



**UC HASTINGS**  
COLLEGE OF THE LAW

**REQUEST FOR QUALIFICATIONS  
#78-0175**

**Campus Housing – Academic and Mixed-Use  
Development Opportunity**

Questions & Answers

RFQ Due: Friday, April 6, 2018  
By 5:00 p.m. PT

Contact [purchasing@uchastings.edu](mailto:purchasing@uchastings.edu)

## **UC Hastings RFQ: Compiled Q & A**

**1. Do the known tenants/subtenants comprise 100 percent of the available space?**

As it stands now, 198 McAllister is fully programmed. At 100 McAllister (the Tower), the concept for the Great Hall is not fully developed, although UC Hastings would like to have a multi-purpose space to support a variety of functions with seating capacity for 400 seats. If mezzanine levels are added to the Great Hall, this would leave space for further development. There are also programming opportunities for Floors 2, 3, and 4 of 100 McAllister. As part of the RFP, UC Hastings will provide as much programming information as is available.

**2. Can you describe the collaboration between UC Hastings and UCSF so teams understand the structure and understand with whom they will be interacting?**

UCSF is anticipated to be a subtenant to UC Hastings. Through a recently executed Letter of Intent (LOI), UCSF indicated its intent to lease up to 40 percent of the units. UCSF will be providing input during design and construction; however, the primary decision-making entity will be UC Hastings.

**3. Are there any conditions of the EIR/CEQA that it is important to highlight?**

The EIR and other related documentation are available online (<https://www.uchastings.edu/about/lrcp/eir/index.php>), and prospective developers should review all mitigation conditions for themselves.

**4. What are expectations around public outreach?**

Because the College's relationship with its neighbors is very important, UC Hastings has already led extensive community outreach. UC Hastings, working with the developer as appropriate, will continue to lead community outreach efforts throughout this process.

**5. Should prospective developers assemble their entire teams at this point?**

Each respondent may decide whether to do so individually. It is not necessary to introduce the entire team at this time, but including this information may help the evaluation committee understand the relative strengths of the team. Information about financial and equity partners may be informative.

**6. What is the anticipated permitting process?**

Because of UC Hastings' status as a state entity, permitting occurs through the office of the State Fire Marshall and the Department of General Services Office of Accessibility. UC Hastings and the selected developer will work with the City and County of San Francisco on items such as public rights-of-way, utility tie-ins, street closures, re-routing of MUNI, etc.

**7. Is UC Hastings' existing housing below market?**

Yes. As is the case with most student housing, UC Hastings' housing is offered at below-market rents.

**8. Are plans as well as the current structural evaluation for 100 McAllister available?**

Links to plans and the full structural studies will be made available with the RFP.

**9. Is faculty housing also under the UC Hastings master lease umbrella?**

It is currently assumed that faculty housing will be part of the UC Hastings master lease, but this is to be determined in coordination with the selected developer.

**10. What components of the Tower are historic, and does the Tower qualify for historic tax credits?**

Information about historic resources at the Tower is available as part of the EIR documentation at <https://www.uchastings.edu/about/lrcp/eir/index.php>. The exterior of 100 McAllister has been designated as historic; it cannot be modified without written approval from the State of California's Office of Historic Preservation. It will be up to the developer to determine the appropriate use of tax credits.

**11. Can the development at 198 McAllister be higher than the assumed 14 stories?**

It is possible, but a departure from the existing entitlements would require an amendment to the approved EIR. It is UC Hastings' strong preference not to re-open CEQA.

**12. How community-facing is this project?**

A major objective of this project is to activate the street to bring vitality and safety to the neighborhood and to create a positive experience for pedestrians along the 198 McAllister façade.

**13. Will there be a master lease?**

Yes, the working concept is that UC Hastings will be the master lessee and will sublease space to other entities. All the terms of the arrangement with the developer remain "to be determined" at this stage of the project.

**14. What is driving the March 2020 schedule?**

The schedule is driven by the academic school year. Housing is needed in advance of the start of the academic year in the fall.

