OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

118-2182024-002

Agenda Item **No. 5(c)**
Meeting of May 7, 2024

MEMORANDUM

TO: Commission on Community Investment and Infrastructure

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Workshop on Annual Housing Production Report Fiscal Year 2022-2023

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 ("Commission"), 21,927 new housing units will ultimately be created through the build out of these four major Project Areas under enforceable obligations that the California Department of Finance has approved:

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

OCII staff have prepared an Annual Housing Production Report ("Report") for Fiscal Year 2022-23 ("FY 22-23"), a draft of which is attached for discussion and comment. In summary, 9,239 housing units, or approximately 42% of the OCII's total housing obligation, had been completed by the end of FY 22-23. 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. Of those completed units, 2,752 are affordable housing units serving very low- to moderate-income households.

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfocii.org

The Report also provides data on key milestones achieved during FY 22-23, such as that shown in Table 1.

TABLE 1: FY 22-23 Accomplishments	
Milestone	**Outcome**
Housing Completions	141
Housing Starts	333
New Certificates of Preference Issued	115

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 under our enforceable obligations are shown both combined and by project area. In FY 22-23, housing milestones include the completion of 141 units of permanent supportive housing units in Mission Bay South, and the start of construction of one 100% affordable homeownership project also in Mission Bay South and two affordable family projects in Hunters Point Shipyard Phase 1. Early Outreach Plans for all three of the projects that started construction were submitted in FY 22-23. An overview of Certificate of Preference Program ("COP") for the past eight years shows the impact of our marketing efforts compared to nine years ago, however it is important to note that no OCII- funded projects were leased or sold during FY 22-23. In FY 22-23, more COPs were issued than in any of the previous 9 years. 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. The Report also includes a new appendix providing information regarding the financing schedule of a typical OCII-funded affordable housing project. Below are examples of some of the data included in the Report.

At full build out, OCII's remaining enforceable obligations will ultimately deliver 21,927 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.

As of June 30, 2023 **TABLE 2. Status of OCII Total Housing Production Obligation Across All Enforceable Obligations***					
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable*
Completed	9,239	6,487	651	2,101	2,752
In Construction	410	71	9	330	339
Predevelopment	2,907	1,792	453	662	1,115
Preliminary Planning	1,411	861	162	388	550
Future Development	7,960	5,601	1,506	853	2,359
TOTAL	**21,927**	**14,812**	**2,781**	**4,334**	**7,115**
Affordable Units as % of Total Housing Obligation					32%

As of June 30, 2023 **TABLE 3. Total Housing Status by Project Area**					
Status	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 & Candlestick Point	Mission Bay North & South	Transbay Zone 1	Total
Completed	505	337	6,201	2,196	9,239
In Construction	262	-	148	-	410
Predevelopment	628	1,263		1,016	2,907
Preliminary Planning	-	1,225	186	-	1,411
Future Development	33	7,847	-	80	7,960
TOTAL	**1,428**	**10,672**	**6,535**	**3,211**	**21,927**
% AFFORDABLE	*29%*	*31%*	*29%*	*43%*	***32%***
% COMPLETE ALL UNITS	*35%*	*3%*	*93%*	*68%*	***42%***

** 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 FY 22-23, approximately 42% of all housing had been completed, as shown below in Table 3. During this period, the Commission approved funding for another 332 units in stand-alone 100% affordable developments for either predevelopment or construction activities, as shown in Table 4.

TABLE 4. FY 22-23 Affordable Housing Funding Approvals				
Project Area	**Project Name**	**Affordable Units**	**Type of Funding**	**Amount Funded**
HPSY Phase I	Block 56	72	Permanent	$ 34,813,441
HPSY Phase I	Blocks 52/54	110	Permanent	$ 4,517,778
Transbay	Block 2 West	150	Permanent	$ 3,086,119
	TOTAL	**332**		**$ 42,417,338**

In FY 22-23, in addition to the funding approvals and project accomplishments noted above, OCII Housing staff and developers were actively working on various other projects including the following:

- Transbay Block 2 East (a 184-unit affordable family development, sister project to Transbay Block 2 West senior housing) – schematic designs and were approved during FY 22-23 and gap funding was approved in early FY 23-24 and the project is currently on track to start construction in June 2024;
- COP Holder Location Project – Worked on locating and seeking current contact information for COP holders through contract with Lynx Insights and Investigations;
- COP Holder Research and Narrative Project – Housing staff worked with interns from the City's Department of Police Accountability to research former San Francisco Redevelopment Agency ("Former Agency") records to identify names and addresses of individuals who experienced displacement during the urban renewal period in Mid-20th century in the Western Addition project area and whose names had not previously been identified, and on the implementation and execution of documenting original displacees stories; and
- SB 593 Replacement Housing Legislation – allowing OCII to use a limited form of tax increment financing to fund and develop the 5,842 units that the Former Agency destroyed and that were never replaced, which was finally signed into law by Governor Newsom in October 2023.

NEXT STEPS

Staff will present the draft Report at the May 7, 2024 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 Elizabeth Colomello, Housing Program Manager)

DocuSigned by:
Thor Kaslofsky
B10961FA8449406...
Thor Kaslofsky
Executive Director

Attachment 1: Draft Annual Housing Production Report FY 22-23

ANNUAL HOUSING PRODUCTION REPORT

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

FISCAL YEAR 2022-2023

MAYOR: LONDON BREED

EXECUTIVE DIRECTOR: THOR KASLOFSKY

COMMISSIONERS:

Bivett Brackett, Chair

Vanessa Aquino

Tamsen Drew

Kent Lim

Dr. Carolyn Ransom-Scott

Mission Bay South Block 9A, 400 Chna Basin Street Image: Mithun

DRAFT ONLY v21 - 5/7/22 CII Commission Meeting

OCII

OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

01

EXECUTIVE SUMMARY

02

HOUSING PROGRAM & GOALS

03

HOUSING ACCOMPLISHMENTS

04

CERTIFICATE OF PREFERENCE PROGRAM & MARKETING REQUIREMENTS

05

SMALL BUSINESS ENTERPRISE & WORKFORCE GOALS

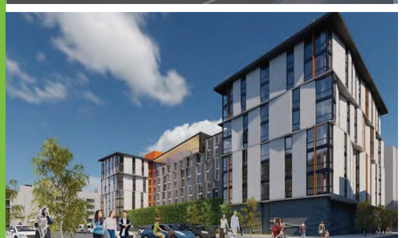
06

APPENDIX

01

HPS Block 52 & 54 - Block 52 corner of Friedell & Jerrold Image: Mithun

HPS Block 52 & 54 - Block 52 view down Avocet from Kirkwood Image: Mithun



Mission Bay South Block 9A, 400 China Basin Street Image: Mithun

Mission Bay South Block 9A, 400 China Basin Street Image: Mithun

EXECUTIVE SUMMARY

TABLES:

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 ("CCII", or "Commission"), 21,927 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 2022-2023 ("FY 22-23"), 9,239 units (2,752 affordable units and 6,487 market rate units) have been completed in these Project Areas.

