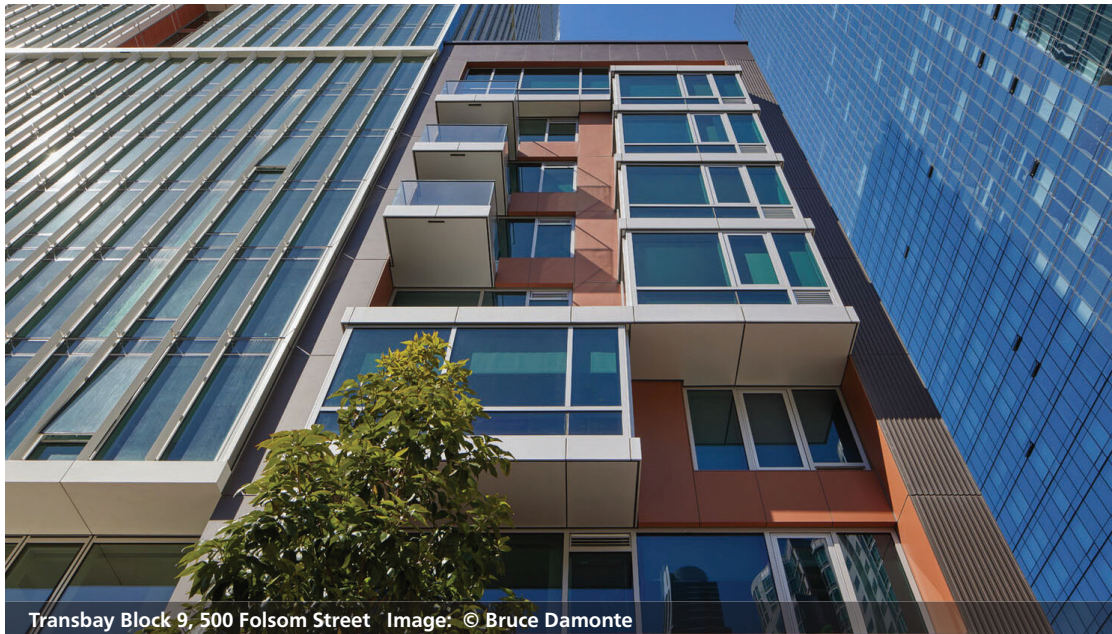
Transbay Block 9, 500 Folsom Street Image: © Bruce Damonte

HOUSING PROGRAM & GOALS

- Housing Types
 - Hunters Point Shipyard Phase I
 - Hunters Point Shipyard Phase II/Candlestick Point
 - Mission Bay North and South
 - Transbay

TABLES:

- Table 3:
 - Total Units by Housing Type
- Table 4:
 - Housing Production Goals and Status by Project Area
 - Table 4A: Total of All Areas
 - Table 4B: Totals by Project Area
 - Table 4C: Hunters Point Shipyard Phase I
 - Table 4D: Hunters Point Shipyard Phase II/ Candlestick Point
 - Table 4E: Mission Bay North
 - Table 4F: Mission Bay South
 - Table 4G.1 & 4G.2: Transbay



Housing Program and Goals

OCII became the Successor Agency to the San Francisco Redevelopment Agency ("SFRA") after SFRA was dissolved in 2012 pursuant to state law. As Successor Agency, OCII's work activities are focused on enforceable obligations that have been approved by the State Department of Finance ("DOF"). OCII's "Retained Housing Obligations" include ensuring the development of affordable housing in OCII's approved projects areas.

OCII directly carries out affordable housing development design review, entitling, underwriting

and funding. In addition, OCII procures services from the Mayor's Office of Housing and Community Development (MOHCD) through a Memorandum of Understanding for outreach and marketing for both inclusionary and OCII funded projects, implementing the Certificate of Preference program, assisting with the fiscal management and disbursement of OCII's funds, some construction monitoring, and other ancillary tasks as needed. Upon completion of the projects, OCII transfers the affordable housing assets such as land, funding agreements, ground leases, and affordability restrictions for each completed project to MOHCD, which is then responsible for all asset management responsibilities.

Tables 4A-G reflect all OCII housing obligations and production goals as of June 30, 2021.

Of OCII's 21,834 planned total housing units, 7,042 (32% of the total) will be affordable. At the end of FY20-21, a total of 9,098 housing units (42% of the total goal) have been completed. Of these completed units, 2,613 are affordable units and 6,485 are market rate units. The total affordable units comprise both 100% OCII funded affordable projects and inclusionary units in market rate projects.

More information on OCII's project areas can be found on OCII's website: <https://sfocii.org/project-areas>

Housing Types

Rental housing in OCII's projects include Family Rental (generally a mix of bedroom sizes, with no other population restrictions), Senior Rental (for those 62 years or older), and Supportive Rental (for formerly homeless households or other special needs). Rental units in 100% affordable developments typically offer services programming along with affordable rents. Homeownership units are typically condos in multi-family buildings or towers. Affordable homeownership units are offered to first time homebuyers through a limited equity program.

Table 3 shows that 59% of completed units are for family rental and 36% of completed units are for homeownership.

TABLE 3. STATUS OF TOTAL UNITS BY HOUSING TYPE AS OF JUNE 30, 2021

TYPE	Completed	% Completed Units by Housing Type	Affordable Units Completed	In Construction	Predevelopment	Preliminary Planning	Future Development	Grand Total Planned by Housing Type
Family Rental	5,376	59%	1,878		1,328	575		7,279
Senior Rental	140	2%	140		153	236	80	609
Supportive Rental	239	3%	238	141				380
Homeownership	3,343	36%	357	77	1,666	21		5,107
TBD		0%				579	7,880	8,459
TOTAL	9,098	100%	2,613	218	3,147	1,411	7,960	21,834

Hunters Point Shipyard Phase I

For Hunters Point Shipyard Phase I (HPSY Phase I), the total housing production goal at full build-out is 1,428 units, of which 29% (or 407 units) will be affordable. HPSY Phase I is divided into two areas, the “Hilltop”, where all the housing development to date has occurred, and the “Hillside”, which has not yet started development. **Table 4C** shows that in HPSY Phase I, housing production at the end of FY20-21 was 35% complete with 505 units completed. Of those completed units, 102 were affordable housing units, consisting of all inclusionary affordable units within market rate developments. HPSY Phase I is not a part of the Navy’s retesting efforts described below, and has been confirmed by the U.S. Environmental Protection Agency to be safe for people to live and work there. During FY20-21, the California Department of Public Health completed a health and safety scan of HPSY Phase I, concluding that there is no exposure to radiological health or safety hazards for residents, workers or visitors.

