

**MAYOR'S OFFICE OF HOUSING  
AND COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE  
MAYOR**

**OLSON LEE  
DIRECTOR**

October 28, 2016

Honorable Jane Kim  
City and County of San Francisco  
Board of Supervisors  
City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

**RE: Resolution Authorizing the Issuance of Multifamily Housing Revenue Bonds for Transbay Block 9: 500-510 Folsom Street**

With this memo, I am submitting to you for introduction at the Board of Supervisors meeting on Tuesday, November 1, 2016, a resolution regarding qualified mortgage revenue bonds for 500-510 Folsom Street or Transbay Block 9, an inclusionary housing development sponsored by Essex Portfolio, L.P., and BRIDGE Housing Corporation (together the "Developers"). The Developers will construct a building which is 42 stories and includes 436 unit market rate units, including two manager's units, and 108 below market rate units, including one manager's unit, ("BMR Units") for a total of 545 units, along with parking, ground floor retail and other improvements. The 108 BMR Units plus one manager's unit will be located within the lower 21 floors of the building and distributed among 202 market rate units. The BMR units will be a mix of 34 studios, 61 one-bedroom, and 14 two-bedroom units, including a manager's unit, and will be affordable housing units (serving households at and below 50% Area Median Income). Funds generated from the execution and delivery of the Bonds would be used fund costs associated with the lower 21 floors of the building.

This is the follow-up legislation to the resolution you sponsored in April of 2016 that authorized the Mayor's Office of Housing and Community Development ("MOHCD") to apply to the California Debt Limit Allocation Committee ("CDLAC") for an allocation not to exceed \$175,000,000 in qualified mortgage revenue indebtedness. An allocation of \$132,000,000 was obtained on July 20, 2016.

MOHCD has previously issued bonds for both affordable rental housing and for first time homeownership. These financings are conduit financings, which do not require the City to

pledge repayment of the bonds. Rather, the bondholders' only recourse for payment is the project revenues themselves and the credit enhancement provided by lenders.

Introduction on November 1, 2016 ensures that project team has enough time to close the Project's financing and begin construction by December 7, 2016.

The attached resolution has been approved as-to-form by Deputy City Attorney Heidi Gewertz. I am enclosing a brief description of the Project for your review.

If you have any questions about the resolution or the project, please contact Gretchen Heckman at the Office of Community Investment and Infrastructure at 749-2439.

Thank you,

A handwritten signature in blue ink, appearing to read "Mara Blitzer", with a long, sweeping horizontal stroke extending to the right.

Mara Blitzer  
Director of Housing Development

## **Project Description**

### **500-510 Folsom Street (aka, Transbay Block 9)**

500-510 Folsom Street (aka Transbay Block 9) is a high-density, mixed-income/mixed-use residential project located between Folsom Street and Clementina Street, and between First Street and Ecker Street, within the boundaries of the Transbay Redevelopment Project Area. The 31,559 SF (.72 AC) site is located two blocks south of the future Transbay Transit Center. The approximately 729,240-square-foot structure will include 6700 square feet of retail space on Folsom Street, 6 floors of below grade automobile parking with 226 spaces, 2,400 square feet of public open space, and 9,800 square feet of roof top open space to be shared by all residents. (together, the "Building").

The Developer shall construct a Building which is 42 stories and includes 436 unit market rate units which includes two manager's units and 108 below market rate units plus one manager's unit ("BMR Units") for a total of 545 units. The BMR Units will be located within the lower 21 floors of the Building and distributed among 202 market rate units. The BMR units will be affordable to households earning up to 50% of Area Median Income (AMI). The average size of all residential units is anticipated to be approximately 720 net square feet and the unit interiors for the BMR Units will be equivalent to the market rate units also located within the lower 21 floors.

The Building is envisioned to be an architecturally innovative and environmentally sustainable enhancement to the Transbay District, providing a variety of housing styles for a mix of incomes. The site design will connect new residents to the adjoining neighborhood with a pedestrian-oriented approach that enhances street life with multi-level open spaces and onsite gathering places, including a new midblock pedestrian connection through the site between Folsom and Clementina Streets, multiple retail entrances and a Plaza along Folsom, adjacent to the main building entrance with outdoor seating and lighting.

This Type I construction Building will be conceived as two mid-rise buildings that bracket a highrise tower, with low-rise townhomes that create an engaging edge along Clementina Street. The tower at Folsom is articulated into a series of shaded, glass, cubic volumes that are scaled to relate to the height and mass of the midrise buildings. Metal vertical fins and operable windows will help reduce solar heat gain, allow for natural ventilation, and further animate the building facades. These elements provide a unique architectural identity that will distinguish Block 9 as a residential community. All residents access the building through a single entrance on Folsom Street at the base of the tower. The two podium buildings, clad primarily in lightweight textured cementitious panels, provide a solid visual foundation for the lighter, more transparent glass tower. Along Clementina Street, the townhouse exteriors, while reminiscent of traditional San Francisco residential architecture with bay windows, is decisively modern. Open staircases provide individual entries while disability access is provided from First Street.

The Building will implement a host of sustainable design features working in harmony to reduce energy and water consumption while creating a healthy living environment and is committed to achieving a minimum LEED® Silver certification.

Construction is anticipated to begin in the Winter of 2016.

