Mayor's Office of Housing and Community Development

City and County of San Francisco



London N. BreedMayor

Eric D. Shaw Director

November 21, 2022

To: Mayor London Breed; Board of Supervisors

From: Eric Shaw, Director

CC: Clerk of the Board of Supervisors

Re: Q2 and Q3 CY 2022 Reporting on Prioritization of 100% Affordable Housing Projects

(File #180547)

Enclosed please find the quarterly report on MOHCD's 100% Affordable Housing Projects, as required by City Ordinance and as part of OEWD's Executive Directive 17-02, covering Q2 and Q3 CY-22, the period from April 1 – September 30, 2022.

Highlights and Key Milestones

Significant strides have been made during the last two quarters in entitlement, permitting and construction of a growing number of affordable housing developments. Of the active pipeline totaling 4,031 units of 100% affordable housing, MOHCD started construction on more than 780 units and completed 384 units in Q2 and Q3. As of this update, there are 1,464 total units in construction and 2,183 currently in pre-development (pre-entitlement or permitting).

We celebrated the completion and grand opening of projects at 681 Florida (130 units) and 1064 Mission (256 units). Additionally, with the award of low-income housing tax credits (LIHTCs) and California Housing Accelerator (CHA) Funds, six projects totaling 696 units that had been delayed were able to close construction financing in the past two quarters:

- Treasure Island C3.1 (Q2 CHA) District 6
- 180 Jones (Q2 CHA) District 5
- 78 Haight (Q2 9% LIHTC) District 5
- Shirley Chisholm Village Educator Housing (Q3 9% LIHTC) District 4
- 600 7th Street (Q3 4% LIHTC) District 6
- Potrero Hope SF Block B (Q3 CHA) District 10

Exciting progress is being made in the First Cohort (5 sites) of the MOHCD Multi-Site project. Concept and Schematic designs, Community engagement, and preliminary Planning and Site permit applications are progressing on schedule.

Challenges

Challenges in the permitting and approvals process continue but have also been largely mitigated with remote work using Electronic Plan Review (EPR) where feasible. The most significant challenges currently include rising construction and permanent debt loan interest, as well as volatility in materials cost and availability. Project bidding is also seeing unanticipated high levels of escalation.

While progress has been made in municipal power application, design and delivery with an agreement negotiated between PUC and PG&E, this work remains extremely complex, requiring significant coordination and facilitation by all partners. Changes to the process continue to create unpredictable schedules and extraordinary costs, which are not anticipated within project budgets or schedules. Critical projects that are facing these challenges are 2340 San Jose (Balboa Park Upper Yard) and 4840 Mission Street, both currently under construction but with no clear path to permanent power energization to guarantee on-time completion.

Overall, MOHCD is pleased to report that despite the unprecedented events of this current time, affordable housing production, at all stages of development, continues to move forward with the collaboration and commitment of our staff, City and private partners.

EXHIBITS

MOHCD Affordable Housing Quarterly Report Q2 and Q3 2022 (PDF)