Of the 21,927 total units, 32% (7,115 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 2022-2023 provides a summary and status of OCII's housing goals, and accomplishments from FY 22-23 as of June 30, 2023, 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 Q1 FY 22-23 in Mission Bay South, 148 affordable homeownership units began construction. In Q4 FY 22-23, two 100% affordable rental projects totaling 185 units began construction in Hunters Point Shipyard Phase I. Also in Q4 22-23, 141 units of permanent supportive housing completed construction in Mission Bay South. See Table 1 for this data.

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 FY 22-23, the CCII approved construction and additional predevelopment loans for a total of $42,417,338 as shown in Table 2.

The sources of funding for OCII's affordable housing include taxable housing bonds authorized under Redevelopment Dissolution law, and developer fees such as jobs-housing linkage fees.

TABLE 1. HOUSING COMPLETION & STARTS FISCAL YEAR '22-'23

Project Area	Project Name	Total Housing Completions	Total Housing Starts
Hunters Point Shipyard Phase I	Blocks 52 & 54 Block 56		112 73
Hunters Point Shipyard Phase II/ Candlestick Point			
Mission Bay North			
Mission Bay South	Block 9 Block 9A	141	148
Transbay			
TOTAL		141	333

TABLE 2. HOUSING FUNDING ACTIVITY FISCAL YEAR '22-'23

Project Area	Project Name	Affordable Units	Type of Funding	Amount Funded
Hunters Point Shipyard Phase I	Blocks 52 & 54	110	Construction (Site Development)	$4,517,778
Hunters Point Shipyard Phase I	Block 56	72	Construction	$34,813,441
Transbay	Block 2 West	150	Additional Predevelopment	$3,086,119
TOTAL		332		$42,417,338

02

MBS Block 9A, 400 China Basin Street Image: Mithun

HOUSING PROGRAM & GOALS

TABLES:

MBS Block 9, 410 China Basin Street Image: © OCII

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 Project 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 *(see pages 11-18)* reflect all OCII housing obligations and production goals as of June 30, 2023.

Of OCII's 21,927 planned total housing units, 7,104 (32% of the total) will be affordable. As of the end of FY 22-23, a total of 9,239 housing units (42% of the total goal) have been completed. Of these completed units, 2,752 are affordable units and 6,487 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/projects

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 reflects that 58% of completed units are for family rental, 2% are for senior rental, and 36% of completed units are for homeownership.

TABLE 3. STATUS OF TOTAL UNITS BY HOUSING TYPE AS OF JUNE 30, 2023

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	58%	*1,877*	185	1,220	575		7,356
Senior Rental	140	2%	*140*		151	236	80	607
Supportive Rental	380	4%	*378*					380
Homeownership	3,343	36%	*357*	225	1,536	21		5,125
TBD		0%				579	7,880	8,459
TOTAL	**9,239**	**100%**	**2,752**	**410**	**2,907**	**1,411**	**7,960**	**21,927**

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** *(see page 13)* shows that in HPSY Phase I, housing production at the end of FY 22-23 was 35% complete with 505 units completed. Of those completed units, 102 are affordable housing units including 43 homeownership units within market rate buildings on multiple blocks within the Hilltop, and another 59 inclusionary rental units in a 100% affordable project.

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.

In July through November of 2018, in response to public concerns and at the request of the City and U.S. House of Representatives Speaker, Nancy Pelosi, the California Department of Public Health ("CDPH") performed a phased-approach radiological survey to assess the health and safety of the public and the environment at Parcel A of the Shipyard.

CDPH completed a Final Report for Hunters Point Shipyard Parcel A-1 on February 5, 2019 followed by a Final Report for Parcel A-2 on April 24, 2019. Both CDPH reports concluded that no residents, workers, or visitors are being exposed to radiological health and safety hazards at Parcel A.

To address continued concerns and questions from the community regarding testing conducted at the Shipyard, Mayor Breed, then-City Attorney Herrera, and Supervisor Walton asked experts from UC San Francisco and UC Berkeley to conduct an impartial analysis of CDPH's procedures for Parcel A. Their report concluded that CDPH's health and safety scan on Parcel A was appropriate as a health and safety survey.

Out of an abundance of caution, OCII worked with the developers to establish a scope of additional radiological soil testing at OCII's stand-alone affordable sites at Blocks 52 & 54, and Block 56 to be conducted along with the standard Phase II enviromental testing.

In 2021, OCII and the developers' environmental consultant, Langan Engineering and Environmental Services, collected soil borings from Blocks 52, 54 and 56 for that testing. These radiological testing results indicate no contamination and no risk to construction workers, the public or future residents.

Construction began on Blocks 52 and 54 and Block 56 in FY 22-23. When completed in 2025, these 100% affordable projects will add a total of 185 units (including 2 managers' units) ranging in affordability from 30% to 50% AMI to the Hilltop.

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 32% or 3,363 units 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 *(see page 14)* shows that in HPSY Phase II/CP housing production at the end of FY 22-23 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 in an environmental "Superfund" site still owned by the Navy and 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 95% complete at the end of FY 22-23 for a total of 6,201 units. **Table 4E** *(see page 15)* reflects housing completions in MBN, which was fully complete in FY 16-17, providing 2,266 market rate units and 698 affordable units (24% of the total units). **Table 4F** *(see page 16)* shows that in MBS, the Project Area was 91% complete at the end of FY 22-23, with 3,237 units completed out of 3,571. As of FY 22-23, market rate units were 99% complete, and 74% of the OCII affordable units were completed. At full build-out, the housing in MBS will be 34% affordable.

