

AGENDA ITEM 7c
Treasure Island Development Authority
City and County of San Francisco
Meeting of September 14, 2022

Subject: Resolution Authorizing the Treasure Island Director to Issue a Request for Proposals for Advisory Services Relating to the Implementation of the Transition Housing Rules and Regulations for The Villages at Treasure Island

Contact: Robert Beck, Treasure Island Director

SUMMARY

The Authority wishes to issue a Request for Proposals (“RFP”), to solicit qualified consultants or consulting teams (the “Contractor”) to provide advisory services related to the transition of existing residents of The Villages at Treasure Island to newly constructed Transition Units on Treasure Island and other benefits prescribed in the Transition Housing Rules and Regulations (“THRR”) for The Villages at Treasure Island.

The primary focus of the services anticipated in this contract is to assist the Authority with the implementation of the THRR over the next several years of development. The services the Contractor will provide to the Authority and residents include:

- Assisting the Authority in strategic planning for transition plans and timing
- Public outreach - preparing and conducting community outreach
 - Creating collateral materials to describe eligibility requirements, available benefits, and provide guidance for the implementation of the rules and guidelines
 - Preparing and distributing mailers, door hangers, and hosting public Open House/Town Hall type meetings to share information with residents
- Individual Advisory Services - providing individual consultation and advisory services one-on-one to households and individual residents who are considering available options
 - Household needs assessment
 - Housing inventory and selection review
 - Affordable housing income-eligibility requirements and options
 - Down payment assistance
 - Early in-lieu payments
 - Translation services for non-English speaking residents
- Facilitating Transition Unit Offers
 - Notifying households of Transition Unit availability, advising them of their benefit options, and coordinating moves into Transition Units
- Tracking Transition Housing Plan Progress
 - Tracking long-term moves
 - Housing inventory and timeline planning support
 - Coordination with MOHCD

The current contractor, Associated Right of Way Services, Inc. (“AR/WS”), was originally awarded its contract in 2017 for consulting and advisory services to implement the THRR, and in particular to engage every eligible household to advise them of their benefits and housing options, to gather information on household composition, and to assist the Authority in developing the policies and procedures necessary to implement the THRR. The Authority Board approved several amendments to that Agreement, to extend the time and the budget for these services. The current Agreement is due to expire on December 31, 2022. The Authority needs to solicit a new Contractor such that there are no gaps in services for the active and ongoing transition housing process, as well as other longer-range strategic plans for continued implementation of the THRR and existing resident services.

We anticipate issuing an RFP in September, receiving responses in October, and awarding a contract by November or December 2022 to the top qualified consulting team to provide a diversity of technical skills and abilities related to the transition housing program. The proposed term for the contract is five years with two options each for a two-year extension for a total maximum term of nine years. The total maximum fee is based on \$500,000 annually for a total of \$4.5 million for the full contract term.

In order to continue providing uninterrupted service to Villages’ residents, Staff requests that the Authority authorize the Director to issue a Request for Proposals for Advisory Services with the initial term of the Agreement as five years and a budget of \$2,500,000.

BACKGROUND

In June of 2011, the Board of Supervisors approved the entitlement and transaction documents for the development of Treasure Island, including the Disposition and Development Agreement (“DDA”), the Housing Plan, and the THRR. The THRR provided certain transitional housing benefits to residents of The Villages at Treasure Island – the Island’s market-rate rental housing – at the time the documents were approved. A separate transition plan provides that the Authority will partner with each of the island’s affordable housing providers to develop replacement units and program space in new buildings on the island and that the residents and programs of those providers will be relocated into those new buildings.

From 2011 to 2017, the Treasure Island Development Authority (the “Authority”) contracted with a relocation advisory firm to assist in the administration of the THRR for a series of Interim Moves of residents. In 2016, with the development of new permanent housing on the horizon, the Authority issued a Request for Qualifications (“RFQ”) for services for this new phase of development.