April 1- September 30, 2022

Project Name	Street Number	Street Name	Number of Units	Supv. District	Housing Tenure (type)	Status	Start (Est. or Actual)	Complete (Est. or Actual)	Issuance of Temporary Certificate of Occupancy (TCO)	Milestones / Deliverables This Quarter	Risks, Challenges and Major Activity	Milestones / Deliverables for Next Quarter
1064-68 Mission	1064-68	Mission	256	6	Rental	CONSTRUCTION	2/6/2020	10/20/2022	7/28/22 - SFDBI issues initial limited TCO 8/28/22 - SFDBI issues TCO for Clinic 9/30/22 - SFDBI issues 2nd Amended TCO for Residential	1). Utility connections - Perm Elec. and gas completed. 2). Approvals received by State Elevator Inspection and amended TCO for Residential and Clinic. 3). Completing construction work with punch/backpunch ongoing.	is ongoing and delaying completion of residential units for occupancy.	1). Certificate of Final Completion and Occupancy. 2). 100% Payment Application and Final Retention Payment. 3). Marketing and Lease-Up commencing.
500 Turk Street / 555 Larkin	500	Turk	108	6	Rental	CONSTRUCTION	2/12/2020	Mid-November 2022	10/6/22 TCO Est.	1). Utility connections - Perm Elec. and gas completed. 2). Commissioning and testing of building systems ongoing. 3). First floor TCO for office and 3 residential units move-in anticipated in early October 2022. 4). Completing construction work with punch/back punch ongoing.	Street Improvement Permit (SIP) issuance remains outstanding. State Elevator Inspection delayed until early November 2022. Significant fiscal impacts due to delays are being compiled.	1). Lease-up, referrals and application processing. 2). Punch and backpunch to reach completion and occupancy. 3). Issuance of TCO and CFC.
Treasure Island C3.2 - Maceo May	401	Avenue of the Palms	104	6	Rental	CONSTRUCTION	8/10/2020	1/15/2023	-	1). Ongoing demolition of rain damaged areas, repairs, testing and inspection. Clearance for bio growth completing this quarter 2). Wet Utility connections - Water, stormdrain and sewer 3). Complete exterior skin installation 4). Coordination of TI site logistics with adjacent project C3.1 during construction 5). Transformer installation for perm connection 6). Modular corrections	1). Infrastructure coordination, including streets, sidewalks, storm sewer, utility trench and connection 2). Mapping (incl. Street Addressing and Flood map) required for TCO - TIDA managing with DPW and sponsor 3). Rain events with damages, delays and coordination of repairs/inspections 4). Water intrusion repairs continue in parallel with original contract work	1). Exterior skin ongoing for completion in December 2). Perm Power Energization (Treasure Island is PUC exclusive infrastructure). 3). Unit and tower rebuild due to rain event in 10/21 ongoing 4). Progress with original contract work while rain repairs continue
681 Florida	681	Florida	130	9	Rental	CONSTRUCTION	10/19/2020	11/15/2022	8/22/2022	Substantial Completion received Murals complete Resident move in commences Building energized	1). Final Approval of Street Improvement Permit (SIP) 2).Installation and sign off of SFPUC streetlights	1). Final Completion received 2). Carnaval Tenant Improvement Permitting 3). Residents moving in.
4840 Mission	4840	Mission	137	11	Rental	CONSTRUCTION	6/24/2021	6/27/2023	-	Approval of Addenda 6, 10 & 11 Application for AHP Perm Power Application Deemed Complete. Overall perm energization date at risk (and completion date)	Acceptance of PGE/PUC Temp and Perm Power Design & Ordering of Transformers & Switchgear Coordination with residential neighbors	1). Approval of PGE/PUC permanent power design 2). Ti space leasing (except Clinic) commences 3). Draft Marketing and Lease-Up plan due (12 months prior to lease of of June 2023) 4). Finalize Public Art budget and Plan

April 1- September 30, 2022

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Balboa Park - Upper Yard and BART Plaza	2340	San Jose Avenue	130	11	Rental	CONSTRUCTION	5/1/2021	10/1/2022	-	Commercial space development plan finalize Approvals of SIP Permit PGE Design "Deemed Complete"	1). PGE/PUC final Perm Power Design & Ordering of Transformers & Switchgear "at risk" 2). Delay impacts due to PGE PUC design approvals and potentially extensive trenching and connection 3). Cost impacts due to PGE PUC design and connection points 4). Residual schedule impacts from rain delays in Sept. Oct 2021 5). PUC Streetlight approvals holding up SIP approval	Topping out achieved Complete YMCA Childcare design and apply for permit
921 Howard Street	921	Howard	203	6	Rental	CONSTRUCTION	7/10/2021	11/20/2022	-	Only minor permits remain. Temp power installed. Perm power nearing complete. Structure is topped out. Envelope largely complete. Interior construction progressing on most floors.	1) Windows continue to have quality issues. Every window is being tested. Roiughly 10% require repairs. 2) PG&E not yet scheudled for perm power connection. And may be significantly late. 3) PUC water connection not yet scyeduled and may be significantly late.	1) Start of Commissioning. 2) Resolution of windows. 3) Permanent Power connection 4) Permanent water connection
Sunnydale - Block 6 and Infrastructure Phase IA-1 - 1A-2	242	Hahn	167	10	Rental	CONSTRUCTION COMPLETING	OEWD providi	ng progress repor	ting			
Sunnydale - Block 3A and 3B	SE Corner	Sunnydale and Hahn	168	10	Rental	Permitting	OEWD providi	ng progress repor	ting			
Potrero Block B			157	9	Rental	Permitting	OEWD providi	ng progress repor	ting			
Hunters View Blocks 14 & 17	1151	Fairfax	118	10	Rental	Permitting	OEWD providi	ng progress repor	ting			
78 Haight - Central Freeway Parcel U	72-78	Haight Street	63	5	Rental	Permitting	4/11/2022	12/31/2024	-	1). Construction started without signed Neighbor Access Agreement with the adjacent Church at 68 Haight. 2). Adjacent Church has significant existing dryrot and foundation damage and Church is claiming their existing damage had been caused by the project's new shoring work. 3). Construction cannot proceed without erecting temporary shoring at Church and Church will not allow without signed Neighbor Access Agreement that stipulates that TNDC will pay for all repairs to Church that extend beyond the existing dryrot/foundation damage. 4). TNDC is unable to sign Neighbor Access Agreement without site investigation and knowing extent of costs.	1). With no Neighbor Access Agreement with Church, Project Sponsor to pause construction during last quarter of 2022 and restart January 2023. 2). Resolution of Temp and Perm power design and service provision (PGE / PUC) 3). Need funding extension since project will not be completed by 12/31/23 deadline.	1). Neighbor Access agreement with Church at 68 Haight needed for construction to recommence. 2). Finalize Temp and Perm Power design and service agreement. 3). Confirm funding extension and/or project direction.

