



DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY

AGENDA

REGULAR MEETING

COUNCIL CHAMBERS – 333 90<sup>TH</sup> STREET

MONDAY, OCTOBER 14, 2019 – 7:00 PM

For those wishing to address the Agency Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

**CALL TO ORDER**

**ROLL CALL**

**APPROVAL OF MINUTES**

JULY 22, 2019

**RESOLUTIONS**

**1. Developer Selection for 12.5-acre Site Located at Carter/Martin**

**PUBLIC APPEARANCE – ORAL COMMUNICATIONS**

NOTE: Speakers are limited to two minutes, unless modified by the Chair. The Board cannot take action on any matter raised under this item.

**ADJOURNMENT**



# Agency Agenda Report

Item # \_\_\_\_\_

Meeting Date: October 14, 2019

## **Subject: Developer Selection for 12.5-Acre Site Located at Carter and Martin Streets**

### Recommended Action

Select a developer to develop affordable housing on the Daly City Housing Development Finance Agency's housing asset parcel and to engage in master planning efforts with adjacent property owners.

### Background

With the dissolution of Redevelopment in California in 2012, a 12.5 Acre site owned by the Daly City Redevelopment Agency was transferred to the Daly City Housing Development Finance Agency (Housing Successor to the Redevelopment Agency) for the purpose of affordable housing. On July 22, 2019 the DCHDFA Board authorized staff to request qualifications from developers with an interest in developing the site. At that time, the Agency recognized benefits of an overall masterplan for a larger development site that would include the 12.5-acre DCHDFA site as well as all or a portion of adjacent sites owned by SyWest and the Cow Palace.

Specifically, the Agency concurred that an updated master plan would allow for well-coordinated and efficient utilization of the site by encouraging development to follow natural boundaries rather than arbitrary property lines. An updated Master Plan for the three-parcel site would provide guidance on the optimal land-use plan and address critical community concerns including traffic circulation, emergency vehicle access as well as provision of community-serving uses such as a grocery store and recreational spaces. More efficient site utilization will have the impact of reducing overall development costs which would allow for greater inclusion of uses with public benefits such as affordable housing, parks and community facilities. The Agency Board acknowledged that requesting developer credentials from a limited, targeted set of developers would reduce the administrative burden and time requirements for selection of a developer, while still encouraging the creativity and competition among developers that will result in the best possible development outcome to the City.

On July 22, 2019, the Agency Board authorized circulation of a Request for Qualifications from seven selected developers related to master planning and affordable housing development at the Carter/Martin property. As of August 30, 2019, the RFQ deadline, a total of three Qualifications statements were received from the following developers:

- Bridge Housing (in collaboration with Deca Development)
- Core Companies
- Mercy Housing and SyWest Development

## **DCHDFA Agenda Report**

**Subject: Developer Selection for 12.5-Acre Site Located at Carter and Martin Streets**

**Meeting Date: October 14, 2019**

**Page 2 of 5**

On September 23, 2019, the Agency conducted interviews with each of the developers. The interviews included a presentation from each developer followed by a question and answer session focused on six standard questions.

The developer selection criteria established in the RFQ included:

- Experience
- Concept
- Access to Capital
- SOQ Responsiveness

Overall, the Qualifications Statements, presentations and answers to questions from the Agency Board document that all three of the developers meet these criteria and are well-qualified to carry out development of the Carter/Martin site. (See Attachment A - Summary of Developer Qualifications).

