

Office of Community Investment and Infrastructure

Hunters Point Shipyard Phase 1 Blocks 52 & 54



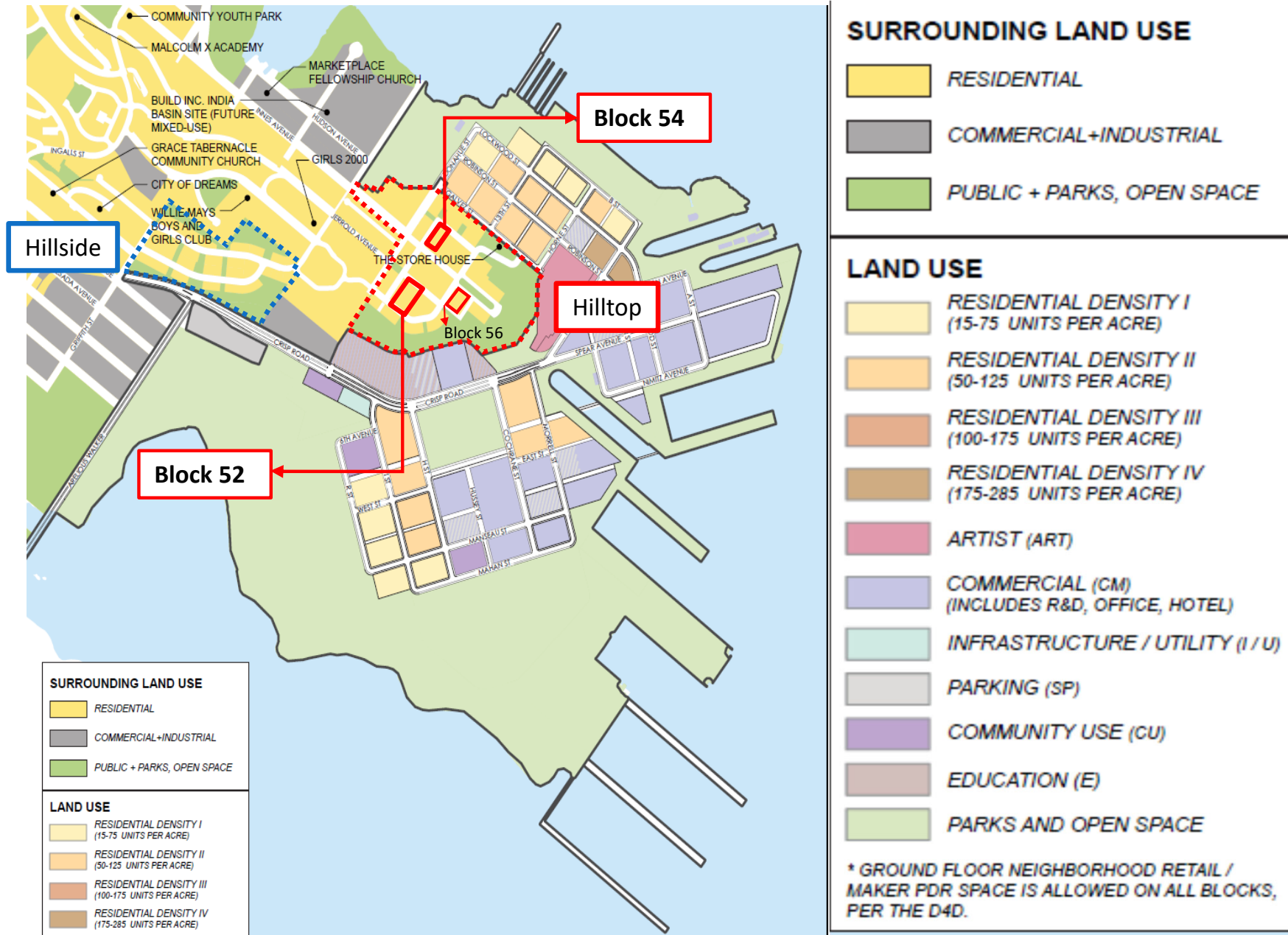
April 4, 2023



Requested Action

- First Amendment to Second Amended and Restated Loan Agreement
- Ground Lease
- Site Development Agreement
- Shoring, Underpinning and Tieback Easement Agreement and Escrow Agreement

Site Location



HUNTERS POINT SHIPYARD

BLOCKS 52 & 54



Development Team

Co-Developers	Jonathan Rose Companies (“JRC”, Lead Developer)
	Bayview Hunters Point Multipurpose Senior Services (“BHPMSS”, Co-Developer)
Architect	Mithun Solomon
Associate Architect	Kerman Morris
Property Manager	John Stewart Company
Services Provider	BHPMSS
General Contractor	Baines Nibbi JV

Project Background

Date	Event
Sep 2017	RFP Issued
Feb 2018	MBS/BHPMSS Development Team recommended, endorsed by CAC
Mar 2018	Commission approval of MBS/BHPMSS
Aug 2018	Commission approval of ENA and Predevelopment Loan Agreement
July 2019	Commission approval of Schematic Design
July 2020	MBS withdraws from Project as Lead Developer
Oct 2020	RFQ for replacement Lead Developer Issued
April 2021	Commission approval of The Jonathan Rose Companies as new lead developer and Amended Predevelopment Loan and new ENA
August 2021	Commission approval of \$59.2M Permanent Loan
November 2022	JRC/BHPMSS awarded tax-exempt bond allocation
March 2023	Citywide Affordable Housing Loan Committee approves additional Permanent Loan