Hunters Point Shipyard Phase II/ Candlestick Point

For Hunters Point Shipyard Phase II/Candlestick Point (HPSY Phase II/CP), the total housing production goal at full build-out is 10,672 units, of which approximately 31% will be affordable. The affordable housing program in HPSY Phase II/CP is unique in that it includes the broadest range of affordability, providing typical affordable units serving households ranging from very low-income

households up to those at 120% of AMI, as well as “workforce” housing that will serve slightly higher incomes of 140% to 160% of AMI. **Table 4D** shows that in HPSY Phase II/CP, the housing production at the end of FY20-21 was 3% complete. Those completed units are all part of the new housing in Candlestick Point for the HOPE SF revitalization of the Alice Griffith public housing development. The three market rate units represent the onsite property managers’ units, which are not income restricted.

The land in HPSY Phase II is an environmental “Superfund” site that requires clean-up by the Navy. Portions of HPSY Phase II are the subject of an investigation regarding the testing that was performed after the Navy had completed certain clean up and remediation activities. No construction is currently occurring on any of the HPSY Phase II parcels, and OCII will not accept any land or begin any development on HPSY Phase II until each parcel is tested and determined by regulatory agencies to be safe.

Mission Bay North and South

Together, the Mission Bay North (MBN) and South (MBS) total housing production goal at full build-out is 6,535 units, of which 29% (or 1,908 units) will be affordable. Planned housing construction in the two project areas combined was 93% complete, for a total of 6,060 units. **Table 4E** reflects housing completions in MBN, which was fully complete in FY16-17, and has provided 2,266 market rate units and 698 affordable units (24% of the total units). **Table 4F** shows that in MBS,

the project area was 87% complete at the end of FY20-21, with 3,096 units completed out of 3,571. As of FY20-21, market rate units were 100% complete, and 63% of the OCII affordable units were completed. The two market rate units shown in each of the Predevelopment and Preliminary Planning categories in MBS are onsite property manager’s units, which are not income restricted. At full build-out, the housing in MBS will be 34% affordable.

Transbay

In Transbay Zone 1 for which OCII has land use and zoning jurisdiction, the total housing production goal at full build-out is 3,211 units, of which 43% (or 1,358 units) will be affordable. **Table 4G.1** shows that in Transbay Zone 1, housing production at the end of FY20-21 was 68% complete with 2,196 units. Of these completed units in Zone 463 were affordable units in OCII funded, 100% affordable housing developments.

Overall, 35% of all new housing in Zones 1 and 2 combined must be affordable. Transbay Zone 2 is under the jurisdiction of the City’s Planning Department, and not a subject of this report. However, **Table 4G.2** is presented to show Transbay Zones 1 and 2 combined, and that given the high percentage of affordability in Zone 1, OCII is on track to meet the 36% goal.

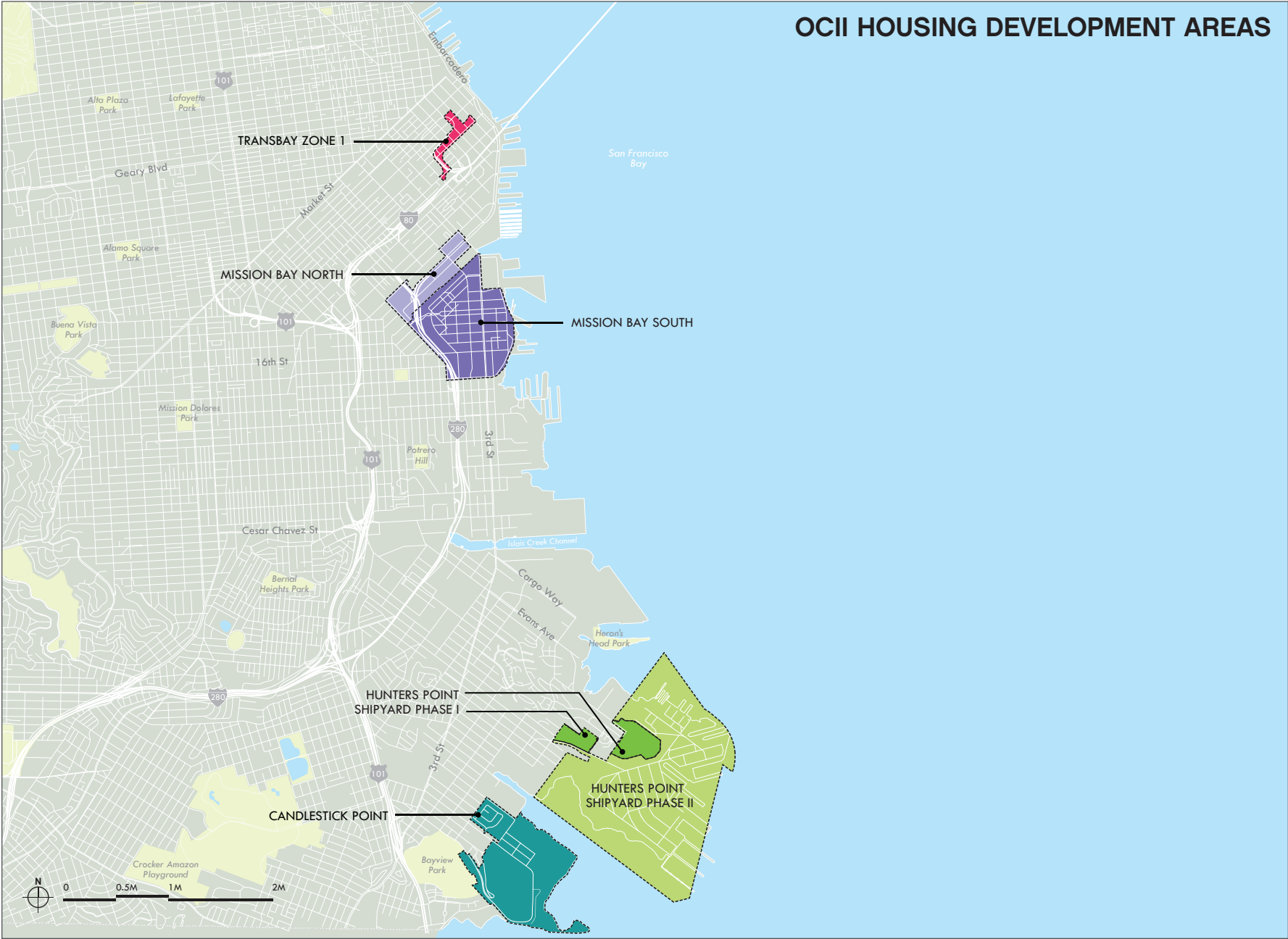


TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY PROJECT AREA

TABLE 4A. HOUSING STATUS FOR ALL AREAS, AS OF JUNE 30, 2021					
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed as of 6/30/21	9,098	6,485	651	1,962	2,613
In Construction	218	69	9	140	149
Predevelopment	3,159	1,793	252	1,114	1,366
Preliminary Planning	1,411	861	162	388	550
Future Development	7,960	5,617	1,490	853	2,343
TOTAL	21,846	14,825	2,564	4,457	7,021
% AFFORDABLE OF TOTAL HOUSING GOAL					32%
AFFORDABLE UNITS AS % OF TOTAL COMPLETED					29%
% COMPLETE, ALL UNITS					42%

