

File No. 231133

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date November 15, 2023

Board of Supervisors Meeting Date _____

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- _____
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- _____

Completed by: Brent Jalipa Date November 9, 2023

Completed by: Brent Jalipa Date _____

1 [Loan Amendment - Sunnydale Infrastructure 1A3 LLC - Sunnydale HOPE SF Development -
2 Not to Exceed \$26,567,405]

3 **Resolution approving and authorizing the execution of a Second Amendment to the**
4 **Loan Agreement with Sunnydale Infrastructure Phase 1A3 LLC, a California limited**
5 **liability company, to increase the loan amount by \$1,495,294 for a new total loan amount**
6 **not to exceed \$26,567,405 to finance additional construction costs for the second phase**
7 **of infrastructure improvements and housing development related to the revitalization**
8 **and master development of up to 1770 units of replacement public housing, affordable**
9 **housing and market rate housing, commonly known as the Sunnydale HOPE SF**
10 **Development (“Sunnydale Project”); adopting findings that the loan agreement is**
11 **consistent with the adopted Mitigation Monitoring and Reporting Program under the**
12 **California Environmental Quality Act, the City’s General Plan, and the priority policies of**
13 **Planning Code, Section 101.1; and to authorize the Director of Mayor’s Office of**
14 **Housing and Community Development to enter into any amendments or modifications**
15 **to the Agreement that do not materially increase the obligations or liabilities for the City**
16 **and are necessary to effectuate the purposes of the agreement or this Resolution.**

17
18 WHEREAS, HOPE SF is the nation’s first large-scale public housing transformation
19 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and
20 creating vibrant mixed-income communities without mass displacement of current residents;
21 and

22 WHEREAS, HOPE SF, the City’s signature anti-poverty and equity initiative, is
23 committed to breaking intergenerational patterns related to the insidious impacts of trauma and
24 poverty, and to creating economic and social opportunities for current public housing residents
25 through deep investments in education, economic mobility, health and safety; and

1 WHEREAS, The Housing Authority of the City and County of San Francisco (“SFHA”)
2 owns and operates 775 units of public housing on the approximately 50-acre site, known as
3 Sunnydale-Velasco; and

4 WHEREAS, The Sunnydale HOPE SF project, which is located in Visitacion Valley, is
5 generally bounded by McLaren Park to the north, Crocker Amazon Park on the west, Hahn
6 Street to the east, and Velasco Avenue to the south, is a mixed-use, mixed-income
7 development with several different components: (i) construction of the public infrastructure to
8 support Sunnydale-Velasco; (ii) development of private affordable housing on affordable
9 parcels in accordance with an affordable housing plan; (iii) development of private residential
10 projects on market rate parcels; and (iv) development of community improvements (e.g., open
11 space areas, community facilities) throughout Sunnydale-Velasco (the “Project”); and

12 WHEREAS, In 2007, SFHA issued a Request for Proposals (RFP), seeking
13 submittals from qualified respondents to develop the Project; and

14 WHEREAS, Mercy Housing Corporation, a California nonprofit public benefit
15 corporation (“Mercy”), in collaboration with the Related Company, a California corporation
16 (“Related”), jointly responded to the RFP and were selected to be the developer for the Project;
17 and

18 WHEREAS, Mercy and Related established a separate entity named Sunnydale
19 Development Co., LLC (the “Developer”) under which to plan and develop the Project;
20 and

21 WHEREAS, The Sunnydale HOPE SF master plan consists of (i) a maximum of 1,770
22 units, of which 775 are replacement units for existing Sunnydale-Velasco households,
23 approximately 200 are additional affordable housing units, and up to 730 units will be for
24 market rate homeownership or rental, (ii) all new streets and utility infrastructure, (iii) 3.6 acres
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1 of new open spaces, and (iv) approximately 60,000 square feet of new neighborhood serving
2 spaces; and

3 WHEREAS, By Ordinance No. 18-17, the Board of Supervisors approved a
4 Development Agreement with the Developer relating to the Project Site (the "Development
5 Agreement") under Administrative Code Chapter 56, which Ordinance is on file with the Clerk
6 of the Board of Supervisors in File No. 161164 and is incorporated herein by reference; and

7 WHEREAS, By Ordinance No. 20-17, the Board of Supervisors made findings under the
8 California Environmental Quality Act (Public Resources Code Sections 21000 et seq.) and
9 findings of consistency with the General Plan and the eight priority policies of Planning Code
10 Section 101.1, which Ordinance is on file with the Clerk of the Board of Supervisors in File No.
11 161309 and is incorporated herein by reference; and

12 WHEREAS, The City, acting through the Mayor's Office of Housing and Community
13 Development ("MOHCD"), administers a variety of housing programs that provide financing for
14 the development of new affordable housing and the rehabilitation of single- and multi-family
15 housing for low- and moderate-income households and resources for homeowners in San
16 Francisco; and

17 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
18 and operators; administers loan agreements; reviews annual audits and monitoring reports;
19 monitors compliance with affordable housing requirements in accordance with capital funding
20 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

21 WHEREAS, MOHCD provided Developer with loans to commence predevelopment
22 activities for the Project; and

23 WHEREAS, The Developer established a separate entity named Sunnydale
24 Infrastructure Phase 1A3 LLC (the "Infrastructure Developer") to undertake the second phase
25 of the Project, which will include infrastructure improvements to facilitate the construction of

1 127 public housing replacement units and 41 new affordable rental units, a new community
2 building, a realigned Sunnydale street segment, and an electrical switchgear to serve the
3 Project (the “Phase 1A3 Project”); and

4 WHEREAS, Under Resolution No. 45-22, the Board of Supervisors approved an
5 Amended and Restated Loan Agreement between the City and the Infrastructure Developer, a
6 copy of which is on file with the Clerk of the Board of Supervisors in File No. 211266 (“Loan
7 Agreement”), and loan in the amount of Not to Exceed \$25,072,1111 (the “Loan”) to the
8 Infrastructure Developer to finance the second phase of infrastructure improvements and
9 housing development related to the revitalization and master development of the Sunnydale
10 Project; and

11 WHEREAS, On May 20, 2022, the Infrastructure Developer closed construction
12 financing and began construction on the Phase 1A3 Project; and

13 WHEREAS, Due to severe weather in 2023 and challenges securing interim electrical
14 power the Phase 1A3 Project requires more funding to complete; and

15 WHEREAS, On October 20, 2023, the Citywide Affordable Housing Loan Committee,
16 consisting of MOHCD, Department of Homelessness and Supportive Housing, the Office of
17 Community Investment and Infrastructure, Office of the Controller and SFHA, recommended
18 approval to the Mayor of an increase to the loan of \$1,495,294 to the Infrastructure Developer
19 for the Phase 1A3 Project for a total amount not to exceed \$26,567,405; and

20 WHEREAS, In order for the Infrastructure Developer to complete construction for the
21 Phase 1A3 Project, MOHCD desires to provide an additional loan in the amount not to exceed
22 \$1,495,294 and a total loan amount not to exceed \$26,567,405, to the Infrastructure Developer
23 pursuant to a Second Amendment to the Loan Agreement (“Second Amendment”) in
24 substantially the form on file with the Clerk of the Board in File No. 231133, and in such final
25 form as approved by the Director of MOHCD and the City Attorney; and

1 WHEREAS, The material terms of the Loan Agreement also include: (i) a minimum term
2 of 57 years; (ii) will bear no interest; and (iii) will be forgiven once the City accepts the
3 improvements and new streets; now, therefore, be it

4 RESOLVED, That the Board of Supervisors hereby adopts the findings contained in
5 Ordinance No. 20-17 regarding the California Environmental Quality Act for the Project, and
6 hereby incorporates such findings by reference as though fully set forth in this Resolution; and,
7 be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Project is
9 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
10 101.1 for the same reasons as set forth in Ordinance No. 20-17, and hereby incorporates such
11 findings by reference as though fully set forth in this Resolution; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Second
13 Amendment and authorizes the Director of MOHCD or his designee to enter into any
14 amendments or modifications to the Agreement (including, without limitation, preparation and
15 attachment to, or changes to, any of all of the exhibits and ancillary agreements) and any other
16 documents or instruments necessary in connection therewith that the Director determines, in
17 consultation with the City Attorney, are in the best interest of the City, do not materially
18 increase the obligations or liabilities for the City or materially diminish the benefits of the City,
19 are necessary or advisable to effectuate the purposes and intent of this Resolution and are in
20 compliance with all applicable laws, including the City Charter; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
22 delegates to the Director of MOHCD and/or the Director of Property, and their designees, the
23 authority to undertake any actions necessary to protect the City's financial security in the
24 Property and enforce the affordable housing restrictions, which may include, without limitation,
25

1 acquisition of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed in
2 lieu of foreclosure, or curing the default under a senior loan; and, be it

3 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
4 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors; and
5 be it

6 FURTHER RESOLVED, That within thirty (30) days of the Second Amendment being
7 fully executed by all parties, MOHCD shall provide the final Second Amendment to the Clerk of
8 the Board for inclusion into the official file.

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1 Recommended

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3 _____ /s/

4 Eric D. Shaw, Director
5 Mayor's Office of Housing and Community Development

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Item 8 File 23-1133	Department: Mayor’s Office of Housing and Community Development
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize a second amendment to the City’s loan agreement with Sunnydale Infrastructure Phase 1A3, LLC, increasing the loan amount by \$1,495,294, from \$25,072,111 to \$26,567,405.

Key Points

- The Sunnydale project is one of four sites in HOPE SF, a program replacing aging public housing buildings and creating new, mixed-income communities. Phase 1A-3 of the project includes a portion of the Sunnydale site encompassing a community center, two affordable housing developments, and the Sunnydale Avenue right of way.
- In February of 2022, the Board of Supervisors approved a \$25,072,111 amended and restated loan agreement between the Mayor’s Office of Housing and Community Development (MOHCD) and Sunnydale Infrastructure Phase 1A-3, LLC, an affiliate of Mercy Housing California and the Related Companies of California, LLC, the project sponsors.
- The project team has incurred unforeseen costs due to extreme weather during the winter of 2022-2023, unforeseen site conditions, temporary power connection costs, and other reasons. Completion of infrastructure construction in Phase 1A-3 has now been delayed from the initial target of December 2022 and is now expected to be completed in November of 2023.

Fiscal Impact

- The proposed amendment would increase the loan amount by \$1,495,294, from \$25,072,111 to an amount not to exceed \$26,567,405, as well as modify the funding sources for the overall loan. The sources of the proposed increase are 2019 general obligation bonds (\$901,418) and the Housing Trust Fund (\$593,876). The loan would be forgiven once the City accepts the improvements.

Policy Consideration

- Approximately \$500,000 of the hard costs contributing to this loan request result from the provision of temporary power to a portion of the construction site. SFPUC has agreed to reimburse approximately half of these costs, but the final amount has not yet been determined, and this reimbursement is thus not reflected in the loan request. Any funds reimbursed by SFPUC would reduce the amount of MOHCD’s loan.

Recommendations

- The Board of Supervisors should 1) request MOHCD and SFPUC to report back within 30 days on SFPUC reimbursement of costs incurred related to temporary power connection during horizontal infrastructure construction in Sunnydale Phase 1A-3 and include the report in the legislative file; 2) request MOHCD and SFPUC to enter into an agreement clarifying cost-sharing for power connection costs, to avoid future uncertainty; and 3) approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

In January of 2017, the Board of Supervisors approved a master development agreement to replace the City’s largest public housing community, located on the 50-acre Sunnydale-Velasco Housing Authority site in the Visitacion Valley neighborhood. The Sunnydale project is one of four sites in HOPE SF, a program replacing aging public housing buildings and creating new, mixed-income communities. The current developer, Sunnydale Development Co., LLC, is affiliated with Mercy Housing California and the Related Companies of California, LLC, which were selected as the project sponsors following a 2007 request for qualifications.

Under the terms of the development agreement, Sunnydale Development Co. will redevelop the site in phases over the course of 25 years, replacing 775 units of public housing and adding up to 995 additional housing units, including both market-rate and affordable units. In addition to housing units, the project includes the creation of a community center, retail space, parks, open spaces, new streets, and improved pedestrian and bicycling infrastructure.

Phase 1A-3 of the project includes a portion of the Sunnydale site encompassing a community center, two affordable housing developments, and the Sunnydale Avenue right of way.¹ Prior to construction of these new buildings, this area required demolition of existing structures, hazardous conditions abatement, utility installation, and other site preparation steps.

In February of 2022, the Board of Supervisors approved a \$25,072,111 amended and restated loan agreement between the Mayor’s Office of Housing and Community Development (MOHCD) and Sunnydale Infrastructure Phase 1A-3, LLC (Sunnydale Infrastructure), an affiliate of Sunnydale Development Co., LLC, to fund Phase 1A-3 infrastructure work (File 21-1266). The project team has incurred unforeseen costs due to extreme weather during the winter of 2022-2023, unforeseen site conditions, temporary power connection costs, and other reasons. Completion of infrastructure construction in Phase 1A-3 has now been delayed from the initial target of December 2022 and is now expected to be completed in November of 2023.

¹ In 2023, the Board of Supervisors approved gap financing for two residential developments in Sunnydale Phase 1A3: \$27.3 million in Block 3A (File 23-0377) and \$31.5 million for Block 3B (23-0062). In 2022 the Board approved an \$11 million grant to help fund the Community Center in Block 1, also within Sunnydale Phase 1A-3.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize a second amendment to the City’s loan agreement with Sunnydale Infrastructure Phase 1A3, LLC, increasing the loan amount by \$1,495,294, from \$25,072,111 to \$26,567,405.

The purpose of the loan increase is to fund \$1,495,294 in unexpected costs and delays during an infrastructure construction phase of the Sunnydale mixed-income housing development project. The increase would have a loan term of 55 years and would be forgiven once the project is completed, and improvements have been accepted by the City. It would not accrue interest.

The proposed resolution would also authorize MOHCD to approve non-material contract amendments.

Extreme Weather

Extreme weather during the winter of 2022-2023 accounts for a portion of the unexpected costs incurred during Phase 1A-3, according to MOHCD. Completion of this project phase has been set back by more than 40 rain days, significantly more than the 10 days estimated in the original contract schedule. When the Board approved the current loan, construction was expected to occur between February 2022 and December 2022, which would have avoided the rainiest months of the year (December – March). However, delays in obtaining approval from the Housing Authority and in obtaining permits resulted in construction not beginning until May 2022. It is now expected to be completed in November 2023. MOHCD did not consider delaying this project’s infrastructure construction during the winter rain season, but is considering doing so in future projects.

According to the October 20, 2023 MOCHD staff memo prepared for the Citywide Affordable Housing Loan Committee, the Phase 1A-3 site receives runoff from McLaren Park and the rest of the Sunnydale site, and the amount of runoff exceeded what was projected in the project’s Storm Water Prevention Plan. Based on lessons learned during Phase 1A3, the project team has also updated the Storm Water Prevention Plan for the next development phase, Phase 3, in an effort to avoid future rain-related construction delays. Construction budget contingencies for Phase 3 will also be updated to accommodate more rain-related delays. MOHCD expects that new infrastructure constructed during Phase 1A-3 will be sufficient to accommodate future runoff.

Unforeseen Conditions

Unforeseen conditions uncovered at the construction site also contributed to added costs, according to MOHCD’s loan evaluation. For example, when installing catch basins at one intersection, the project team discovered that a PG&E duct bank had been incorrectly installed, requiring the project team to redesign the catch basins and drainage infrastructure. A manhole also required unexpected retrofitting.

Temporary Power Connection

Another unexpected cost relates to the provision of temporary power to a portion of the Sunnydale site. As part of Phase 1A-3, power to part of Blocks 6 and Q of the Sunnydale site was

slated to be interrupted in order to allow for removal of utility poles in Block 3 (within Phase 1A-3), according to the San Francisco Public Utility Commission (SFPUC). The construction plan called for this connection to be replaced with a new permanent connection. However, PG&E declined to provide the full 1,500 kW of capacity requested by SFPUC, providing only 635 kW, according to SFPUC staff. As a result of delays associated with this disagreement, the project sponsor installed a temporary power connection, known as a power shoofly, at a cost of \$507,429. The temporary power connection is being used to power the construction site within Phase 1A-3 as well as the fully developed and occupied Blocks 6 and Q in Sunnydale (see the appendix to this report for a map of the Sunnydale development area).

Agency Coordination

Additional unexpected costs relate to requests from City departments, rescheduled inspections, and errors on the part of the City requiring additional work. As an example of additional work, the project team had to reinstall a hydrant that had been installed incorrectly based on City instructions, according to MOHCD's loan evaluation.

Temporary Relocation of Residents

Because the Sunnydale site's existing housing units are being replaced, project costs include temporary relocation services for residents. These services, provided by the project sponsor and reimbursed by the city, consist largely of staffing costs associated with preparing residents for, and assisting residents with, relocation. They also include direct resident moving expenses. Initially, the project sponsor intended to request reimbursement for Phase 1A-3 relocation services during the next project phase, Phase 3. However, due to the delayed completion of Phase 1A-3 – and thus the delayed start of Phase 3 – the project sponsor is requesting reimbursement through the current loan increase.

FISCAL IMPACT

The proposed amendment would increase the loan amount by \$1,495,294, from \$25,072,111 to an amount not to exceed \$26,567,405, as well as modify the funding sources for the overall loan. The sources of the proposed increase are 2019 general obligation bonds (\$901,418) and the Housing Trust Fund (\$593,876). The overall change in the Phase 1A-3 infrastructure budget since the Board approved the original infrastructure loan is shown in Exhibit 1 below.

Exhibit 1: Sources and Uses for Sunnydale Phase 1A-3 Infrastructure

	Current Loan	Proposed Loan	Difference
Sources			
2015 GO Bonds	\$9,800,000	\$9,800,000	\$0
2019 GO Bonds	\$14,672,111	\$9,673,529	(\$4,998,582)
Housing Trust Fund	\$600,000	\$3,005,700	\$2,405,700
HOPE SF General Fund	\$0	\$4,088,176	\$4,088,176
Total Sources	\$25,072,111	\$26,567,405	\$1,495,294
Uses			
Hard Costs	\$20,831,764	\$22,108,397	\$1,276,633
Soft Costs	\$3,785,801	\$4,004,462	\$218,661
Developer Fee	\$454,545	\$454,545	\$0
Total Project Costs	\$25,072,110	\$26,567,404	\$1,495,294

Source: MOHCD

Notes: Soft costs include tenant relocation costs. A \$6.5 million state grant awarded to the City (File 23-0061) reduces the City's net loan amount.

Hard Costs

When needs arise beyond the work outlined in a contract, the general contractor or the project sponsor requests a change order. MOHCD staff review these requests against contract requirements and design documents, asking for additional information or performing site visits as necessary, according to MOCHD. The MOHCD project manager and construction manager must sign off for the additional work to occur.

The amount of the requested loan associated with hard costs represents the difference between total cost of the change orders and the combined contingencies of the general contractor and the project sponsor. Exhibit 2 below details costs incurred through change orders. The "Change Orders – Other" category, accounting for \$1,861,568, generally represents change orders for changes to project scope and work efforts not anticipated during the design phase. The remaining hard cost categories – weather, temporary power, and agency coordination – bring total hard costs above the combined contingencies budgeted by the project sponsor and the general contractor.

Exhibit 2: Hard Costs

Hard Costs	Amount
Change Orders – Weather	\$793,909
Change Orders - Temporary Power	\$507,429
Change Orders - Agency Coordination	\$172,571
Change Orders – Other	\$1,861,568
Total Change Orders	\$3,335,477
Contract Contingencies	\$2,058,844
Difference of Change Orders and Contingency	\$1,276,633

Source: MOHCD

Relocation Services

The \$218,661 requested for relocation services covers services provided between October of 2022 and December of 2023, as shown below in Exhibit 3. Services are provided by Mercy Housing.