**15. Is UC Hastings committed to 592 beds?**

No, the final number and mix of units will be determined in consultation with the selected developer. Also, 592 is the proposed number of units in 198 McAllister, not the number of beds. UC Hastings will expect the selected developer to propose smart solutions to the number of units and beds. However, it is important to recognize that

developing new campus housing is one of the primary objectives of this project. In addition, it is important to note that the housing is for graduate-level students who value their privacy. This will need to be more like apartment housing than dormitory housing. Units are not expected to have their own full kitchens, although each unit will have its own kitchenette and bathroom.

**16. What level of finish is UC Hastings expecting for the YMCA?**

Information provided at the Bidders Conference was in error. A warm-shell condition is expected, not "turn key" project delivery as was orally communicated. The YMCA understands that it is financially responsible for its own tenant improvement costs.

**17. Does the job require prevailing wage? If yes, will it require prevailing wage at the factory?**

The project will require prevailing wage for the development projects and the ongoing operation of the facilities.

**18. What costs, fees, and taxes is the project exempted from?**

The public-private-partnership (PPP) is anticipated to be structured such that the tenant(s) are either 501(c)(3) entities and/or public entities that are exempted from local property taxation under state law in addition to select local exactions. The project will be required to pay for permit fees associated with utility tie-ins, sidewalk encroachments and other miscellaneous construction period costs.

**19. What are the target rents-- the RFP calls for "rents that are well below market rents"?**

The Letter of Intent among the University of California, Hastings College of the Law and The Regents of the University of California, on behalf of its San Francisco Campus, has provided preliminary average target rental rates in Section 14, Table C, for review and consideration. The average target rental rates and project economics will be reviewed as the project advances to ensure competitive rents for project tenants while maintaining project economics.

**20. Will the College agree to subordinate its ground lease to a senior mortgage for the purposes of both construction and permanent financing?**

UC Hastings will not subordinate its fee interest, but may consider subordination of the leasehold. All the terms of the arrangement with the developer remain "to be determined" at this stage of the project.

**21. When does the College prefer ground lease payments to commence? Immediately, at start of construction, at Certificate of Occupancy, or upon stabilization?**

UC Hastings would prefer the ground lease payments commence upon the execution of the ground lease, prior to commencement of vertical construction. Notwithstanding, all the terms of the arrangement with the developer remain "to be determined" at this stage of the project.

**22. Does the College want to consider a "date-certain" bondable net lease structure by which project-level financing is credit-enhanced by the College's commitment to commence rent payments on a set date, and to cover the operating costs the property? Such a structure will materially lower the developer's cost of capital, and thereby improve economics for the College.**

UC Hastings may consider various transaction structures that reduce risk and meet the broader project goals as outlined within the RFQ. However, it is anticipated the owner/operator of the vertical improvements will be responsible for operating costs. All the terms of the arrangement with the developer remain "to be determined" at this stage of the project.

**23. Does the College want to consider a conveyance lease structure, by which ownership of the improvements is transferred to the College at lease maturity?**

Yes. Again, all the terms of the arrangement with the developer remain "to be determined" at this stage of the Project.

**24. Please supply any available information on the College's financial condition by which we might evaluate how the capital markets will value the lease.**

As part of the RFP process UC Hastings will provide audited financial statements to selected participants.

**25. Does the College have any preferences for the structure of rental payments of the prospective ground lease (e.g. flat, increasing, up-front, or back-ended)?**

All the terms of the arrangement with the developer remain "to be determined" at this stage of the Project.

**26. Pro forma rents are inversely correlated with the pro forma ground lease payment. Can the College provide guidance as to which should be prioritized? Minimizing apartment rents (revenue to the developer) or maximizing ground lease payments (revenue to the College)?**

Unit rents and ground lease revenues are positively correlated, in that, all else being equal, higher unit rents will support higher ground rent payments. However, keeping rents below market and maximizing the annual ground rent are important elements of the PPP transaction structure. Through this developer selection process, UC Hastings is seeking the optimal balance.

**27. Will a stipend be offered for those participating in this process?**

UC Hastings will not consider a stipend for those participating in the RFQ process.