*OCII affordable does not include manager's units

TABLE 4B. HOUSING STATUS BY PROJECT AREA, AS OF JUNE 30, 2021

	Hunters Point Shipyard Phase I	Hunters Point Shipyard Phase II & Candlestick Point	Mission Bay North & South	Transbay	Total
Completed	505	337	6,060	2,196	9,098
In Construction	77		141		218
Predevelopment	813	1,263	148	935	3,159
Preliminary Planning		1,225	186		1,411
Future Development	33	7,847		80	7,960
TOTAL	1,428	10,672	6,535	3,211	21,846
% COMPLETE ALL UNITS	35%	3%	93%	68%	42%

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY PROJECT AREA

TABLE 4C. HUNTERS POINT SHIPYARD PHASE I STATUS, AS OF JUNE 30, 2021					
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed	505	403	102		102
In Construction	77	68	9		9
Predevelopment	813	550	80	183	263
Preliminary Planning					
Future Development	33			33	33
TOTAL	1,428	1,021	191	216	407
% COMPLETE AS OF JUNE 30, 2021	35%	39%	53%	0%	25%
AT FINAL BUILD OUT, % AFFORDABLE OF TOTAL UNITS: 29%					

*OCII affordable does not include manager's units

TABLE 4D. HUNTERS POINT SHIPYARD PHASE II / CANDLESTICK POINT STATUS, AS OF JUNE 30, 2021

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed	337	3		334	334
In Construction					
Predevelopment	1,263	866	67	330	397
Preliminary Planning	1,225	839	162	224	386
Future Development	7,847	5,616	1,490	741	2,231
TOTAL	10,672	7,324	1,719	1,629	3,348
% COMPLETE AS OF JUNE 30, 2021	3%	0%	0%	21%	10%
AT FINAL BUILD OUT, % AFFORDABLE OF TOTAL UNITS: 31%					

*OCII affordable does not include manager's units

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY PROJECT AREA

TABLE 4E. MISSION BAY NORTH STATUS, AS OF JUNE 30, 2021					
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed	2,964	2,266	291	407	698
In Construction					
Predevelopment					
Preliminary Planning					
Future Development					
TOTAL	2,964	2,266	291	407	698
% COMPLETE AS OF JUNE 30, 2021	100%	100%	100%	100%	100%
AT FINAL BUILD OUT, % AFFORDABLE OF TOTAL UNITS: 24%					

*OCII affordable does not include manager's units

TABLE 4F. MISSION BAY SOUTH STATUS, AS OF JUNE 30, 2021

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed	3,096	2,338		758	758
In Construction	141	1		140	140
Predevelopment	148			148	148
Preliminary Planning	186	22		164	164
Future Development					
TOTAL	3,571	2,361		1,210	1,210
% COMPLETE AS OF JUNE 30, 2021	87%	99%		63%	63%
AT FINAL BUILD OUT, % AFFORDABLE OF TOTAL UNITS: 34%					

*OCII affordable does not include manager's units

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY PROJECT AREA

TABLE 4G.1 TRANSBAY STATUS, ZONE 1 ONLY, AS OF JUNE 30, 2021					
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed	2,196	1,475	258	463	721
In Construction					
Predevelopment	935	377	105	453	558
Preliminary Planning					
Future Development	80	1		79	79
TOTAL	3,211	1,853	363	995	1,358
% COMPLETE AS OF JUNE 30, 2021	68%	80%	71%	47%	53%
AT FINAL BUILD OUT OF ZONE 1, % AFFORDABLE OF TOTAL UNITS: 43%					

*OCII affordable does not include manager's units

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY PROJECT AREA

TABLE 4G.2 TRANSBAY STATUS, ZONES 1 AND 2 COMBINED, AS OF JUNE 30, 2021					
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable
Completed	2,666	1,915	288	463	751
In Construction					
Predevelopment	1,100	542	105	453	558
Preliminary Planning					
Future Development	80	1		79	79
TOTAL	3,846	2,458	393	995	1,388
% COMPLETE AS OF JUNE 30, 2021	69%	78%	73%	47%	54%
AT FINAL BUILD OUT OF ZONES 1 AND 2, % AFFORDABLE OF TOTAL UNITS: 36%					

*OCII affordable does not include manager's units

**Zone 2, although not in OCII'S jurisdiction, is included above to reflect the 35% affordable requirement in Zones 1 and 2 combined

03



Mission Bay South Block 6 West, 691 China Basin Street Image: © Bruce Damonte

HOUSING ACCOMPLISHMENTS

- Housing Completions & Project Summaries
- Housing Starts & Project Summaries
- Housing in Construction & Project Summaries
- Marketing Accomplishments

TABLES:

- Table 5:
Housing Completions
- Table 6:
Housing Starts
- Table 7:
Housing in Construction
- Table 8:
Marketing Outcomes Summary

Housing Accomplishments

This section summarizes OCII housing accomplishments for FY20-21, including information on construction completions, construction starts, projects in construction, and marketing outcomes.

Housing Completions

In FY20-21, 468 units completed construction of which 305 units are affordable. These units were in one 100% OCII-funded, 100% affordable development and one market rate project with a total of 80 inclusionary units. See **Table 5** for area summaries of these projects, and project specific details on the following pages, including developer, architect, and the Area Median Income (AMI) for the affordable units. Further project data, such as the percentage of contract funding awarded to Small Business Enterprises and local workforce hiring accomplishments can be found in **Chapter 6, Appendix**.