On August 1, 2017, the Authority entered into a Professional Service Agreement (the “Agreement”) with Associate Right of Way Services, Inc., a California corporation (“AR/WS”), for consulting and advisory services to implement the THRR and in particular to engage every eligible household to advise them of their benefits and housing options, to gather information on household composition, and to assist the Authority in developing the policies and procedures

necessary to implement the THRR. Under the Agreement Authority staff have negotiated Task Orders with AR/WS for specific periods of performance for defined scopes with specified objectives. AR/WS' has succeeded in engaging 100% of Pre-DDA households and advising Post-DDA residents of the new opportunities provided in the Second Amendment to the THRR.

Although the Project is a multi-year, multi-phased development, there is a continuing and on-going need to advise households of their options under the THRR, process Early In-Lieu payment benefits, assist residents in navigating the process to certify eligibility for affordable housing, and maintain demographic data necessary to plan the construction of transition housing. Implementing the THRR requires close coordination and collaboration with MOHCD, The Villages property management, and the Project's individual affordable and market-rate housing developers, as well as the City Attorney's Office.

In July, Mercy Housing and Catholic Charities broke ground on the construction of Star View Court which will include the first twenty-three Transition Units for eligible residents of The Villages. Although Star View Court is not expected to complete construction until mid-2024, the process of offering Transition Units and guiding households through the benefit options will need to begin in mid-2023 in order to complete the assignment of Transition Units by the time construction is complete and the units are available for occupancy.

THE THRR

The THRR was created to provide Transitioning Households (as defined in the THRR) certain housing opportunities and transition benefits as part of the Project to those households who were living in The Villages at Treasure Island ("The Villages") at the time of the approval of the DDA on June 2011. These residents are identified as Pre-Development and Disposition Agreement ("Pre-DDA") households.

A separate Treasure Island Homeless Development Initiative Transition Housing Plan provided for the transition of affordable housing residents on Treasure Island into new affordable units to be developed in partnership with One Treasure Island member agencies – Swords to Plowshares, Catholic Charities, Community Housing Partnership, and HealthRIGHT 360.

Under the THRR, Pre-DDA Households were to receive the opportunity for a replacement unit in a building to be constructed by the Authority (a "Transition Unit"), an affordable unit (if they met income eligibility requirements), premarketing opportunities and down payment assistance if they wish to purchase a new unit on Treasure Island, an In-Lieu payment if they elect to move off of the island without taking a Transition Unit, and advisory services to help them navigate these options. In addition to assisting the Authority in developing policies and procedures for implementing the THRR, a central responsibility of the Contractor is to be an objective advisor to eligible households to ensure that they understand all of their benefits options so that they can make the best choice for their household.

On December 11, 2019 meeting of the Authority Board of Directors, Authority Board approved Resolution 07-19 authorizing a Second Amendment to the THRR expanding housing

opportunities to “Post-Development and Disposition Agreement” (“Post-DDA”) residents. Post-DDA residents are defined as those who became leaseholders at The Villages between June 29, 2011 and December 11, 2019. Specifically, the Second Amendment to the THRR allowed Post-DDA eligible residents to:

1. Receive Pre-marketing opportunities for market-rate housing; and
2. Receive Priority in newly constructed affordable housing opportunities (affordable for-rent or BMR for-sale) when income-qualified.

In implementing the Second Amendment to the THRR, Post-DDA residents’ housing opportunities are subordinate to Pre-DDA households’ housing opportunities.

TRANSITION TIMELINE

Exhibit A to this staff report summarizes the properties that will be developed over the next three years. Cumulatively, these buildings will provide 133 units into which Pre-DDA Households could potentially relocate of which 110 will be affordable units

Each category of affordable housing unit has unique household income requirements. Inclusionary for-sale units will be priced to be affordable to households earning between 80-120% of Area Median Income (“AMI”) although individual units within a particular building will be priced for a specific income level – for instance, a individual property might include four 2–bedroom units with one priced at 80% AMI, two priced at 100% AMI, and a fourth priced at 120% AMI. Inclusionary for-rent units are to be priced at 60% of AMI per the Housing Plan, while the affordable units in Authority buildings may vary in accordance with funding and program requirements their rents are expected to be affordable, on average, to households with incomes at 50% of AMI.

