

## **Transbay Block 8 Affordable Project Description**

### **June 2015**

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Transbay Block 8 is part of the Transbay Redevelopment Project, a 40-acre redevelopment district at the foot of Rincon Hill which includes the Transbay Transit Center (under construction) and approximately 10 acres of vacant public land. Block 8 is a 52,250-square-foot parcel on Folsom Street between First and Fremont Streets, two blocks south of the future Transbay Transit Center. The Project Area was established in June 2005 with the adoption of the Redevelopment Plan for the Transbay Project Area (the “Redevelopment Plan”) by the Board of Supervisors. Related California Urban Housing, LLC (“Related”) and Tenderloin Neighborhood Development Corporation (“TNDC”) (together the “Development Team”) were selected via a competitive process by the Office of Community Investment and Infrastructure Successor Agency to the San Francisco Redevelopment Agency (“OCII”) in June 2014.

Transbay Block 8 will include 546 units total; of those 396 will be market-rate units (“Market-Rate Units”) and 150 will be units affordable to households earning up to 40% and 50% of AMI. Of the 150 affordable units, 70 will be inclusionary (the “BMR Units”) and are located in the first 8 stories of the tower building. The unit mix of the BMR Units will be proportional to that of the market-rate units. The remaining 80 affordable units comprise the affordable project, and will be subsidized by OCII funding (the “Affordable Project”). The BMR Units and the Market Rate Units will be financed together as mixed income bond-financed project (the “80/20 Project”). The Mayor’s Office of Housing and Community Development (“MOHCD”) will issue the tax exempt bonds for the Affordable Project and the 80/20 Project.

#### Scope of Work:

The development program for Block 8 conforms to the goals and requirements of the Redevelopment Plan, the Development Controls and Design Guidelines for the Transbay Redevelopment Project (the “Development Controls”), and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan (the “Streetscape and Open Space Plan”). The development program, as proposed by the Development Team and shown in the site plan and renderings in Attachment 2, includes:

- A mixed-income residential project on Block 8, consisting of (1) a 55-story tower and an attached six-story podium building on the east side of the tower and (2) a separate eight story podium east of the pedestrian paseo, (3) a row of two-story townhouses on the south side of Clementina Street, for a total of 546 residential units;
- A shared underground parking garage.
- A shared pedestrian paseo/ open space which will be open to the public; Streetscape improvements conforming to the Streetscape and Open Space Plan.

#### Ownership:

Related and TNDC will form a limited partnership to own the improvements (“the Affordable Partnership”) for the Affordable Project. OCII, and subsequently MOHCD will own the air rights parcel that the improvements will be built in. OCII will enter into an Air Rights Lease with the Partnership. This Air Rights Lease will transfer from OCII to MOHCD once construction of

the improvements is completed. The 80/20 Project will be owned by a limited partnership or other similar entity affiliated with Related (the “80/20 Partnership”).

Financing:

Affordable Project:

In addition to the OCII loan described above, the Affordable Partnership will apply for a tax-exempt bond allocation currently estimated to be approximately \$19,300,000 and 4% low-income housing tax credits for the Affordable Project.

80/20 Project:

The 80/20 Partnership will apply for a tax-exempt bond allocation currently estimated to be approximately \$263,100,000 and 4% low-income housing tax credits. No City or OCII funding will be included in the 80/20 Project financing.

Schedule:

Construction on the Project is anticipated to start by January 2016 and be completed by the end of 2018.

Transbay Block 8 Schedule	
Task	Date
TEFRA Ad Published	6/14 & 21 /2015
TEFRA Hearing	6/30/2015
Inducement Resolution Lodged with Board	6/30/2015
Inducement Resolution to Budget & Finance Committee	7/15/2015
Inducement Resolutions Approved by Board	7/21/2015
Submit CDLAC application	9/22/2015
Submit tax credit application	8/21/2015
CDLAC meeting -- secure allocation	10/21/2015
TCAC Meeting -- secure allocation	10/21/2015
Allocation Resolutions Lodged with Board	11/6/2015
Allocation Resolutions to Budget & Finance Committee	11/11/2015or 11/18/2015
Allocation Resolutions Approved by Full Board	11/24/2015

Mayor signs the resolution	11/30/2015
Finalize construction contract	12/1/2015
Close bond and credit financing	12/15/2015
Start construction	12/15/2015
Complete construction	12/2018

Development Team:

- Architect: Office of Metropolitan Architecture as the lead architect for the tower component of the development and Fougerson Architects, as the architect for the low-rise buildings
- Contractor: TBD
- Legal Counsel: Bocarsly Emden Cowan Esmail & Arndt LLP