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Shirley Chisholm Village - Educator Housing	1351	43rd Avenue	134	4	Rental	CONSTRUCTION	8/21/2022	5/20/2024	-	!) Loans approved. 2) Site clearing and Demolition underway	SFFD has required upgraded frie sprinkler coverage at EV charging stations. This may trigger an upgrade in the water service. Neighbors are complaining about vibrations from demolition.	1) Completion of excavation and foundations
Treasure Island C3.1		7 Seas at 6th Street	138	6	Rental	CONSTRUCTION	6/1/2022	5/30/2024	-	1). Coordination with TIDG, TIDA and C3.2 Maceo May regarding logistics, parking during commencement of Construction 2). Approval of gap financing 3). Award of State acelerator funds for start of construction Q2 22 4). Site permit, bldg permit, Add 2 superstructure issued Add 3 arch approved. MEP and Fire prot/alarm submitted. Health approved 5). Closed; site permit issued	1). PUC power 2) DBI delays with deferred Design-Build submittals 2). Coordination with TIDG, TI Task Force, and TIDA to complete infrastructure design, and resolve soils mitigation costs 3). Coordination with C3.2 Maceo May for logistics, access and construction parking	1). Switchgear approval with PUC. 2) Fire protection/alarm approval; 3). Continued coordination with TIDA and TIDG to resolve infrastrucutre and site logistics to accommodate accelerating levels of construction work in adjacent areas 4) Elevated slabs complete
266 4th Street	266	4th	70	6	Rental	Permitting	HOLD	HOLD	-	Agreement regarding design with SFMTA (MUNI Substation)	1). State funding award (required to start construction) 2). Agreement regarding design with SFMTA (MUNI Substation)	
730 Stanyan	730	Stanyan	160	5	Rental	Permitting	6/1/2023	12/1/2024	-	Site Permit issuance pending Preliminary Stormwater Control Plan. Addenda 1 for shoring and foundation submission pending Site Permit issuance. Since award of funding looks favorable in December 2022, construction could commence in May 2023.	1). Since Preliminary Stormwater Control Plan (PSCP) was mistakenly not submitted months ago, MOHCD will request SF Water for an exception to allow Site Permit issuance once the PSCP is submitted. May need to escalate for SF Water to grant exception. 2). Revisions to exterior enclosure, structural foundation and design-build systems may result in increase construction costs. 3). Draft PG&E/SFPUC Power Agreement has tie-in located 1-1/2 blocks away. Costs in budget need to be reconfirmed.	Site Permit issuance and submission of Addenda. Downpayment to PG&E/SFPUC required for utility progress and ordering of electrical switchgear. S5% CD bid set to determine GMP.
180 Jones	180	Jones Street	72	6	Rental	Permitting	5/17/2022	12/22/2023	-	Started Construction Piles & shoring complete Addenda 1, 2, 3, 8 received	1). Executing neighbor agreement for tower crane use 2). Resolution of Temp and Perm power design and service provision (PGE / PUC)	1). Approval of Temp and Perm Elec design and Service Agreements 2). Install Crane 3). Pouring Level 1 Slab and Starting vertical construction