OCII is exploring approaches that will increase the density of the remaining 2 affordable housing parcels in MBS.

Increasing density will require local approvals, including an amendment of the redevelopment plan and associated governing documents.

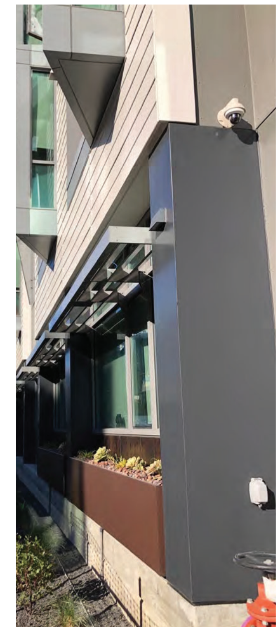
Transbay

Overall, 35% of all new housing in Zones 1 and 2 combined must be affordable. OCII must achieve this goal by the expiration of the Transbay Redevelopment Plan in 2035.

In Transbay Zone 1 for which OCII has land use and zoning jurisdiction, the total housing production goal at full build-out is 3,292 units, of which 43% (or 1,438 units) will be affordable.

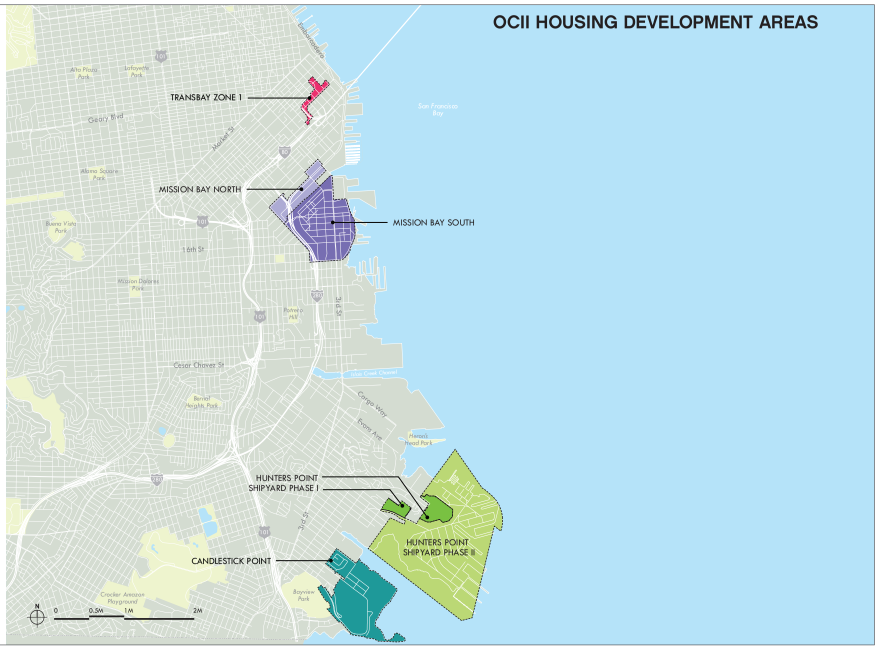
Table 4G.1 *(see page 17)* shows that in Transbay Zone 1, housing production at the end of FY 22-23 was 68% complete with 2,196 units. Of these completed units in Zone 1, 463 were affordable units in OCII funded, 100% affordable housing developments.

Transbay Zone 2 is under the jurisdiction of the City's Planning Department, and not a subject of this report. However, **Table 4G.2** *(see page 18)* 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 35% goal.



MBS Block 9, 410 China Basin Street Image: © OCII

OCII Housing Program & Goals



Hunters Point Phase I, Pocket Park 11 Image: © OCII

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY ENFORCEABLE OBLIGATION

TABLE 4A. HOUSING STATUS FOR ALL AREAS, AS OF JUNE 30, 2023

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable*	Total Affordable
Completed as of 6/30/23	9,239	6,487	651	2,101	2,752
In Construction	410	71	9	330	339
Predevelopment	2,907	1,792	453	662	1,115
Preliminary Planning	1,411	861	162	388	550
Future Development	7,960	5,601	1,506	853	2,359
TOTAL	21,927	14,812	2,781	4,334	7,115
% AFFORDABLE AT TOTAL BUILD OUT					32%
AFFORDABLE UNITS AS % OF TOTAL COMPLETED					30%
% COMPLETE, ALL UNITS					42%

* OCII Affordable does not include manager's units

TABLE 4B. AFFORDABLE AND MARKET RATE HOUSING STATUS BY ENFORCEABLE OBLIGATION, AS OF JUNE 30, 2023

	Hunters Point Shipyard Phase I	Hunters Point Shipyard Phase II & Candlestick Point	Mission Bay North & South	Transbay	Total
Completed	505	337	6,201	2,196	9,239
In Construction	262		148		410
Predevelopment	628	1,263		1,016	2,907
Preliminary Planning		1,225	186		1,411
Future Development	33	7,847		80	7,960
TOTAL	1,428	10,672	6,535	3,292	21,927
% COMPLETE ALL UNITS	35%	3%	95%	67%	42%

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY ENFORCEABLE OBLIGATION

TABLE 4C. HUNTERS POINT SHIPYARD PHASE I STATUS, AS OF JUNE 30, 2023

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable*	Total Affordable
Completed	505	403	102		102
In Construction	262	71	9	182	191
Predevelopment	628	548	80		80
Preliminary Planning					
Future Development	33			33	33
TOTAL	1,428	1,022	191	215	406
% COMPLETE AS OF JUNE 30, 2023	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, 2023

	Total Units	Market Rate	Inclusionary Affordable **	OCII Affordable *	Total Affordable
Completed	337	4		333	333
In Construction					
Predevelopment	1,263	866	67	330	397
Preliminary Planning	1,225	839	162	224	386
Future Development	7,847	5,600	1,506	741	2,247
TOTAL	10,672	7,309	1,735	1,628	3,363
% COMPLETE AS OF JUNE 30, 2023	3%	0%	0%	21%	10%

AT FINAL BUILD OUT, % AFFORDABLE OF TOTAL UNITS: 32%

* OCII Affordable does not include manager's units
** This number includes 892 Workforce units targeting households with AMI's at 121% - 160%. These units do not have long term affordability restrictions.