Exhibit 3: Relocation Services

Category	Amount
Relocation readiness staffing, Oct. 2022-Dec. 2022	\$27,227
Relocation readiness staffing, 2023	\$144,996
Direct resident moving costs	\$46,438
Total	\$218,661

Source: MOHCD

POLICY CONSIDERATION

Power Connection Costs

Approximately \$500,000 of the hard costs contributing to this loan request result from the provision of temporary power to a portion of the construction site, as discussed above. SFPUC has agreed to reimburse approximately half of these costs under a pending agreement with Sunnydale Development Co. LLC, MOHCD, and PUC, but the final amount has not yet been determined, and this reimbursement is thus not reflected in the loan request. Any funds reimbursed by SFPUC would reduce the amount of MOHCD’s loan. We recommend the Board request MOHCD and SFPUC to report back to the Board of Supervisors within 30 days of approval of this resolution on the final SFPUC funding.

According to SFPUC Power Enterprise staff, customers typically pay for their new power connections, unless the infrastructure benefits all utility customers. SFPUC is only reimbursing a portion of the power connection costs because it benefits existing customers (Sunnydale Blocks 6 and Q) who already paid for their new power connections. We recommend the Board request

MOHCD and PUC enter into an agreement clarifying cost-sharing for power connection costs, to avoid future uncertainty.

Developer Funds

As noted above, the project sponsor is receiving a \$454,545 developer fee for completing infrastructure work in Sunnydale Phase 1A-3 and will be receiving a \$5 million fee for all infrastructure work in Sunnydale. The developer will also be receiving distributions and fees from affordable housing rental projects it is building and operating in Sunnydale with City funding. Although we believe the City should negotiate cost sharing of these project costs with the developer, MOHCD did not consider doing so in this case and in general does not believe it is feasible to request cost sharing with its project sponsors for unexpected affordable housing development costs. Because this request is consistent with recent Board approvals of loan increases for affordable housing projects that faced increased costs due to PG&E-related delays, 500 Turk (23-0319) and 4648 Mission (23-0318), we recommend approval of the proposed resolution.

RECOMMENDATIONS

1. Request MOHCD and SFPUC to report back within 30 days on SFPUC reimbursement of costs incurred related to the temporary power connection during horizontal infrastructure construction in Sunnydale Phase 1A-3 and include the report in the legislative file for this item.
2. Request MOHCD and SFPUC to enter into an agreement clarifying cost-sharing for power connection costs, to avoid future uncertainty.
3. Approve the proposed resolution.

Appendix: Sunnydale Map



Source: MOHCD



SUNNYDALE HOPE SF INFRASTRUCTURE PHASE IA3

BUDGET AND FINANCE
COMMITTEE
NOVEMBER 15, 2023

RYAN VANZUYLEN,
SENIOR PROJECT MANAGER

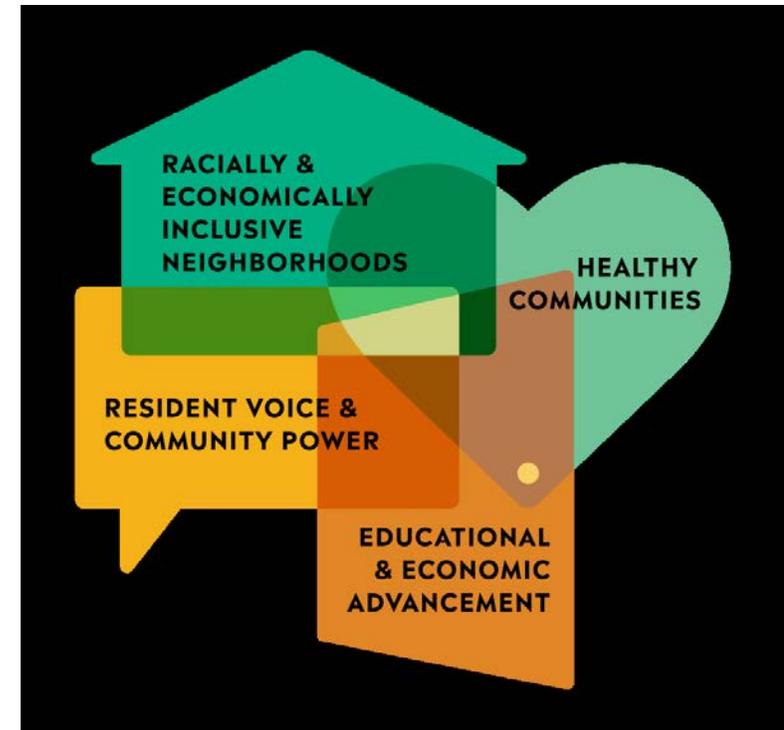
MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

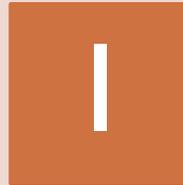
HOPE SF

Launched in 2007, HOPE SF is a twenty-year human and real estate capital commitment, spanning four mayoral administrations. HOPE SF is the nation's first large-scale community development and reparations initiative aimed at creating vibrant, inclusive mixed-income communities without mass displacement of the original residents.

Hunters View, Sunnyside, Potrero & Potrero Annex, and Alice Griffith, the four HOPE SF sites, share the goal of eradicating intergenerational poverty by:

- Ensuring No Loss of Public Housing.
- Creating an Economically Integrated Community.
- Maximizing the Creation of New Affordable Housing.
- Involving Residents in the Highest Levels of Participation in the Entire Project.
- Providing Economic Opportunities through the Rebuilding Process.
- Integrating Process with Neighborhood Improvement Revitalization Plans.
- Creating Economically Sustainable and Accessible Communities.
- Building a Strong Sense of Community.





File # 231133

Resolution approving MOHCD
loan agreement up to \$26,567,405

SUNNYDALE HOPE SF INFRASTRUCTURE PHASE 1A3
BUDGET AND FINANCE COMMITTEE AGENDA ITEM

SUNNYDALE HOPE SF INFRASTRUCTURE IA3



- 2nd Infrastructure development phase at Sunnydale HOPE SF
- Development Sponsors are Related California and Mercy Housing California
- 4.14 acres including Block 1/Community Center, affordable buildings 3A and 3B (170 new units), and one acre for Sunnydale Ave public Right of Way

FINANCING

- Total Costs \$26.6M from MOHCD
- Additional loan of \$1.5M due to
 - Delays and clean up from severe weather in early 2023
 - Unforeseen conditions including a temporary power connection
 - Resident relocation costs

TIMELINE

- Infrastructure started May 2022 and will finish later this month, Nov 2023
- Block I/Community Center to finish fall 2024
- Affordable buildings 3A and 3B to finish Jan 2025





Thank you

**SECOND AMENDMENT TO THE LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
2015 GENERAL OBLIGATION AFFORDABLE HOUSING BOND, 2019 GENERAL
OBLIGATION AFFORDABLE HOUSING BOND, HOUSING TRUST FUND, HOPE SF
GENERAL FUND, IIG)
(SUNNYDALE PHASE 1A3 INFRASTRUCTURE)**

THIS SECOND AMENDMENT TO LOAN DOCUMENTS (“Second Amendment” or “Agreement”) is entered into as of December ___, 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (“City”), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **SUNNYDALE INFRASTRUCTURE PHASE 1A3, LLC**, a California limited liability company (the "Borrower").

RECITALS

A. The City previously loaned \$25,072,111 in 2015 General Obligations Bond funds, 2019 General Obligations Bond funds, Housing Trust Fund funds, and HOPE SF General Fund funds (the “Original Loan”) to Borrower. The Loan is evidenced by the following documents (1) a Loan Agreement (the “Original Agreement”) dated February 11, 2022, (2) a Secured Promissory Note made by Borrower to the order of the City (the “Original Note”) dated February 11, 2022, (3) a First Amendment to the Loan Agreement (the “First Amendment”) dated May 25, 2023, and (4) an Amended and Restated Promissory Note (the “Amended and Restated Note”) dated May 25, 2023. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Original Agreement.

B. The Borrower has requested an additional loan of Funds (the “Additional Loan”) from the City in the principal amount not to exceed One Million Four Hundred Ninety Five Thousand Two Hundred Ninety Four and No/100 Dollars (\$1,495,294.00) (the “Additional Funding Amount”) because of increased infrastructure construction costs associated with delays from severe weather conditions in early 2023 and interim power connection. The City has reviewed Borrower’s application for the Additional Loan and, in reliance on the accuracy of the statements in that application, has agreed to increase the Original Loan by the Additional Funding Amount to finance the additional infrastructure construction costs.

C. The Borrower and the City now desire to amend the Agreement in accordance with this Second Amendment to increase the Original Loan and update the sources of the Funds. Concurrently with this Second Amendment, the Parties are also entering into a Second Amended and Restated Secured Promissory Note (the “Second Amended and Restated Note”) to reflect such changes under this Second Amendment.

D. Any future funding from the City to Borrower in connection with the Project will be loaned through and evidenced by an amendment to this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and Borrower agree as follows:

AGREEMENT

1. Amendments to Original Agreement as amended by the First Amendment is hereby amended as follows:

(a) Cover Page, first paragraph, is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
2015 GENERAL OBLIGATION AFFORDABLE HOUSING BOND, 2019 GENERAL
OBLIGATION AFFORDABLE HOUSING BOND, HOUSING TRUST FUND, IIG,
HOPE SF GENERAL FUND)**

(b) Cover Page, list of City loan sources of funding and amounts, is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

**SUNNYDALE HOPE SF – PHASE 1A3 -- Infrastructure
San Francisco, CA
up to \$26,567,405**

2015 GO Bond: \$9,800,000

2019 GO Bond: \$9,673,529

Housing Trust Fund: \$3,005,700

HOPE SF General Fund: \$4,088,176

(c) Recital H is hereby deleted in its entirety and replaced with the following:

H. The City has reviewed Borrower's application for funds and, in reliance on the accuracy of the statements in that application, has agreed to make an additional loan of Funds to Borrower in the amount of One Million Four Hundred Ninety Five Thousand Two Hundred Ninety Four and No/100 Dollars (\$1,495,294.00) (“Additional Funding Amount”) to fund completion of infrastructure construction activities such that the total loan of Funds is equal to up to Twenty-Six Million Five Hundred Sixty-Seven Thousand Four Hundred Five and No/100 Dollars (\$26,567,405.00) (the “Funding Amount”). This Agreement is comprised of Nine Million Eight Hundred Thousand and No/100 Dollars (\$9,800,000.00) from 2015 GO Bond funds, Nine Million Six Hundred Seventy Three Thousand Five Hundred Twenty Nine and No/100 Dollars (\$9,673,529.00) from 2019 GO Bond funds, Three Million Five Thousand Seven Hundred and No/100 Dollars (\$3,005,700) in Housing Trust Fund funds, and Four Million Eighty-Eight Thousand One Hundred Seventy-Six and No/100 Dollars (\$4,088,176.00) in HOPE SF General Fund funds. The 2015 GO Bond funds, the 2019 GO Bond funds, the Housing Trust Fund funds and the HOPE SF General Fund funds together are the “Gap Funds”, which Gap Funds are to be used for construction of the infrastructure of the Site.

(d) The definitions under Section 1.1 (Defined Terms) are hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

“Additional Funding Amount” has the meaning set forth in Recital H.

“Agreement” means this Loan Agreement, including any written amendments executed by the parties.

~~“Loan” has the meaning set forth in Recital H~~ means collectively the Original Loan, the First Amendment to the Loan Agreement, and the Second Amendment to the Loan Agreement.

"Note" means the Second Amended and Restated Secured Promissory Note ~~the promissory note~~ executed by Borrower in favor of the City in the principal amount of the Funding Amount.

2. Note

A new Second Amended and Restated Secured Promissory Note in the amount of the Funding Amount will be executed by the Borrower in the form attached to this Amendment as Exhibit A (the “Second Amended and Restated Note”). The Amended and Restated Note will be cancelled and returned to the Borrower.

3. Miscellaneous.

(a) Counterparts. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(b) Successors and Assigns. The terms, covenants and conditions contained in this Second Amendment shall bind and inure to the benefit of Borrower and the City and, except as otherwise provided herein, their personal representatives and successors and assigns.

(c) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Second Amendment.

(d) No Third-Party Beneficiaries. Nothing contained in this Second Amendment, nor any act of the City, may be interpreted or construed as creating the relationship of third-party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment at San Francisco, California as of the Effective Date.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
London N. Breed
Mayor

By: _____
Eric D. Shaw
Director, Mayor’s Office of Housing and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

BORROWER:

SUNNYDALE INFRASTRUCTURE PHASE 1A3, LLC, a California limited liability company

By: New Grid 2 LLC, a California limited liability company, Member

By: Mercy Housing Calwest, a California nonprofit public benefit corporation

Its: sole member

By: _____
Name: _____
Title: _____

By: Related/Sunnydale Infrastructure, LLC, a California limited liability company, Member

By: _____
Ann Silverberg,
Vice President



SOLICITATION NO. 08-610-RFQ-001

HOPE SF

REQUEST FOR QUALIFICATIONS

**TO REDEVELOP
AUTHORITY PROPERTY**

ISSUED BY:

**SAN FRANCISCO HOUSING AUTHORITY
HOUSING DEVELOPMENT AND MODERNIZATION DEPARTMENT
1815 EGBERT AVENUE, SUITE 300
SAN FRANCISCO, CA 94124**

OCTOBER 16, 2007

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SECTION II - Attachments to be included with submittal

Attachment A Submittal Identification Form 3 pages
Attachment B HUD-5369-C Certifications and Representations of Offerors, Non-Construction 2 pages

SECTION III - Exhibits

Exhibit A HUD-5369-B Instructions to Offerors, Non-Construction..... 4 pages
Exhibit B HUD-5370-C General Contract Conditions, Non-Construction 5 pages
Exhibit C Authority Insurance Requirements..... 2 pages
Exhibit D Summary of Affirmative Action Requirements 4 pages
Exhibit E Description of Existing Sites Available for Development 26 pages
Exhibit F Disposition and Development Agreement Sample Table of Contents 1 page
Exhibit G HOPE SF Task Force Recommendations 9 pages

EXECUTIVE SUMMARY

- Development Opportunity:** Seven existing public housing sites owned and managed by the Housing Authority of the City and County of San Francisco (the “Authority”) and identified as priority sites for redevelopment.
- Authority Goal:** Maximize the development potential of these HOPE San Francisco (HOPE SF) target sites and provide: (1) one for one replacement of existing public housing, (2) increased supply of quality affordable rental and ownership housing for San Francisco residents, and (3) improved quality of life for existing public housing residents and the surrounding neighborhood. Incorporate into revitalization plans Authority development goals and the HOPE SF Task Force Principles described in the March 23, 2007 HOPE SF Task Force Recommendations, report included in Exhibit G.
- Property Descriptions:** Seven of the Authority’s public housing sites, ranging in size from 785 units on 49.5 acres down to 80 units on 5.9 acres, as described in Exhibit E.
- Property Disposition:** The Authority anticipates long-term property ground-lease agreements of the public housing sites to the selected development entities. Based on financial and other benefits to the project, the Authority will consider dedication of new street and sidewalk areas to the City and transfer of land for homeownership housing.
- Developments:** Statements of interest may focus on more than one site, or only a portion of a site. Development must create mixed-income communities with one for one replacement of any demolished public housing and other affordable rental and/or ownership housing, and commercial/retail uses. Market-rate rental and ownership housing may be included in the Development, with sale or lease proceeds available to finance the replacement public housing units. Commercial/retail uses may provide economic opportunities for residents and the surrounding community.
- Development Entities:** Developers may be non-profit (including faith-based), for-profit or partnership entities, for development and ownership purposes. The residential units and commercial spaces may be sold or rented, (subject to a ground lease). The Authority anticipates participating in the entity that owns the rental housing improvements and the lease estate, and expects to share in any revenues generated by new development.
- Selection Process:** Evaluations and rankings will be based on the strength and experience of the development team, experience with mixed housing of very low-income households within a larger mixed-income community, experience developing the types and tenure of housing proposed for the site, access to and knowledge of the various private and sources of equity and finance for the types of housing proposed, resources to minimize the need for off-site relocation, and the appropriateness of the preliminary development concept and resident involvement plan.
- Outcome:** The Housing Authority’s Commission (Commission) will take action to authorize an exclusive negotiating rights agreement (ENRA) with the selected developer for a specific development site. While the ENRA is in

effect, the Mayor's Office of Housing (MOH) and the San Francisco Redevelopment Agency (SFRA) will issue a Notice of Funding Availability (NOFA) for the HOPE SF sites. The NOFA will provide funding for both public housing replacement and affordable rental and ownership housing. Ultimately, the Authority, SFRA and MOH intend to work collaboratively on a financial model and site development plan that will produce a Disposition and Development Agreement for approval by both the Commission and the U.S. Department of Housing and Urban Development (HUD). Additional approvals will be required from HUD, if the parties proceed to enter into a Disposition and Development Agreement.

Informational Meeting: Tuesday, October 30, 2007, 2:00 PM, 440 Turk Street. Audio conference phone will be available at (877) 322-9654, participant code 946241. The audio conference line will not accept calls after 4:00 PM PDT on Tuesday, October 30, 2007.

Submittals Due: No later than 4:00 PM PST, Tuesday, December 18, 2007.

Further Information: Barbara T. Smith, Administrator, Housing Development and Modernization Department, 415-715-3220, or e-mail smithb@sfha.org.

SECTION I

Request for Qualifications

A. INTRODUCTION

The Housing Authority of the City and County of San Francisco (Authority) is soliciting Statements of Qualifications and letters of interest from qualified development teams for redevelopment opportunities at seven of the Authority's public housing sites in San Francisco, California. The redevelopment opportunities are part of HOPE SF, a unique partnership between the Authority and the City and County of San Francisco.

In February of 2007, the HOPE SF Task Force presented Mayor Gavin Newsom, the Board of Supervisors, and the Authority with a set of recommendations for revitalizing severely distressed public housing identified by the Authority. The Task Force recommended that the City and the Authority partner to rebuild all of the distressed sites as mixed-income communities. To accomplish that goal, the City has created the HOPE SF Fund and committed to providing up to \$95 million in an initial phase of funding to rebuild 700-900 public housing units within a mixed finance, mixed-income development model.

In April 2007, the Authority completed a Comprehensive Physical Needs Assessment of all of its properties that identified seven public housing sites with extensive immediate capital improvement needs. Built between 45 to 65 years ago, the development designs and systems are obsolete, deteriorating, and in need of redevelopment. Seven of these sites, which range in size from 785 units on 49.5 acres down to 80 units on 5.9 acres, are described in more detail in Exhibit E. Development activities may include more than one site. Development may include demolition of existing structures and replacement with new mixed-income housing, rehabilitation of some existing structures, new infill rental or ownership housing between existing structures, new commercial uses, public improvements and other ancillary uses, or any combination thereof. Previously identified development possibilities are provided in Exhibit E for certain sites.

The Authority has recently redeveloped five public housing sites through the federal HOPE VI program. Working with private developer partners, residents were temporarily relocated, the existing buildings were demolished, new site improvements and utilities were installed, and new dwelling units and community facilities were constructed creating mixed-income and mixed-use developments. The HOPE VI program eliminates obsolete public housing units by replacing them with up-to-date street-facing flats and townhouses with individual front doors. Large open spaces are minimized in favor of private outdoor space and defined program spaces such as childcare play areas. Each site featured strong resident and community involvement and employment in the planning and construction processes. Information on these developments is available at the Authority's Internet site, <http://www.ci.sf.ca.us/sfha/hope/index.htm>, where there is a link to each of its HOPE VI developments: Hayes Valley, Bernal Dwellings, Plaza East, North Beach Place, and Valencia Gardens.

Federal HOPE VI funds are competitive, limited, subject to Congressional renewal, and may not be available for redevelopment of these seven sites. As a complement to HOPE VI funds, the MOH will issue a NOFA for HOPE SF funding that will also be competitive, limited, and subject to City approvals. At the same time, this Request for Qualifications (RFQ) is intended to accomplish HOPE VI goals and HOPE SF Principles using the Authority's land and the developer's expertise and ability to leverage public and private resources for a mixed-finance approach to development. The selected developer should be familiar with the following federal regulations which may apply to the developments: Mixed Financed Development, 24 CFR Part 941, Subpart F and Demolition or Disposition of Public Housing Projects 24 CFR Part 970.