FY20-21 HOUSING COMPLETIONS

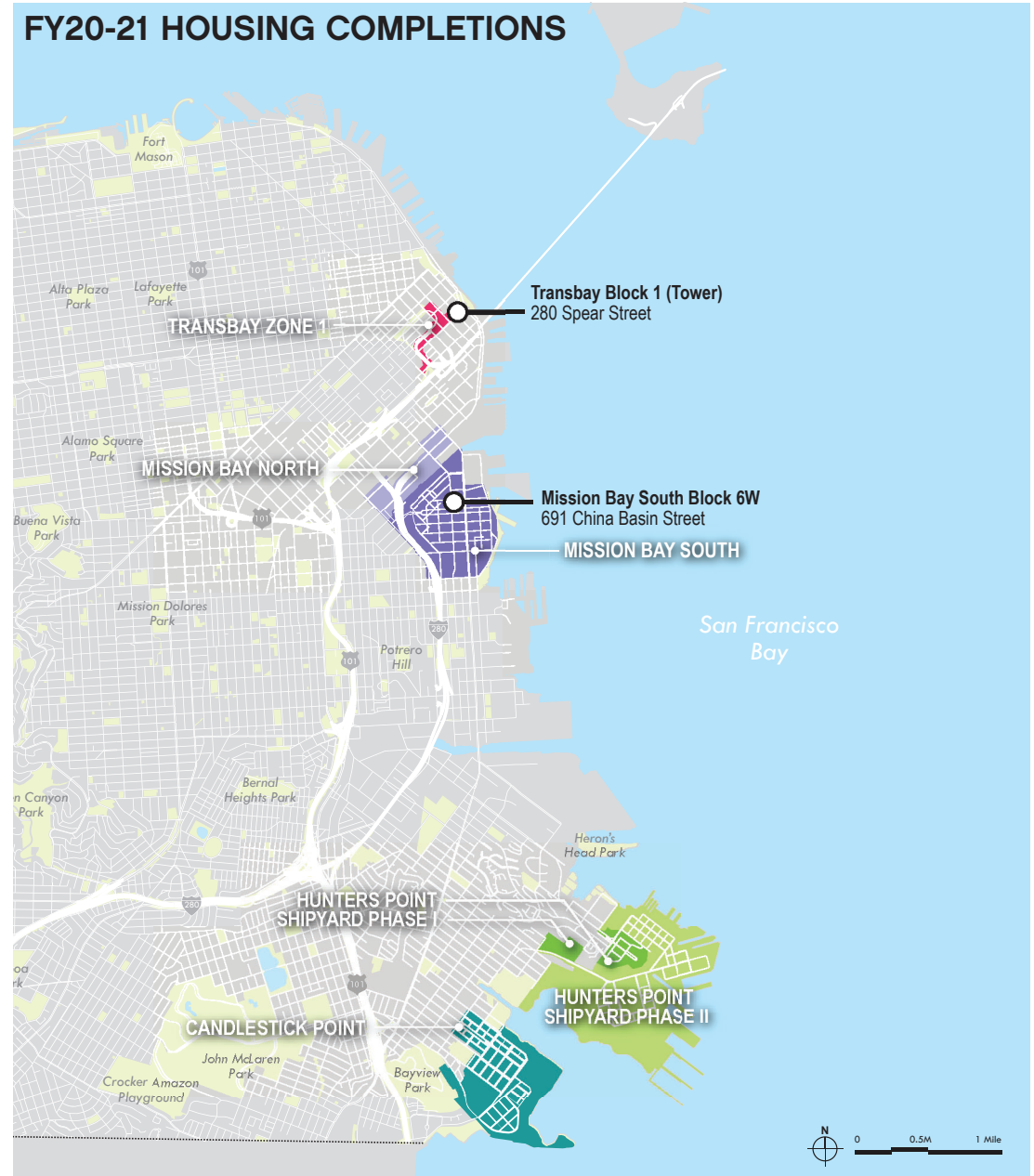


TABLE 5. HOUSING COMPLETIONS					
Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
Mission Bay South	Mission Bay South Block 6 West	100% Affordable	Family Rental	152	151
Transbay	MIRA Transbay Block 1 (Tower)	Market Rate w/ inclusionary	Homeownership	316	80
TOTAL				468	231

*OCII affordable does not include manager’s units



Mission Bay South Block 6 West: 691 China Basin St

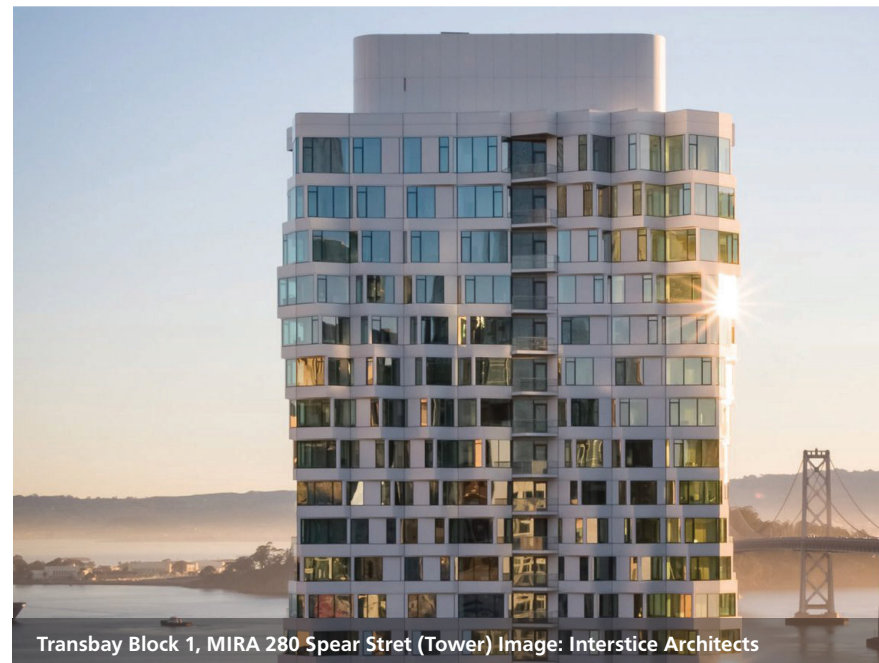
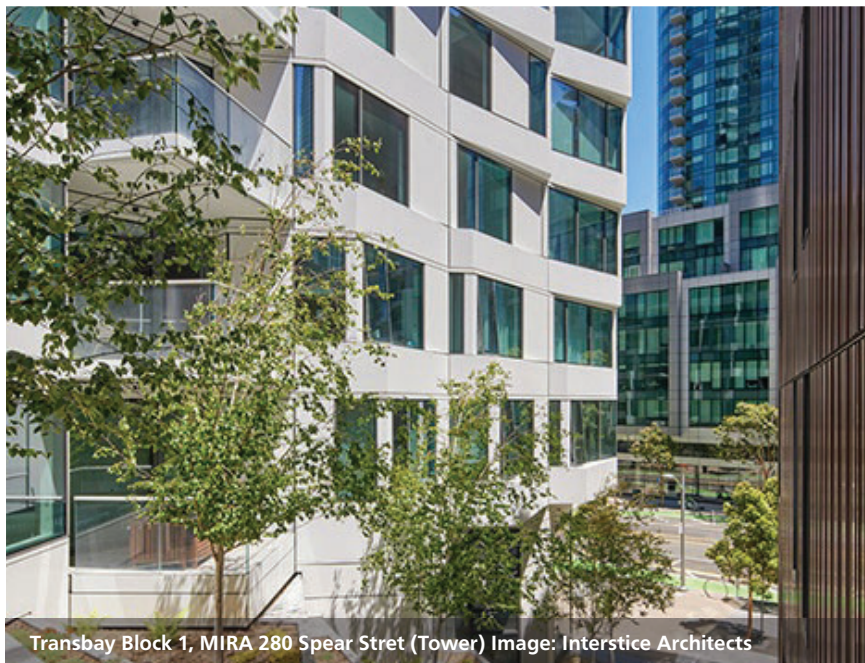
PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	Mercy Housing
ARCHITECT	Paulett Taggart
PROJECT/HOUSING TYPE	100% Affordable Family Rental
TOTAL/AFFORDABLE UNITS	152/151
CONSTRUCTION COMPLETED	March 2021
TOTAL OCII FUNDING	\$40,726,827
AFFORDABLE UNITS TARGET AMI	80% and below, averaging 60%



Transbay Block 1 (Tower): 280 Spear St

PROJECT AREA	Transbay
SPONSOR/DEVELOPER	Tishman Speyer
ARCHITECT	Studio Gang
PROJECT/HOUSING TYPE	Market Rate with Inclusionary/Homeownership
TOTAL/AFFORDABLE UNITS	316/80
CONSTRUCTION COMPLETED	September 2020
TOTAL OCII FUNDING	\$0
AFFORDABLE UNITS TARGET AMI	120% and below

FY20-21 Housing Completions



Housing Starts

In FY20-21, construction of 218 units began of which 149 are affordable. These units are in one 100% OCII-funded development, and one market reate with inclusionary development. See **Table 6** for a summary of these projects. There are project-specific details on the following pages and in **Chapter 6, Appendix**.