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600 7th (801 Brannan)	600	7th St	221	6	Rental	CONSTRUCTION	8/8/2022	8/1/2024	-	1). GMP Contract executed 2). ADD 1 (Deep foundations, piles) approved; ADD 2 (foundations) approved; Add 3 and 4 submitted; responding to comments 3). Site Permit and Bldg permit Issued 4). State Financing awarded 5) Tmp power approved and paid	Risks/challenges 1). Resolution of Temp and Perm power design and service provision (PGE / PUC) 2). Logistics	1). Complete stone columns and piles; tower crane installed; mat slab commence. 2). Approval of ADD 3 and 4
The Kelsey	240	Van Ness	112	6	Rental	Permitting	2/15/2023	12/1/2024	-	1). Demolition of existing structures completed. 2). Addenda Nos. 1 (Ground Improvement) & 2 (Foundation/Concrete Superstructure) submitted. 3). Addendum No. 3 (Arch/Landscape/Civil) submitted 7/12/22 4). GMP over budget and \$1MM V/E achieved. 5). Housing Accelerator Fund approved and construction could start Feb 2024.	1). Addenda Nos. 1 and 2's plan-check comments need responses. 2). Resolution of Temp and Perm power design and service provision (PGE / PUC) 3). Loan Committee schedule to receive approvals for February NTP.	1). Addenda Nos. 1 and 2 issuance. 2). Cal Trans Permit. 3). Addendum No. 4 (MEP) and No. 5 (Tower Crane) submission. 4). Finalize GMP.
4200 Geary Street	4200	Geary	98	1	Rental	Permitting	2/20/2023	11/15/2024	-	1). CHA financing awarded; gap financing LC Dec; close Feb 2). CDLAC/TCAC application submission - did not submit 3). Value Engineering of updated pricing for Addendum 1 and 2 completed 4). Coordination of bulb-out and bus stop configuration with SFMTA 5). Historic Preservation review complete 6) Site mitigations permit approved	1). Finalizing and coordination of Temp and Perm power design and service provision (PGE / PUC); additional trenching and obstacles for vault 2). Coordination of final design of bus stop and bulb-out with SFMTA.3) Tight timeline for bids, additional VE, GMP contract and start of constr	1). Issue RFQ for Public Art - done 2). Complete abatement tasks - demo moved to start of constr 3). Finalize closing checklists for construction start Feb 2023 4) GMP contract 4) Service plan witrh HSH
2550 Irving	2550	Irving	177	4	Rental	Pre-Entitlement	4/1/2024	10/1/2025	-	1). Site Permit needs to resolve SFFD plan-check comments. Follow-up meeting to occur with SFFD. 2). Typically, Site Permit issuance is needed in order for Demolition Permit to be issued. Since Site Permit is pending, permit expediter will inquire about Demolition Permit release for mid-November 2022. 3). PG&E drawings provided to relocate existing underground PG&E service line running mid-parcel. 4). DD Cost Estimate due late October 2022.	1). Resolution of Temp and Perm power design and service provision (PGE / PUC) 2). Notice of Special Restrictions (NSR) need to be recorded for Site Permit issuance. 3). Plan-check comments need to be addressed for Site Permit and Demolition Permit Issuance. Demolition Permit may be appealed. 4). Construction cost estimates are continuing to escalate and V/E may be required. 5). Department of Toxic Substances Control (DTSC) site issue to be resolved in October/November 2022.	1). Notice of Special Restrictions to be recorded for Planning's sign-off on Site Permit. 2). Confirm Preliminary Stormwater Control Plan has been submitted. 3). Address plan-check comments for Site Permit issuance. 4). Demolition permit issuance. 5). DD Cost Estimate and V/E as needed. 6). On-going Temp and Perm power design and service provision (PGE / PUC)