TABLE 4. HOUSING PRODUCTION GOALS AND STATUS BY ENFORCEABLE OBLIGATION

TABLE 4E. MISSION BAY NORTH STATUS, AS OF JUNE 30, 2023

	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, 2023	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, 2023

	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, 2023	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 ENFORCEABLE OBLIGATION

TABLE 4G.1 TRANSBAY STATUS, ZONE 1 ONLY, AS OF JUNE 30, 2023

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable*	Total Affordable
Completed	2,196	1,475	258	463	721
In Construction					
Predevelopment	1,016	378	306	332	626
Preliminary Planning					
Future Development	80	1		79	79
TOTAL	3,292	1,854	564	874	1,426
% COMPLETE AS OF JUNE 30, 2023	67%	80%	46%	53%	51%

AT FINAL BUILD OUT OF ZONE 1, % AFFORDABLE OF TOTAL UNITS: 44%
AT FINAL BUILD OUT OF ZONE 1, INCLUDING ESTIMATED ZONE 2 UNITS (STATE LAW REQUIREMENT) % AFFORDABLE: 36%

* OCII Affordable does not include manager's units

TABLE 4G.2 TRANSBAY STATUS, *ZONES 1 AND 2 COMBINED*, AS OF JUNE 30, 2023

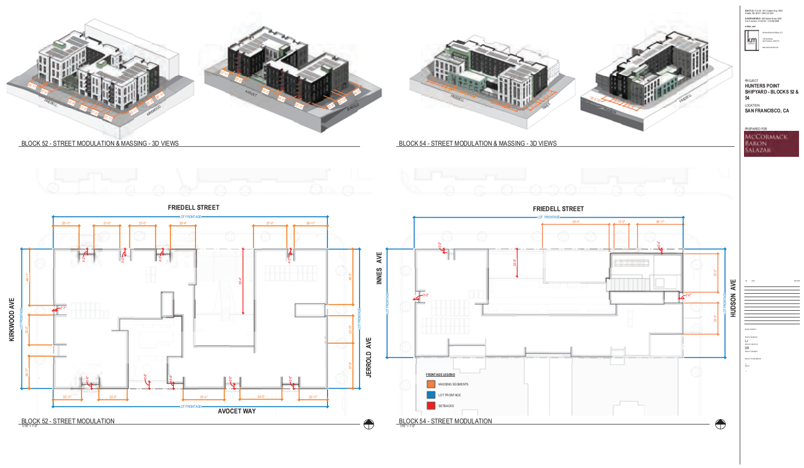
	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable*	Total Affordable
Completed	2,666	1,885	318	463	781
In Construction					
Predevelopment	1,181	543	306	332	638
Preliminary Planning					
Future Development	80	1		79	79
TOTAL	3,927	2,429	624	874	1,498
% COMPLETE AS OF JUNE 30, 2023	68%	78%	51%	53%	52%

AT FINAL BUILD OUT OF ZONES 1 AND 2, % AFFORDABLE OF TOTAL UNITS: 35%

* 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



Hunters Point Shipyard Blocks 52 & 54, 351 and 151 Friedell St Rendering: Mithun

HOUSING ACCOMPLISHMENTS

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

TABLES:

Table 5
Housing Completions

Table 6
Housing Starts

Table 7
Housing in Construction

Housing Accomplishments

This section summarizes OCII housing accomplishments for FY 22-23, including information on construction completions, construction starts, projects in that were in construction for the entire fiscal year, and marketing outcomes.

Housing Completions

In FY22-23, Mission Bay South Block 9, a 141 unit (including 1 manager's unit) affordable project, completed construction. These homes offer Supportive Housing to Formerly Unhoused Adults. See **Table 5** for a summary of basic details for this project. Additional project-specific details including developer, architect, the Area Median Income (AMI) for these units, and the OCII funding amount can be found on page 23. Other project data such as the percentage of contract funding awarded to Small Business Enterprise and local workforce hiring accomplishments can be found in **Chapter 6, Appendix.**

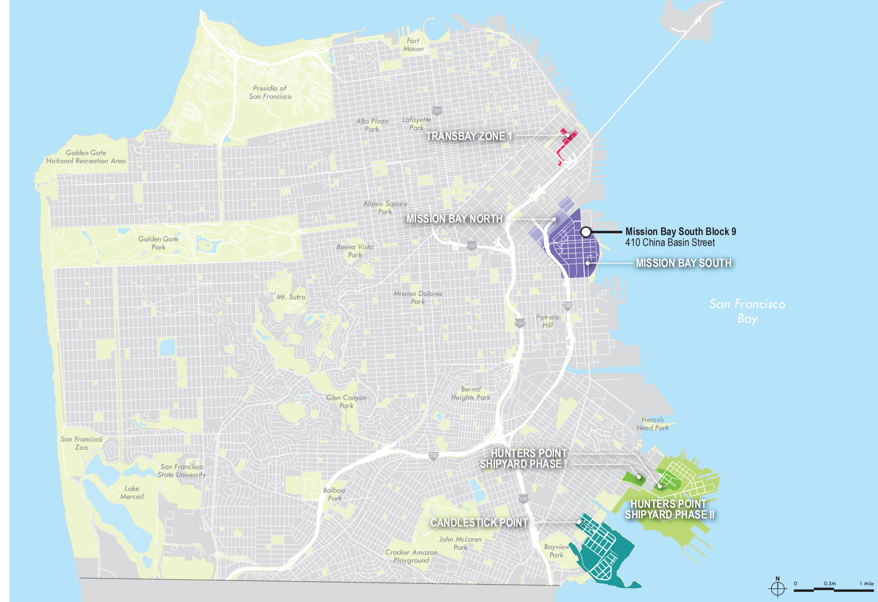
TABLE 5. HOUSING COMPLETIONS

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Affordable Units
MBS	Block 9	100% Affordable	Supportive Formerly Unhoused Adults	141	140
			TOTAL	141	140