### Discussion

To further inform the developer selection process, staff met with the Affordable Housing Committee on October 4, to prepare a summary of developer attributes of unique importance to the Carter/Martin site. (See Attachment B – Summary of Additional Considerations) This summary is organized into three basic categories that are critical to the success of the development and operation of affordable housing at the Carter/Martin site. These are:

- Predevelopment
- Development Concept
- Ongoing Operation and Management

#### **A. Predevelopment**

##### **Neighborhood Outreach and Engagement**

Development of the Carter/Martin site and larger Cow Palace property will result in significant transformation of the Bayshore neighborhood. The success of this process requires that master planning and development of the site reflects the larger goals and objectives for the Bayshore neighborhood. To achieve this, a neighborhood outreach and engagement process is needed that will include consultation and discussion with various stakeholders including residents, businesses and the school district. These discussions would include the opportunity to examine land use planning and program elements which will guide the development and build-out of the site. Ideally, the neighborhood outreach process will involve discussion of community-serving uses and associated

## **DCHDFA Agenda Report**

**Subject: Developer Selection for 12.5-Acre Site Located at Carter and Martin Streets**

**Meeting Date: October 14, 2019**

**Page 3 of 5**

services and will allow for refinements to the development proposal to incorporate community input and feedback.

### **Experience in Daly City/Bayshore Neighborhood**

A developer with experience building and operating affordable housing in Daly City is potentially beneficial for the Carter/Martin site because the developer would have an existing understanding of how various City departments and the City Council operate. Further, prior experience can provide staff with knowledge of a particular developer's approach and fit with the upcoming development process.

Because the Bayshore neighborhood is a targeted redevelopment project area, knowledge of and experience in the immediate neighborhood could provide the selected developer with an understanding that will inform, in a meaningful way, particular land use planning, design and operation decisions.

### **Project Design**

The design of buildings developed at the Carter Martin property will significantly transform the landscape of the larger Bayshore neighborhood. In addition, the overall size of the site, particularly when combined with adjacent properties, will require larger land use and urban design expertise in addition to design of particular buildings.

## **B. Project Concept**

### **Integration with Adjacent Property Development and Bayshore Neighborhood**

At the time the developer RFQ in July, the Agency Board recognized the benefit of an overall masterplan for a larger development site that might include the 12.5-acre DCHDFA site as well as all or a portion of adjacent sites owned by SyWest and the Cow Palace. The Agency referenced a 2004 Masterplan for the larger Cow Palace area which concluded that the joint use of the three sites would permit a more market-responsive and more efficiently laid out combination of retail and residential uses than could be built on any one of the individual parcels.

Working with adjacent property owners, an updated masterplan would allow for well-coordinated and efficient utilization of the site by encouraging development to follow natural boundaries rather than arbitrary property lines. An updated Master Plan for the three-parcel site would provide guidance on the optimal land-use plan and address critical community concerns including traffic circulation, emergency vehicle access as well as provision of community-serving uses such as a grocery store and recreational spaces. More efficient site utilization will have the impact of reducing overall development costs which would allow for greater inclusion of uses with particular public benefits such as affordable housing, parks and community facilities.

## **DCHDFA Agenda Report**

**Subject: Developer Selection for 12.5-Acre Site Located at Carter and Martin Streets**

**Meeting Date: October 14, 2019**

**Page 4 of 5**

Cooperation between the two or more of the three landowners is the critical first step towards a master-planned development. Particularly, cooperation with SyWest, the owner of the 11.16-acre site that shares the largest boundary with the Carter/Martin site, is critical to efficient, near-term development of affordable housing on the Agency parcel.

### **Onsite Amenities**

Thoughtful planning and construction of onsite amenities can promote the health and well-being of residents. They also increase the likelihood that a new development will serve as an enhancement to the surrounding neighborhood. These amenities might include parks that connect various segments of the neighborhood, bike connections, and neighborhood serving retail.

## **C. Project Operation**

### **Resident Services**

Onsite resident services enable residents to overcome barriers that enable to residents to achieve educational, health, financial and other quality of life outcomes. Resident services programs deliver meaningful programs that benefit all facets of their clients' life and might include after school programs, financial literacy education, wellness programs, social opportunities, informational and referral for mental health and or substance abuse programs. Resident services can help working-age adults to build resources, better manage their assets and advance their educational and career goals. For seniors, resident services program can provide assistance with accessing healthcare, social opportunities and other resources and activities that reduce isolation and improve quality of life and help residence maintain their independence in their housing.