The mixed-finance approach to redevelopment of public housing has dramatically changed the manner in which the Authority can deliver public housing units. This approach: (1) permits development of projects which include both non-public housing units and public housing units; (2) permits the Authority to enter into partnership arrangements with non-profit and for-profit developers to own mixed-finance housing developments; (3) permits private, third party management of mixed-finance developments; and (4) permits the Authority to provide operating subsidies that it received from HUD for such properties.

The mixed-finance approach also encourages the leveraging of public housing financial resources with other private and public funds. Not only is there more flexibility in funding mixed-finance projects, there is also flexibility in mixing unit types, so that developments may be mixed-income, with other “affordable” and market-rate rental and ownership units mixed with public housing units.

HUD has encouraged public housing authorities to begin approaching the development of new units in as entrepreneurial a manner as possible. As discussed above, the Authority has demonstrated the willingness and the capacity to plan mixed-income developments and to execute mixed-finance transactions.

Solicitation No. 08-610-RFQ-001 is subject to the budget and fiscal provisions under which the Authority operates. All activities under this RFQ process will be subject to funding availability and approval by the Housing Authority’s Commission and approval by the City for HOPE SF funds.

B. AUTHORITY DEVELOPMENT GOALS & HOPE SF PRINCIPLES

The Authority seeks to redevelop seven distressed public housing sites, while increasing affordable housing and ownership opportunities, improving the quality of life for existing residents and the surrounding communities, and sharing in revenues generated by the redeveloped projects for public housing needs with the Authority goals and HOPE SF principles outlined below:

1. Ensure No Loss of Public Housing:
 - Provide one for one replacement of public housing units
 - Make every new unit modern and of high quality
 - Phase the rebuilding of sites while carrying out the process in a timely manner
 - Commit to minimize displacement of existing residents through on-site relocation and/or relocation to new first phase housing on-site or on an adjacent parcel
2. Create Vibrant Economically Integrated Communities that improve the quality of life for residents and the surrounding neighborhood:
 - Build a mixed-income housing matrix that includes:
 1. Public Housing
 2. Affordable Rental and/or Ownership Housing
 3. Market Rate Housing Rental and/or Ownership
 - Emphasize priority needs and amenities for family housing
 - Incorporate retail and commercial uses where appropriate
3. Maximize the Creation of New Affordable Rental and Ownership Housing:
 - In addition to one for one replacement of public housing, create as much affordable rental and ownership housing as appropriate for the sites
 - Use profits from the market-rate housing as funding for rebuilding the public housing
4. Involve Residents in the Highest Levels of Participation in Entire Project:

- Engage residents in the planning and implementation process
 - Develop mechanisms for residents to engage in the process
 - Involve residents in the establishment of occupancy criteria
5. Provide Economic Opportunities Through the Rebuilding Process:
 - Connect appropriate job training and service strategies such as CityBuild and Communities of Opportunity to the Development Process
 - Create viable employment opportunities (jobs) for existing residents through the development process
 - Take advantage of contracting opportunities for:
 1. Existing residents
 2. Local entrepreneurs
 3. Small and disadvantaged businesses
 6. Integrate the Process with Neighborhood Improvement Plans:
 - School improvement and reform
 - Parks improvements
 - Improved transportation
 - Enhanced public safety
 - Neighborhood economic development
 - Community and supportive services
 7. Create Environmentally Sustainable and Accessible Communities:
 - Incorporate Green Building Principles, LEED
 - Include design elements that meet long-term accessibility needs
 8. Build a Strong Sense of Community
 - Solicit Input from entire community in the planning and development process
 - Include current and prospective residents
 - Reach out to and engage neighbors
 - Apply community feedback when appropriate

C. DESCRIPTION OF SITES

The Authority is considering the development of seven of its public housing sites in San Francisco, which range in size from 785 units on 49.5 acres down to 80 units on 5.9 acres, all as described in Exhibit E.

1. Site plans, construction drawings, asbestos lead-based paint investigation reports for existing sites are available for review upon appointment at 1815 Egbert Avenue. Call (415) 715-3210 for an appointment. Copies of selected drawings or documents can be arranged through local reprographics companies at cost.
2. Conceptual proposed site development plans prepared by the Authority for certain sites are available for inspection and copying as provided in item 1 above. These plans are for information purposes only and are not Authority preferred plans.

3. Site tours may be arranged upon appointment by calling (415) 715-3210. For further information and questions, contact Barbara T. Smith, Administrator, Housing Development and Modernization Department, 415-715-3220, smithb@sfha.org.
4. Additional information on the Authority is available on our website at www.sfha.org.

D. DEVELOPER QUALIFICATIONS

The Authority is seeking development teams with demonstrated ability in the tasks listed below. Item 1 is the minimum developer qualification described in Paragraph H. Item 1. Threshold, which must be met by the information presented in the Submittal Identification Form.

1. Demonstrated experience from successful finance, design, construction, and management of at least three high quality developments that include low-income households within a larger mixed-income community with both rental and ownership housing. Experience with incorporation of mixed-use retail/commercial components is also desirable;
2. Create an appropriate and feasible concept for mixed-income developments that will be compatible with and enhance the community;
3. Demonstrate experience with and commitment to working with both low-income households and community groups on redevelopment planning and implementation, addressing socio-economic needs, providing economic opportunities, and managing temporary relocation, while enabling residents to remain in their community;
4. Demonstrated ability to secure private and public financing, including Low-Income Housing Tax Credits, and necessary local, state and federal approvals, including public housing mixed-finance, in a timely manner; as well as demonstrated financial capacity of the development team to complete projects based upon past completed projects or financial statement. Provide creative solutions to leverage private and public resources, secure equity and financing for the development of mixed-income rental and ownership housing;
5. Create a development and financing strategy for the proposal site(s) that meets the Authority's affordability goals while minimizing the need for local financial assistance; and,
6. Assemble and manage a qualified development team including members having experience with environmental approvals, planning, subdivision and other entitlements, hazardous materials issues and remediation plans, design, construction, financing, and marketing.

E. IMPORTANT DATES AND SUBMITTAL DEADLINE

1. **Informational Meeting:** The Authority will conduct a meeting for interested developers to discuss this RFQ and the available properties at 2:00 PM PDT on Tuesday, October 30, 2007, in the Commission Room, 440 Turk Street, San Francisco. Potential responders are encouraged to attend, or to participate by telephone conferencing. The audio conference number is (877) 322-9654, participant code 946241. The audio conference line will not receive any calls after 4:00 PM PDT Tuesday, October 30, 2007.
2. **Submittal Deadline:** One original and four copies of the Statement of Qualifications and the attendant forms must be submitted and received by 4:00 PM PST on Tuesday, December 18, 2007. Deliver in a single, sealed package labeled:

**Gregg Fortner, Executive Director
San Francisco Housing Authority
440 Turk Street**

San Francisco, CA 94102

ATTN: Solicitation No. 08-610-RFQ-001

3. **Evaluations:** The Authority will evaluate Statements of Qualifications with representatives from appropriate City agencies during the month of December 2007, and may request interviews and/or additional information at that time.

F. SUBMITTAL CONTENTS

Please place the Statement of Qualifications submittal in a three-ring binder and organize the contents in the following sequence, using tabs to separate each section:

Tab	
1	Submittal Identification Form
2	Submittal Summary
3	Experience of Developer Firm
4	Experience of Development Team
5	Development Concept for Specific Site(s)
6	Financial Strategies for Development
7	Resident Employment and Involvement Plan
8	Certifications and Representations of Offerors, form HUD 5369-C (8/93)

1. **Submittal Identification Form:** Complete and sign the three-page form.
2. **Submittal Summary:** On company letterhead, provide a two-page summary which details the following (an additional page may be utilized for each additional site):
 - a. Qualifications of the Developer Firm;
 - b. Qualifications of the Development Team;
 - c. A short description of what the firm would propose to accomplish on the development site of interest, including the number of dwelling units, income mix, tenure of units (rental and ownership), area and use of commercial spaces, type of construction, involvement of residents, onsite relocation, and economic opportunities, and any exceptional conditions that should be considered;
 - d. A brief description of proposed financing strategies and potential resources; and,
 - e. A short description of proposed schedule milestones.
3. **Experience of Developer Firm:**
 - a. For each of the projects listed in Section 6 of the Submittal Identification Form, list the following information:
 - Development name and address;
 - Date development process was completed;
 - Total number of units by type, number of bedrooms, and square foot size;
 - Size and use of commercial space;
 - Site acreage and density;
 - Number and type of parking ;
 - Income groups served by tenure (rental or ownership);
 - Total development cost and cost per square foot;

- All preliminary proposed equity and financing sources; and,
 - Identification of the role of key personnel involved in the development, including the extent of their involvement in the development's planning and pre-development activities, acquisition, financing, construction, marketing, and property management.
- b. Provide a maximum one-page narrative chronicling the Developer Firm's experience in developing similar projects, with affordable and/or mixed-income rental and ownership housing.

4. Experience of Development Team:

a. Development Experience:

- Provide a maximum one-page narrative chronicling the Development Team's experience in developing affordable, and/or mixed-income rental and ownership housing. Describe the specific roles and experiences of the Development Team members proposed. Any proposal to add to or change primary Development Team members after selection will require Authority review and approval.

b. Asset Management Experience:

- Provide a maximum one-page narrative chronicling the developer's experience in overseeing the operation, management, maintenance, financial reporting, and ongoing compliance for affordable or mixed-income rental and ownership housing with identification of family and senior developments.
- Provide a maximum one-page narrative chronicling the developer's experience in preparing and implementing a marketing plan for affordable mixed-income rental and ownership developments and document outcomes of these efforts.
- Provide a list describing all affordable or mixed-income rental buildings owned and/or controlled by the developer.
- Provide a separate list of any of the above buildings or developments that have a vacancy rate of more than 5 percent, have adverse tax credit findings, or have any missed payments of dept. Include the development name and address, length of time in operation, and number of dwelling units (separating residential and commercial).
- Provide the latest year's audited financial statement for the most comparable development (i.e., in operation for one year and financed with tax exempt bonds and/or low income housing tax credits).

c. Design Architect Experience:

- Describe no more than three completed developments where the design architect was the lead architect on completed buildings that are comparable to the proposed development.
- Include the development name and address and tabulation of units, parking, approximate construction cost, and year completed.
- If available, provide an 8-1/2 x 11 or smaller site plan and photos of the exteriors of these developments that display architectural design features, relationships of buildings, and relationships with adjacent properties.

d. Other Development Team Members Experience:

- If a contractor, financial consultant, or other entity is included as part of the development team, describe the comparable experience of each entity in a similar manner to the team members listed above.

- If Developer intends to joint venture with another entity or entities, clearly describe the roles that each entity will assume in developing the properties.
5. **Development Concept for Specific Site(s):** Provide a narrative no more than five pages in length which discusses the following development possibilities:
- a. Existing units on site: number to be demolished, to be rehabilitated, and to remain as is. If units will be demolished, identify the number of units and types of units to be constructed to replace or increase the number of demolished units.
 - b. Existing site amenities: to be demolished, to be rehabilitated, and to remain as is. Provide description of any new amenities to be added to the properties.
 - c. A description of the range of dwelling unit types to be provided (townhouse, walk-up flat, elevator building flat), the proposed range of total units by bedroom count, the types of community rooms and other development amenities, the types of management and maintenance facilities, and the types of proposed non-dwelling uses.
 - d. A description of income and tenure mix. As an example, at Hunters View, the new site will go from 267 units to 680 units. The units include 40 percent (267) public housing replacement units, 13 percent affordable rental, 7 percent affordable homeownership, and 40 percent market rate ownership.
 - e. A description of the teams' design approach to transforming an obsolete public housing site into an affordable mixed-income, mixed-use development with defensible space, new urbanism, and green building principles. Describe specific components.
 - f. A description of non-residential space, including retail or service space to be provided
 - g. A description of specific design elements that would be included in the development to facilitate community interaction/ involvement goals of HOPE SF
 - h. A circulation plan, including a description of on-street and off-street parking.
 - i. An 8-1/2 x 11 inch conceptual site diagram (based on the Authority's enclosed 8-1/2 x 11 inch site diagram) depicting the proposed development area.
6. **Financial Strategies for Development:** Provide a narrative no more than two pages in length which details the following:
- a. Describe the approach to financing a project on the specific site(s), including a discussion of how the one-for-one public housing replacement units will be financed, identify the potential subsidy sources for public housing replacement units, and identify potential equity and financing for the other affordable and market rate rental and homeownership units. Set out the assumptions about financing terms, affordability, target resident population, proposed service and/or commercial space use, marketing affordable and market units, etc. Include a preliminary pro forma with potential funding sources and unit mix.
 - b. Describe a possible development schedule and timeline for the specific site(s), addressing phasing and all aspects of redevelopment including acquisition, entitlements, resident relocation on-site and within the community, abatement and demolition, construction, marketing and tenant selection.
7. **Community Building, Resident Employment and Involvement Plan:** Provide a narrative no more than two pages in length describing the following:
- a. A statement explaining the development team's approach to community building and service delivery and how these strategies relate to the sustainability of the project.

- b. Methods for meeting the Authority's resident hiring requirements that Authority residents constitute a minimum of twenty-five percent (25%) of the total workforce hours (calculated by person-hours) on covered contracts. Refer to Attachment C, Summary of Affirmative Action Requirements, Section III. Commission Resolution No. 4967.
- c. Methods for meeting San Francisco Redevelopment Agency hiring requirements or other funding mechanisms, where required.
- d. Methods for involving residents of the development and of the adjacent community in all phases of the development process.

8. **Certifications and Representations of Offerors, form HUD-5369-C (8/93):** Complete and sign one form for the development firm and one for each entity that is part of the proposed development team (Attachment B).

G. EVALUATION CRITERIA

Using a 100-point scale, the Authority will review the following factors to determine the most qualified developers:

1. Successful experience developing comparable developments in terms of construction type, building design, types of housing (affordable, mixed-income, ownership and rental), financing, and involvement of low-income residents and community groups. **(35 points).**
2. Qualifications of the development team firms and staffs. **(35 points)**
3. Appropriateness of the development concept for specific site(s) and the approach to financing, phasing and relocation for a project on the specific site(s). **(20 points)**
4. Resident employment and involvement plan. **(10 points)**

H. SELECTION PROCESS

1. **Threshold:** Authority staff will review each submittal to confirm the contents are complete, and that the minimum developer qualifications listed in Paragraph D. Item 1 are met by the information presented in the Submittal Identification Form.
2. **Evaluation Panel:** Each complete submittal will be reviewed by an Evaluation Panel comprising Authority staff responsible for development and for finance, representatives of other City departments and agencies, and other non-Authority parties.
3. **Interviews:** After review of the written submittals using the Evaluation Criteria, the Evaluation Panel will conduct interviews with firms in the competitive range to discuss the qualifications of the Development Firm and Development Team and the other elements of the submittal. All applicants invited to participate in the oral interviews will be given a final ranking after the interview process. The Authority may determine there are no Development Firms and Development Teams with appropriate qualifications for a specific site.

4. **Commission Approval:** For each specific site, the qualified submittal with the highest ranking will be presented to the Commission. The Authority staff may provide the Commission with both a summary and a more detailed analysis of the RFQ responses. The Commission may take action to authorize exclusive negotiations with selected developer for a specific development site. The negotiations are intended to produce a Disposition and Development Agreement for subsequent Commission and HUD approvals.

I. DISPUTES

1. **Protest Of Award:** Any person or responder who disputes the decision to award a contract or who has been adversely affected by a decision of intended or actual award may file a written notice of protest with the Authority's Contracting Officer.
2. **Filing The Protest:** The person or responder must file a protest in writing within ten calendar days of the date of the letters of award or the notification to unsuccessful responders.
3. **Content Of Formal Written Notice:** The formal written notice must be printed, typewritten, or otherwise duplicated in legible form. The content of the formal written notice of protest must contain:
 - The name and address of the person or responder filing the protest and an explanation of how their substantial interests have been affected by Authority's notice of the intended or of actual award;
 - A statement of how and when the person or responder filing the protest received notice of the bid solicitation or notice of intended or actual award;
 - A statement of all issues of disputed material facts. If there is none, the protest must so indicate;
 - A concise statement of the ultimate facts alleged, as well as the Authority's policies which entitle the person or responder filing the protest to relief;
 - A demand for relief to which the person or responder deems themselves entitled; and
 - Any other information which the person or responder contends is material.
4. **Response to Protest:** Upon receipt of a notice of protest, which has been timely filed, the award process will be suspended until the protest is resolved. The Authority, if it deems necessary, may set forth in writing particular facts and circumstances which require continuance of the solicitation process on an emergency basis without the above mentioned delay in order to avoid immediate and serious danger to health, safety, or welfare. This written determination will specifically detail the facts underlying the Authority's decision and will constitute final action.
5. **Resolution:** The Authority may request such other information pertaining to the matter as deemed appropriate. Within ten days of the date of receipt of the written protest, the Authority will notify the person or responder making the protest of its decision.

J. CONTRACT REQUIREMENTS

The respondent selected for this effort must be fully qualified to perform the services described above and must also comply with the following Authority requirements:

1. **Agreement:** The Authority's Housing Commission will take action to authorize exclusive negotiations with the selected developer for a specific development site. The negotiations are

intended to produce a Disposition and Development Agreement for subsequent Housing Commission and HUD approvals.

2. **Insurance:** The Developer shall maintain insurance in full force and effect, during the entire term of the exclusive negotiations, as described in the Authority's insurance requirements, Exhibit C.
3. **Drug-Free Workplace:** The Developer must comply with the Federal Drug-Free Work Place Act of 1988 (41 U.S.C. 701).
4. **Federal Labor Standards:** The Developer must comply with Federal Labor Standards including Davis-Bacon wage rates required under Section 12 of the U.S. Housing Act of 1937.
5. **Affirmative Action Requirements:** The Developer must comply with Affirmative Action Requirements including the following:
 1. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u)
 2. SFHA Commission Resolution No. 4967 requiring that public housing residents constitute a minimum of 25% of the total workforce hours for all contracts.
 3. SFHA Commission Resolution No. 3740 requiring that contractors, subcontractors, and vendors provide documentation to demonstrate compliance with apprenticeship and training programs.
 4. Executive Order 11246
 5. Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) Opportunities constitute a minimum of 20% in aggregate for construction contracts and procurement activities.
 6. Sites within San Francisco Redevelopment Agency areas must meet the agency Small Business Enterprise participation goal of 50% and workforce goals that 50% of construction hours worked be given to San Francisco residents.
6. **Subcontractor Requirements:** The Developer shall assure that its subcontractors comply with all applicable HUD regulations, Authority and other local requirements.
7. **Security Identification Badges:** All Developer's employees will be required to obtain and wear security badges at all Authority sites. The badges can be obtained from the Human Resources Department at 440 Turk Street, San Francisco, CA 94102. The Authority will charge a minimal fee, not-to-exceed \$5.00 per badge. Badges must be obtained prior to commencing work on any Authority site.