Based upon the information gathered in prior interviews with Pre-DDA Households, one-third or more of those households may qualify for some form of affordable housing. For each household, the number of bedrooms for which they will be eligible, the household members eligible to relocate to the replacement unit, and the rent or housing payment they will be required to make will differ. As a result, an affordable unit may not be attractive to an individual household even if they meet the income eligibility requirements. For those households that may qualify, we will need to provide advisory services to help them understand the trade-offs between an affordable unit and a THRR Transition Unit. We will also want to advise Post-DDA residents of these opportunities to the extent that not all of these 110 units will be occupied by Pre-DDA Households.

Twenty-three units in the Star View Court will be non-income constrained Transition Units available to any qualifying Pre-DDA Household. On May 5th we held a Legacy Household Ranking with support from AR/WS and MOHCD to determine the order in which our Legacy Households will be offered Transition Units as they become available. A priority for the new Contractor will be to engage the highest ranking of these households to provide targeted

Advisory Services as they assess their options ahead of the anticipated offer of Transition Units in mid-2023.

Our third planned Authority Buildings will be developed in partnership with HealthRIGHT 360, the Department of Public Health, and Mercy Housing. We hope to break ground in 2024 and complete construction in 2026. In addition to providing replacement space for HealthRight 360's treatment and transitional housing programs, the site will include an estimated 110 permanent supportive housing units of which 10-20% will be set aside as Transition Units for eligible Villages households.

Replacement housing for current residents of HomeRise (formerly Community Housing Partnership) will likely be split over two sites. As currently envisioned, each site will include roughly 150 units of which approximately 40% will be occupied by current HomeRise households, up to 20% will be designated as Transition Units for Villages Households, and the remaining units will be general affordable units assigned through the MOHCD DAHLIA lottery process.

It is possible that even upon completion of these five buildings we will not have fulfilled our Transition Unit offer obligations under the THRR. If so, we anticipate endeavoring to complete that obligation in the development of the sixth Authority housing site.

DOWN PAYMENT ASSISTANCE

The THRR provide that Pre-DDA households are offered a Down Payment Assistance when choosing to purchase a new for-sale unit on Treasure Island. The THRR describes how the amount of this payment is calculated.

The first for-sale condominiums on Yerba Buena Island (the Bristol) was marketed in Q4 of 2021. There were 14 BMR units in the Bristol and three households from The Villages are working with MOHCD to complete the homeownership process and are expected to take ownership of their new homes this fall.

In advance of the completion of The Bristol, AR/WS assisted the developer in providing a Pre-Marketing Notice to Villages households, provided MOHCD with tenant information for priority ranking in the administration of the DAHLIA assignment lottery, and guided residents in completion of first-time homeownership workshops. Over the next three years, we anticipate the completion of six additional market rate buildings – three condominium projects and three apartment buildings – each of which will have inclusionary affordable units. The Contractor will provide similar support to residents to inform them of these opportunities and guide eligible households that may wish to pursue inclusionary affordable opportunities.

EARLY IN-LIEU PAYMENTS

The THRR provide that when Pre-DDA households are required to make an Interim Move (to another unit on Treasure Island) or Permanent Move (to a newly constructed Transition Unit),

they are to be offered an “In-Lieu Payment” if they choose to move off of the island rather than relocated to a replacement unit or Transition Unit. The THRR prescribe how the amount of this payment is calculated.

The THRR also included a provision that should the schedule for constructing Transition Units be delayed, the Authority would provide an opportunity for eligible Pre-DDA Households an opportunity to take an “Early In-Lieu Payment” rather than requiring the household to wait until a Transition Unit was offered or an Interim Move required. The development has been delayed by legal challenges to the Environmental Impact Report and the pace of design and permitting, and in May 2019 the Authority elected to extend the opportunity for Early In-Lieu Payments to eligible Pre-DDA Households that wished to leave Treasure Island.