TABLE 6. HOUSING STARTS					
Project Area	Project Name	Project Type	Housing Type	Total Units	Total Aff. Units*
HPSY-Phase I	Block 52	Market Rate w/ Inclusionary	Homeownership	77	9
MBS	Block 9	100% Affordable	Supportive Formerly Unhoused Adults	141	140
TOTAL				218	149

*OCII affordable does not include manager’s units

Housing Starts by Project



Block 52: 52 Kirkwood Ave

PROJECT AREA	HPSY Phase 1
SPONSOR/DEVELOPER	Lennar
ARCHITECT	LPAS
PROJECT/HOUSING TYPE	Market Rate w/ inclusionary/Homeownership
TOTAL/AFFORDABLE UNITS	77/9
CONSTRUCTION START	January 2021
TOTAL OCII FUNDING	\$0
AFFORDABLE UNITS TARGET AMI	80% AMI

Mission Bay South Block 9: 410 China Basin St

PROJECT AREA	Mission Bay
SPONSOR/DEVELOPER	BRIDGE Housing / HomeRise
ARCHITECT	Leddy Maytum Stacy / Lowney Architecture / YA Studios
PROJECT/HOUSING TYPE	100% Affordable / Adult Supportive Rental
TOTAL/AFFORDABLE UNITS	141/140
CONSTRUCTION START	August 2020
TOTAL OCII FUNDING	\$37,245,760
AFFORDABLE UNITS TARGET AMI	30% AMI and below

FY20-21 Housing Starts



Housing in Construction

In FY20-21, there were no projects continuing construction that were not started or completed during the period

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Marketing Accomplishments

In FY20-21 108 affordable units became occupied across three projects, according to project specific occupancy preferences required by OCII. OCII and MOHCD staff prepare a Marketing Outcomes Report for each project that is presented to the OCII Commission after full occupancy has been achieved (copies of which can be found on OCII's website at <https://sfocii.org/>). **Table 8** summarizes occupancy outcomes by housing preference for each project that achieved 100% occupancy in FY20-21.

FY20-21 Occupancy Process

Units that are set aside for direct referral by a housing agency, such as supportive housing units for homeless households or HOPE SF public housing units, do not go through a lottery process. All other units are advertised through a proactive outreach and marketing plan that emphasizes early outreach to Certificate of Preference (COP) holders. After the application period has closed, a lottery is held to determine the order in which applications will be processed, and required occupancy preferences are applied. Below are brief summaries of the applicable preferences during this reporting period:

- **COP:** always receives first preference across all OCII projects.

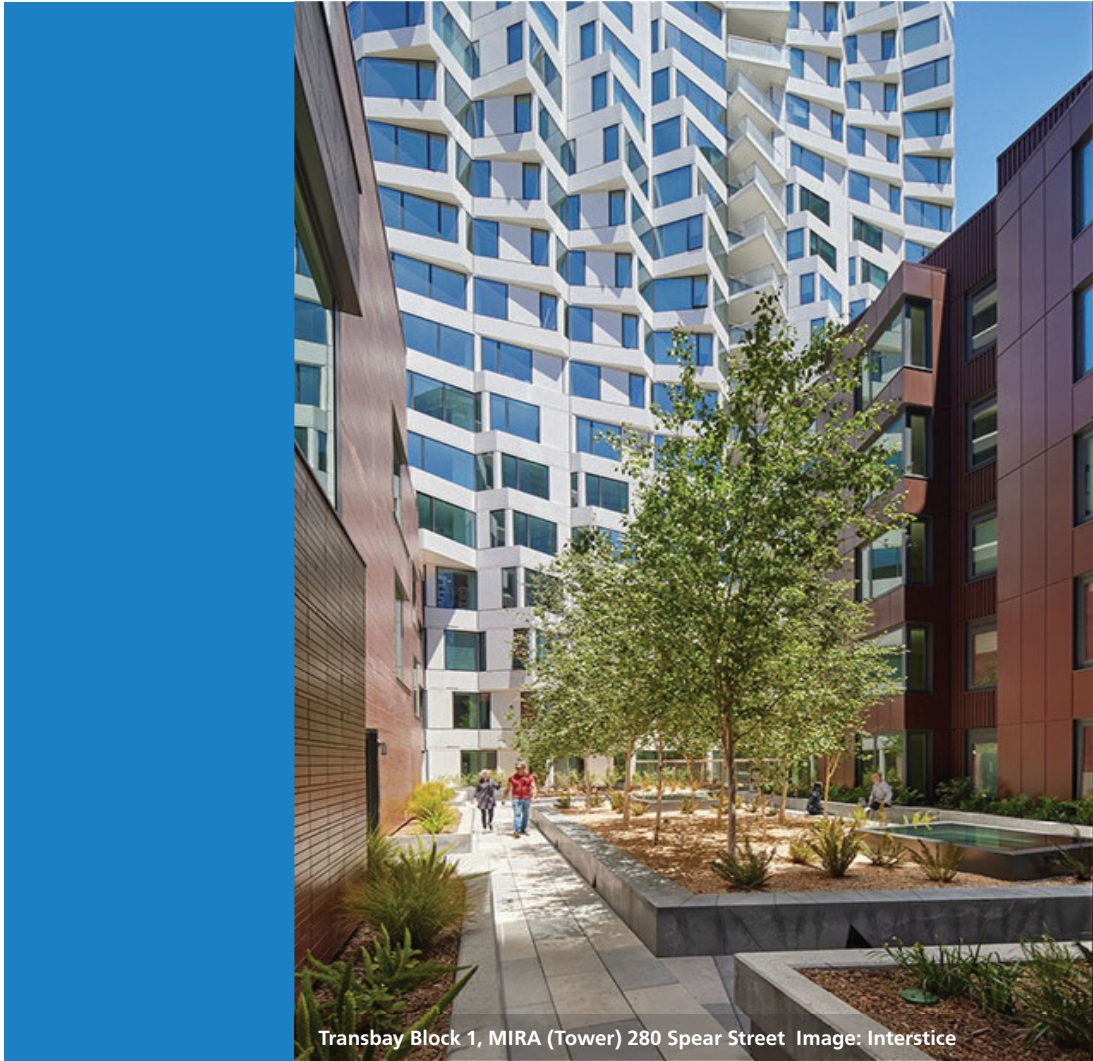
- **Rent-Burdened:** required only in the HPSY Phase I (inclusionary units) and HPSY Phase II/CP project areas; provides preference to households spending more than 50% of their income on rent or live in housing receiving project-based operating subsidies.
- **Displaced Tenant Housing Preference:** for those evicted through the Ellis Act or owner move-ins, or for tenants displaced by fire damage.
- **Neighborhood Resident Housing Preference (NRHP):** applies to 40% of the units subject to lottery (25% if the project includes funding from a state source) in newly constructed housing for those applicants living within a Supervisorial District where the new affordable housing project is located, or if the applicant lives within 1/2 mile of the newly constructed project.