* OCII affordable does not include manager's units

Mission Bay South Block 9, 410 China Basin Street   Image: Alicia Andrews

FY 22-23 HOUSING COMPLETIONS



Housing Completions

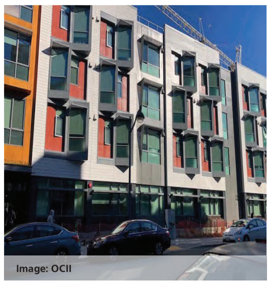


Image: OCII

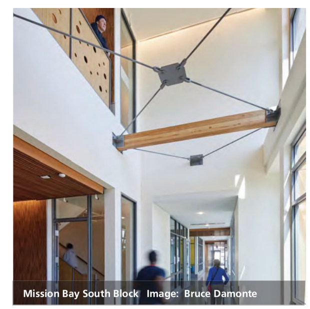
Mission Bay South Block 9

PROJECT AREA	Mission Bay South
SPONSOR/DEVELOPER	BRIDGE Housing / HomeRise
ARCHITECT	Mithun
PROJECT/HOUSING TYPE	100% Affordable / Supportive Housing
TOTAL/AFFORDABLE UNITS	141 / 140
CONSTRUCTION COMPLETED	April 2023
TOTAL OCII FUNDING	$57,000,430
AFFORDABLE UNITS TARGET AMI	30% and below

FY 22-23 Housing Completions


Mission Bay South Block 9, 410 China Basin Street Image: OCII


Mission Bay South Block 9, 410 China Basin Street Image: Allicia Andrews


Mission Bay South Block Image: Bruce Damonte

Housing Starts

In FY 22-23, construction of 333 units began in three different projects. Two Projects in Hunters Point Shipyard - Phase I. These include 3 buildings with a total of 185 100% affordable, permanent family rental units. The third project, located at Mission Bay South Block 9A, will at completion contain 148 affordable units for homeownership.

There are project specific details in subsequent pages and in **Chapter 6, Appendix.**

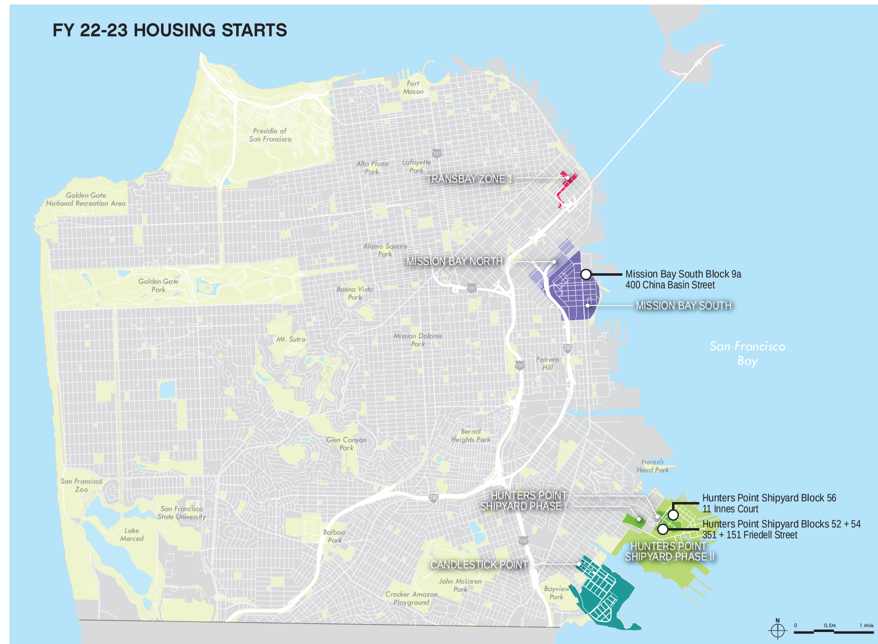
TABLE 6. HOUSING STARTS

Project Area	Project Name	Project Type	Housing Type	Total Units	Total Affordable Units*
HPSY Phase I	Blocks 52&54	100% Affordable	Family Rental	112	110
HPSY Phase I	Block 56	100% Affordable	Family Rental	73	72
Mission Bay South	Block 9A	100% Affordable	Homeownership	148	148
			TOTAL	333	330

~~* OCII affordable does not include manager's units~~

Mission Bay South Block 9A, 400 China Basin Street   Image: Alicia Andrews

FY 22-23 HOUSING STARTS



Housing Starts


Image: Mithun

Hunters Point Shipyard Blocks 52&54: 351&151 Friedell St

PROJECT AREA	HPSY Phase I
SPONSOR/DEVELOPER	Jonathan Rose Companies / Bayview Hunters Point Multipurpose Senior Services
ARCHITECT	Mithun
PROJECT/HOUSING TYPE	100% Affordable / Family Rental
TOTAL/AFFORDABLE UNITS	112 / 110
CONSTRUCTION BEGAN	June 2023
TOTAL OCII FUNDING	$61,518,208
AFFORDABLE UNITS TARGET AMI	30-50%


Image: VanMeter Williams Pollack

Hunters Point Shipyard Block 56: 11 Innes Ct

PROJECT AREA	HPSY Phase I
SPONSOR/DEVELOPER	Mercy Housing California
ARCHITECT	Van Meter Williams Pollack
PROJECT/HOUSING TYPE	100% Affordable / Family Rental
TOTAL/AFFORDABLE UNITS	73/72
CONSTRUCTION BEGAN	June 2023
TOTAL OCII FUNDING	$34,813,441
AFFORDABLE UNITS TARGET AMI	50%

FY 22-23 Housing Starts


HPSY Blocks 52 & 54 Image: Mithun


HPSY Blocks 52 & 54 Image: Alicia Andrews


HPSY Block 56, 11 Innes Court Image: Van Meter Williams Pollack


HPSY Block 56, 11 Innes Court Image: Van Meter Williams Pollack

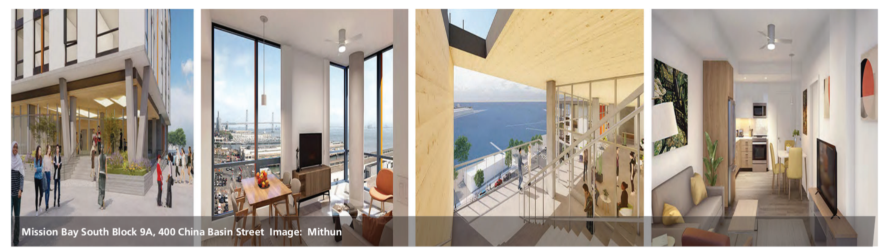
Housing Starts (continued)