### **Presence in Neighborhood**

From the standpoint of building operation, there are operating efficiencies and benefits if the owner of the completed development already operates and manages affordable housing in the area. When the owner's portfolio in a certain area is larger, there are opportunities for shared staff, maintenance and resident service resources. For example, when an owner has a cluster of affordable housing buildings in proximity, they have the ability to develop maintenance teams with mixed expertise which might include specialists in particular building trades (e.g. plumbing, heating electrical) making faster turn-around times on specialized building repairs possible.

Having multiple buildings in one neighborhood can also have the benefits for various public and non-profit service providers. Having one point of contact for several buildings that public safety and social service providers can contact regarding education opportunities, incidents, or service provision creates efficiencies for the larger community.

**DCHDFA Agenda Report**

**Subject: Developer Selection for 12.5-Acre Site Located at Carter and Martin Streets**

**Meeting Date: October 14, 2019**

**Page 5 of 5**

Summary/Conclusion

As described above, all three of the developers who submitted Qualifications Statements for the Carter/Martin property have the skills and experience to carry out development and operation of affordable housing at the Carter/Martin site. Staff recommends that the Affordable Housing Agency Board give consideration to two priorities that have been emphasized throughout the selection process:

- The desire for a master planned development that is well integrated with adjacent properties and the larger Bayshore neighborhood
- The desire to carry out the development of the site rapidly and put new affordable housing units into service as soon as possible

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,



Tatum Mothershead  
Director of Economic and Community Development

Attachments:

Attachment A – Summary of Developer Qualifications  
Attachment B – Summary of Additional Considerations

DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY  
MEETING MINUTES  
July 22, 2019

The meeting was called to order by Chairperson at 9:17 P.M.

ROLL CALL: Commissioners Present:

Ray Buenaventura, Chairperson  
Glenn Sylvester, Vice Chairperson  
Rod Daus-Magbual  
Pamela DiGiovanni  
Juslyn Manalo

Staff Present:

Shawna Maltbie, Executive Secretary/Director  
Rose Zimmerman, General Counsel  
K. Annette Hipona, Assistant Secretary

MINUTES:

**Special Meeting of January 14, 2019**

It was moved by Commissioner Manalo, seconded by Commissioner DiGiovanni and carried to approve the Special Meeting minutes of January 14, 2019.

RESOLUTIONS:

**Authorization to Issue Request for Qualifications for the Development of the Housing Successor Parcel at Carter and Martin Streets**

Betsy Zobell, Housing Community Development Director, reviewed the agenda report with the Commissioners. Discussion ensued with Commissioners and staff regarding the timeline.

The following spoke in favor of the proposed resolution:

Felix Auyeung – MidPen Housing  
Dixie Lira-Baus – Eden Housing  
Barbara Gualco – Mercy Housing

Smitha Seshadri – Bridge Housing  
Jonathan Stern – Bridge Housing  
Chris Neal – The Core Companies

It was moved by Vice Chairperson Sylvester, seconded by Commissioner Manalo and carried by unanimous roll call vote adopt the following resolution:

HFA-48, Authorizing Issuance of a Request for Qualifications for The Development of Housing Successor Parcel at Carter and Martin Streets

DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY  
MEETING MINUTES  
July 22, 2019

Page 2

ADJOURNMENT:

It was moved by Vice Chairperson Sylvester, seconded by Commissioner Manalo and carried to adjourn the meeting of the Daly City Housing Development Finance Agency at 9:40 P.M.

Approved this \_\_\_\_\_ 23rd \_\_\_\_\_ day  
of \_\_\_\_\_ September \_\_\_\_\_ 2019.