Edwin M. Lee Apartments was the first OCII project with NHRP applied to occupancy due the to timing of the OCII Commission's adoption of NHRP in April 2019. NHRP was not applied to project prior to that time. OCII is applying NHRP to housing development projects going forward.

TABLE 8. MARKETING OUTCOMES SUMMARY

PROJECT AREA	PROJECTS	Date 100% Occupied	Affordable Units by Lottery	COP Holders	Rent Burdened	Displaced Tenant Housing Preference	Neighborhood Resident Housing Preference	San Francisco Live or Work
Transbay	Transbay Block 9 500 Folsom Street	Aug-20	108	-	N/A	8	43	57
TOTAL			108	0	N/A	8	43	57

04



Transbay Block 1, MIRA (Tower) 280 Spear Street Image: Interstice



**CERTIFICATE OF
PREFERENCE PROGRAM &
MARKETING REQUIREMENTS**

Certificate of Preference Program
Marketing Requirements

TABLE:
Table 9:
COP Program Highlights Eight Years
Ending FY20-21

Certificate of Preference Program

During the 1960s and 1970s, SFRA, as part of the federal urban renewal program, displaced many residents and businesses from its project areas. In 1967, the SFRA initiated the COP program to residents of housing who were displaced by its activities.

The COP does not guarantee a certificate holder any particular housing unit but provides the holder with a preference over other applicants of affordable housing sponsored by OCII, provided that the Certificate Holder meets the financial and other qualifications of the unit.

A primary goal of the COP has been to provide an opportunity for those displaced to return to the Project Area from which the resident was displaced. The COP program is authorized under the California Community Redevelopment Law ("CRL"), which limits the preference to low- to moderate-income persons who were displaced. The preference only applies to housing that is affordable to low- and moderate-income households.

At the direction of the OCII Commission in FY13-14, OCII staff initiated a more robust early outreach and marketing protocol to ensure that as many COP holders as possible obtain housing, and to maximize the number of COP holders who live outside of San Francisco but want to return. **Table 9** shows success, over the past eight years, as measured by the increased number of COP holders housed, COP holders who applied for housing, and those



Transbay Block 9, 500 Folsom Street, Image: ©Daniel Gaines Photography

returning to San Francisco.

OCII contracts with MOHCD to assist with marketing our affordable units, and MOHCD manages the COP program for both OCII and MOHCD projects. Importantly, MOHCD staff works with COP holders to navigate through the marketing and lease-up process.

MOHCD provides an annual report to the OCII Commission describing the COP program for OCII sponsored projects, accomplishments, and next steps in greater detail.

COP program highlights for OCII sponsored projects over the past eight fiscal years are shown in **Table 9**.

TABLE 9. COP PROGRAM HIGHLIGHTS EIGHT YEARS ENDING FY20-21

	FY20-21	Total Past 8 Years	FY19-20	FY18-19	FY 17-18	FY16-17	FY15-16	FY14-15	FY13-14
COP Holders Housed	-	83	3	13	18	38	6	3	2
COP Holders Returned to San Francisco	-	30	1	4	11	9	1	3	1
COP Holders Applied for Housing	12	407	20	59	61	86	13	95	61
New Certificates Issued	34	457	31	30	61	55	111	73	62
Lottery Units Available	108	1,391	216	247	350	186*	78	184	22

*Of the 186 units in FY16-17, a total of 120 were senior units and had Project Based rental vouchers.

Table 9 reflects COP program highlights from the past eight fiscal years for OCII sponsored projects.

Marketing Requirements

OCII relies on an early outreach plan and tenant selection plan ("Marketing Plan") for each OCII sponsored project as tools to guide marketing. OCII requires affirmative marketing to COP holders during the early phases of construction in order to allow applicants sufficient time to prepare for and take advantage of any community based or City sponsored rental or homeownership

readiness programs. OCII also requires developers to outreach to COP holders and connect them to rental and homebuyer readiness workshops.

MOHCD uses its web-based application system, the Database of Affordable Housing Listings, Information and Applications ("DAHLIA") for all OCII sponsored affordable housing, to streamline the application process to make it easier for COP holders and others seeking affordable rental or homeownership housing opportunities. MOHCD partners with several non-profit agencies to support rental readiness and eviction prevention

programs targeting Bayview Hunters Point and Western Addition residents as well as applicants to assist in using DAHLIA and to prepare residents for successful tenancies/occupancies.

05



Mission Bay South Block 3 E, Edwin M. Lee Apartments, 1150 3rd Street Image: Chinatown Community Development Center

SMALL BUSINESS ENTERPRISE & WORKFORCE GOALS

Equal Opportunity Programs & Affordable Housing
Small Business Enterprise
Workforce Development

Small Business Enterprise and Workforce Goals

Equal Opportunity Programs and Affordable Housing

The Office of Community Investment and Infrastructure is committed to social and economic equity that extends beyond providing affordable housing and into the realm of employment and business opportunities. OCII promotes equal opportunity in contracting and employment among professional services consultants and construction contractors through its Small Business Enterprise (“SBE”) Program and its Local Construction Workforce Hiring Program. Each program has a robust goal of 50% for SBE engagement and local construction employment, and both programs are enforced by OCII’s Contract Compliance Division. All contracts for construction are also subject to OCII’s Prevailing Wages Policy, which requires the payment of prevailing, livable wages.

Small Business Enterprise

Under OCII’s SBE Policy, prime contractors on OCII-assisted projects must make a good faith effort to award 50% of contract dollars to bona fide SBEs that hold valid certifications and fall within certain revenue thresholds. Additionally, OCII recognizes the City and County of San Francisco (“City”) Local Business Enterprise (“LBE”) Program.

Under OCII’s SBE program, project area businesses bidding on agency-assisted contracts are given first consideration, followed by San-Francisco based SBEs, and then non-SF based SBEs. In July of 2015, OCII’s Commission amended the agency’s SBE Policy to conform its small business size standards to the City’s Small LBE revenue thresholds, making it easier for LBEs to participate in OCII’s SBE Program.