Image:Alicia Andrews

Mission Bay South Block 9A: 400 China Basin St

PROJECT AREA	Mission Bay
SPONSOR/DEVELOPER	Michael Simmons Property Development; Curtis Development; Young Community Developers
ARCHITECT	Mithun / Studio VARA
PROJECT/HOUSING TYPE	100% Affordable Homeownership
TOTAL/AFFORDABLE UNITS	148
CONSTRUCTION BEGAN	July 2022
TOTAL OCII FUNDING	$83,184,522
AFFORDABLE UNITS TARGET AMI	110% and below


Mission Bay South Block 9A, 400 China Basin Street Image: Mithun


Mission Bay South Block 9A, 400 China Basin Street Image: Mithun

Housing in Construction

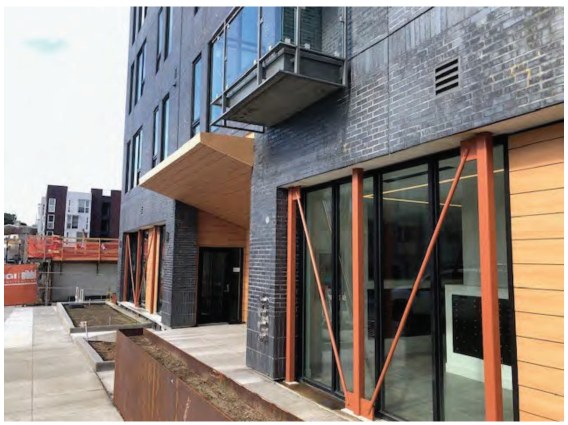
During FY 22-23, construction of units in one project continued, Hunters Point Shipyard Block 52 at 52 Kirkwood Avenue, a development with market rate homeowner plus inclusionary units. This project includes a total of 77 units for homeownership of which 9 units are affordable.

See **Table 7** for a summary of these projects. There are project-specific details on the following pages and in **Chapter 6, Appendix.**

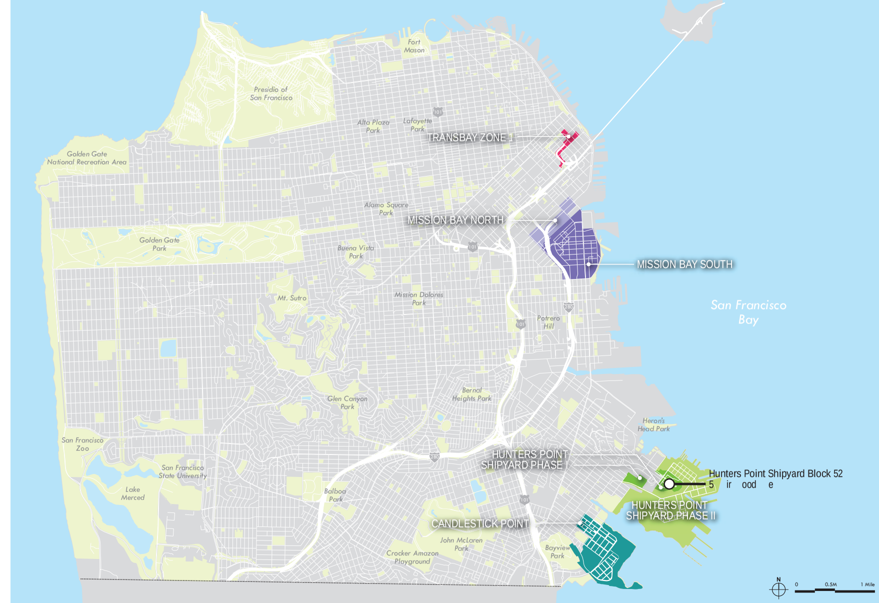
TABLE 7. HOUSING IN CONSTRUCTION (CONTINUING THROUGH ALL OF FY 22-23)

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
			TOTAL	77	9

* OCII affordable does not include manager's units



FY 22-23 HOUSING IN CONSTRUCTION



Housing in Construction

Image: OCII

Hunters Point Shipyard 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 COMPLETION	April 2024
TOTAL OCII FUNDING	$0
AFFORDABLE UNITS TARGET AMI	80% AMI

Image: OCII

FY 22-23 Housing In Construction

HPSY Block 52, 52 Kirkwood Avenue Image: LPAS Architecture + Design

HPSY Block 52, 52 Kirkwood Avenue Image: LPAS Architecture + Design

Marketing Accomplishments

Early Outreach Plans were submitted for the three affordable housing projects begun in FY 22-23. In July 2022, the affordable homeownership project at 400 China Basin Street began construction, and in June 2023 both of the affordable rental housing projects located in the Hunters Point Shipyard project area began construction.

These Plans include the developers' partnerships with housing counseling agencies and the timeframe for outreach to and workshops for Certificate of Preference (COP) holders who may be interested in these housing opportunities.

04

Mission Bay South Block 9 410 China Basin Street Image: Bruce Damonte

CERTIFICATE OF PREFERENCE PROGRAM & MARKETING REQUIREMENTS

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 for former residents of housing displaced by its activities.

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

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. Cal. Health & Safety Code § 33411.3. In 2022, the state legislature expanded this preference to include the descendants of displaced persons and authorized housing successors (i.e. MOHCD) to implement the expanded preference. The preference only applies to housing that is affordable to low- and moderate-income households.

At the direction of the Commission in FY13-14, OCII staff initiated a more robust early outreach and marketing protocol to ensure 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 8** shows success, over the past ten years, as measured by the increased number of COP holders housed, COP holders who applied for housing, and those returning to San Francisco.

Pocket Park, 53 Kirkwood Avenue Image: OCII

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 and housing counseling agencies work 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.