AR/WS prepared materials to help inform residents of the Early In-Lieu Payment Option, fielded inquiries from residents, and, to date, have assisted fifty-seven households in processing their In-Lieu Payment requests.

BUDGET AND TERM

Staff has included sufficient funds in the proposed Authority’s FY 22/23 budget to support the anticipated services under the Agreement and will make similar recommendations to include sufficient funds in subsequent years for which the contract term may be extended.

RECOMMENDATION

Authority Staff recommends the Authority Board authorize the Director to issue a Request for Proposals for Advisory Services related to transition housing for existing residents on Treasure Island.

EXHIBITS

Exhibit A: Upcoming Transitional Housing Opportunities

Prepared by: Liz Hirschhorn, Assistant Development Program Manager

Potential Units Available for Legacy Households and Legacy Residents between 2021-2024

Authority Sites

TICD Developments

Parcel	Projected Completion	Total Projected Units (inc. manager units)	Projected Max Affordable Units in Authority Developments (DAHLIA)	Projected Transition Units in Authority Developments (Outside of DAHLIA)	Projected Homeless Units in Authority Developments (Outside of DAHLIA)	Inclusionary For Rent (DAHLIA)	Inclusionary For Sale (DAHLIA)	Units Potentially Available for Legacy Household or Legacy Resident
C3.2/Maceo May	2021 - Q4	105	0	0	104	0	0	0
Bristol/ YBI	2021 - Q4	110	0	0	0	0	14	14
C2.2	2023 - Q3	176	0	0	0	9	0	9
C2.3	2023 - Q3	114	0	0	0	0	6	6
C3.4	2023 - Q3	160	0	0	0	0	8	8
B1-2	2023 - Q4	120	0	0	0	6	0	6
C2.4	2023 - Q4	248	0	0	0	24	0	24
C3.1/ MHC+CC	2024 - Q1	<u>138</u>	<u>43</u>	<u>23</u>	<u>71</u>	<u>0</u>	<u>0</u>	<u>66</u>
Totals		1,171	43	23	175	39	28	133

Definitions

Legacy Household Market rate households living at The Villages at Treasure Island at the time the DDA was executed (June 2011) are entitled to a replacement unit or other benefits as defined in TIDA’s Transition Housing Rules and Regulations are known as “Legacy Households (these tenants were formerly known as “Pre-DDA Households”).

Legacy Resident Market rate households living at The Villages at Treasure Island at the time the DDA was executed (June 2011) that choose to decrease their household size and are eligible for affordable housing are known as Legacy Residents.

Vested Resident Market rate tenants living at The Villages at Treasure Island after the execution of the DDA and up until December 11, 2019, are known as “Vested Residents” (these tenants were formerly known as “Post-DDA Tenants”) and are eligible for new affordable units if the household income-qualifies for affordable housing. Vested Resident eligibility is subordinate to Legacy Resident eligibility.

1 (Request for Proposals for Advisory Services Related to Transition Housing)

2 **RESOLUTION AUTHORIZING THE TREASURE ISLAND DIRECTOR TO ISSUE A**
3 **REQUEST FOR PROPOSALS FOR ADVISORY SERVICES RELATING TO THE**
4 **IMPLEMENTATION OF THE TRANSITION HOUSING RULES AND REGULATIONS FOR**
5 **THE VILLAGES AT TREASURE ISLAND**

6 **WHEREAS**, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
7 authorizing the Mayor’s Treasure Island Project Office to establish a nonprofit public benefit
8 corporation known as the Treasure Island Development Authority (the “Authority”) to act as a
9 single entity focused on the planning+, redevelopment, reconstruction, rehabilitation, reuse and
10 conversion of the Former Naval Station Treasure Island located on Treasure Island and Yerba
11 Buena Island (together, the "Base") for the public interest, convenience, welfare and common
12 benefit of the inhabitants of the City and County of San Francisco; and