(END OF DOCUMENT)

SECTION II

Attachments to be included with submittal

- Attachment A Submittal Identification Form 3 pages
- Attachment B HUD-5369-C Certifications and Representations of Offerors, Non-Construction 2 pages
- Download: http://www.hudclips.org/sub_nonhud/html/pdfforms/5369-c.pdf

SUBMITTAL IDENTIFICATION FORM

1. DEVELOPMENT(S) OF GREATEST INTEREST	
Development CAL Number(s): 1-	
Development Name(s):	
Total Existing Units:	Total Potential Units:
Proposed Uses In Addition to Housing:	

2. DEVELOPER FIRM and JOINT VENTURE FIRM (if any)	
Entity Name:	Form of Organization:
Contact Name:	Taxpayer ID or SS Number:
Address:	
Phone:	Fax:

JV Entity Name:	Form of Organization:
Contact Name:	Taxpayer ID or SS Number:
Address:	
Phone:	Fax:
Entity Name:	Form of Organization:

3. PRINCIPALS	
Name:	Title:
Address:	
Phone:	Fax:

Name:	Title:
Address:	
Phone:	Fax:

Name:	Title:
Address:	
Phone:	Fax:

4. OTHER DEVELOPMENT TEAM MEMBERS	
Company Name:	Role in Project:
Contact Name:	Title:
Address:	
Phone:	Fax:

Company Name:	Role in Project:
Contact Name:	Title:
Address:	
Phone:	Fax:

Company Name:	Role in Project:
Contact Name:	Title:
Address:	
Phone:	Fax:

5. BANK REFERENCES

Bank Name:	
Contact Name:	Title:
Address:	
Phone:	Fax:

Construction Lender Name:	
Contact Name:	Title:
Address:	
Phone:	Fax:

Permanent Lender Name:	
Contact Name:	Title:
Address:	
Phone:	Fax:

6. DEVELOPMENT EXPERIENCE (List development projects completed by Developer Firm – See Paragraphs D.3 and H.1 of the Request for Qualifications)

Project Name:	Project Type:	
Project Address:	Number of Dwelling Units:	
Nature of Developer's Involvement:		
Contact Name:	Contact Phone:	Contact Fax:

Project Name:	Project Type:	
Project Address:	Number of Dwelling Units:	
Nature of Developer's Involvement:		
Contact Name:	Contact Phone:	Contact Fax:

Project Name:	Project Type:	
Project Address:	Number of Dwelling Units:	
Nature of Developer's Involvement:		
Contact Name:	Contact Phone:	Contact Fax:

7. PUBLIC HOUSING AUTHORITY REFERENCE	
Project Name:	Project Type:
Project Address:	Number of Dwelling Units:
Nature of Developer's Involvement:	
Public Housing Authority Name:	
Contact Name:	Title:
Address:	
Phone:	Fax:

PUBLIC HOUSING AUTHORITY REFERENCE	
Project Name:	Project Type:
Project Address:	Number of Dwelling Units:
Nature of Developer's Involvement:	
Public Housing Authority Name:	
Contact Name:	Title:
Address:	
Phone:	Fax:

PUBLIC HOUSING AUTHORITY REFERENCE	
Project Name:	Project Type:
Project Address:	Number of Dwelling Units:
Nature of Developer's Involvement:	
Public Housing Authority Name:	
Contact Name:	Title:
Address:	
Phone:	Fax:

CERTIFICATION OF ELIGIBILITY

This is to certify that _____
 (Firm's Name)

involved with this work, is not debarred, suspended, or otherwise prohibited from contracting by any Federal, State, or Local Agency.

 (Signature)

 (Type or Print Name)

 (Title)

 (Date)

PLACEHOLDER PAGE
FOR
FORM HUD-5369-C CERTIFICATIONS AND REPRESENTATIONS
OF OFFERORS, NON-CONSTRUCTION

Download: http://www.hudclips.org/sub_nonhud/html/pdfforms/5369-c.pdf

SECTION III

Exhibits

Exhibit A	HUD-5369-B Instructions to Offerors, Non-Construction.....	4 pages
	Download: http://www.hudclips.org/sub_nonhud/html/pdfforms/5369-b.pdf	
Exhibit B	HUD-5370-C General Contract Conditions, Non-Construction	5 pages
	Download: http://www.hudclips.org/sub_nonhud/html/pdfforms/5370-c.pdf	
Exhibit C	Authority Insurance Requirements.....	2 pages
Exhibit D	Summary of Affirmative Action Requirements	4 pages
Exhibit E	Description of Existing Sites Available for Development	26 pages
Exhibit F	Disposition and Development Agreement Sample Table of Contents	1 page

PLACEHOLDER PAGE
FOR
FORM HUD-5369-B INSTRUCTIONS TO
OFFERORS, NON-CONSTRUCTION

Download: http://www.hudclips.org/sub_nonhud/html/pdfforms/5369-b.pdf

PLACEHOLDER PAGE
FOR
FORM HUD-5370-C GENERAL CONTRACT CONDITIONS, NON-CONSTRUCTION

Download: http://www.hudclips.org/sub_nonhud/html/pdfforms/5370-c.pdf

AUTHORITY INSURANCE REQUIREMENTS, NON-CONSTRUCTION

The Developer will maintain in full force and effect during the full term of the Contract the insurance requirements listed below, and in a solvent company or companies that maintain a rating of "B+" or better and admitted to sell insurance in California through the Department of Insurance. This insurance must be under the usual terms employed by casualty companies in California, naming the Housing Authority (Owner) and its respective members, officers, agents and employees as additional insured. Such insurance shall protect such additional insured and indemnify them against direct or contingent loss or liability for bodily injury, death and and/or property damage arising in any manner from the Developer's performance of the Contract with Housing Authority, or the nature of the services provided, or any operations under or connected with the Contract with the Housing Authority.

1. Worker's Compensation Employers' Liability with limits as required by State California (Currently **\$1,000,000** for each accident).
2. Comprehensive General Liability Insurance with limits not less than **\$1,000,000** per person occurrence Combined Single Limit Bodily Injury and Property Damage, including Contractual Liability, and Completed Operations coverage. If the Developer has a "claims made" policy, then the following additional requirements apply: the policy must provide a "retroactive date" which must be on or before the execution date of the Contract; and the extended reporting period may not be less than five years following the completion of the Contract.
3. Comprehensive Automobile Liability Insurance with limits not less than **\$1,000,000** each occurrence Combined Single Limit bodily Injury and Property Damage.
4. Professional Liability Insurance with a limit of not less than \$1,000,000 each occurrence. If the policy is in claims-made form, the Design Professional agrees to maintain such insurance for three (3) years following the completion of the construction of the project; provided that if such insurance is not available on commercially reasonable terms (i.e. the premiums for the same coverage have increased at least by 200%) during such three year period, the Design Professional may self-insure.

Comprehensive General Liability and Comprehensive Automotive Liability Insurance policies shall be endorsed to provide the following:

1. Name as ADDITIONAL INSURED the San Francisco Housing Authority, its Officers, and Members of Commission, Agents and Employees.
2. That such policies are primary insurance to any other insurance available to the Additional Insured, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against who claim is made or suit is brought, but the inclusion of more than one insured shall not increase the insurer's limits of liability.
3. All policies shall be endorsed to provide thirty (30) days advance written notice to the Housing Authority of cancellation, non-renewal or reduction in coverage, mailed to the following address:

San Francisco Housing Authority
440 Turk Street, 2nd Floor
San Francisco, CA 94102
Attention: Contract/Procurement Division

4. Certificates of Insurance, in form and with insurers satisfactory to the Housing Authority, evidencing all coverage above, shall be furnished to the Housing Authority prior to award and before

commencing any operations under this contract, with complete copies of policies to be furnished promptly upon the written request of the Housing Authority, at the following address:

San Francisco Housing Authority
440 Turk Street, 2nd Floor
San Francisco, CA 94102
Attention: Contract/Procurement Division

5. Any coverage which the Design Professional proposes to self-insure, or any intention to operate vehicles other than automobiles (i.e. boats, aircraft, etc.) shall require prior Housing Authority approval of the appropriate insurance to be agreed upon.

Approval of the insurance by the Housing Authority shall not relieve or decrease the liability of the Developer. The contract shall terminate immediately, without notice to the Developer, upon any lapse of required insurance coverage. The Developer shall be advised that should the Developer through its negligence fail to meet the professional standards of care and performance of its services that result in additional costs to the Housing Authority, it will be the intention of the Housing Authority to recoup these costs from the Developer.

(END OF INSURANCE REQUIREMENTS)

SAN FRANCISCO HOUSING AUTHORITY

SUMMARY OF AFFIRMATIVE ACTION REQUIREMENTS

TABLE OF CONTENTS

CLAUSE		PAGE
I.	Executive Summary	1
II.	Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u)	1
III.	SFHA Commission Resolution No. 4967	2
IV.	Executive Order 11246	2
V.	Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) Opportunities	3
VI.	Employer and Employee Tax Credits	3
VII.	Related Documents	3

I. EXECUTIVE SUMMARY

- A. This document describes the Affirmative Action Requirements for covered construction and construction-related contracts. It references applicable Federal regulations and Housing Authority Resolutions, and provides sources for documents and organizations.
- B. Goals and Requirements Highlights:
 - 1. Low-Income Hiring: 30% of all new hires in each construction trade (Section 3).
 - 2. SFHA Resident Hiring: 25% of the total workforce (Resolution No. 4967).
 - 3. MBE/WBE Firms: 20% of the aggregate involvement (Resolution No. 2444).
 - 4. Non-Compliance Penalties: Breach of contract, termination, suspension, debarment, \$45.00 per hour for shortfalls in hours worked by residents (Resolution No. 4967).
 - 5. San Francisco Redevelopment Agency requirements where appropriate.

II. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 (12 U.S.C. 1701u)

- A. The Housing Authority of the City and County of San Francisco (SFHA) requires compliance with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, and its accompanying regulations in 24 CFR 135 (hereinafter called Section 3).
- B. Related Documents:
 - 1. 24 CFR 135.
 - 2. Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents.
 - 3. General Conditions of the Contract for Construction, HUD-5370 (3/97), Clause 40.
 - 4. General Contract Conditions, Non-Construction, HUD-5370-C (5/92), Clause 19.

III. SFHA COMMISSION RESOLUTION NO. 4967

- A. SFHA Commission Resolution No. 4967 adopted February 22, 2001, increases the Section 3 requirements contained in 24 CFR Part 135 to require that residents of SFHA public housing constitute a minimum of twenty-five percent (25%) of the total workforce (calculated by person-hours).
- B. Covered Contracts: Construction contracts over \$25,000 and non-construction contracts over \$50,000.
- C. Compliance: The contractor's good faith efforts will be evaluated by the SFHA Contracting Officer using Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents. Non-compliance can result in penalties of \$45.00 per hour for shortfalls in hours worked by residents, breach of contract, or termination, as described in Resolution No. 4967.
- D. Related Documents:
 - 1. SFHA Commission Resolution No. 4967 adopted February 22, 2001.
 - 2. Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents.

IV. SFHA COMMISSION RESOLUTION NO. 3740

V. EXECUTIVE ORDER 11246

- A. Under Executive Order 11246 of September 24, 1965, as amended, the SFHA requires the inclusion of the "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" as a condition of any grant, contract, subcontract, loan, insurance or guarantee involving federally assisted construction in excess of \$10,000.
- B. Related Documents:
 - 1. 41 CFR Part 60.4.
 - a. Notice of Requirement for Affirmative Action To Ensure Equal Employment Opportunity (Executive Order 11246), 41 CFR Part 60-4.2 (d).
 - b. Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246), 41 CFR Part 60-4.3 (a).
 - 2. General Conditions of the Contract for Construction, HUD-5370 (3/97), Clause 39.
 - 3. General Contract Conditions, Non-Construction, HUD-5370-C (5/92), Clause 14.

VI. MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE) OPPORTUNITIES

- A. Consistent with Executive Orders 11625, 12138, and 12432, and section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, the SFHA shall make efforts to ensure that small businesses, women-owned business enterprises, minority-owned business enterprises, labor surplus area business, and individuals or firms located in or owned in substantial part by persons residing in the area of an SFHA development are used when possible.
- B. SFHA Commission Resolution No. 2444 adopted February 25, 1982, established SFHA MBE/WBE requirements: it is the goal of the SFHA to achieve, to the greatest extent possible, a twenty percent (20%) aggregate involvement of MBE/WBE's in construction contracts and procurement activities, by dollar volume.
- C. Compliance: The San Francisco Human Rights Commission (415-252-2500) maintains a list of certified MBE/WBE firms, and will determine whether a firm is considered bona fide.
- D. Related Documents:
 - 1. SFHA Commission Resolution No. 2444 adopted February 25, 1982.
 - 2. General Conditions of the Contract for Construction, HUD-5370 (3/97), Clause 8.

VII. EMPLOYER AND EMPLOYEE TAX CREDITS

- A. General: There are various tax credits available to both employers and employees through Federal, State and City of San Francisco programs. By hiring through a qualified program, a business may be eligible for thousands of dollars in tax credits as well as On-the-Job Training subsidies for a new employee. Each prospective contractor should consult a competent professional advisor for specific guidance about the tax credits as well as other related tax incentives, deductions or benefits.
- B. Private Industry Council (PIC): The Business Services Manager of PIC in San Francisco (415-431-8700) can help fill job openings through referrals of qualified job seekers participating in the PIC Job Training program.

IX. RELATED DOCUMENTS

- A. Documents referenced herein are on file at the SFHA Contract and Procurement Division, 440 Turk Street, (415-241-1041) and the SFHA Housing Development Division, 1815 Egbert Avenue, (415-715-3210). Copies will be furnished upon request. The documents are also available at the SFHA web site, www.sfha.org.
- B. List of Documents:
 - 1. SFHA Commission Resolution No. 2444 adopted February 25, 1982.
 - 2. SFHA Commission Resolution No. 4967 adopted February 22, 2001.
 - 3. 24 CFR Part 135.
 - 4. Appendix to 24 CFR Part 135.

5. 41 CFR Part 60-4.
6. General Conditions of the Contract for Construction, HUD-5370 (3/97).
7. General Contract Conditions, Non-Construction, HUD-5370-C (5/92).

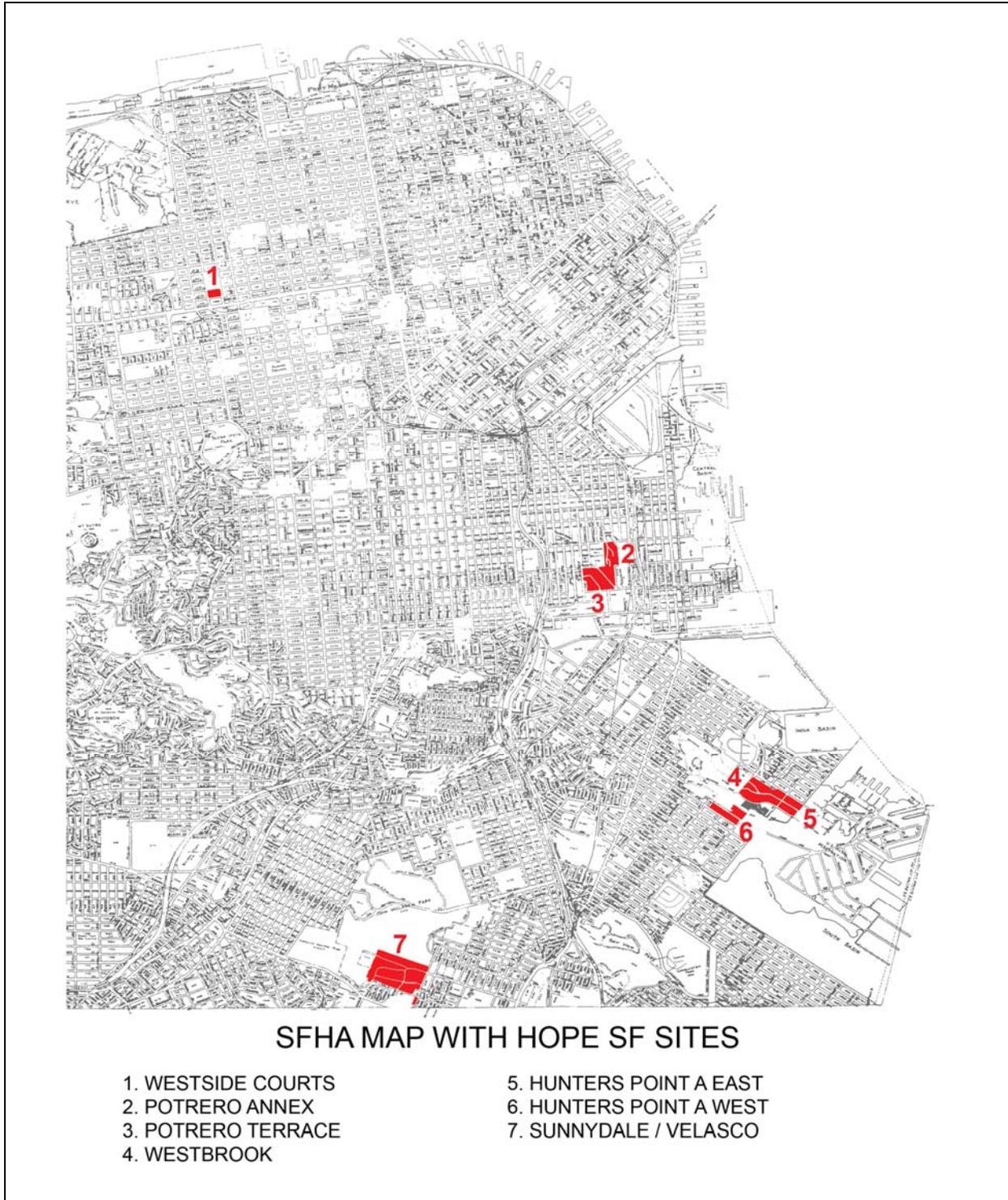
EXHIBIT E

SAN FRANCISCO SITES IDENTIFIED FOR REDEVELOPMENT

SITE NUMBER	DEVELOPMENT NAME	ADDRESS	TYPE	NUMBER OF BEDROOMS							TOTAL UNITS	YEAR BUILT
				0	1	2	3	4	5	6		
1	Westside Courts	2501 Sutter St.	F	0	84	24	20	8	0	0	136	'43
2	Potrero Annex	3 Turner Terrace	F	0	13	46	55	18	5	0	137	'55/'80
3	Potrero Terrace	1095 Connecticut St.	F	0	27	387	55	0	0	0	469	'41
4	Westbrook Apartments	90 Kiska Road	F	0	4	60	116	33	12	0	225	'56
5	Hunters Point (A) East	Kirkwood at Earl	F	0	4	44	13	19	0	0	80	'53/'83
6	Hunters Point (A) West	Oakdale and Palou at Griffith	F	0	13	78	22	10	9	1	133	'53/'78
7	Sunnydale/Velasco	1654 Sunnydale Ave.	F	5	79	536	150	15	0	0	785	'41/'62

F = Family Development
S = Senior Development

LOCATION OF EXISTING SITES AVAILABLE FOR DEVELOPMENT



REFER TO INDIVIDUAL SITE DESCRIPTIONS FOR MAPS

SITE 1: Westside Courts

CAL #:	1-8
EIOP:	1943
Development type:	Low-rise
Occupancy type:	Family
Number of units:	136
	Family: 136
	Elderly: 0
Bedroom Distribution:	1 bedroom: (84)
	2 bedroom: (24)
	3 bedroom: (20)
	4 bedroom: (8)
Number of buildings:	6
Structure type:	Reinforced concrete
Year constructed:	1943



Site Description

Westside Courts occupies a full city block at Sutter and Broderick Streets. The site is of moderate grade sloping generally from west to east. It is divided by retaining walls into three terraces separated by a half flight of stairs. Each terrace contains two of the buildings. Paved pedestrian surfaces are in close proximity to the buildings with lawns elsewhere. There are two well-developed tot-lots and one basketball court on the site. A notable piece of public art is located in the middle courtyard. Vertical circulation is attained by two exterior staircases.

Building Envelope and Public Spaces Description

The buildings are rectilinear with flat roofs, and are constructed of site-cast concrete. The exterior aluminum windows and metal doors have been spot replaced over the life of the buildings. The low-slope roof is a built up design and drains to exterior gutters. All of the dwellings above the first floor are accessible by open stairs and public exterior balconies.

There are two types of buildings on site:

Type “A” buildings contain eighteen units and are built over a low crawl space. Although very similar in appearance to the “B” buildings, the “A” buildings are uniformly three stories in height. There are two structures of this type located in the interior of the site, with no direct street frontage.

Type “B” buildings contain twenty-five units and a partial basement. The basements are currently used for storage, office, and community spaces. The buildings step from three stories in the middle to two stories on the ends. Located on the corners of the block, there are four “B” buildings.

The community spaces at Westside Courts are located in the easternmost “B” buildings. One building contains a laundry and a multi-purpose room for resident use. There are project management and district offices located in this building as well. The second building houses a preschool program. All other basement spaces on site are used as storage.