\_\_\_\_\_  
Assistant Secretary

\_\_\_\_\_  
Chairperson

	BRIDGE/Deca	CORE	Mercy/SyWest
	<b>Predevelopment</b>		
<b>Neighborhood Outreach and Engagement</b>	Qualifications statement included analysis of neighborhood census data. Presentation included reference to neighborhood outreach.	Qualifications statement includes reference to extensive outreach to the community and stakeholders	Qualifications Statement and presentation included detailed emphasis on pre-development community engagement process. Qualifications Statement includes overview of specific steps in Community Engagement process including identification of project stakeholders and elements of effective community meetings. Mercy has dedicated Vice-President for Community Engagement who works exclusively on planning and community acceptance plans and the creation of opportunities for community participation in the development process.
<b>Experience in Daily City/Bayshore Neighborhood</b>	Bridge developed Trestle Glen, near the Colma BART station. They were selected, with Sares Regis, to develop the SamTrans parking lot at Colma Bart.	Core is currently in the entitlements phase for a 72-unit mixed-use development at 493 Eastmoor.	Mercy has completed three developments in Daly City, as well as Carter Terrace in San Francisco that is within ½ mile of the Carter Martin property. It is redeveloping the Sunnydale community and has several existing apartments in the nearby Visitacion Valley neighborhood of San Francisco.
<b>Project Design</b>	Qualifications Statement references Seidel Architects as the project architect. Seidel Architects' work is focused in the SF Bay Area and includes extensive work in multi-family, mixed-use and transit-oriented development.	The Core qualifications statement did not identify an architect for the Carter/Martin site. Core has worked with several recognized architectural firms including David Baker, The Steinburg Group and Kwan Hemni	Qualifications Statement references Van Meter Williams Pollack (VMWP) as the project architect, the firm that coordinated design efforts for the Grand Boulevard Initiative, a collaboration of 19 cities, counties, local and regional agencies united to improve the performance, safety and aesthetics of El Camino Real. VMWP also designed Hillcrest Senior Housing and prepared site plans for affordable and market rate housing at the SamTrans parking lot at the Colma BART Station in Daly City.

Project Concept			
<p><b>Integration with adjacent property development and Bayshore neighborhood</b></p>	<p>The Bridge SOQ includes a letter from the Cow Palace Board indicating their expectation that any developer chosen from their current RFP process will work collaboratively with Bridge Housing, if Bridge is selected to develop the Carter/Martin site.</p>	<p>CORE has experience master planning large development sites with a range of housing types. For a project in San Jose, it assembled over 25 acres with seven separate ownership entities to develop a mixed income residential community.</p>	<p>Mercy Housing and SyWest Development have formed a partnership to develop a cohesive mixed income and mixed-use neighborhood that would total 23.65 acres. Their development concept envisions working and planning two sites together as a master planned community connected by a series of streets and a linear park. This integrated planning could result in a greater housing yield for the Agency property and “unlock” its ability to be developed in a cost-effective manner.</p> <p>The Mercy/SyWest SOQ includes a letter from the Cow Palace Board indicating their expectation that any developer chosen from their current RFP process will work collaboratively with Mercy/SyWest Team, Mercy SyWest is selected to develop the Carter/Martin site.</p>
<p><b>Onsite Amenities</b></p>	<p>The development concept in the SOQ did not call out any specific amenities, but at the interview open space was identified as a potential onsite amenity. BRIDGE has included in other projects onsite amenities such as a sport and wellness center, open air amphitheater, café and park.</p>	<p>Core’s development concept would include a park and other open spaces, perhaps an urban farm or some other unique use as desired by the community and stakeholders. It also envisions including educational focused spaces, perhaps childcare or tutoring spaces. Other amenities could include community rooms, gyms, workspace and perhaps commercial or retail space.</p>	<p>Mercy Housing and SyWest Development concept would include a linear park which runs through both the SyWest and Agency properties. In addition, the concept could include a small neighborhood pocket park or dog park with overlook seating. Other amenities include a community center and common courtyard, and resident services coordinator that would connect residents to community resources.</p>