13 **WHEREAS**, On June 7, 2011, the BOS voted 11-0 on various pieces of legislation
14 authorizing the Treasure Island/Yerba Buena Island Development Project (the “Project”),
15 including a Disposition and Development Agreement (the “DDA”); and

16 **WHEREAS**, The DDA contains a Housing Plan which, amongst other matters, granted
17 certain housing opportunities and benefits as part of the Project to residents of affordable and
18 market units on the island; and

19 **WHEREAS**, The benefits available to residents of market-rate units leased to and
20 operated by the John Stewart Company were enumerated in the Transition Housing Rules and
21 Regulations (the “THRR”) for The Villages at Treasure Island; and

22 **WHEREAS**, The THRR grants certain housing opportunities and transition benefits as
23 part of the Project to those households who were living in The Villages at Treasure Island (“The
24 Villages”) at the time of the approval of the DDA on June 2011; and

25

1 **WHEREAS**, These residents are identified as Pre-Development and Disposition
2 Agreement (“Pre-DDA”) households; and

3 **WHEREAS**, The benefits available to residents of housing units leased to and operated
4 by affordable housing providers under the Treasure Island Homeless Development Initiative
5 (“TIHDI”) were enumerated in the TIHDI Transition Housing Plan; and

6 **WHEREAS**, The Authority requires support to administer and implement the THRR,
7 identify and engage eligible households to explain available benefits, and to gather information
8 needed to plan for the construction of the appropriate number and size of Transition Units; and

9 **WHEREAS**, The Authority authorized a Professional Services Agreement for consulting
10 and advisory services issued to Associated Right of Way Services, Inc. (“AR/WS”) to assist with
11 the creation of relocation plans for eligible households in the implementation of the THRR; and

12 **WHEREAS**, Said Agreement was amended three times and will expire on December 31,
13 2022; and

14 **WHEREAS**, Staff has drafted a scope for a proposed RFP, is preparing to seek Civil
15 Service Commission Authorization, and believes that it should be in position to recommend
16 award of a new contract for this purpose by the end of 2022; and

17 **WHEREAS**, Implementing the THRRs requires continuous engagement with eligible
18 households to explain available benefits, process Early In-Lieu requests, assist residents in
19 navigating the process to certify eligibility for affordable housing opportunities, and gather
20 information needed to plan for the construction of the appropriate number and size of Transition
21 Units; and

22 **WHEREAS**, the first Transition Units are under construction at Star View Court and the
23 first Transition Unit offers will need to be made to eligible households in 2023; and
24

25

1 **WHEREAS**, six additional market rate buildings with inclusionary affordable units will be
2 completed in the next three years and we want to ensure that residents of The Villages are
3 properly advised of these opportunities; and

4 **WHEREAS**, Should a new provider be selected, they will benefit from a period of overlap
5 with AR/WS to transfer their knowledge and experience; **now, therefore be it**

6 **RESOLVED**, That the Authority Board of Directors authorizes the Director to issue a
7 Request for Proposals for Advisory Services related to transition housing for Treasure Island
8 residents; **and be it**

9 **FURTHER RESOLVED**, That the Authority Board of Directors authorizes the Treasure
10 island Director or his designee to enter into any additions, amendments or other modifications
11 to the RFP that the Director determines in consultation with the City Attorney are in the best
12 interests of the Authority, do not materially increase the obligations or liabilities of the Authority,
13 do not materially reduce the rights of the Authority, and are necessary or advisable to complete
14 the tasks contemplated by the Agreement, such determination to be conclusively evidenced by
15 the execution and delivery by the Treasure Island Director or his designee of the documents
16 and any amendments thereto.

17
18
19
20
21
22
23
24
25

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on September 14, 2022.

Mark Dunlop, TIDA Board Secretary