Mechanical and Electrical Systems Description

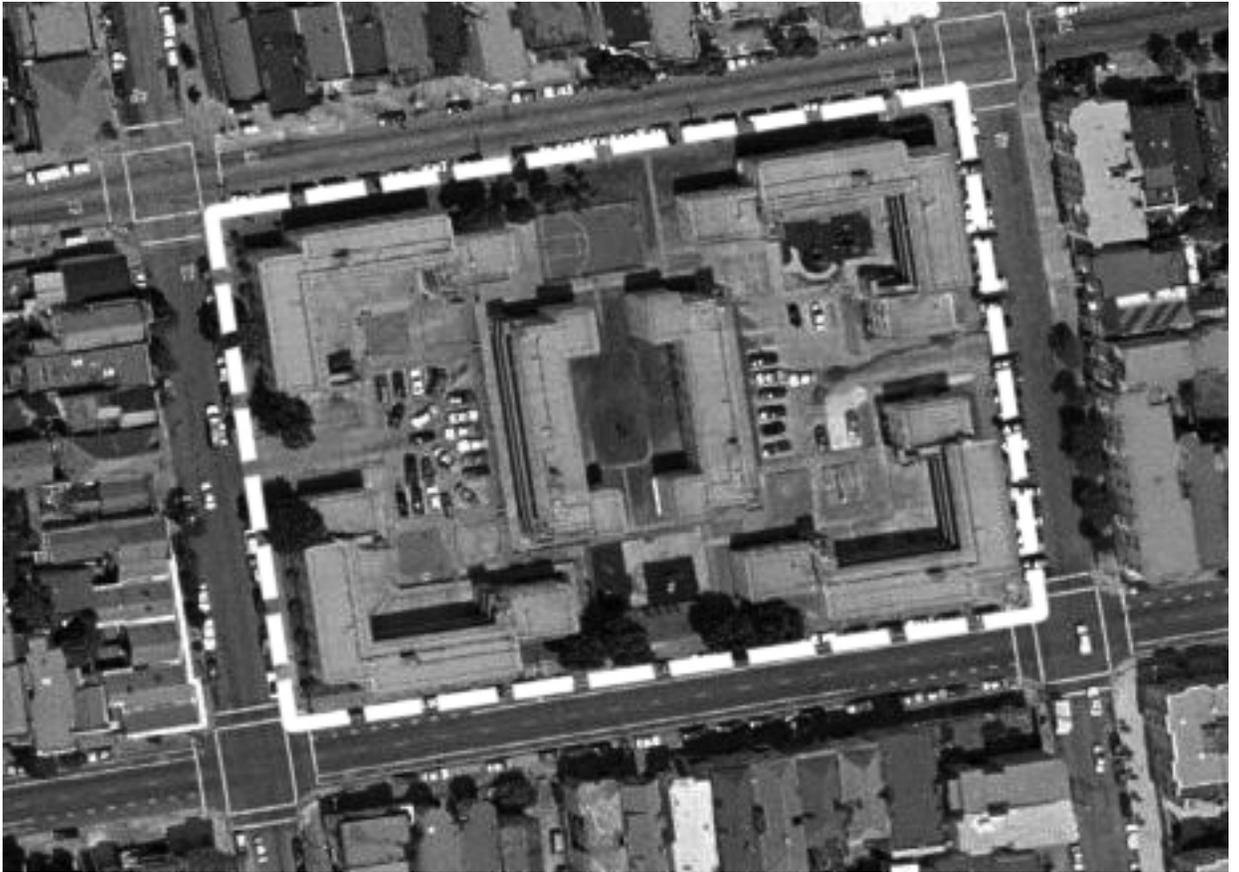
A boiler located in a rooftop penthouse supplies domestic hot water. Units are heated by gas wall furnaces in each living room. A forced-air gas furnace heats the community rooms. The electrical panels are fuse boxes in each unit with remote main fuses in the basement. A fire-suppression sprinkler system is located in each building with a single sprinkler head above the entry door to each unit.

Unit Interiors

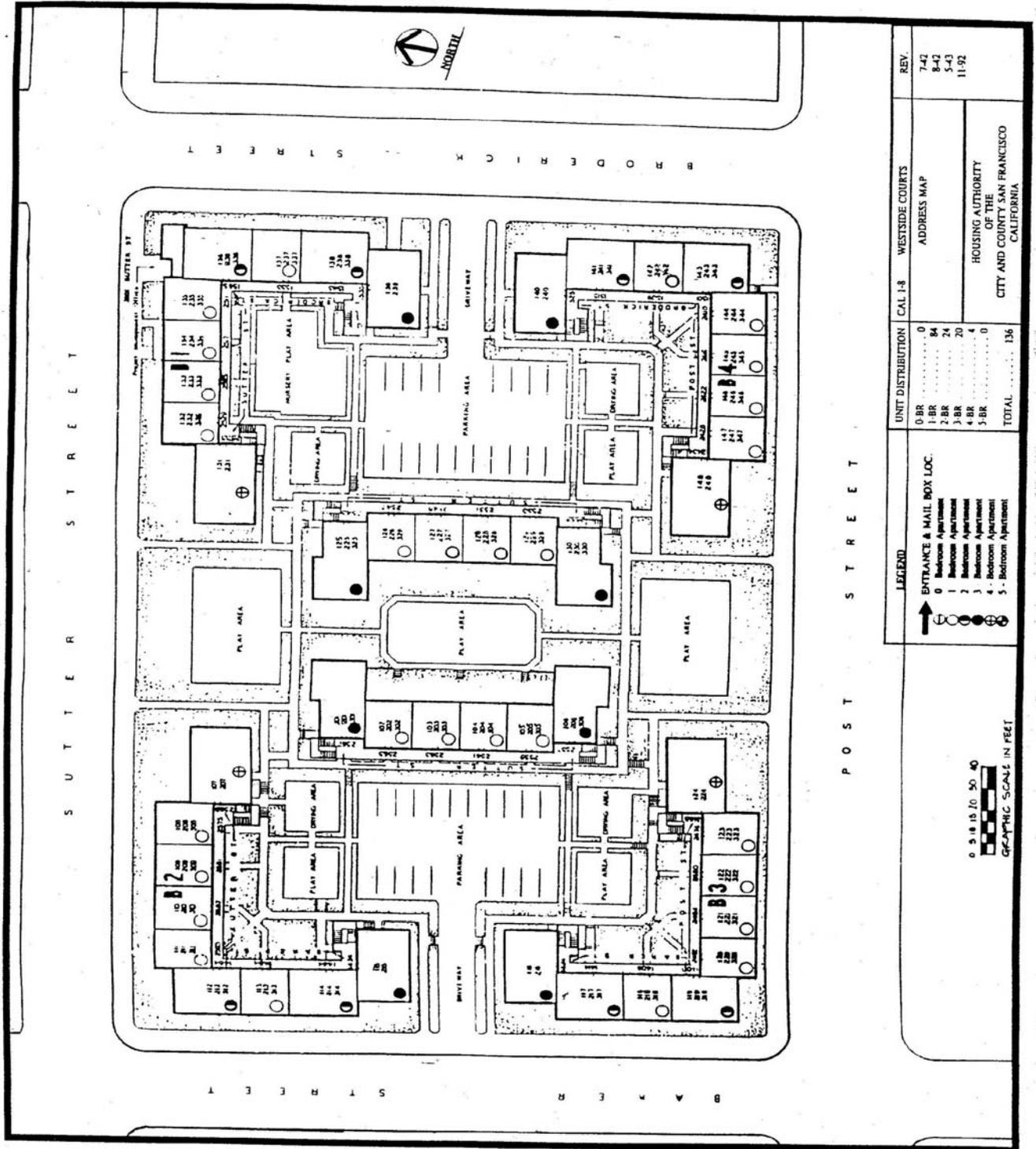
Unit finishes consist of painted concrete ceilings and plaster walls. Flooring is resilient tile that has been replaced within the last ten years. Interior doors are wood stile and rail doors.

Summary of Issues

The electrical systems (switchgear, branch panel and wiring) need to be replaced. The galvanized hot and cold water distribution lines are in need of replacement.



Existing aerial shot of 136 low-rise family units at 53 units per acre



SITE 2: Potrero Annex

CAL #: 1-10
EIOP: 1955
Development type: Townhouse/Garden
Occupancy type: Family
Number of units: 137
Family: 137
Elderly: 0
Bedroom Distribution: 1 Bedroom (13)
2 Bedroom (46)
3 Bedroom (55)
4 Bedroom (18)
5 Bedroom (5)
Number of buildings: 23
Structure type: Wood frame



Site Description

Potrero Annex is located on a sloping site at Missouri and 23rd Street. The development has 23 townhouse/garden style apartment buildings scattered throughout the nine acre site. The buildings are accessed by concrete sidewalks and site stairs, which connect to the street sidewalks and other buildings. Due to the considerable slope, concrete retaining walls form terraces throughout the site.

Building Envelope and Public Spaces Description

The buildings at Potrero Annex are wood framed with concrete basement walls and slab-on-grade concrete floors. The exterior finish is stucco on all buildings. The roofs are a shallow pitch that drains to perimeter gutters and exterior downspouts. The roof covering is a built-up system installed in 1998. Also in 1998, 13 of the 23 buildings had new vinyl windows installed.

Mechanical and Electrical Systems Description

The dwelling units are heated by gas-fired wall heaters. Domestic hot water is provided by a central 150-gallon hot water heater located in the basement of each building. Each unit is equipped with a circuit breaker electrical panel.

Unit Interiors

In 1998, 13 of the 23 buildings had major renovations completed to the apartment interiors. The original plaster walls were replaced with gypsum wallboard, and kitchen and bathrooms were remodeled including new sheet vinyl flooring, new plumbing fixtures and cabinets.

The remaining 10 buildings have plaster walls and ceilings, with a combination of wood flooring in the living areas and resilient tile in the kitchens and baths.

Summary of Issues

The window frames are rotten and need to be replaced. The power wiring, unit electrical panels and wiring are in need of replacement. The landscaping needs to be reseeded. The irrigation system does not work. The site steps are chipped and cracked and are missing handrails.

SITE 3: Potrero Terrace

CAL #: 1-2
EIOP: 1942
Development Type: Walk-up
Occupancy Type: Family
Number of units: 469
Family: 469
Elderly: 0
Bedroom Distribution: 1 Bedroom: (27)
2 Bedroom: (387)
3 Bedroom: (55)
Number of Buildings: 39
Structure Type: Reinforced Concrete
Year constructed: 1941



Site Description

The buildings of Potrero Terrace are long, rectilinear, and situated on a steeply terraced hillside. The large site is roughly divided into four sections. Three sections are created by two city streets that run down the hillside, and another section below separated by a street that runs along the side of the hill. Access to units is via sidewalks that run the length of the buildings to the street, and exterior stairs at the ends of some buildings. The laundry rooms have been abandoned; the only community spaces at Potrero Terrace are now located in the Administration Building which houses the office and community spaces. The landscaping at Potrero Terrace is primarily grass, with some shrubbery. Parking on the site is in the form of head-on small parking lots along the streets. Sidewalks run along the length of the buildings from the street to the units.

Building Envelope and Public Spaces Description

The buildings at Potrero Terrace are composed of concrete masonry walls with concrete floors. Roofs are pitched with clay tiles that were replaced in 2001. Exterior walkways on the second floors run the length of each building and were designed as a means of emergency egress as the only access is by windows. Dwelling units are accessed directly from site walkways.

Mechanical and Electrical Systems Description

Heating is supplied to the units via boilers that service multiple buildings. These boilers also provide domestic hot water to the units. There are no ventilation systems in the units to circulate air and prevent mildew.

Overhead wires and transformers that are owned by the Housing Authority provide electrical power.

Unit Interiors

The unit finishes consist of painted concrete ceilings and plaster wall finishes. The floor covering is resilient tile with sheet vinyl on some interior stairs.

Apparent Safety Problems:

There is no system installed for ventilation above the range. The site steps are broken and unsafe. There are no handrails on the steps. There is vinyl asbestos tile present that will eventually need to be replaced. There is asbestos pipe insulation that also needs to be replaced.

Summary of Issues

The electrical systems are old and need replacement. Boiler and boiler room equipment are at the end of their life cycle and need replacement. The retaining walls are cracked, broken and in need of repair. The

window sashes are worn out and need to be replaced. The overhead electrical distribution is inadequate and should be replaced.



Existing 606 family units at 21 units per acre



Authority conceptual master plan as an example only

SITE 4: Westbrook

CAL #: 1-9
EIOP: 1957
Development type: Townhouses
Occupancy type: Family
Number of units: 225
Family: 225
Elderly: 0
Bedroom Distribution: 1 Bedroom: (4)
2 Bedroom: (60)
3 Bedroom: (116)
4 Bedroom: (33)
5 Bedroom: (12)
Number of buildings: 37
Structure type: Wood frame
Year constructed: 1956



Site Description

Westbrook Apartments are bounded by Kiska, Northridge, Harbor and Dormitory Roads. Adjacent to Westbrook is Hunters Point (East). There are nine building types scattered around the site, they vary only slightly in unit configuration. The landscaping consists of large areas of grass and paved concrete walks and patios near the buildings. The moderately sloping terrain requires the use of retaining walls and some concrete steps.

Building Envelope and Public Spaces Description

The buildings at Westbrook are wood framed construction with concrete slab-on-grade foundations. The exterior is primarily stucco, with some wood lap siding. The roofs are built-up asphalt. They have a shallow pitch, which drains to perimeter gutters and exterior downspouts.

Mechanical and Electrical Systems Description

Each one, two, and three bedroom unit has gas-fired wall heaters. Four and five bedroom units have a central gas furnace with ductwork serving individual rooms. All units have hot water heaters. The buildings originally had boilers, which have been removed. The electrical utility lines are individually metered.

Unit Interiors

Interior finishes consist of gypsum wallboard walls and ceilings. Floor coverings are a combination of resilient tile and sheet vinyl.

Apparent Safety Problems

The interior window security bars do not have breakaway hardware.

Summary of Issues

The sanitary, water, gas and galvanized hot and cold water distribution lines need to be replaced. The landscaping wood retaining wall has dry rot. The power wiring and branch panel are in need of replacement.

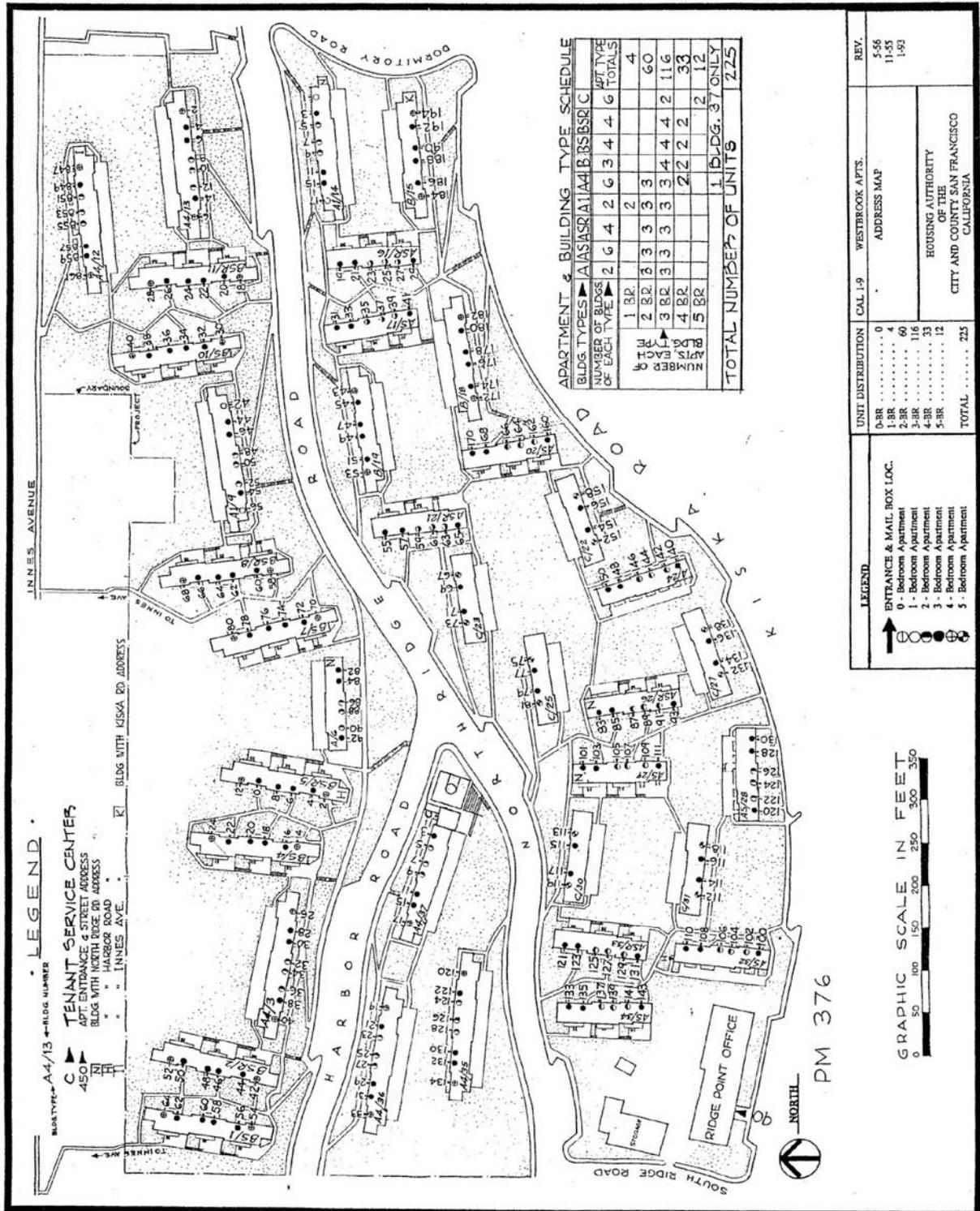
SITE 4: Westbrook



Existing 225 townhouses at 12 units per acre



Authority conceptual master plan as an example only



SITE 5 & 6: Hunters Point

CAL #: 1-17 (A)
EIOP: 1954
Development Type: Townhouse
Occupancy Type: Family
Number of units: 213
Family: 213
Elderly: 0
Bedroom Distribution: 1 Bedroom (17)
2 Bedroom (122)
3 Bedroom (35)
4 Bedroom (29)
5 Bedroom (9)
6 Bedroom (1)
Structure Type: Wood frame
Number of buildings: 41
Year constructed: 1953



Site Description

Hunters Point consists of three adjacent developments, Upper West, Lower West, and East. They are bordered by Oakdale and Griffith at Palou, Kirkwood Avenue, and Dormitory Road.

Two-story four-plexes and six-plexes are scattered around the three sites, with concrete walkways connecting the buildings to the public sidewalk and each other. There are two basketball courts as well as several small play areas around the developments.

Building Envelope and Public Spaces Description

The buildings at Hunters Point are all wood framed with a combination of wood and stucco exterior. The foundations are concrete slab-on-grade.

The roofs are low-slope built-up asphalt, and roof drainage is provided by perimeter gutters and exterior downspouts.

Mechanical and Electrical Systems Description

Individual apartments are equipped with gas-fired furnaces and hot water heaters. The buildings originally had a central boiler system, which has been removed. Electrical lines are individually metered.

Unit Interiors

The unit finishes consist of gypsum wallboard ceiling and walls. Floors finishes are mostly original wood flooring in the living rooms and bedrooms and resilient tile or sheet vinyl in the kitchens and bathrooms.

Summary of Issues

There is vinyl asbestos tile present which will eventually need to be removed. The water, gas and sanitary lines are at the end of their life cycle and need to be replaced. There are many windows that are broken and need to be replaced. The branch panel and power wiring are outdated and need to be replaced to meet current needs.