## Project Operation

<p><b>Resident Services</b></p>	<p>Developer has a Resident Services division. Resident services not highlighted in Qualifications Statement or presentation</p>	<p>Resident Services not highlighted in Qualifications Statement or presentations. Portfolio includes a property that offers in-house services for Veterans</p>	<p>Resident services highlighted in Qualifications Statement and presentation as integral element of their development concept. Mercy is nationally recognized for service-enriched approach to housing development and operations.</p>
<p><b>Presence in neighborhood</b></p>	<p>Bridge developed Trestle Glen, near the Colma BART station, and they were selected, with Sares Regis, to develop the SamTrans parking lot at Colma Bart.</p>	<p>Core is currently in the entitlements phase for a 72-unit mixed income development at 493 Eastmoor.</p>	<p>Mercy has completed three developments in Daly City, as well as 3 developments in the Geneva /Visitation Valley area of San Francisco that are within less than a mile of the Carter Martin property</p>

Exhibit B

Summary of Developer Qualifications: Statements for Carter/Martin Property

Developer	Experience in Affordable Housing Development	Concept	Access to Financial Capital	Other
Bridge/Deca	<p>Since 1983: 17,000 Units 110 Properties</p> <p>Deca: none represented</p>	<p><u>Phase 1:</u> 125 affordable apartments 16 market rate townhomes</p> <p><u>Phase 2:</u> 215 affordable apartments</p> <p>Alternate concepts might include higher or lower proportions of affordable apartments or market rate townhomes.</p>	<p><u>Bridge:</u> Extensive experience with tax credits, tax exempt bonds, construction and permanent lending and numerous public financing programs.</p> <p>Total Assets: Over \$2.4 billion</p>	<p>*Selected developer for Colma Bart/SamTrans parking lot.</p> <p>*Completed development of 119-unit Trestle Glen affordable apartments in Colma.</p>
Core	<p><u>Since 1986:</u> 4,686 units 33 Developments</p>	<p>Envisions 2-4 phase development including a mix of rental and ownership housing, featuring 3 to 4 product types and targeting incomes ranging from Extreme Low Income to Market Rate.</p> <p>Qualifications statement reference various potential community amenities such as parks, open spaces, an urban farm, educational focused spaces such as: Childcare and tutoring spaces.</p>	<p>Extensive experience with tax credits, tax exempt bonds, construction and permanent lending and numerous public funding programs.</p>	<p>*Completed 60-unit Veterans housing development in Menlo Park.</p> <p>*72-unit affordable development on Eastmoor in Daly City pending.</p>
Mercy/SyWest	<p>Mercy Housing California <u>Since 1988:</u> 9,337 units 144 developments</p> <p>Mercy Housing Inc. <u>Since 1981:</u> 19,000 + units</p> <p>SyWest Development 60 Properties 4.2 million sq. ft. of leasable building space.</p> <p>SyRes affiliate 1,000 residential units</p>	<p>Proposed development includes two buildings:</p> <ol style="list-style-type: none"> <li>1) 130 units for low income families with incomes at 30 to 80% AMI</li> <li>2) 130 units for seniors with incomes at 30 to 60% AMI</li> </ol> <p>Developer has an integrated mission-based approach that includes extensive resident services component including education and wellness programs. Qualifications statement references extensive community amenities such as: Community center, open space</p>	<p><u>Mercy:</u> Extensive experience with tax credits, tax exempt bonds, construction and permanent lending and numerous public financing programs.</p> <p>Total Assets over \$3.1 billion</p>	<p>*Affordable Housing Developer has formal agreement with adjacent property owner to master plan and work collaboratively on a well-integrated development.</p> <p>*Has completed three affordable housing developments in Daly City (116 units) as well as four multi-family affordable developments in the Visitacion Valley/Bayshore neighborhood.</p> <p>*Selected developer for Master Planning and redevelopment of Sunnydale Housing Development in Visitacion Valley.</p> <p>*Qualifications Statement displays strongest commitment to integration of sites and provision of public amenities.</p>