Response to Questions and Answers from Pre-Submittal Meeting
(posted: 3/22/19)

JOINT OCCUPANCY LEASE OPPORTUNITY - RESIDENTIAL DEVELOPMENT PROJECTS
Request for Developer Qualifications

QUESTION 1: JOINT OCCUPANCY: how does the District envision this?

To comply with the Education Code, the developed property must maintain some District use. However, the Education Code provides some flexibility in determining appropriate District use. The District believes that by reserving units in the development for its employees, the joint occupancy requirement is satisfied. In addition to the provision of employee housing, the District is open to other ideas for fulfilling the joint occupancy component, particularly if it increases development capacity of the site.

QUESTION 2: SCHOOLS ON HOUSING SITE: Would it be all housing or can a preschool be on site?

Currently DSA regulations make development of a school and housing on the same property can be challenging in California. If you have a path forward to do both, we will not discourage a proposal with such plan.

QUESTION 3: WHAT IS THE DISTRICT’S VISION FOR MIXED USE?

There are a range of paths the Development Projects can take. We are hoping the selected developer will come up with solutions with the District on how to maximize teacher housing (80-120% AMI) and best utilize the land for public benefit.

QUESTION: 4 20 COOK STREET – This is an old building, possibly an historic site. Are there any previous reports on that building?

We received a lot of questions about 20 Cook Street. For the purpose of this RFQ, please assume 20 Cook Street is one continuous parcel. There are no previous assessments done and please refer to the City Planning Property Information Map website (https://sfplanninggis.org/pim/) to have consistent information. 20 Cook Street is currently and has been utilized as an administrative building.

QUESTION 5: FSKEY SITE – What was the goals/vision for this property?

We were looking for a partner who can leverage the site to best fit the needs of our teacher population. It was important to think about amenities for the teachers, less studios and more 2-3 bedrooms, and creating a development where people can enjoy to live in.

QUESTION 6: What about parking for the FSKey property?

The City is moving towards zero parking efforts but to address the neighborhood’s needs for more parking, the project will have 30-40 parking units available for the residents of FSKey. However, our focus group and data showed half the teachers do not utilize a car and use public transit or other modes of transportation (bikes, ride-share, etc).
QUESTIONS 7: TENANT LEASE STRUCTURE – Is the District looking to work with colleges and universities for partnership on leases?

*It is not our focus but included as one of many options we can explore.*

QUESTION 8: Can SFUSD please provide parcel maps for each site?

For the purpose of the RFQ, please refer to the SF City Planning Information Map: [https://sfplanning.org/zoning](https://sfplanning.org/zoning)

QUESTION 9: Given this is an RFQ, can SFUSD confirm and explain the need for audited financials?

*The District prefers to see audited financials but will accept unaudited financials or similar demonstration of ability to fund the project and make completion guarantees.*

QUESTION 10: The RFP document states that the Developer Team must have a general contractor’s license and cannot use the general contractor’s license of an outside general contract. In the pre-submittal conference on 3/12, it was indicated that an outside general contractor’s license would suffice for the RFQ. Please confirm.

*Yes and please refer to the amendments in Section 3.4*

QUESTION 11: 7th and LAWTON SITE

*We have received a lot of questions on the 7th and Lawton site. The Districts is aware of the temporary uses of the 7th Ave lot but for the purpose of the RFQ assume it’s a buildable vacant lot.*

QUESTION 12: In our RFQ it states: Financing plans that provide unit counts, proposed AMI levels served and rents charged, sources and uses of funds, annual operating expenses, replacement and operating reserve funding deposits, debt service coverage ratios, and 20-year cash flows showing allocations of surplus cash. This level of cash flow analysis requires detailed designs (beyond simple massing) and the cost input of a GC and will require more time to complete.

*This is about scenario planning and high level assumptions so please do not provide simple massing or general contract cost input. Use commercially reasonable assumptions based on your current developments.*

QUESTION 13: In the meeting it was stated that the ground lease was for 66 years by law, from what I recall. Are there any legal obstacles to proposing a 99 year ground lease?

*The current term is 66 years and we do not see any laws to change at this time.*
QUESTION 14: Does SFUSD expect City inclusionary low/very low income housing requirements to apply to mixed income development on these 3 sites?

Inclusionary does not apply to 100% affordable housing where all the units are restricted through an NSR. See below for the relevant Planning section. If the proposal is to do mixed income with market rate units, then see document (on the RFQ website) for the cheat sheet on inclusionary requirements from 2017 (rates will be higher for 2019).

(f) The Inclusionary Housing Program, shall not apply to:
(4) A 100% affordable housing project in which rents are controlled or regulated by any government unit, agency or authority, excepting those unsubsidized and/or unassisted units which are insured by the United States Department of Housing and Urban Development. The Mayor’s Office of Housing and Community Development must represent to the Planning Commission or Planning Department that the project meets this requirement.

(A) Restrictions. If a project sponsor takes advantage of this Subsection, all of the rules and regulations of the programs or recorded documents guaranteeing the affordability of the units shall govern the units and the requirements of this Program shall not apply.

(B) Conditions. In order to qualify for this provision, the project sponsor must record an NSR against the property that provides that, in the event of foreclosure or for any other reason, the project no longer qualifies as a project meeting the requirements of Subsection (4) the project will either:

(i) pay the Affordable Housing Fee plus interest from the date the project received its first construction document for the project if no affordable units were ever provided or, if affordable units were provided and occupied, then the Affordable Housing Fee with no interest is due on the date the units were no longer occupied by qualifying households; or

(ii) provide the required number of on-site affordable units required at time of original project approval and that those units shall be subject to all of the requirements of this Program.