In addition to giving first consideration to local firms, OCII’s SBE policy encourages Prime Contractors to award contracting opportunities to businesses that reflect the gender, ethnic and economic diversity of San Francisco.

In FY20-21, OCII’s developer partners awarded professional services and construction contracts on 5 affordable and inclusionary housing-related projects totaling nearly \$40 million. Over \$31 million (or 78%) were awarded to small businesses, many of whom are LBEs certified by the City’s Contract Monitoring Division. Notably, small businesses were awarded \$10 million (87%) of professional services contracts and over \$21 million (75%) of construction contracts (**See Chart 1**). Reflecting the gender and ethnic diversity of San Francisco, minority and women owned firms received nearly \$24 million (60%) of professional services and construction contracts.

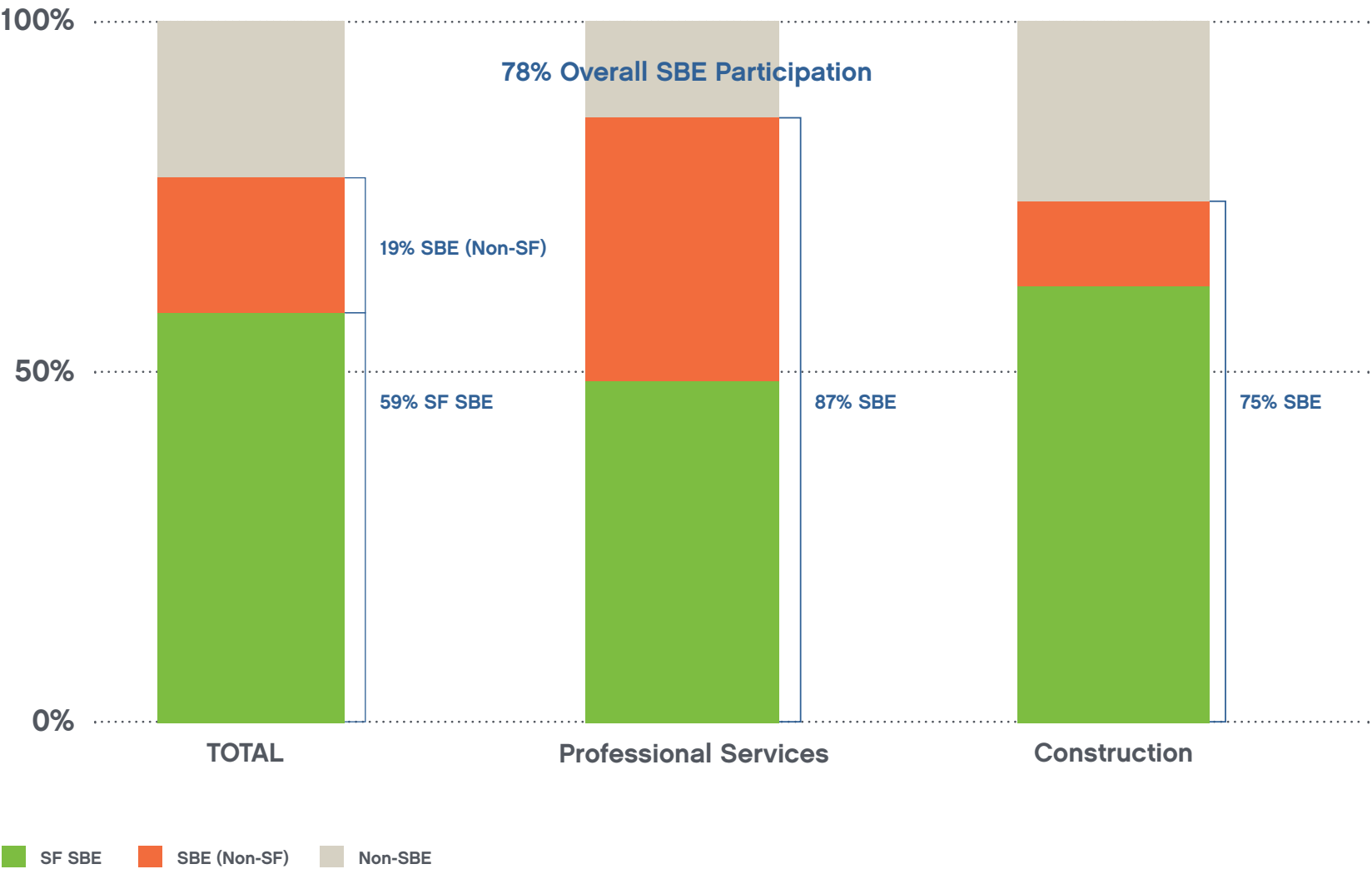
To ensure inclusion of small businesses in OCII-administered projects, OCII encourages larger and established firms to pair with SBEs by forming associations and joint ventures (JV). These partnerships help Prime Contractors comply with SBE goals by incentivizing them to break up

scopes of work when feasible to give smaller firms access to large-scale projects and an opportunity to acquire greater footing and visibility within their trade. OCII recognizes JVs and Associations between SBE firms and non-SBE firms, where the SBE partner performs 35% or more of the work and receives a proportionate share of the profits. Both professional service and construction firms have benefited from OCII’s JV policy.

Chart 1 provides SBE data on affordable housing contracts.