Development Program

Unit Size	Block 52	Block 54	Total	Average SF
1 Bedroom	31	18	49	589
2 Bedroom	16	15	31	823
3 Bedroom	12	11	23	1081
4 Bedroom	8	0	8	1357
5 Bedroom	0	1	1	1660
TOTAL	67*	45*	112	

*Includes 1 Manager's unit in each Block as required by the Tax Credit Allocation Committee

- Part of Phase I DDA – affordable housing units limited to 50% AMI max
- Units will range from 30% AMI-50% AMI
- 2 Family Childcare Units
- 62 Parking Spaces (parking ratio: ~.6/1, exceeds OCII practice of .25/1)

First Amendment to Second Amended and Restated Loan Agreement

- **Second Amended and Restated Loan Agreement**
 - Total OCII subsidy=\$59,200,732
 - Approved by Commission and executed August 2021
- **First Amendment (this request)**
 - Background: Project costs increased due to 19-month financing delay and cost escalation from interest rate and construction cost increases. Developer requesting additional \$2,638,088.
 - OCII subsidy now=\$61,838,820:
 - \$4,838,390* allocated to Site Development Agreement
 - \$57,000,430* allocated to construction of housing improvements
 - *Subject to adjustment prior to construction start as long as total OCII subsidy does not exceed \$61,838,820

Project Permanent Financing

Financing Source	Amount
Total OCII Subsidy OCII Loan: \$57,000,430 OCII Site Development Agreement: \$4,838,390	\$61,838,820
Private mortgage	\$2,410,462
Federal Tax Credit Equity	\$61,915,175
IIG	\$5,913,900
Deferred fee	\$802,284
Total Development Cost	\$132,880,642
Total Cost Per Unit	\$1,186,434

High development cost drivers unique to this Project:

- Project limited to 50% AMI max by Phase I DDA
- Additional units at 30% & 40% AMI
- Scattered site with two separate buildings
- High proportion of larger family units (3, 4 & 5 bedrooms)
- Higher parking ratio – additional excavation

Ground Lease

- **Term:** 75 years (with option to extend additional 24 years)
- **Base Rent:** \$15,000 annual payments
- **Affordability:** Rent/income restrictions between 30% to 50% of AMI
- **Construction/Operations:** Project constructed and operated in compliance with approved documents

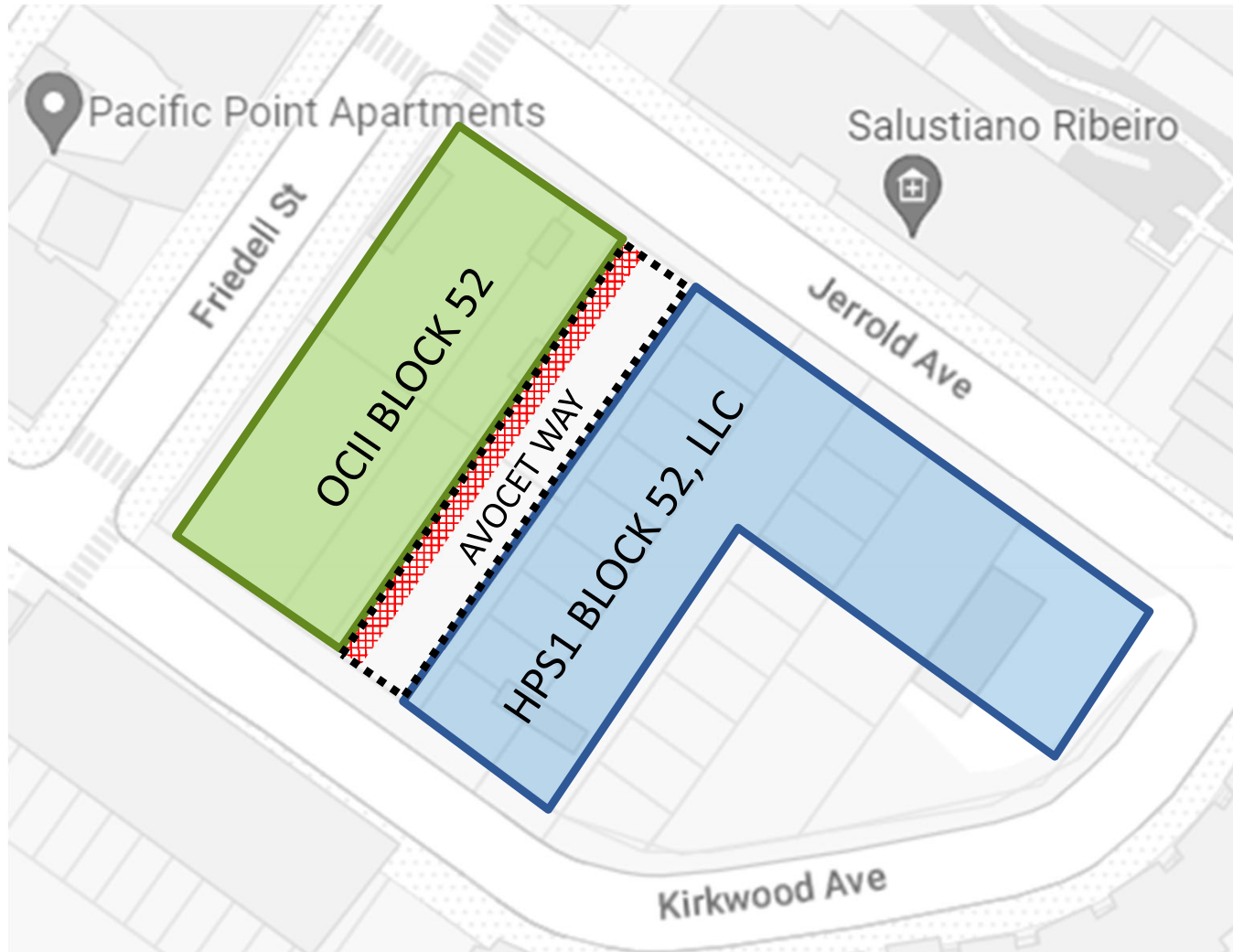
Site Development Agreement

- **Background:** Developer removed site preparation work from development budget to be more competitive for tax-exempt bonds and tax credits. Site prep work to be completed by affiliated entity of Developer.
- **Purpose:** Provides funding to Entity to complete site prep work
- **Entity:** Rose Community Development Company, LLC
- **OCII Funding Amount:** up to \$4,838,390.
- **Scope of Work:** Demolition, soil improvement, off-hauling and disposing of onsite soils, and grading

Shoring, Underpinning and Tieback Easement Agreement & Escrow Agreement

- **Purpose:** Allows entry onto neighboring property (Avocet Way) for the installation of a temporary shoring system for construction of the foundations and structural components of Block 52
- **Entity:** HPS1 Block 52, LLC
- **Terms:**
 - Temporary easement, remains in place until Block 52 foundations completed
 - Temporary shoring system will be left in place
 - JRC assumes all obligations of OCII upon execution of the Ground Lease
 - OCII guaranty JRC's performance under the Easement Agreement
 - JRC responsible for any claims made against OCII arising from Easement Agreement
- **Escrow Agreement:**
 - Requested by HPS1 Block 52, LLC
 - Assignable to JRC upon execution of the Ground Lease
 - JRC to deposit \$250k to secure performance of obligations under the Easement Agreement

Shoring, Underpinning and Tieback Easement Agreement & Escrow Agreement



 = Shoring (soil nails) extending beneath Avocet Way

NOTE: For illustrative purposes only. Not to scale.

Marketing Process

- **HPSY/CP Preferences**

- Original COP Holders and Descendant COP Holders
- Displaced Tenant Housing Preference holders (20% of the lottery units)
- Neighborhood Resident Housing Preference holders (25% of the lottery units)
- San Francisco residents or workers

- **Developers will work with OCII to develop an Early Outreach and Marketing Plan**

- Early Outreach Plan submitted to OCII one month after construction starts (construction scheduled to begin May 2023)
- Rental readiness counseling, technical assistance, and marketing/application collection process
- COP outreach

Equal Opportunity Program and Workforce Compliance

- **Professional Services:**

- 87% SBE participation to date
 - 79.1% San Francisco-based SBE
 - 6.4% Minority-owned SBE
 - 69.3% Woman-owned SBE

- **Workforce:**

- Nibbi-Baines JV provides opportunity for an OCII-recognized SBE and Minority-Owned Business
- Prevailing wages
- 50% local construction workforce hiring goal
- Nibbi-Baines continuing to finalize their analysis of the bids, appears to be exceeding 50% SBE participation goal

Community Outreach

Date	Hunters Point Shipyard CAC Meetings
Jun 2017	Housing Subcommittee – Present RFP
Jul 2017	Full Committee – Present RFP
Jan 2018	Housing Subcommittee – Update on RFP
Feb 2018	Full Committee – MBS/BHPMSS recommended
Mar 2019	Housing Subcommittee – Schematic Design
Apr 2019	Full Committee – Schematic Design
Oct 2020	Full Committee – Announce New Developer RFQ
Feb 2021	Full Committee – JRC recommended as new lead
Dec 2022	Full Committee – Share results of elective soil testing
Date	Hilltop Homeowner Meetings
Sep 2017	Provide RFP and Project info, seek input
Mar 2019	Present Schematic Design
Aug 2019	OCII hosted tours of OCII-funded Mission Bay affordable housing
Dec 2020	Provide Project update

Development Schedule

Timeframe	Action
April/May 2023	Construction financing close
May 2023	Site prep work and construction commence
June 2023	Developer submits Early Outreach Plan
March 2024	Developer submits marketing plan (9-12 months before construction completion)
April 2025	Construction completed
December 2025	Building occupied

Questions/Comments