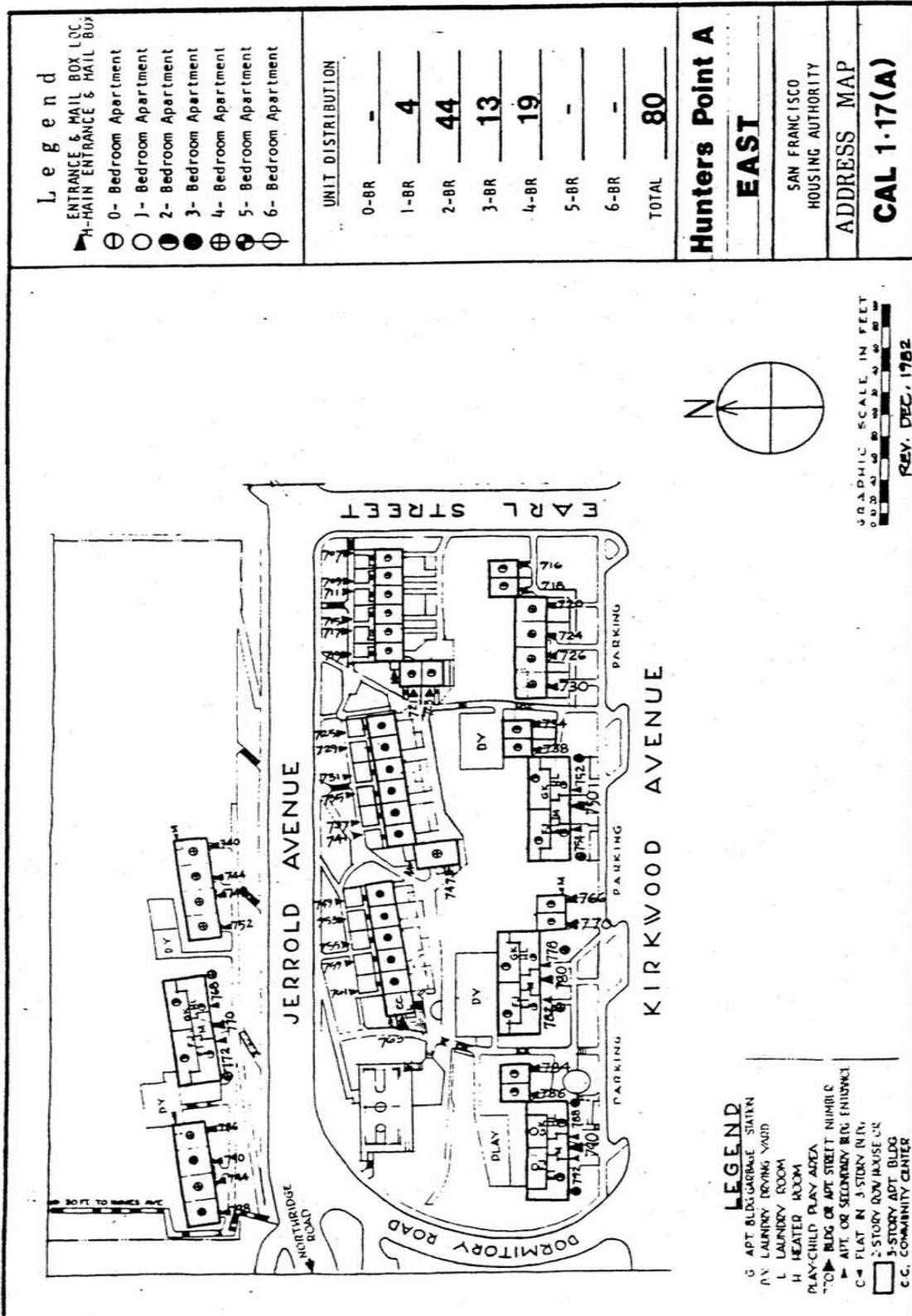
SITE 5: Hunters Point A East



Existing 133 family townhouses at 17 units per acre on terraces site



Authority conceptual master plan as an example only



SITE 6: Hunters Point A West

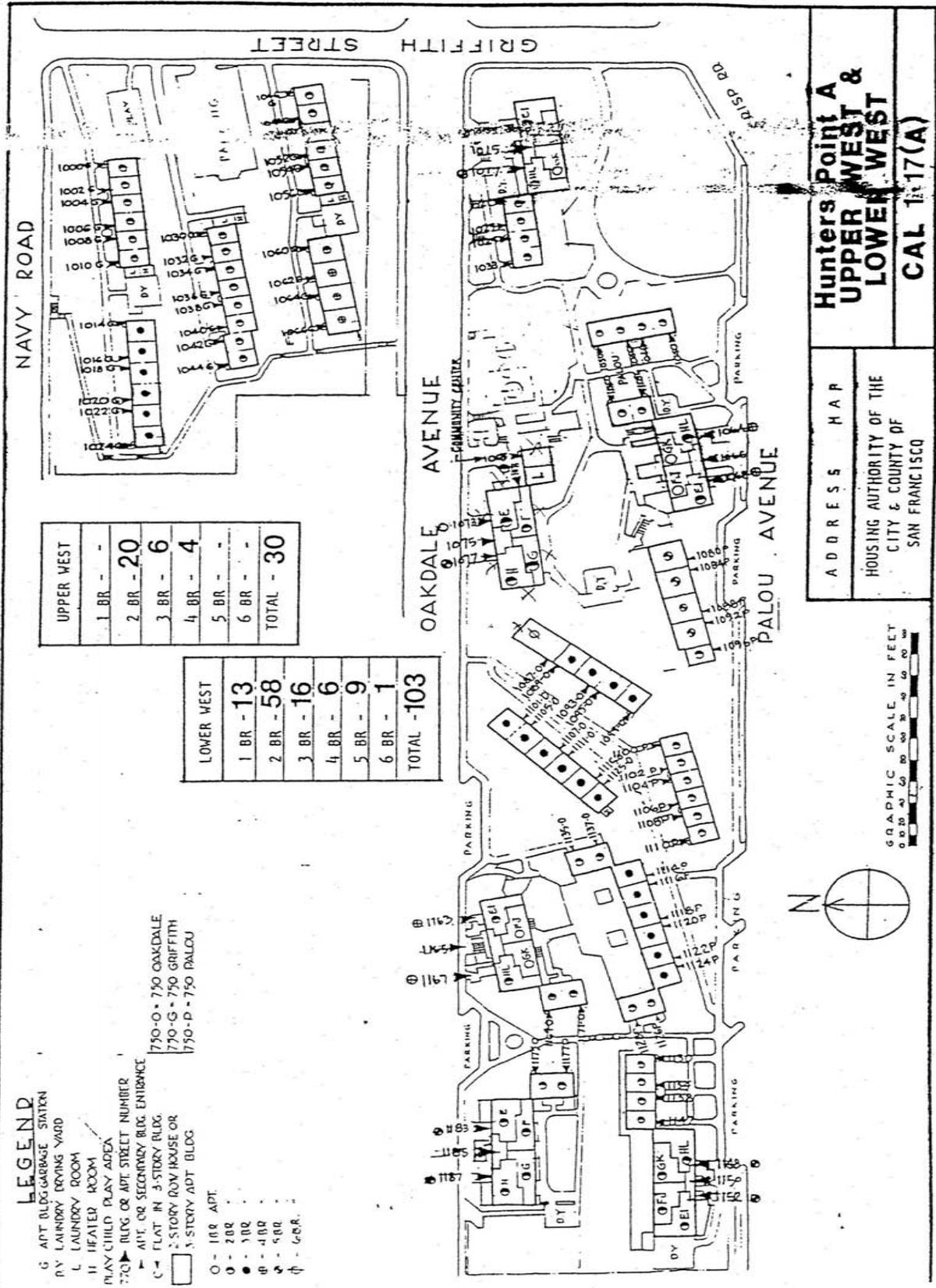


Existing 133 family townhouses at 17 units per acre on terraced site



Authority conceptual master plan as an example only

SITE 6: Hunters Point A West



SITE 7: Sunnydale

CAL #: 1-3
EIOP:
Development type: Townhouse
Occupancy type: Family
Number of units: 767
Family: 767
Elderly: 0
Bedroom Distribution:
One bedroom: 71
Two bedroom: 531
Three bedroom: 150
Four bedroom: 15
Number of buildings: 91
Structure type: Concrete
Year constructed: 1940



Site Description

The Sunnydale housing development is located at 1654 Sunnydale Avenue. The development consists of six different building types totaling 91 buildings. The overall site is organized by five main streets defining six blocks.

The landscaping consists of grass lawns with play areas. The site is not irrigated except for the front of the administration building. Thirteen asphalt parking lots are scattered throughout the site for off-street parking.

Building Envelope and Public Spaces Description

The buildings at Sunnydale are painted concrete-masonry construction with furred-out walls on the interior. Exterior windows are single-pane metal, while the doors are a mixture of metal and wood. The gabled roofs of the two-story buildings are sheathed with clay tile shingles. All units have an exterior entrance. An administration building with community center, childcare, and police department is located at the corner of Sunnydale Avenue and Santos Street.

Mechanical and Electrical Systems Description

Units are heated by force-air gas furnaces that only serve the ground floor. Hot water heaters and circuit breaker panels are located in each unit. A washing machine connection was observed; however, no dryer connections were found.

Unit Interiors

Interior finishes consist of gypsum wallboard walls, and a mixture of unfinished ceilings and gypsum wallboard ceilings. The flooring in the units is resilient tile. Asbestos tile was observed in some of the residences.

Apparent Safety Problems

There is vinyl asbestos tile present which will eventually need to be removed. The smoke detectors in some of the units are missing or dysfunctional and need to be replaced. There are interior window bars that need to have breakaway hardware as a means of egress.

Summary of Issues

Boiler and boiler room equipment are at the end of their life cycle and need replacement. The power wiring should be replaced. The galvanized hot and cold water distribution lines are corroded and should be replaced. The sanitary lines need to be replaced. The windows need to be replaced.



Existing aerial photo of 767 low-rise family townhouses at 16 units per acre



SITE 7: Velasco

CAL #: 1-18(7)
EIOP: 1962
Development Type: Walk Up
Occupancy Type: Senior
Number of units: 18
Family: 0
Elderly: 18
Bedroom Distribution: Studio: 5
1 Bedroom: 8
2 Bedroom: 5
Site Area: 0.71 Acres
Density: 25.4 Units per Acre
Structure Type: Wood Frame
Number of buildings: 2
Year constructed: 1962



Site Description

Hayes Valley (Velasco) occupies a site, rectangular in shape, located on Velasco Avenue. There are two two-story, rectangular buildings on the site. Building A1B is twice as long as Building A1A and they are both connected to each other via the roof system and exterior walkways. There are a combination of studio, one and two bedroom units.

All apartments have exterior entry doors. Landscaping over the generally flat site is limited to small grass areas and planters.

Building Envelope and Public Spaces Description:

Both buildings are wood framed with an EIFS/plaster finish. The windows are aluminum and the doors are metal.

The roofs are pitch and covered with asphalt shingles.

Dwelling units are accessed along exterior walkways and stairs.

This site does not have public spaces.

Mechanical and Electrical Systems Description

All units are heated by a hydronic radiation system, with hot water provided by one boiler. The same boiler provides domestic hot water to both buildings.

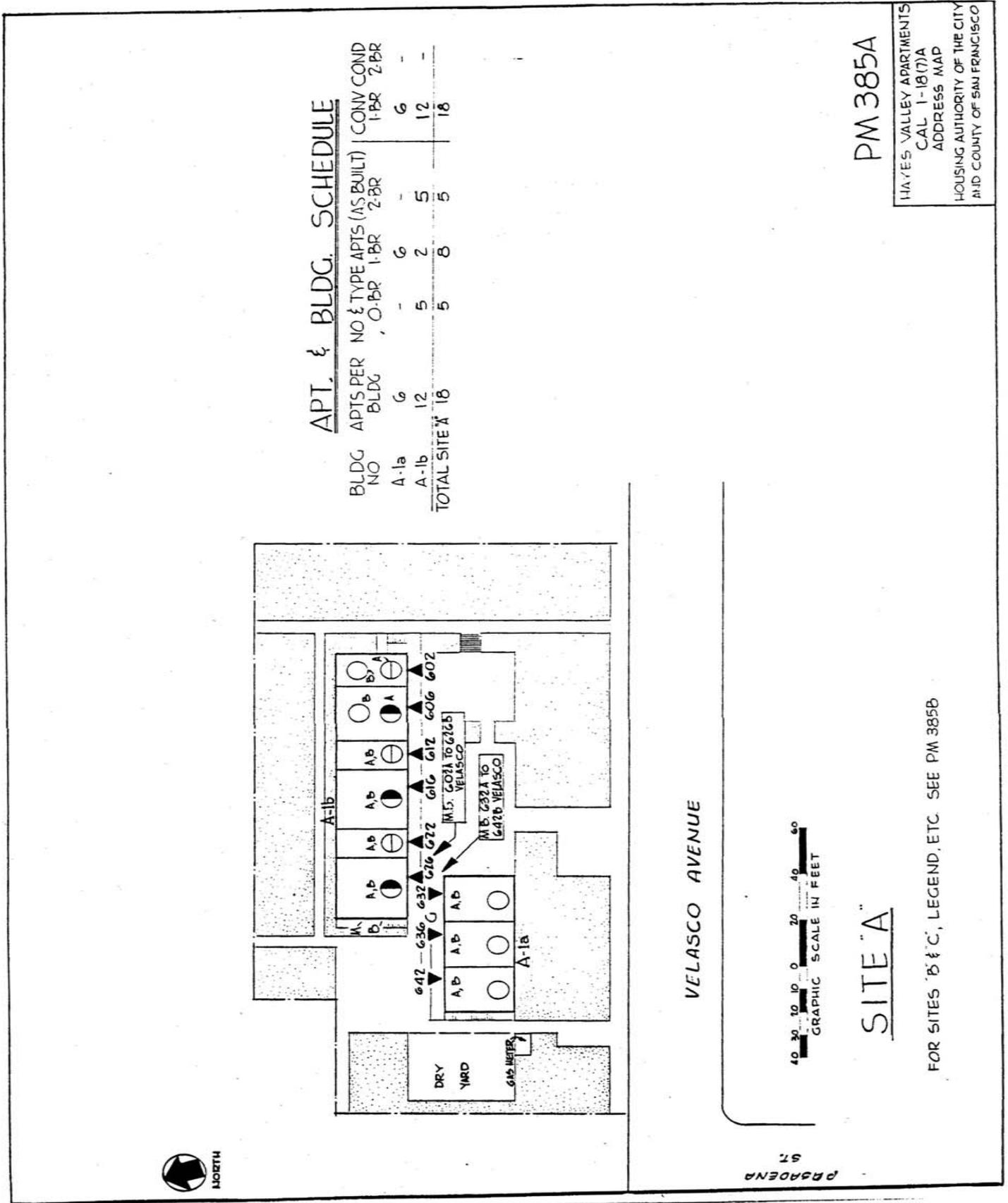
Electrical panels in the units are circuit breaker type.

Unit Interiors

Interior finishes consist of painted gypsum wallboard walls and ceilings. The floor coverings are resilient tile.

Summary of Issues

There is asbestos pipe insulation that needs to be removed. Boiler and boiler room equipment are at the end of their life cycle and need replacement.



**DISPOSITION AND DEVELOPMENT AGREEMENT
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	B. Authority Loan Documents
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	I. Mixed-Finance Proposal to HUD
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Article 21.	Representations and Warranties
Article 22.	Miscellaneous

List of Exhibits

Legal Description
Approved Development Budget
Scope of Development
Preliminary Site Plan/Schematic Design
Schedule of Performance
Site Mitigation Plan
Affirmative Action Requirements
Insurance
Resident Hiring Plan
Preconstruction Services Agreement
Permitted Exceptions
Pledge Agreement

HOPE SF:
Rebuilding Public Housing and
Restoring Opportunity for its Residents

**Summary of Task Force Recommendations to the
Mayor and Board of Supervisors**

March 23, 2007

INTRODUCTION

As a result of chronic underfunding by the federal government, the future of public housing in San Francisco and the nation is at risk. While we firmly believe that the federal government has a responsibility to increase the funding for public housing, San Francisco must take action quickly to ensure no loss of public housing in our city.

In the fall of 2006, Mayor Newsom and Supervisor Maxwell selected a broad-based task force to provide recommendations for addressing the conditions in San Francisco's most distressed public housing while also enhancing the lives of its current residents. This document outlines those recommendations and the Task Force's suggestions for crucial next steps to address these issues.

The Case for Immediate Action

The San Francisco Housing Authority (SFHA) owns and manages approximately 6,400 units of public housing. For the last two decades, funding for public housing has been in steady decline. Over the last six years severe cuts have caused both intense physical distress to housing conditions and serious social and economic consequences for residents.

In 2002, the SFHA commissioned an independent assessment of the physical needs of its properties, which revealed a backlog of immediate needs totaling \$195 million. It also was determined that an average of \$26.6 million per year in additional physical deterioration will occur in SFHA communities if the current problems are not addressed. To put that number in perspective, the federal government only allocates \$16 million per year to the SFHA to address these needs. As a consequence, if action is not taken to address these issues, the total cost over the next 30 years will total an estimated \$800 million.

This distressed public housing puts families, seniors and children at risk. The housing quality issues alone are reason to act. Deferred maintenance coupled with high vacancy rates exacerbate the security issues for residents and neighbors. Older housing is more likely to contribute to environmental health issues like asthma

From a quality of life perspective, the level of concentrated poverty that characterizes the current living conditions at many of these sites has been shown to hurt neighborhood vitality and limit educational and employment opportunities for children and families.

On a basic financial level, the City has an economic need to fix distressed public housing because the cost to maintain the current stock exceeds what is available. Simply paying for annual maintenance on SFHA properties will cost nearly \$10 million more per year than the SFHA receives from HUD. Finally, diverting money to fix highly distressed buildings makes it harder to keep decent buildings in good shape.

On a human level, we have a moral obligation to improve the living conditions within public housing and to create a climate that provides greater economic opportunity and more supportive family environments. And the commitment must be to both current and future residents.

Over the last decade, San Francisco has taken steps to address this situation. In partnership with private and non-profit developers, the SFHA revitalized six public housing communities in North Beach, the Mission District, and Hayes Valley. Using federal funding made available through the Department of Housing and Urban Development's HOPE VI program, SFHA has leveraged hundreds of millions of

dollars in related public and private investments. All of these developments feature a mix of incomes and architecture that fits into the surrounding neighborhood.

Cuts to the HOPE VI program have severely limited local access to funds for public housing revitalization and created the necessity to find creative financial and programmatic solutions to the physical and social issues that currently exist.

Opportunity to Make Positive Change

In response to these conditions, the SFHA has done a strategic assessment of their long-term financial needs, revenues, and assets. As part of that analysis, the SFHA identified eight highly distressed public housing sites that are significantly less developed than their surrounding communities. These sites were developed in the 1940s and 1950s and the buildings are now falling apart.

The opportunity exists to rebuild these low-density public-housing sites as mixed-income communities at a scale similar to typical San Francisco neighborhoods and without displacing current residents. In practical terms, we can to rebuild all 2,500 of the existing distressed and antiquated public housing units and add as many as 3,500 new market-rate and affordable homes.

In order to assess the viability of this approach, the Mayor and Board of Supervisors created the HOPE SF Task Force. The next section highlights the Task Force's recommended vision, principles, and funding scenarios.

TASK FORCE RECOMMENDATIONS: VISION, PRINCIPLES, AND FUNDING

The HOPE SF task force was charged with the development of recommendations on two fronts: The vision and principles that should drive the initiative and the menu of strategies for funding. Below is a summary of the group's recommendations.

HOPE SF Vision Statement:

Rebuild our most distressed public housing sites, while increasing affordable housing and ownership opportunities, and improving the quality of life for existing residents and the surrounding communities.

HOPE SF Principles:

1. Ensure No Loss of Public Housing:

- One for One Replacement Public Housing Units
- Make Every Unit Modern and of High Quality
- Commit to Minimize Displacement of Existing Residents
- Phase the Rebuilding of the Sites
- Emphasize On-Site Relocation

2. Create an Economically Integrated Community:

- Build a housing ladder that includes:
 - Public Housing
 - Affordable Housing
 - Market Rate Housing
- Emphasis on the Priority Needs for Family Housing

3. Maximize the Creation of New Affordable Housing:

- In addition to one for one replacement of public housing, create as much affordable rental and ownership housing as possible on the sites
- Fund the rebuilding of the public housing using profits from the market-rate housing

4. Involve Residents in the Highest Levels of Participation in Entire Project:

- Resident Engagement in Planning and Implementation
- Develop Mechanisms for Residents to Engage in the Process
- Resident-Driven Occupancy Criteria

5. Provide Economic Opportunities Through the Rebuilding Process:

- Connect Appropriate Job Training and Service Strategies such as CityBuild and Communities of Opportunity to the Development Process
- Create Viable Employment Opportunities (Jobs) for Existing Residents through the Development Process
- Take Advantage of Contracting Opportunities:
 - Existing Residents
 - Local Entrepreneurs
 - Small and Disadvantage Businesses

6. Integrate Process with Neighborhood Improvement Plans:

- School Improvement and Reform
- Parks Improvements
- Improved Transportation
- Enhanced Public Safety
- Neighborhood Economic Development

7. Create Environmentally Sustainable and Accessible Communities:

- Incorporate Green Building Principles
- Include Design Elements that Meet Long-Term Accessibility Needs

8. Build a Strong Sense of Community:

- Solicit Input from Entire Community in Planning and Development Process
- Include Current and Prospective Residents
- Reach Out to and Engage Neighbors

HOPE SF Funding Needs

The SFHA, the San Francisco Mayor’s Office of Housing and the San Francisco Redevelopment Agency have analyzed this rebuilding opportunity to determine the financial feasibility of the approach outlined by the Task Force. Below are the assumptions and resulting cost projects and financing gaps.

Key Financial Assumptions:

- All of the public housing would be rebuilt on-site;
- Rebuilding would occur in phases so that relocation could occur on-site;
- Market-rate housing would cross-subsidize the rebuilding of the public housing;
- The developments would be rebuilt to 40 units per acre or more depending on the density of the surrounding neighborhood; and
- The final mix of housing on the sites would be approximately 40% public housing, 40% market-rate and 20% affordable rental and ownership housing

To provide an example, using these assumptions, the estimated total development cost for Hunters View is \$300 million. By using cross-subsidies, leveraging State and Federal funding sources, and borrowing against the project’s future rents and sales income, the project can finance approximately \$250 million of its total cost. The remaining \$50 million is the local funding gap.

Below is a list of the eight most distressed developments and an estimate of the financing gap for each development based on the mixed-income scenario described above.

SFHA Development	Current # of SFHA units	Public Housing Gap (millions)	Affordable Housing Gap (millions)
Hunters View	267	\$30	\$20
Potrero Annex and Terrace	628	\$60	\$30
Sunnydale	767	\$90	\$60
Westbrook Apts.	306	\$30	\$20
Hunter's Pt	133	\$10	\$20
Westside Courts	136	\$25	\$10
Alice Griffith	256	\$25	\$20
Total	2493	\$270	\$180

TASK FORCE RECOMMENDATIONS: KEY NEXT STEPS

1. Expand the outreach and education process with public housing residents and other stakeholders.

- A. One of the core principles of the HOPE SF Task Force is the early and authentic involvement of residents in every step of the process. This involvement starts with a need to aggressively reach out to current public housing residents to inform them on the

Task Force's recommendations, the benefits of the HOPE SF program, and possible funding scenarios.

There are strong and legitimate concerns among current residents about displacement and gentrification that could be associated with this project. While the Task Force has taken great care in developing principles for HOPE SF to address these concerns, rumors and myths dominate much of the current discourse regarding the rebuilding of public housing because not enough information is being provided on a consistent and timely basis. **The Task Force recommends the formation of outreach teams that are comprised of residents, city staff, and policy or issue experts to conduct outreach and hold meetings on HOPE SF.**

- B. Another important part of the public education and engagement process involves other community stakeholders. For both the development process and the community building goals to be successful, HOPE SF needs to engage beyond the boundaries of the public housing sites. As a first step, HOPE SF should create a set of materials that speak to a variety of target audiences – public housing residents, neighborhood residents, developers, businesses, and potential funders. These materials should be tailored for each audience so that we are explaining HOPE SF in terms most relevant to the groups involved.
2. Seek \$100 to \$200 million in new local funding for an aggressive first phase of HOPE SF.
- A. The Task Force recommends that the City and the San Francisco Housing Authority rebuild all of the distressed sites along the principles outlined above. Since it may not be possible to secure all of this funding at once, the Task Force proposes that the City seek at least \$100--\$200 million in new local funding for the first phase of HOPE SF. The Task Force further recommends that this funding be allocated for the following purposes:
- 2/3 of the funding should go to rebuild public housing (900-2000 units)
 - 1/3 should fund modernization of other public housing sites (300-500 units) and new affordable homeownership and rental housing on the HOPE SF sites (200-400 units)
- B. **The Task Force recommends that the City and the SFHA provide funding specifically for those SFHA sites with significant resident support and engagement. As such, the Task Force is not endorsing the redevelopment of any specific site as part of this funding. Once funding is identified for revitalization, there needs to be a thorough community process for individual SFHA sites as part of any funding decisions. Ultimately, HOPE SF should fund those sites with resident-endorsed development plans.**
- C. **The Task Force recommends a thorough analysis of the feasibility of the various funding options for securing this funding, including the possibility of a General Obligation bond. In light of the high bar that is set for the passage of a General Obligation Bond (66.66% for approval), the Task Force recommends polling and other methods to determine its feasibility. The feasibility assessment should also include outreach to elected officials, community members, commissions and civic groups to explain the vision and to develop their support for funding. Finally, the**

Task Force recommends that the Mayor and Board of Supervisors work together to pursue any and all funding opportunities including bonds, appropriations, special grants or any other mechanism that would assist in the rebuilding process.

- D. The Task Force also recommends that the City and San Francisco Housing Authority ultimately seek additional funds in the future to rebuild the remaining HOPE SF sites. While it may not be politically or financially possible to rebuild all sites immediately, the ultimate goal of the Task Force is that all of the distressed sites have the opportunity for revitalization funding.

3. Secure funding for services, outreach, job training and school improvement independently of individual project financing.

The Task Force has identified a number of key community concerns that need to be addressed either during or before the decision to rebuild any individual site. For example, outreach and engagement are clearly activities that need to come before a developer has been selected for redevelopment of a site. In the past, the San Francisco Redevelopment Agency has provided “Resident Capacity grants” to residents of properties at risk of losing their HUD subsidies. These grants provided residents with the ability to hire a development consultant and legal counsel to assist them in their decision making process. **The Task Force strongly believes that the success of HOPE SF depends on an informed and organized base of residents.**

Once the decision has been made to rebuild a site, job training and other services need to be in place so that residents are trained in advance of any construction work on a site. School improvement is also a long-term process that can’t be effectively pursued in reaction to a site development timeline. With this in mind, funding for these efforts should be pursued independently of projects in order for cases these activities to precede HOPE SF redevelopment. Ultimately HOPE SF will be judged by how the lives of public housing residents are affected by the overall community building process.

Public Housing Task Force members

Kevin Blackwell, San Francisco Safety Network
René Cazenave, Council of Community Housing Organizations (CCHO)
Gordon Chin, Chinatown Community Development Corporation (Norman Fong, alternate)
Gene Coleman, civic leader
Francee Covington, Commissioner, San Francisco Redevelopment Agency
Mark Dunlop, Commissioner, Human Rights Commission
Gen Fujioka, Asian Law Caucus
James Head, San Francisco Foundation
Aileen Hernandez, civic leader
Kenneth Johnson, resident, San Francisco Housing Authority
Sarah Karlinsky, San Francisco Planning and Urban Research
Angelo King, Chair, Bayview Project Area Committee (SFRA)
Brenda Kittrell, resident, San Francisco Housing Authority
Eddie Kittrell, resident, San Francisco Housing Authority
Millard Larkin, San Francisco Housing Authority Commission
Jim Lazarus, San Francisco Chamber of Commerce
David Lipsetz, Oakland Housing Authority
NTanya Lee, Coleman Advocates for Youth and their Families
Cynthia Morse, resident, San Francisco Housing Authority
Brad Paul, Evelyn and Walter Haas, Jr. Foundation
Reverend Calvin Jones, Providence Baptist Church
Mirian Saez, Treasure Island Development Authority
Lavelle Shaw, resident, San Francisco Housing Authority
Sara Shortt, Housing Rights Committee
Dorothy Smith, resident, San Francisco Housing Authority
Michael Theriault, San Francisco Building and Trades Council
Brook Turner, Coalition for Better Housing

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Barbara Smith, San Francisco Housing Authority
Amy Tharpe, Mayor's Office of Housing



SAN FRANCISCO HOUSING AUTHORITY

440 Turk Street • San Francisco CA • 94112 • (415) 554-1200

DATE: MARCH 6, 2008

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

Rev. Amos Brown, President
Neola Gans, Vice President
George R. Brown, Commissioner
Millard Larkin II, Commissioner
Jane Hsu, Commissioner
Dwayne Jones, Commissioner
Matthew Schwartz, Commissioner

FROM: MIRIAN SAEZ, SECRETARY / INTERIM EXECUTIVE DIRECTOR

SUBJECT: DEVELOPER RFQ RECOMMENDATIONS

BACKGROUND

The *Request For Qualifications (RFQ) To Redevelop Authority Property* was advertised on October 16, 2007 with Authority and HOPE SF Task Force goals of rebuilding the most distressed public housing sites, while increasing affordable housing and ownership opportunities and improving the quality of life for existing residents and the surrounding communities.

The need for redevelopment of the target sites is enormous. They are obsolete, poorly designed, inadequately house residents, require disproportionately large amounts of operating funds for maintenance, and create blight on the surrounding communities. Based on the Authority's 2007 Comprehensive Physical Needs Assessment, these sites:

- have over \$141 million in immediate capital improvement needs;
- experience accrual of additional needs every year as the buildings age and modernization funding remains inadequate; and
- are low in density and will accommodate replacement of all public housing units plus other affordable and market housing.

The development community responded on December 18, 2007 with nine submissions for four of the target sites with over 1,800 public housing units. Overall, the submissions were strong.

Developer RFQ Summary

March 6, 2008

Page 2

- one (1) for Potrero Terrace/Potrero Annex
- two (2) for Sunnydale/Velasco
- two (2) for Westside Courts
- four (4) for Westbrook/Hunters Point A East

A panel of professional and technical staff from the Authority, the Mayor's Office of Housing and the San Francisco Redevelopment Agency, along with residents from the target sites and community services representatives from the surrounding neighborhoods evaluated and ranked the submissions. Panelists individually reviewed and scored the written Statements of Qualifications. After oral interviews and scoring, a final evaluation tally was prepared to determine the highest ranked teams for each site. Evaluation criteria included:

No.	CRITERIA & REASON	WEIGHT
1	<u>Development Firm's Demonstrated Experience</u> <i>(a) Financing, developing and operating affordable housing, mixed-income, and market rate housing, (b) successful development and management of three comparable projects, assembling a qualified and experienced development team, and ability to leverage and engage local resources and to secure local state and federal approvals on time.</i>	35 points
2	<u>Development Team's Qualifications</u> <i>(a) Team's collective experience with developing affordable and market rate rental and ownership housing, (b) team's asset management experience, (c) design architects experience as the lead on comparable projects, and (d) other team members' experience (financial, construction, consultant, etc.)</i>	35 points
3	<u>Development Concept</u> <i>(a) Concept based on existing surrounding area, topography, connectivity, density, etc., (b) approach to phased development and relocation of residents with minimized displacement, and (c) approach to financing the concept including the proposed mix of the type of units.</i>	20 points
4	<u>Community Building</u> <i>(a) Resident involvement and community engagement through meetings, trainings, etc. and (b) Temporary or permanent employment, apprenticeship, and/or scholarship opportunities.</i>	10 points
	Total	100 points

RECOMMENDATIONS

The submissions of the top ranked development teams for these four sites were strong, however, in view of funding constraints, three of the four are being recommended for negotiations for Exclusive Negotiating Rights Agreements (ENRAs). If, after several months, the ENRA negotiations are successful, the Authority's Interim Executive Director will return to the Commission for approval to execute ENRAs that will establish the procedures and standards for revitalization with one-for-one replacement of all public housing. The terms of the ENRAs are expected to be 18 months or longer if lengthy planning is required.

The ENRA anticipated outcomes are:

- develop a revitalization plan consistent with the RFQ and HOPE SF goals;
- obtain environmental approvals and entitlements;
- develop a financing plan and secure commitments; and
- negotiate Disposition & Development Agreement, Ground Lease and development agreements.

In March 2008, the Mayor's Office of Housing expects to issue a Notice of Funding Availability for HOPE SF predevelopment funding for the development teams. If successful, award of these funds will enable them to move forward with tasks outlined in the ENRAs. Entering into ENRAs will enable the Authority's developer partners to accomplish tasks for project readiness in preparation for competitive funding applications, including HOPE VI and the California Multifamily Housing Program (MHP). If the HOPE VI bill that is moving through Congress is passed and/or MHP is continued, successful funding applications by the Authority's developer partners will help fill funding gaps for replacement of public housing units and enable HOPE SF dollars to rebuild more public housing sites.

The teams that are being recommended are:

Potrero Terrace & Potrero Annex (605 existing units/1151 new units)

BRIDGE Housing Corp (Carol Galante)

BRIDGE Urban Infill Land Dev. (Lydia Tan)

Van Meter Williams Pollack Arch. (Rick Williams)

JSCo Property Mgt. (Jack Gardner)

Sunnydale (785 existing units/1498 new units)

Mercy Housing California (Jane Graf)

The Related Companies of California (William Witte)

Van Meter Williams Pollack Arch. (Rick Williams)

Visitation Valley Community Dev. Corp. (Jennifer Dhillon)

Developer RFQ Summary

March 6, 2008

Page 4

Westside Courts (136 existing units/220 new units)

Em Johnson Interest (Michael Johnson)

TMG Partners (Michael Covarrubias)

LDA Architects (Thomas Lee)

McCormack Baron Ragan Property Management (Tony Salazar)

Haight Street Management (Tracy Dearman)

Nibbi Brothers GC

(Prepared by Barbara Smith for Mirian Saez)

1 [Development Agreement - Sunnydale Development Co., LLC - Sunnydale HOPE SF Project]

2
3 **Ordinance approving a Development Agreement between the City and County of San**
4 **Francisco, the Housing Authority of the City and County of San Francisco, and**
5 **Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the**
6 **approximately 50-acre site located in Visitacion Valley and generally bounded by**
7 **McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east,**
8 **and Velasco to the south; confirming the Development Agreement's compliance with,**
9 **or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56;**
10 **approving the use of impact fees and exactions for improvements and other**
11 **community benefits, as set forth in the Development Agreement, and waiving any**
12 **conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in**
13 **connection with the Development Agreement; authorizing further actions taken**
14 **consistent with the Ordinance; making findings under the California Environmental**
15 **Quality Act; and making findings of conformity with the General Plan, and with the**
16 **eight priority policies of Planning Code, Section 101.1.**

17
18 **NOTE: Unchanged Code text and uncodified text** are in plain Arial font.
19 **Additions to Codes** are in *single-underline italics Times New Roman font*.
20 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
21 **Board amendment additions** are in double-underlined Arial font.
22 **Board amendment deletions** are in ~~strikethrough Arial font~~.
23 **Asterisks (* * * *)** indicate the omission of unchanged Code
24 subsections or parts of tables.

25
26 Be it ordained by the People of the City and County of San Francisco:

27
28 Section 1. Project Findings.

1 (a) California Government Code Section 65864 et seq. authorizes any city, county,
2 or city and county to enter into an agreement for the development of real property its
3 jurisdiction.

4 (b) Chapter 56 of the Administrative Code ("Chapter 56") sets forth certain
5 procedures for the processing and approval of development agreements in the City and
6 County of San Francisco (the "City").

7 (c) HOPE SF is the nation's first large-scale public housing transformation
8 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and
9 creating vibrant mixed-income communities without mass displacement of current residents.
10 Launched in 2007, HOPE SF is a human and real estate capital commitment by the City.
11 HOPE SF, the City's signature anti-poverty and equity initiative, is committed to breaking
12 intergenerational patterns related to the insidious impacts of trauma and poverty, and to
13 creating economic and social opportunities for current public housing residents through deep
14 investments in education, economic mobility, health and safety.

15 (d) The Sunnydale HOPE SF project (the "Project"), which is located in Visitacion
16 Valley, is generally bounded by McLaren Park to the north, Crocker Amazon Park on the
17 west, Hahn Street to the east, and Velasco Avenue to the south.

18 (e) The Housing Authority of the City and County of San Francisco owns and
19 operates 775 units of public housing on the approximately 50-acre site, known as Sunnydale-
20 Valasco.

21 (f) The Project is a mixed-use, mixed-income development with several different
22 components: (i) construction of the public infrastructure to support the Project; (ii)
23 development of private affordable housing on affordable parcels in accordance with an
24 affordable housing plan; (iii) development of private residential projects on market rate
25 parcels; and (iv) development of community improvements (e.g., open space areas,

1 community facilities) throughout the Project. The Sunnydale HOPE SF master plan consists of
2 a maximum of 1,770 units, of which 775 are replacement units for existing Sunnydale-Velasco
3 households and approximately 200 are additional affordable housing units. There are also up
4 to 730 units that will be for market rate homeownership or rental. The master plan includes all
5 new streets and utility infrastructure, 3.6 acres of new open spaces, and approximately 60,000
6 square feet of new neighborhood serving spaces.

7 (g) Sunnydale Development Co., LLC (the "Developer") filed an application with the
8 City's Planning Department for approval of a development agreement relating to the Project
9 Site (the "Development Agreement") under Chapter 56. A copy of the Development
10 Agreement is on file with the Clerk of the Board of Supervisors in File No. 161164 and is
11 incorporated herein by reference.

12 (h) This ordinance is companion legislation to other ordinances relating to the
13 Sunnydale HOPE SF project, including Planning Code amendments and Zoning Map
14 amendments. These ordinances are on file with the Clerk of the Board of Supervisors in File
15 Nos. 161162, 161163, and 161309.

16 (i) The Project will help realize and further the City's HOPE SF goals. In addition to
17 helping the City realize and further such goals, the City has determined that development of
18 the Project under the Development Agreement will provide additional benefits to the public
19 that could not be obtained through application of existing City ordinances, regulations and
20 policies. The Development Agreement will eliminate uncertainty in the City's land use planning
21 for the Project and secure orderly development of the Project.

22 Section 2. Environmental and Land Use Findings.

23 The Board of Supervisors adopted a companion ordinance related to General Plan
24 amendments for the Project. This companion ordinance described the Project and included
25 findings under the California Environmental Quality Act (Public Resources Code Sections

1 21000 et seq.), and findings of consistency with the General Plan, and the eight priority
2 policies of Planning Code Section 101.1. The Board of Supervisors adopts all of these
3 findings for purposes of this ordinance. The companion ordinance on the General Plan
4 amendments and the accompanying findings are on file with the Clerk of the Board of
5 Supervisors in File No. 161309 and are incorporated herein by reference.

6 Section 3. Approval of Development Agreement.

7 (a) The Board of Supervisors approves all of the terms and conditions of the
8 Development Agreement, in substantially the form on file with the Clerk of the Board of
9 Supervisors in File No. 161164.

10 (b) The Board of Supervisors approves and authorizes the execution, delivery and
11 performance by the City of the Development Agreement as follows: (i) the Director of
12 Planning and (other City officials listed thereon) are authorized to execute and deliver the
13 Development Agreement and consents thereto, and (ii) the Director of Planning and other
14 appropriate City officials are authorized to take all actions reasonably necessary or prudent to
15 perform the City's obligations under the Development Agreement in accordance with its terms.
16 The Director of Planning, at his or her discretion and in consultation with the City Attorney, is
17 authorized to enter into any additions, amendments or other modifications to the Development
18 Agreement that the Director of Planning determines are in the best interests of the City and
19 that do not materially increase the obligations or liabilities of the City or materially decrease
20 the benefits to the City as provided in the Development Agreement. Final versions of such
21 documents shall be provided to the Clerk of the Board for inclusion in the official file within 30
22 days of execution by all parties.

23 Section 4. Potential Conflict of Development Agreement with Administrative Code;
24 Waiver of Administrative Code Provisions.

1 (a) In the event of any conflict between any provision of the Development Agreement
2 and Administrative Code Chapters 14B, 29 or 56, the Development Agreement shall prevail,

3 (b) Without limiting the scope of subsection (a) above which applies to the
4 Administrative Code Chapters mentioned therein in their entirety, the provisions of
5 Administrative Code Chapters 14B, 29 and 56 designated below, are as to the Development
6 Agreement, hereby waived or deemed satisfied. The omission below of a reference to a
7 particular provision in the Development Agreement or a particular provision in one of the
8 aforementioned Administrative Code Chapters shall not be construed to negate the
9 applicability of subsection (a) to such provisions.

10 (1) The Project comprises nearly 50 acres and is the type of large multi-phase and/or
11 mixed-use development contemplated by the City Administrative Code and therefore is
12 deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

13 (2) The provisions of Development Agreement Section 6.6 and the Workforce MOU
14 attached to the Development Agreement as Exhibit I shall apply in lieu of the provisions of
15 Administrative Code Chapter 14B, Section 14B.20 and Chapter 56, Section 56.7(c).

16 (3) The provisions of the Development Agreement regarding any amendment or
17 termination, including those relating to "Material Change," shall apply in lieu of the provisions
18 of Chapter 56, Section 56.15.

19 (4) The City established the HOPE SF Fund through Ordinance No. 180-07, and
20 affirmed its commitment to HOPE SF through Resolution No. 556-07. Together, those actions
21 shall apply in lieu of the provisions of Administrative Code Section Chapter 29.

22 Section 5. Planning Code Fee Waiver.

23 The Board of Supervisors approves the use of the Impact Fees and Exactions for
24 improvements and community benefits, as set forth in Exhibit H to the Development
25

1 Agreement, and waives or overrides any provision in Article 4 of the Planning Code that would
2 conflict with uses of these funds as described in the Development Agreement.

3 Section 6. Administrative Code Chapter 56 Waiver.

4 In connection with the Development Agreement, the Board of Supervisors finds that the
5 requirements of Chapter 56, as modified hereby, have been substantially complied with and
6 waives any procedural or other requirements of Chapter 56 if and to the extent that they have
7 not been strictly complied with.

8 Section 7. Ratification of Past Actions; Authorization of Future Actions.

9 All actions taken by City officials in preparing and submitting the Development
10 Agreement to the Board of Supervisors for review and consideration are hereby ratified and
11 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken
12 by City officials regarding the Development Agreement consistent with this ordinance.

13 Section 8. Effective and Operative Date.

14 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs
15 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
16 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
17 Mayor's veto of the ordinance.

18 (b) This Ordinance shall become operative only on the later of (a) the effective date of
19 this ordinance, or (b) the last occurring effective date among the companion ordinances
20 identified in Section 1(h) of this ordinance. Copies of said Ordinances are on file with the
21 Clerk of the Board of Supervisors in File No. 161162, 161163, and 161309. No rights or duties
22 are created

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under the Development Agreement until the operative date of this ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
Heidi J. Gewertz
Deputy City Attorney
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Ordinance

File Number: 161164

Date Passed: January 31, 2017

Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

January 11, 2017 Budget and Finance Committee - RECOMMENDED

January 24, 2017 Board of Supervisors - PASSED, ON FIRST READING

January 31, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 161164

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/31/2017 by the Board of Supervisors of the City and County of San Francisco.

[Signature]
Angela Calvillo
Clerk of the Board

[Signature]
Mayor

2/01/17
Date Approved

1 [General Plan Amendments - Sunnydale HOPE SF Project]

2
3 **Ordinance amending the General Plan in connection with the Sunnydale HOPE SF**
4 **project; adopting findings under the California Environmental Quality Act; making**
5 **findings of consistency with the General Plan as proposed for amendment, and the**
6 **eight priority policies of Planning Code, Section 101.1; and adopting findings of public**
7 **necessity, convenience, and welfare under Planning Code, Section 340.**

8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in ~~italics Times New Roman font~~.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Findings.

17 (a) HOPE SF is the nation's first large-scale public housing transformation
18 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and
19 creating vibrant mixed-income communities without mass displacement of current
20 residents. Launched in 2007, HOPE SF is a twenty-year human and real estate capital
21 commitment by the City. HOPE SF, the City's signature anti-poverty and equity initiative, is
22 committed to breaking intergenerational patterns related to the insidious impacts of trauma
23 and poverty, and to creating economic and social opportunities for current public housing
24 residents through deep investments in education, economic mobility, health, and safety. The
25 Sunnydale HOPE SF Project (the "Project") will help realize and further the City's HOPE SF
goals.

1 (b) The Project, which is located in Visitacion Valley, is generally bounded by McLaren
2 Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco
3 Avenue to the south.

4 (c) The San Francisco Housing Authority owns and operates Sunnydale-Velasco
5 housing project comprised of 775 units of public housing located on the approximately 50-acre
6 site of the Project.

7 (d) The Project is a mixed-use, mixed-income development with several components:
8 (1) construction of the public infrastructure to support the Project; (2) development of private,
9 mixed-use affordable housing on affordable parcels in accordance with an affordable housing
10 plan; (3) development of private, mixed-use residential projects on market rate parcels; and
11 (4) development of community improvements (e.g., open space areas, community facilities)
12 throughout the Project. The Sunnydale HOPE master plan consists of a maximum of 1,700
13 units, of which 775 are replacement units for existing Sunnydale-Velasco households and 200
14 are additional affordable housing units. There are also up to 694 units that will be for market
15 rate homeownership. The master plan includes new streets and utility infrastructure, 3.5
16 acres of new open spaces, and approximately 60,000 square feet of new neighborhood
17 serving spaces.

18 (e) This ordinance is companion legislation to other ordinances relating to the Project,
19 including Planning Code amendments, Zoning Map amendments, and a Development
20 Agreement adoption.

21 (f) On July 9, 2015, in Motion No. 19409, the Planning Commission certified as
22 adequate and complete the Sunnydale-Velasco HOPE SF Master Plan Project Environmental
23 Impact Report/Environmental Impact Statement (Planning Case No. 2010.0305E) in
24 accordance with the California Environmental Quality Act (California Public Resources Code
25

1 Sections 21000 et seq.) and Administrative Code Chapter 31. Said Motion is on file with the
2 Clerk of the Board of Supervisors in File No. 161309 and is incorporated herein by reference.

3 (g) On November 17, 2016, in Motion No. 19784, the Planning Commission adopted
4 findings under the California Environmental Quality Act ("CEQA Findings") related to the
5 actions contemplated in this ordinance. The Board adopts these CEQA Findings as its own.
6 Said Motion and the CEQA Findings are on file with the Clerk of the Board of Supervisors in
7 File No. 161309 and are incorporated herein by reference.

8 (h) On September 15, 2016, in Resolution No. 19738, the Planning Commission
9 initiated the actions contemplated in this ordinance. Said Motion is on file with the Clerk of the
10 Board of Supervisors in File No. 161309.

11 (i) On November 17, 2016, in Resolution No. 19786, the Planning Commission
12 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
13 with the City's General Plan as proposed for amendment and eight priority policies of Planning
14 Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution
15 is on file with the Clerk of the Board of Supervisors in File No. 161309, and is incorporated
16 herein by reference.

17 (j) In this same Resolution, the Planning Commission, in accordance with Planning
18 Code Section 340, determined that this ordinance serves the public necessity, convenience,
19 and general welfare. The Board of Supervisors adopts as its own these findings.

20
21 Section 2. The General Plan is hereby amended by revising the Recreation and Open
22 Space Element and the Urban Design Elements as follows:

23 **Recreation and Open Space Element**
24
25

1 Map 03 – Existing and Proposed Open Space. Insert indications of new parks within
2 the Sunnydale HOPE SF boundaries pursuant to the Sunnydale HOPE SF Design Standards
3 and Guidelines Document.

4 **Urban Design**

5 Map 4 - Urban Design Guidelines for Height of Buildings. Add shading representative
6 of 41-88 feet height range to the boundaries of the Sunnydale HOPE SF site.

7
8 Section 3. Effective Date. This ordinance shall become effective 30 days after
9 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
10 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
11 of Supervisors overrides the Mayor's veto of the ordinance.

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14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16 By: 
17 Robb W. Kapla
Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 161309

Date Passed: January 31, 2017

Ordinance amending the General Plan in connection with the Sunnydale HOPE SF project; adopting findings under the California Environmental Quality Act; making findings of consistency with the General Plan as proposed for amendment, and the eight priority policies of Planning Code, Section 101.1; and adopting findings of public necessity, convenience, and welfare under Planning Code, Section 340.

January 09, 2017 Land Use and Transportation Committee - RECOMMENDED

January 24, 2017 Board of Supervisors - PASSED, ON FIRST READING

January 31, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 161309

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/31/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

2/3/2017

Date Approved

1 [Loan Agreement - Sunnydale Infrastructure Phase 1A3 LLC - Sunnydale HOPE SF -
2 Infrastructure Improvements - Not to Exceed \$25,072,111]

3 **Resolution approving and authorizing the Director of the Mayor's Office of Housing and**
4 **Community Development to execute an Amended and Restated Loan Agreement with**
5 **Sunnydale Infrastructure Phase 1A3 LLC, a California limited liability company, for a**
6 **total loan amount not to exceed \$25,072,111 to finance the second phase of**
7 **infrastructure improvements and housing development related to the revitalization and**
8 **master development of up to 1,770 units of replacement public housing, affordable**
9 **housing and market rate housing, commonly known as the Sunnydale HOPE SF**
10 **Development ("Sunnydale Project"); and adopting findings that the loan agreement is**
11 **consistent with the adopted Mitigation Monitoring and Reporting Program under the**
12 **California Environmental Quality Act, the General Plan, and the priority policies of**
13 **Planning Code, Section 101.1.**

14
15 WHEREAS, HOPE SF is the nation's first large-scale public housing transformation
16 collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and
17 creating vibrant mixed-income communities without mass displacement of current residents;
18 and

19 WHEREAS, HOPE SF, the City's signature anti-poverty and equity initiative, is
20 committed to breaking intergenerational patterns related to the insidious impacts of trauma
21 and poverty, and to creating economic and social opportunities for current public housing
22 residents through deep investments in education, economic mobility, health and safety; and

23 WHEREAS, The Housing Authority of the City and County of San Francisco ("SFHA")
24 owns and operates 775 units of public housing on the approximately 50-acre site, known as
25 Sunnydale-Velasco; and

1 WHEREAS, The Sunnydale HOPE SF project, which is located in Visitacion Valley, is
2 generally bounded by McLaren Park to the north, Crocker Amazon Park on the west, Hahn
3 Street to the east, and Velasco Avenue to the south, is a mixed-use, mixed-income
4 development with several different components: (i) construction of the public infrastructure to
5 support Sunnydale-Velasco; (ii) development of private affordable housing on affordable
6 parcels in accordance with an affordable housing plan; (iii) development of private residential
7 projects on market rate parcels; and (iv) development of community improvements (e.g., open
8 space areas, community facilities) throughout Sunnydale-Velasco (the "Project"); and

9 WHEREAS, In 2007, SFHA issued a Request for Proposals (RFP), seeking submittals
10 from qualified respondents to develop the Project; and

11 WHEREAS, Mercy Housing Corporation, a California nonprofit public benefit
12 corporation ("Mercy"), in collaboration with the Related Company, a California corporation
13 ("Related"), jointly responded to the RFP and were selected to be the developer for the
14 Project; and

15 WHEREAS, Mercy and Related established a separate entity named Sunnydale
16 Development Co., LLC (the "Developer") under which to plan and develop the Project; and

17 WHEREAS, The Sunnydale HOPE SF master plan consists of (i) a maximum of 1,770
18 units, of which 775 are replacement units for existing Sunnydale-Velasco households,
19 approximately 200 are additional affordable housing units, and up to 730 units will be for
20 market rate homeownership or rental, (ii) all new streets and utility infrastructure, (iii) 3.6 acres
21 of new open spaces, and (iv) approximately 60,000 square feet of new neighborhood serving
22 spaces; and

23 WHEREAS, By Ordinance No. 18-17, the Board of Supervisors approved a
24 Development Agreement with the Developer relating to the Project Site (the "Development
25

1 Agreement") under Administrative Code, Chapter 56, which Ordinance is on file with the Clerk
2 of the Board of Supervisors in File No. 161164 and is incorporated herein by reference; and

3 WHEREAS, By Ordinance No. 20-17, the Board of Supervisors made findings under
4 the California Environmental Quality Act (Public Resources Code, Sections 21000 et seq.)
5 and findings of consistency with the General Plan, and the eight priority policies of Planning
6 Code, Section 101.1, which Ordinance is on file with the Clerk of the Board of Supervisors in
7 File No. 161309 and is incorporated herein by reference; and

8 WHEREAS, The City, acting through the Mayor's Office of Housing and Community
9 Development ("MOHCD"), administers a variety of housing programs that provide financing for
10 the development of new affordable housing and the rehabilitation of single- and multi-family
11 housing for low- and moderate-income households and resources for homeowners in San
12 Francisco; and

13 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
14 and operators; administers loan agreements; reviews annual audits and monitoring reports;
15 monitors compliance with affordable housing requirements in accordance with capital funding
16 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

17 WHEREAS, MOHCD provided Developer with loans to commence predevelopment
18 activities for the Project; and

19 WHEREAS, The Developer desires to commence the second phase of the Project,
20 which will include infrastructure improvements to facilitate the construction of approximately
21 127 public housing replacement units and 42 new affordable rental units, a new community
22 building, a realigned Sunnydale street segment, and an electrical switchgear to serve the
23 Project ("Phase 1A3 Project"); and

1 WHEREAS, The Developer established a separate entity named Sunnydale
2 Infrastructure Phase 1A3 LLC (the “Infrastructure Developer”) to undertake the Phase 1
3 Project; and

4 WHEREAS, On November 5, 2021, the Citywide Affordable Housing Loan Committee,
5 consisting of MOHCD, Department of Homelessness and Supportive Housing, the Office of
6 Community Investment and Infrastructure, Office of the Controller and SFHA, recommended
7 approval to the Mayor of a loan to the Infrastructure Developer for the Phase 1A3 Project in a
8 total amount not to exceed \$25,072,111; and

9 WHEREAS, In order for the Infrastructure Developer to construct the Phase 1A3
10 Project, MOHCD desires to provide an additional loan in the amount not to exceed
11 \$19,272,111 and a total loan amount not to exceed \$25,072,111, to the Infrastructure
12 Developer pursuant to an Amended and Restated Loan Agreement (“Infrastructure
13 Agreement”) in substantially the form on file with the Clerk of the Board in File No. 211266,
14 and in such final form as approved by the Director of MOHCD and the City Attorney; and

15 WHEREAS, The material terms of the Infrastructure Agreement also include: (i) a
16 minimum term of 57 years; (ii) will bear no interest; and (iii) will be forgiven once the City
17 accepts the improvements and new streets; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby adopts the findings contained in
19 Ordinance 20-17 regarding the California Environmental Quality Act for the Project, and
20 hereby incorporates such findings by reference as though fully set forth in this Resolution;
21 and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Project is
23 consistent with the General Plan, and with the eight priority policies of Planning Code, Section
24 101.1 for the same reasons as set forth in Ordinance 20-17, and hereby incorporates such
25 findings by reference as though fully set forth in this Resolution; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
2 Infrastructure Agreement and authorizes the Director of MOHCD or her designee to enter into
3 any amendments or modifications to the Agreement (including, without limitation, preparation
4 and attachment or, or changes to, any of all of the exhibits and ancillary agreements) and any
5 other documents or instruments necessary in connection therewith that the Director
6 determines, in consultation with the City Attorney, are in the best interest of the City, do not
7 materially increase the obligations or liabilities for the City or materially diminish the benefits of
8 the City, are necessary or advisable to effectuate the purposes and intent of this Resolution
9 and are in compliance with all applicable laws, including the City Charter; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
11 delegates to the Director of MOHCD and/or the Director of Property, and their designees, the
12 authority to undertake any actions necessary to protect the City's financial security in the
13 Property and enforce the affordable housing restrictions, which may include, without limitation,
14 acquisition of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed
15 in lieu of foreclosure, or curing the default under a senior loan; and, be it

16 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
17 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;
18 and be it

19 FURTHER RESOLVED, That within thirty (30) days of the Infrastructure Agreement
20 being fully executed by all parties, MOHCD shall provide the final Infrastructure Agreement to
21 the Clerk of the Board for inclusion into the official file.
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City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 211266

Date Passed: February 08, 2022

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute an Amended and Restated Loan Agreement with Sunnydale Infrastructure Phase 1A3 LLC, a California limited liability company, for a total loan amount not to exceed \$25,072,111 to finance the second phase of infrastructure improvements and housing development related to the revitalization and master development of up to 1,770 units of replacement public housing, affordable housing and market rate housing, commonly known as the Sunnydale HOPE SF Development ("Sunnydale Project"); and adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the General Plan, and the priority policies of Planning Code, Section 101.1.

February 02, 2022 Budget and Finance Committee - RECOMMENDED

February 08, 2022 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

Excused: 1 - Haney

File No. 211266

I hereby certify that the foregoing
Resolution was ADOPTED on 2/8/2022 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

2/18/22

Date Approved



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 231133

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Ryan vanZuylen	408-504-4966
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MYR Mayor's Office Housing and Com Dev	ryan.vanzuylen@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Sunnydale Infrastructure Phase 1A3 LLC	TELEPHONE NUMBER 415-663-3167
STREET ADDRESS (including City, State and Zip Code) 18201 Von Karmen Ave, STE 900, Irvine CA 92612	EMAIL tnguyen@related.com

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 231133
DESCRIPTION OF AMOUNT OF CONTRACT \$1,495,294		
NATURE OF THE CONTRACT (Please describe) This contract is for additional financing for public infrastructure improvements at Sunnydale HOPE SF's second infrastructure phase, known as Phase 1A3. The previous amount was approved by BOS in 2022 and this contract is for an additional \$1,495,294.		

7. COMMENTS
Sunnydale Infrastructure Phase 1A3 LLC consists of Mercy Housing Calwest, a CA nonprofit public benefit corporation, and Related/Sunnydale Block 3 Development Co., LLC, a CA limited liability company.

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Shoemaker	Douglas	Other Principal Officer
2	Dolin	Jennifer	Board of Directors
3	Agostino	Val	Board of Directors
4	Ciraulo	Rich	Board of Directors
5	Clayton	Melissa	Board of Directors
6	Dare	Ramie	Other Principal Officer
7	Daues	Stephan	Board of Directors
8	Graf	Jane	Board of Directors
9	Gualco	Barbara	Board of Directors
10	Holder	Ed	Board of Directors
11	Jivan	Sheela	Board of Directors
12	Saab	Bruce	Board of Directors
13	Spears	Steve	Board of Directors
14	Sprauge	Rick	Board of Directors
15	Villablanca	Erika	Board of Directors
16	Dodds	Vince	Board of Directors
17	Rosenblum	Joseph	Board of Directors
18	Bayley	Amy	Board of Directors
19	Cardone	Frank	Board of Directors

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20	Witte	William	Other Principal Officer
21	Silverberg	Ann	Other Principal Officer
22	Sherman	Steve	Board of Directors
23			
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
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From: [Conine-Nakano, Susanna \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#); [Vanzuylen, Ryan \(MYR\)](#); [Gee, Natalie \(BOS\)](#)
Subject: Mayor -- Resolution -- Sunnydale Infrastructure 1A3 Loan Amendment
Date: Tuesday, October 31, 2023 3:54:37 PM
Attachments: [Mayor -- Resolution -- Sunnydale Infrastructure 1A3 Loan Amendment.zip](#)

Hello Clerks,

Attached for introduction to the Board of Supervisors is a Resolution approving and authorizing the execution of a Second Amendment to the Loan Agreement with Sunnydale Infrastructure Phase 1A3 LLC, a California limited liability company, to increase the loan amount by \$1,495,294 for a new total loan amount not to exceed \$26,567,405 to finance additional construction costs for the second phase of infrastructure improvements and housing development related to the revitalization and master development of up to 1770 units of replacement public housing, affordable housing and market rate housing, commonly known as the Sunnydale HOPE SF Development (“Sunnydale Project”); and adopting findings that the loan agreement is consistent with the adopted Mitigation Monitoring and Reporting Program under the California Environmental Quality Act, the City’s General Plan, and the priority policies of Planning Code Section 101.1.

Please note that Supervisor Walton is a co-sponsor of this legislation.

Best,
Susanna

Susanna Conine-Nakano
Office of Mayor London N. Breed
City & County of San Francisco
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San Francisco, CA 94102
415-554-6147