CHART 1: SBE Participation on Affordable Housing Contracts

FY20-21



Workforce Development

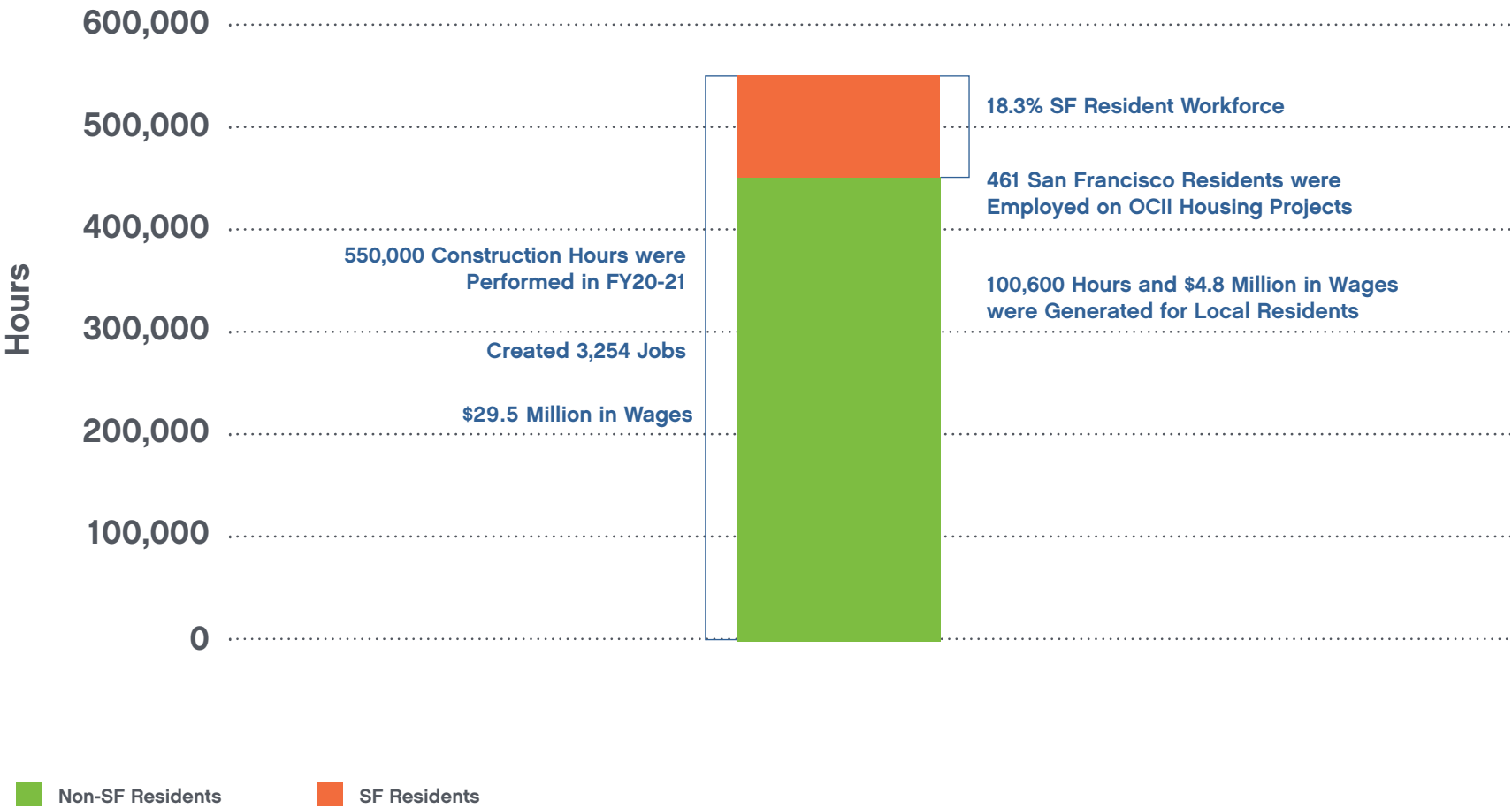
Construction

Prior to the City and County of San Francisco's adoption of its local hiring policy for construction, the former SFRA and current OCII (as successor agency to SFRA) had a long history of implementing a local workforce requirement on agency-assisted construction projects. OCII's local workforce policy is aggressive and unique in that it establishes a local hiring goal of 50%, with first consideration given to Project Area residents and requires contractors to adhere to State prevailing wage requirements, even on projects entirely funded with private dollars. OCII's wage policies are demonstrative of the agency's commitment to livable wages for San Franciscans.

The San Francisco Office of Economic and Workforce Development, through its CityBuild Division, assists OCII with its workforce development program. Contractors and subcontractors are required to submit certified payroll reports through a web-based monitoring and reporting system, which tracks hours by trade, residency, and other relevant demographic information of employees. CityBuild and Contract Compliance staff closely monitors payroll submissions to ensure adherence to OCII's policies, and to allow for "real time" and actionable remedies for deficiencies.

On OCII-sponsored affordable and inclusionary housing projects in FY20-21, OCII's Local Construction Workforce Hiring Program created 3,254 construction jobs, of which 461 were filled by San Francisco residents, yielding an overall local workforce participation rate of 18.3%, as measured by work hours. Although the percentage is below the goal, OCII-sponsored projects have one of the highest number of CityBuild worker placements. In addition, the figures represent 100,600 hours of work performed by San Francisco residents and \$4.8 million in wages paid to local residents (**See Chart 2**).

**CHART 2: Construction Work Opportunities Created
by OCII Affordable & Inclusionary Housing Projects
FY20-21**



06



Transbay Block 9, 500 Folsom Street Image: ©Bruce Damonte Photography

APPENDIX

TABLE 10:
Construction Completions in FY20-21
Construction Started in FY20-21

TABLE 10: CONSTRUCTION COMPLETIONS IN FY20-21

Project Area	Project Name	Address	Supervisor District	Project Sponsor	Type of Project	Type of Housing	Total Units	Market Rate Units	Inclusionary Affordable Units	OCII Affordable Units	Total Affordable Units
Mission Bay South	Block 6 West	691 China Basin Street	6	Mercy Housing	OCII Affordable	Family Rental	152	1	0	151	151
Transbay	Transbay Block 1 (Tower)	280 Spear Street	6	Tishman Speyer	Market Rate w/ Inclusionary	Homeownership	316	236	80	0	80

AMI Targeting	Set-Aside Units	Parking Spaces	OCII Actual Funding to Date	Construction Completion	Architect	General Contractor	SBE Professional (completed projects only)	SBE Construction (completed projects only)	SF Workforce (completed projects only)
60% AMI and below	38 units HOPESF Sunnydale Relocates	26	\$40,726,827	Mar-21	Paulett Taggart	Cahill	89.3%	26.0%	TBD
100% and 120% AMI	n/a	316	\$0	Sep 20	Studio Gang/ Barcelon Jang	Lendlease	89.2%	17.5%	15.9%

TABLE 10: CONSTRUCTION STARTS FY20-21

Project Area	Project Name	Address	Supervisor District	Project Sponsor	Type of Project	Type of Housing	Total Units	Market Rate Units	Inclusionary Affordable Units	OCII Affordable Units	Total Affordable Units
HPSY Phase I	Block 52	52 Kirkwood Ave	10	Lennar	Market Rate w/ Inclusionary	Homeownership	77	68	9	0	9
Mission Bay South	Block 9	410 China Basin Street	6	BRIDGE Housing & HomeRise	100% Affordable	Adult Supportive Rental	141	1	0	140	140

AMI Targeting	Set-Aside Units	Parking Spaces	OCII Actual Funding to Date	Estimated Construction Completion	Architect	General Contractor	SBE Professional (completed projects only)	SBE Construction (completed projects only)	SF Workforce (completed projects only)
80% AMI	n/a	65	\$0	Jun-22	LPAS Architecture + Design	Lennar Homes of California	TBD	TBD	TBD
30% AMI and below	140	2	\$37,245,760	Apr-22	Leddy Maytum Stacy / Lowney Architecture / YA Studios	Cahill	TBD	TBD	TBD

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Miguel Bustos, Chair; Mara Rosales, Vice Chair; Bivett Brackett; Efrem Bycer; and Dr. Carolyn Ransom-Scott

Hunters Point Shipyard Citizens Advisory Committee

Mission Bay Citizens Advisory Committee

Transbay Citizens Advisory Committee

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