TABLE 8. COP PROGRAM HIGHLIGHTS TEN YEARS ENDING FY 22-23

	Total Past 10 Years	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16	FY 14-15	FY13-14
COP Holders Housed	87	-	4	-	3	13	18	38	6	3	2
COP Holders Returned to San Francisco	32	-	2	-	1	4	11	9	1	3	1
COP Holders Applied for Housing	427	-	20	12	20	59	61	86	13	95	61
New Certificates Issued	636	115	64	34	31	30	61	55	111	73	62
Lottery Units Available	*1,504*	*0*	*113*	*108*	*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.*

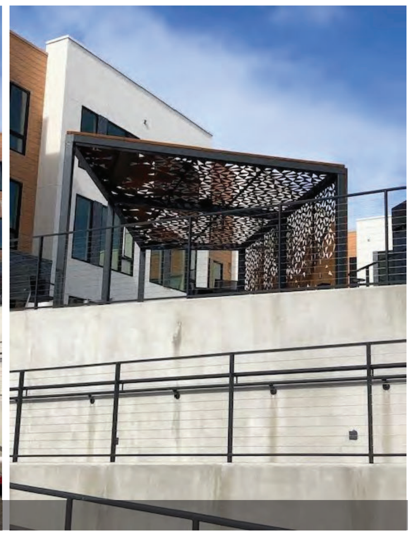
Table 8 reflects COP program highlights from the past ten fiscal years for OCII sponsored projects.

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 that the Early Outreach Plan includes 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 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 (https://housing.sfgov.org). MOHCD partners with several non-profit agencies to support rental readiness and eviction prevention programs to assist applicants in using DAHLIA and to prepare individuals for successful tenancies/occupancies.

05



HPSY Block 52, 52 Kirkwood Avenue Images: OCII

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

OCII 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.

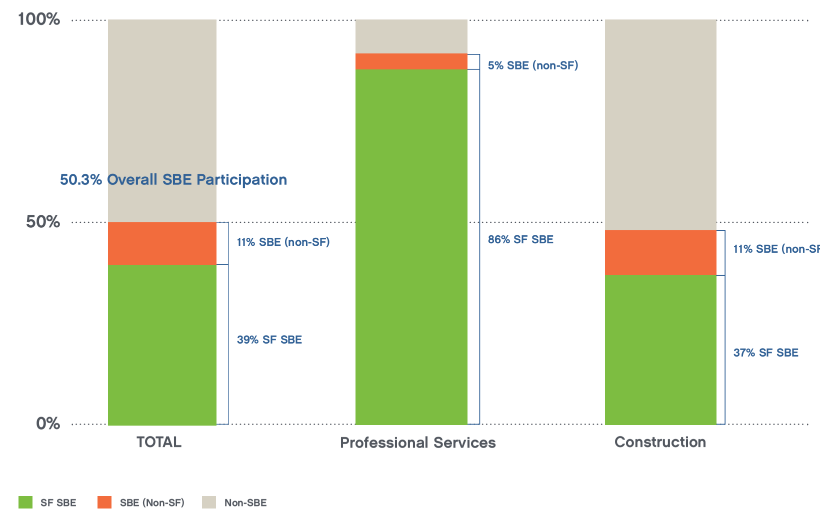
In FY 22-23, OCII's developer partners awarded professional services and construction contracts on 4 affordable housing projects totaling nearly $161 million. Over $81 million (or 50.3%) of these contract dollars were awarded to small businesses, and of the total, 39.7% are LBEs certified by the City's Contract Monitoring Division.

Notably, small businesses were awarded $6.9 million (90.7%) of professional services contracts and over $74 million (48.2%) of construction contracts (See **Chart 1**). Reflecting the gender and ethnic diversity of San Francisco, minority and women owned firms received nearly $40 million (36%) of professional services and construction contracts. Of the total contracts awarded, Black firms received credit for 30.1%, Latinx firms 4.9%, and Asian firms .6%.

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
FY 22-23



Workforce Development

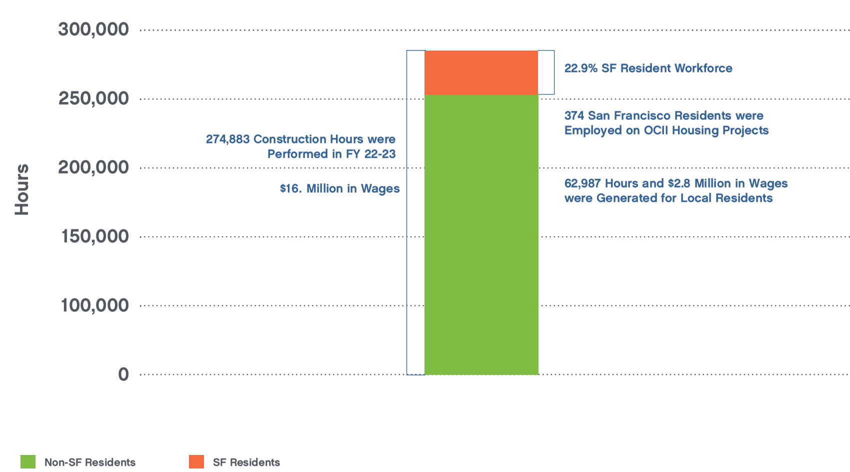
Construction

Prior to the City and County of San Francisco's adoption of its local hiring policy for construction, the former San Francisco Redevelopment Agency 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 OCII Contract Compliance staff closely monitor payroll submissions to ensure adherence to OCII's policies, and to allow for "real time" monitoring and follow-up.

On OCII-sponsored affordable and inclusionary housing projects in FY 22-23, OCII's Local Construction Workforce Hiring Program created 2,498 construction jobs, of which 374 were filled by San Francisco residents, yielding an overall local workforce participation rate of 22.9%, as measured by work hours. In addition, the figures represent 62,987 hours of work performed by San Francisco residents and $2.9 million in wages paid to local residents (See **Chart 2**).

