

Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

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Director

Proposal Review Fee

July 1, 2017

During the loan term, borrowers may pursue changes in how a project is funded; the most common example of this is when a borrower refinances another lender's debt on the project, which usually triggers a requirement that other lenders execute a subordination agreement. When formal approval is required from the City, MOHCD may need to engage in detailed analyses to ensure that any potential for increased risks to the City's investment and/or the viability of the project resulting from the proposed transaction is either mitigated or acceptable. The analysis also includes the work needed to create and negotiate any legal documents associated with the transaction. The Proposal Review Fee allows MOHCD to recoup the costs of staff time (including City attorney time) spent analyzing and approving the proposed transaction. Most other funders in the affordable housing field impose comparable fees for this work. The Fee charged for a given loan modification will vary depending on the complexity of the analysis and the transaction but will likely fall within a range of \$2,334 to \$10,000. A minimum fee of \$2,334 will be imposed, but if the cost of staff time spent responding to the request exceeds this amount, the agency seeking MOHCD's approval will be responsible for covering the additional cost.

MOHCD also exercises discretion to ensure that a Proposal Review Fee will not be imposed on projects that are struggling financially and whose owners or affiliates cannot pay it.

Please contact Mike McLoone via email with any questions about MOHCD's Proposal Review Fee at mike.mcloone@sfgov.org.