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Balboa Reservoir - Building E		Lee Avenue	126	7	Rental	Pre-Entitlement	3/1/2023	12/1/2024	-	1). Site Permit application 2). Procurement of Construction Manager and GC Pre-Construction Services 3). Completed 50% Design Dev documents and received MOHCD comments 4). Public bathroom issue no longer holding up Building E development 5). Request for Additional \$2MM in Predevelopment funds to address shortfall to close of construction in Jan 2023	1). Gap funding challenges due to rents, construction costs and reduced Tax Credit Equity as a result 2). Land disposition and cost share analysis including entitlement required prior to Gap loan application 3). Infrastructure campus work receiving approval and completing on time.	1). State Park Grant Award 2). IIG Award 3). Prepare TCAC application for July submission 4). Commence Construction Documents 5). Receive Site Permit 6). Submit Addenda 1 & 2.
88 Bluxome	88	Bluxome	107	6	Rental	Pre-Entitlement	Unknown	Unknown	-	1). Since the primary developer has no current plans to proceed with the construction of their offices and the corresponding podium for the affordable housing, 88 Bluxome has been put onhold.	1). Project on-hold.	1). Project on-hold.
772 Pacific	772	Pacific	86	3	Rental	Pre-Entitlement	4/24/2024	1/1/2026	-	Architect, Owner's Representative and General Contractor selected for project. CCDC exploring if adjacent parcel could be purchased to facilitate banquet restaurant and increase number of senior housing units. Community feedback supports high-rise to maximize number of senior housing. CCDC discussing preliminary mid-rise and highrise plans with Planning.	1). Recent changes in State Legislation will require Planning application submission to preserve City's higher density calculation. 2). CCDC exploring mid-rise and high-rise options. High-rise direction would not qualify for SB35 and approval process will take years longer.	1). Project direction - Mid-rise or high-rise. 2). Community input and preliminary stakeholders/community meetings. 3). Planning Application submission prior to 12/31/22. 4). Viability of purchasing adjacent parcel to include in development.
1515 South Van Ness	1515	South Van Ness	122	9	Rental	Pre-Entitlement	5/1/2024	3/1/2026	-	1). GC and Environmental Consultant selected. 2). Mid-rise and high-rise conceptual plans developed. 3). Due to available funds, mid-rise 9-story building will be direction. 4). Project Sponsors asked Architect to develop plans with 6,000 SF of commercial space. 5). Project on Cortese List and Environmental Phase 2 report required for State Water Board's review and approval for SB35 to be applicable and streamline approval process.	1). Recent changes in State Legislation will require Planning application submission to preserve City's higher density calculation. 2). Environmental survey has commenced for Phase 2 report. 3). Ongoing refinement of conceptual plans to meet Owner's property management, maintenance and program needs. 4). Refinement of communications plan for upcoming Community Meeting. 5). Lot merger required.	1). Community Meeting presenting work-in-progress. 2). Planning Application submission prior to 12/31/22. 3). Conceptual Design Set and Cost Estimate. 4). Environmental Phase 2 report and submission is State Water Board. 5). Preapplication meetings with Planning, SFDBI, SFFD and MOD. 6). Developing Schematic Design set. 7). Start lot merger process.

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160 Freelon	160	Freelon	72	6	Rental	Pre-Entitlement	2/1/2024	3/1/2026	-	1). 100% Schematic Design set completed. 2). Community Meeting completed. 3). Site Permit submitted to SFDBI. 4). Ongoing V/E for 100% SD cost estimate for 9-story building.	floor-to-floor heights will need to be reduced to maintain mid-rise classification. 2). From adjacent future park owned by the City's Department of Real Estate, 160 Freelon is seeking 20 feet no-build zone to the west and north for light and air; fire access via hammerhead off of Freelon Street and temporary fire access to Welsh	Need SFPUC's determination on whether underground utility vaults on private property (future park owned by the City) will be acceptable.
1939 Market	1939	Market	187	8	Rental	Pre-Entitlement	6/14/2024	5/30/2026	-	1). GC RFP Issued - GC selected 2). Owners Rep Selected 3). Met with Planning to discuss entitlement options and mid versus high-rise design; decision finalized for high rise 15 stories (no basement) 4). Stakeholder meetings commence (Cultural District, HVNA, Transgender Cultural District, 5). Fact Sheet prepared and distributed w/in 300 ft radius6) Art consultant selected. 7) Coordination with tenant and neighbors for destructive testng/logistics 8) tribal notif complete	1). Mid and High-Rise feasibility analysis requires Arch and GC input to complete - resolved for high rise 2). Coordination of marketing with reopening of 95 and 55 Laguna waitlist re-opening 3) Uitilities, BART, and logistics challenges. 4) Financing options desire to market to 55-year-old seniors (and not limit to 62)	1). SD 100% MOHCD review ; begin DDs 2).PGE temp power application; perm power application 3)Destructive testing and shoring design 4) SB 35
725 Harrison	725	Harrison	123	6	Rental	Pre-Entitlement	3/1/2025	10/1/2026	-	COHORT 2 of 9 Site RFQ		
71 Boardman	71	Boardman	100	6	Rental	Pre-Entitlement	3/1/2025	10/1/2026	-	COHORT 2 of 9 Site RFQ		
967 Mission	967	Mission	92	6	Rental	Pre-Entitlement	3/1/2025	10/1/2026	-	COHORT 2 of 9 Site RFQ		1). Onboard GC, Architect & Construction Manager
Balboa Reservoir - Block F - Educator Housing	11	Frida Kahlo Way	151	7	Rental	Pre-Entitlement	8/22/2023	12/1/2024	-	1). Preparation of Site Permit Application (submission planned late May) 2). Design Development (DD) documents at approximately 50% 3). Construction Manager selected 4). General Contractor selection underway	1). Infrastructure gap financing sources needed 2). Final mapping and infrastructure approvals required to be completed no later than December 2022 to remain on schedule 3). Infrastructure start anticipated 4/1/23 for an August vertical start	1). Submission of Site Permit Application 2). Design Development (DD) documents achieve 100% completion 3). General Contractor engaged 4). Issuance of Infrastructure bid package