CHART 2: Construction Work Opportunities Created by OCII Affordable & Inclusionary Housing Projects
FY 22-23



06


Mission Bay South 9, 410 China Basin Street Image: © Alicia Andrews

APPENDIX

TABLE 9:

Construction Completions FY 22-23
Construction Starts in FY 22-23
In Construction Throughout FY 22-23

TABLE 10:

Example Housing Project Schedule

TABLE 9 CONSTRUCTION COMPLETIONS FY 22-23

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	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)
Mission Bay South	Block 9	410 China Basin St	6	BRIDGE Housing & HomeRise	100% Afford-able	Adult Supportive Rental	141	1	0	140	140	30% AMI and below	140	2	$37,245,760	Apr-23	Leddy Maytum Stacy / Lowney Architecture / YA Studios	Cahill	58%	37%	22.6%

TABLE 9: CONSTRUCTION STARTS FY 22-23

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	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)
HPSY Phase I	Blocks 52 & 54	351 & 151 Friedell St	10	The Jonathan Rose Companies	100% Affordable	Family Rental	112	2	0	110	110	50% AMI and below		62	$61,818,999	May-25	Mithun / Solomon	Nibbi Baines	TBD	TBD	TBD
HPSY Phase I	Block 56	11 Innes Ct	10	Mercy Housing California & SFHDC	100% Affordable	Family Rental	73	1	0	72	72	50% AMI and below		46	$34,813,441	May-25	Van Meter Williams Pollack	Nibbi Baines	TBD	TBD	TBD
Mission Bay South	Block 9A	410 China Basin St	6	Michael Simmons Property Devel-opment; Curtis Development; and Young Community Developers	100% Affordable	Homeownership	148	0	0	148	148	110% AMI and below		34	$75,174,522	Aug-24	Mithun/ Studio VARA	Nibbi Baines	TBD	TBD	TBD

TABLE 9: IN CONSTRUCTION THROUGHOUT FY 22-23

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	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)
HPSY Phase I	Block 52	52 Kirkwood Ave	10	Lennar	Market Rate w/ Inclusionary	Homeownership	77	68	9	0	9	80% AMI	n/a	65	$0	Apr-24	LPAS Architecture + Design	Lennar Homes of California	TBD	TBD	TBD

TABLE 10: EXAMPLE HOUSING PROJECT SCHEDULE

	Months 1 - 21		Months 22-63
	Developer Selection	Predevelopment	
Development / Construction	**Months 1-9** **Developer Solicitation and Selection, Exclusive Negotiations Agreement and Predevelopment Loan Review and Negotiations**	**Months 9-21** **Initial Financing Planning and OCII ROPS and Budget Planning and Approval Schematic Design Development, Review and Approval**	**Months 22-32** **Finalize Project Budget and Financing Plan and Secure Non-OCII Financing Sources, Design Development, and Permitting**
Financing Status	**Months 1-9** **Predevelopment Funding in Current FY Budget Pending Developer Selection / Predevelopment Funding Commitment**	**Months 9-38** **Spending Predevelopment Loan** **Note: Gap Loan Committed at Approximately Month 27-30 in Advance of State Financing Applications**	

Months 22-63 (continued)	
Predevelopment (continued)	Construction
Months 33-38 **Closing Prep**	**Months 39-63** **Construction**
Months 33-38 **(continued)** **Spending Predevelopment Loan**	**Months 39-63** **Spending Gap Loan**

This table illustrates the life and financing timeline of an OCII-funded affordable housing project from solicitation of a development team to completion of construction. A standard project that has no financing or other delays takes about 3 years from development team solicitation through construction starts, and about 2 years to construct.

The blue-shaded areas show predevelopment and construction activities and the yellow-shaded areas show the status of OCII financing during the same period. OCII typically approves funding for predevelopment once the development team solicitation is complete and then a larger permanent funding amount (the "gap" amount) later, once the project specifics are finalized.

A project's predevelopment funding is typically included in the same fiscal year budget as the developer solicitation occurs. Internally, OCII begins planning the bond issuance that will fund the project's gap loan about 4-5 months after the developer solicitation begins, to ensure that funds are in place for the bond issuance by the time the project needs the funds.

The Commission will see those funds as part of the annual ROPS Workshop and Budget approvals, and both the project gap loan and the bond issuance containing for funds for the gap loan will be approved by Commission during the predevelopment period.

For rental projects, which make up the majority of OCII-funded affordable housing projects, the funding schedule is driven by state low-income housing tax credit and tax-exempt bond funding timelines which shift annually.

To be competitive for this financing, OCII funds must be committed, though they will not be spent for about a year if a project is awarded funding on the first application, or longer if additional applications are necessary. Once a project is awarded these funds by the State, construction must begin within 6 months.

Once a project is complete, fully leased, and all permanent financing has been obtained, OCII will transfer its fee interest in the project site, together with OCII's interest in any ground or air rights lease(s) and loan(s), to MOHCD as the Housing Successor Agency. MOHCD will perform long-term asset management and ensure compliance with the terms of project lease(s) and loan(s).

Acknowledgments

Report Prepared by:

Jane Suskin, Assistant Development Specialist, Housing Division

Elizabeth Colomello, Housing Program Manager

George Bridges, Contract Compliance Supervisor

Jasmine Kuo, Development Specialist, Housing Division

Kim Obstfeld, Senior Development Specialist, Housing Division

Laura Shifley, Development Specialist, Transbay and Shipyard

Pam Sims, Senior Development Specialist, Housing Division

Phillip Wong, Development Specialist, Housing Division

In Collaboration with the Following Agency Staff:

Thor Kaslofsky, Executive Director

James Morales, Deputy Director - Technical Services, Agency General Counsel

Marc Slutzkin, Deputy Director - Projects & Programs

Rosa Torres, Deputy Director - Finance & Administration

Benjamin Brandin, Project Manager Transbay

Gretchen Heckman, Project Manager Mission Bay

Lila Hussain, Senior Project Manager Shipyard and Candlestick Point

In Collaboration with the Following City Family and Stakeholders:

OCII Commissioners
Bivett Brackett, Chair; Vanessa Aquino; Tamsen Drew; Kent Lim; and Dr. Carolyn Ransom-Scott

OCII Oversight Board
Anna Van Degna, Chair; Lydia Ely, Vice-Chair; Moses Corrette; Licinia Iberri; Janice Li; Shanell Williams

Hunters Point Shipyard Citizens Advisory Committee

Mission Bay Citizens Advisory Committee

Transbay Citizens Advisory Committee

Daniel Adams, Director of the Mayor's Office of Housing and Community Development and his team

Joshua Arce, Director of Workplace Development, Office of Economic and Workplace Development

Ken Nim, Director of CityBuild, Office of Economic and Workplace Development

OCII

office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE