



SAN FRANCISCO HOUSING AUTHORITY

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

DATE: MARCH 6, 2008

TO: SAN FRANCISCO HOUSING AUTHORITY COMMISSIONERS

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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.

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- 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)

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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)