

Citywide Affordable Housing Loan Committee
San Francisco Mayor's Office of Housing and Community
Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller's Office of Public Finance

2530 18th Street

\$16,000,000

Preliminary Gap Loan Request

Evaluation of Request for:	Gap Loan Funding
Loan Committee Date:	June 24, 2022
Prepared By:	William Wilcox, Bond Program Manager
MOHCD Asset Manager:	AM TBD
Sources and Amounts of New Funds Recommended:	\$8,000,000 Housing Trust Fund \$8,000,000 Our City Our Home (HSH) Total: \$16,000,000
Sources and Amounts of Previous City Funds Committed:	\$0
NOFA/PROGRAM/RFP:	2022 NOFA for Affordable Rental Housing for Families Including Families Experiencing Homelessness
Applicant/Sponsor(s) Name:	Mercy Housing California and Homeless Prenatal Program

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	2530 18 th Street	Sponsor(s):	Mercy Housing California
Project Address (w/ cross St):	2530 18 th Street (at Hampshire), 94110	Ultimate Borrower Entity:	Mercy Housing California 104, L.P.

Project Summary:

2530 18th Street (Site) will be a new construction 73-unit affordable housing development with 50% of the units set aside for formerly homeless households (Project) and was competitively selected for funding by the 2022 Homeless Families Notice of Funding Availability (NOFA) issued jointly by the Department of Homelessness and Supportive Housing (HSH) and MOHCD. The Site is currently owned by the Homeless Prenatal Program (HPP), which is a partner in the development and after subdivision of the Site, will develop a new commercial space next to the new housing development. Units with formerly homeless households will be subsidized using the Local Operating Subsidy Program (LOSP) with residents referred through the Coordinated Entry System. The Project is seeking a commitment from MOHCD in support of its application for funding from the California Department of Housing and Community Development's (HCD) Multi-family Housing Program (MHP) and Infill Infrastructure Grant (IIG) program. The Project will have a mix of one, two- and three-bedroom units with half the units affordable to households at 30% of the San Francisco area median income (AMI), 12.5% of the units at 50% AMI and the remaining 37.5% of the units set at 70% AMI. This gives the Project an overall average affordability of 48% AMI. The HPP will provide case management services to the homeless households in the Project, funded by a contract with San Francisco Department of Homelessness and Supportive Housing (HSH).

Project Description:

Construction Type:	Type I-B	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	0.31 acres/ 13,504 sf
Number of Units:	73	Architect:	Mithun
Total Residential Area:	50,714 sf	General Contractor:	Suffolk Construction Company
Total Commercial Area:		Property Manager:	Mercy Housing Management Group
Total Building Area:	50,714 sf	Supervisor and District:	Ronen (Dist. 9)
Land Owner:	2530 18 th , LLC		
Total Development Cost (TDC):	\$78,177,801	Total Acquisition Cost:	\$5,909,600
TDC/unit:	\$1,070,929	TDC less land cost/unit:	\$992,025
Loan Amount Requested:	\$16,000,000	Request Amount / unit:	\$219,178
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- **Ownership Structure:** The site is currently owned by Homeless Prenatal Program, the commercial space and services partner organization. The commercial space will be funded with New Markets Tax Credits and no other City funds, while the residential space anticipates funds from MOHCD. The site may be subdivided with an air rights parcel. The City must consider HPP's request for a waiver to MOHCD's commercial space policy to either forego a commercial ground lease or waive the requirement for residual receipts split of any cashflow. MOHCD is working with the City Attorney's Office (CAO) to identify similar transactions to use as a model. Please see section 4.1.
- **Construction Costs;** Project hard costs are currently 37% above comparables per unit and MOHCD will work with Mercy to ensure the project is effectively value engineered both in hard costs and in the operating budget to maximize affordability while maintaining long-term positive cash flow. Please see section 4.4.
- **Competition for Financing:** The project has high per unit construction costs and is in a moderate resource area per the TCAC/HCD Opportunity Maps. This means it does not qualify for the CDLAC 120th point and will need to compete for an allocation of bonds and 4% tax credits based on its tiebreaker. While the project will qualify for both the Homeless and ELI set-asides at CDLAC and we expect a more favorable tiebreaker in future rounds, the high costs and resource area designation still pose a challenge to competitiveness. Please see section 6.5.2.

SOURCES AND USES SUMMARY

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD/OCII	\$16,000,000	\$219,178	55 yrs @ 3% / Res Rec	This Request
HCD-MHP	\$23,141,457	\$317,006	56 yrs @ 3% / Res Rec	Not Committed
HCD-IIG	\$5,060,736	\$69,325	55 yrs @ 3% / Deferred	Not Committed
AHP	\$1,080,000	\$14,795	55 yrs @ 3% / Deferred	Not Committed
Investor Equity	\$32,015,608	\$438,570	\$0.93 per credit	Not Committed
MOHCD Deferred Interest	\$880,000	\$12,055	N/A	
Total	\$78,177,801	\$1,070,929		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$5,909,600	\$80,953	\$67
Hard Costs	\$58,078,319	\$795,593	\$659
Soft Costs	\$11,420,322	\$156,443	\$130
Reserves	\$569,560	\$7,802	\$6
Developer Fee	\$2,200,000	\$30,137	\$25
Total	\$78,177,801	\$1,070,929	\$887

1. BACKGROUND

1.1. Project History Leading to This Request.

The proposed site (2530 18th Street) is a 0.3 acre lot at the corner of 18th and Hampshire Streets in the Mission District. It is adjacent to the Homeless Prenatal Program's (HPP) main operational building at 2500 18th Street, with which it shares a property line. HPP financed the acquisition of the site in 2020 with the intention to expand their program in the ground levels with affordable housing above. San Francisco Housing Accelerator Fund subsequently provided acquisition and predevelopment financing. The site underwent a zoning map change through the Board of Supervisors in August 2021 that changed its zoning designation from Production, Distribution and Repair (PDR) to Urban Mixed-Use (UMU). The legislation (co-sponsored by Supervisors Walton, Ronen and Stefani) had over 80 letters of support. The designation allows for residential mixed-use projects and also was unanimously approved and allowed the site to utilize SB35 for expedited entitlements (expected by July 2022).

MHC and HPP applied under the joint MOHCD/HSR NOFA in 2022.

1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

NOFA for Affordable Rental Housing for Families Including Families Experiencing Homelessness, issued jointly by MOHCD and HSR. The project was the only qualifying application for the NOFA.

1.3. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

1.3.1. Borrower. Mercy Housing California 104, L.P., with Mercy Housing California 104 LLC as the general partner and Mercy Housing Calwest as the sole member/member thereof, and South of Market Mercy Housing as the initial limited partner. At construction closing, the limited partner will be replaced with the investor limited partner.

1.3.2. Joint Venture Partnership. MHC and Homeless Prenatal Program (HPP) have partnered as co-developers for the development of 2530 18th Street, collaborating on various aspects of the development of the vision and programming of the project. Mercy Housing California will take a lead role on the real estate development responsibilities including design, entitlements, engagement of community on development issues, permitting, budget, securing financing and operating subsidies, construction administration, lease-up, property management, services planning and implementation, and asset management including regulatory and budget compliance. HPP will actively shape the community engagement strategy for the overall

development, inform the service delivery, and will lead the development of its TI space and a renovation to its existing building at 2500 18th Street. HPP is not a part of the tax credit ownership entity but will be receiving \$200,000 of the developer fee to support payment of the owner’s representative fees.

1.3.3. Demographics of Board of Directors, Staff and People Served.

	Sexual Orientation	Gender Identity	Race
 Mercy Housing California Board	Question not asked	M: 7 F: 11	Asian: 2 African American: 4 Caucasian: 9 Latinx: 2 Biracial: 1
 Mercy Housing, Inc. Board	Question not asked	M: 10 F: 10	Asian: 1 African American: 3 Latinx: 1 Caucasian: 15
 Mercy Housing, Inc. - All Staff	Question not asked	Female – 58% Male – 42%	2 or More Races – 3% American Indian/Alaska Native – 1% Asian – 11% Black or African American – 24% Hispanic or Latino – 22% Native Hawaiian/Other Pacific Islander – 1% Not specified – 1% White – 37%
 Mercy Housing California - All Staff	Question not asked	Female – 57% Male – 43%	American Indian/Alaska Native – 1% Asian – 21% Black or African American – 17% Hispanic or Latino – 31% Native Hawaiian/Other Pacific Islander – 2% Not specified – 1% White – 22%
 Mercy Housing California - Development Staff	Question not asked	Female – 50% Male – 50%	Asian – 20% Not specified – 20% White – 60%

1.3.4. Racial Equity Vision.

Mercy and HPP are committed to advancing racial equity. Racial equity is central to achieving Mercy’s mission and founding values of: Respect, Justice, and Mercy. Nationally, Mercy has established a Racial Equity, Diversity, and Inclusion (REDI) team to create Racial Equity Action Plans for all departments and Mercy Senior Vice President of REDI, Web Brown leads this work and coordinates concrete action across the organization. Mercy launched this REDI Initiative in early 2018, and held conversations about the fair and just inclusion of people of color throughout the organization and within Mercy’s communities. Mercy has established a REDI Collaborative and REDI Steering Committee that are made up of members from all of their geographic areas and departments to guide their organizational REDI work and provide recommendations to senior leadership on concrete ways to achieve improved REDI within the organization. Mercy created a framework to evaluate their progress

and growth that focuses on a variety of areas, including Recruitment and Resident Empowerment.

HPP is dedicated to racial equity both externally and internally. Externally, HPP acknowledges institutionalized racial discrimination as a leading contributor to family poverty and homelessness. Internally, HPP has an Equity Workgroup that is currently working with outside consultants to enact an equity roadmap.

1.3.5 Relevant Experience.

Mercy Housing California (Mercy) will be the lead developer with the Homeless Prenatal Program as co-developer advising on specific areas of the development approach. Mercy has developed over 50 properties in San Francisco over the past 35 years. The success of these developments is a result of strong affordable housing expertise used to innovate and leverage financial structures, construction delivery methods (to reduce cost and increase quality) and service delivery models to make affordable housing more responsive to diverse, vulnerable residents' needs.

MHC has decades of experience developing for low-income families and formerly homeless households. In San Francisco, MHC has developed 22 properties (1,837 units) for families and 20 properties (1,897 units) for formerly homeless households. In California, MHC has developed 81 properties (5,432 units) for families and 39 properties (1,897 units) that serve formerly homeless households.

The Homeless Prenatal Program is a nationally-recognized family resource center in San Francisco that empowers homeless and low-income families, particularly mothers motivated by pregnancy and parenthood, to find within themselves the strength and confidence they need to transform their lives. The agency serves over 3,000 families in-need annually, providing a variety of programs and services to help families become healthy, stable and self-sufficient. The first agency in San Francisco to hire former clients as staff, HPP's evolution has been guided by the community it serves. More than half of HPP's immensely talented staff of 120+ is formerly homeless mothers and graduates of the agency's 16-month, paid Community Health Worker Apprenticeship Program, which trains women for careers in the nonprofit sector.

1.3.6 Project Management Capacity.

2580 18th Street is staffed by Mercy's Kion Sawney (40% FTE) as Project Developer, Leigh Ann Larena (25% FTE) as Assistant Project Manager, with supervision by William Ho, Associate Director of

Development, and Barbara Gualco, Regional Director of Development.

HPP’s Development Director, Kristin Hatch (35% FTE) and Rachel Stotzfus, Director of Housing and Partnerships (60% FTE), staffs weekly project check-ins with MOHCD and coordinates on facility’s needs as they relate to the programming through construction of the project, with supervision and support by Martha Ryan, Founder. See individual staff resumes attached.

1.3.7 Past Performance.

- 1.3.7.1 City audits/performance plans. No contract issues or performance issues from the MOHCD Community Development team for Mercy Housing.
- 1.3.7.2 Marketing/lease-up/operations. Recent marketing at Mercy projects has been overall successful and positive. An ongoing issue is that Mercy continues to use staff from its national headquarters in Denver, Colorado for marketing and these staff generally do not understand San Francisco’s policies. This has continued to produce challenges, though lease up has continued without major setbacks of any kind.

The below chart represents the number of people currently living in MHC owned properties in San Francisco, disaggregated by race. MHC owns 4,217 units of affordable housing in San Francisco.

Race	Count of	Ethnicity	Count of
Asian	2995	Not-Hispanic or Latino	5576
White	1385	Hispanic or Latino	1383
Black or African American	1155	Member did not specify	180
Other	1092	Blank	32
Member Did Not Specify	212		
Native Hawaiian or Other Pacific Isl	173		
American Indian or Alaska Native	154		
Blank	10		
	7176		7171

To date, through end of 2021 there were 5 evictions in Mercy’s 4,217-unit portfolio. Mercy does not currently track move out reasons, including evictions, by race at this time.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	<p>The site is located in the Urban Mixed Use zoning district and the XXX Height and Bulk District. The UMU district is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. Within the UMU, permitted uses include, but are not limited to retail, educational facilities, and housing, with family-sized dwelling units encouraged. Under UMU, at least 40% of all dwelling units must contain two or more bedrooms or 30% of all dwelling units must contain three or more bedrooms. However, this does not apply to the Project, as it is 100% affordable.</p> <p>The site underwent a zoning change in August 2021 from Production, Distribution, and Repair (PDR) to Urban Mixed Use (UMU).</p>
Maximum units allowed by current zoning (N/A if rehab):	Maximum housing units is not controlled by the size of the lot, but form- based density—the controls for height, bulk, massing, and unit mix set the “density” of the Site.
Seismic (if applicable):	Seismic Zone 4; PML SUL are N/A because there are no existing structures that will be retained.
Soil type:	<p>Geotechnical Engineering firm Rockridge Geotechnical undertook borings and cone penetration tests (CPTs) at the site and compiled a report in November 2021.</p> <p>Rockridge reported that the fill consists of loose to medium dense clayey sand and clayey gravel and stiff sandy clay. The fill extends to depths of about 10 feet bgs near the eastern property line and 13 to 15 feet bgs near the western property line. Harris and Lee Environmental Sciences, LLC has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E1527 of the Subject Property designated as San Francisco County Assessor’s Parcel Number 4014 -002A with the physical address of 2530 18th Street, San Francisco, CA 94110. Any exceptions to, or deletions from, this practice are described in Section 2.4 of this report. This assessment has revealed no evidence of Recognized Environmental Conditions in connection with the property.</p> <p>The fill is underlain by native alluvium consisting of very stiff to hard clay with variable sand content and dense to very dense clayey sand. The alluvium extends to top of claystone. Along the eastern property line, borings encountered top of claystone at depths of 35 and 39 feet bgs. The claystone encountered in is soft, friable, and deeply weathered. The western portion of the site, has likely bedrock, at depths of 32 to 35 feet. Groundwater was</p>

	encountered in the borings at depths of 18.7 and 19.8 feet bgs at the end of drilling. The primary geotechnical concerns are: 1) the presence of undocumented fill that is susceptible to erratic static settlement, and 2) providing adequate vertical and lateral support for the proposed building.
Environmental Review:	Harris and Lee Environmental Sciences, LLC completed a Phase I report on December 15, 2021. The report found no evidence of recognized environmental conditions on the property.
Adjacent uses (North):	2445 Mariposa Street is a 69-unit affordable housing building managed by Mission Housing Development Corporation
Adjacent uses (South):	626 Potrero is a parking lot
Adjacent uses (East):	593 Potrero is a three story mixed use building with ground floor commercial
Adjacent uses (West):	2600 18 th Street is a 24-unit live/work condo building
Neighborhood Amenities within 0.5 miles:	John O'Connell Technical High School is 0.4 miles away, Safeway is 0.3 miles away, Franklin Square Park is .17 miles away, Downtown High School is 0.2 miles away, Zuckerberg SF General Hospital is 0.5 miles away
Public Transportation within 0.5 miles:	Bus lines 9, 22, 27, 55, 90, 292, 397 are within 0.5 miles
Article 34:	Project is required to adhere to Article 34 requirements and will obtain approval before predevelopment loan executed.
Article 38:	Not Exempt. Compliance with Article 38 is provided by all fresh air being provided via mechanical ventilation with MERV-13 filtration at the point of air intakes.
Accessibility:	Per updated TCAC minimum building standards, 15% will be mobility units; 10% will be accessible for households with hearing and/or visual impairments. All units will be adaptable. Sponsor is working to meet a high-level of universal design standards intended to include additional mobility features within the residential units to ease modification to meet residents' specific needs.
Green Building:	Will target GreenPoint Gold rating
Recycled Water:	Exempt
Storm Water Management:	The stormwater management plan is under development and has not yet been submitted to the PUC.

2.1 Description.

The subject site is a rectangular shaped parcel slightly sloped in an uphill eastern direction starting at Hampshire Street and along 18th Street. The subject site is situated at the northeast corner of 18th Street and

Hampshire Street in the Mission neighborhood. The subject site is currently use as a vacant warehouse and doesn't contain any unique features that will increase project cost or require environmental remediation.

The site will ultimately be split by an air rights subdivision to separate the commercial and residential portions of the building and facilitate separation of costs on a pro rata basis.

2.2 Zoning. The proposed project has received its Notice of Eligibility for SB-35 from the Planning Department that will afford it expedited approvals for both CEQA (from which it is exempt) and land use entitlements.

MHC has successfully used SB35 for four projects thus far in San Francisco: Casa de la Mission, 1064 Mission, 600 7th Street, and 833 Bryant. Even with streamlined approvals, MHC acknowledges it is critical to engage the community in a thorough, respectful manner to get ahead of potential issues and gather the support to ultimately build successful communities.

2.3 Probable Maximum Loss. N/A

2.4 Local/Federal Environmental Review. A NEPA consultant has been engaged for this project and that cost is reflected in the predevelopment funds. There is no current requirement for NEPA review, but the project is structured to easily pivot towards a federal funding source, such as Continuum of Care operating subsidies, if necessary.

2.5 Environmental Issues.

- Phase I/II Site Assessment Status and Results. Phase I found no recognized environmental issues.
- Potential/Known Hazards. N/A

2.6 Adjacent uses and neighborhood amenities

There are three schools within 0.5 miles of the site, which serve elementary and high school students. Additionally, the nearest park, Franklin Square has open space, a soccer field, and a tot lot which serves a wide range of ages and family needs.

2.7 Green Building.

Environmentally preferable products are prioritized for incorporation throughout the building including: materials which are sourced locally and/or high in recycled content; non-toxic paints, as well as coating and materials that are free of VOCs and phthalates. Prioritization of healthy, non-toxic materials will begin within the residential unit, where people spend the most time and have the highest levels of exposure. Another area of emphasis is energy performance. In order to reduce energy & fossil fuel usage, the Sponsor is proposing an all-electric building, with photovoltaic arrays on the roofs. Together with an upgraded

envelope design, energy recovery ventilation units (ERVs) for fresh air within the residential units & the use of electric heat-pump systems for hot water heating, this strategy is a cost effective way to meet the energy goals and low-maintenance needs of affordable housing projects. The project will target, at a minimum, GreenPoint Gold rating.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

MHC and HPP began community outreach ahead of the zoning change on the site. Two community meetings in 2021 and 2022 were hosted as well as a meeting with Supervisor Walton and numerous conversations with stake holders. The zoning change ultimately had 80 letters of support at the public hearing.

3.2. Future Outreach.

Even with streamlined approvals, it is critical to engage the community in a thorough manner to hear potential concerns, build trust and generate project support. HPP has a communication plan and will meet with the community as needed throughout operations. Collaboration is central to its approach.

Likewise, even with the constraints imposed by health guidelines related to Covid-19, both agencies have deepened their commitment to reaching difficult-to-access communities. MHC now conducts outreach efforts in 10 new developments since March 2020 through a combination of mailings, e-mail, conference calls, virtual community meetings, virtual office hours, virtual one-on-ones, and a development website: <https://www.2530-18th.org/>

Both HPP and Mercy strive to be fully-inclusive of BIPOC and non-English speaking community members. MHC conducts complex community outreach processes across the City of San Francisco, including in many diverse communities with non-English speakers. MHC will provide outreach and marketing material in various languages, in addition to translation and interpretation, as needed. HPP's staffing model includes former clients, many of whom are BIPOC, bilingual and/or have lived experience of poverty, housing insecurity and homelessness. HPP welcomes client input into program design and enhancement. For instance, HPP recently held a focus group for this project composed of bi-cultural, bilingual staff – many of whom are former clients and have lived in subsidized housing – to hear their advice regarding design and other decision-points. Recently a parallel process has started at Mercy properties.

The development team has 3 more community meetings planned from the project. The next one is planned for July 28th at 6PM. The meeting will provide an update of the overall development and have a specific focus on

the expansion of HPP services at 2530 18th street and changes to the HPP main on Potrero Street. The next meeting will focus on the residential common areas and key features of the development. The final meeting will be a construction kick off. Residents within a 500 radius of the property will receive a postcard with the meetings invitation and QR Code with translated versions of the post card. HPP will be doing direct outreach to key community members to invite them to the meetings.

The development team is constantly evaluating the need and format of these meetings to ensure that the community remains actively involved and informed.

3.3 1998 Proposition I Citizens' Right-To-Know.

Chapter 79 of the City's Administrative Code requires public noticing (Prop I) for initial City funding made to any new construction project. The Sponsor will need to complete the noticing process immediately following Loan Committee's approval of this request.

4. DEVELOPMENT PLAN

4.1. Site Control. Mercy Housing California 104, L.P. has an option to purchase the site from 2530 18th, LLC, which is wholly owned by HPP.

4.1.1. Proposed Property Ownership Structure

4.1.1.1.1. Prior to closing, HPP and MHC will conduct an air rights subdivision of the building, to separate the commercial and residential portions. The residential air rights parcel will be sold to MOHCD and ground leased to Mercy Housing California 104, L.P. The commercial parcel will be sold to the New Markets Tax Credit entity.

4.2. Proposed Design. The project, located at the border of the Mission and Potrero Hill neighborhoods, will provide 73 affordable homes, 50% of which will be targeted for formerly homeless families. The approximately 92,000 sq. ft. 8-story building includes a mix of 1, 2 and 3 bedroom apartment homes, residential support and amenity spaces and community serving commercial spaces on the lower two floors to enable the Homeless Prenatal Program to expand the critical services and programs they provide to the community. Sited on a sloping urban infill site at the NE corner of Hampshire and 18th streets, the project provides accessible entries for both the residential and commercial programs that are accessed via the relatively flat frontage along Hampshire Street. The building will have two elevators dedicated to the residential portion of the building, serving units and residential amenity spaces. No off-street parking is proposed but the project includes the requisite 73 fully compliant class 1 bicycle parking spaces.

Residential SF:	75,398
Commercial SF:	Separate Parcel
Building Total SF:	75,398

UNIT TYPES	Avg Unit SF - This Project	CTCAC-Required Minimum SF
1BR:	538	450
2BR:	759	700
3BR:	1086	900
Do all units meet CTCAC minimum SF?	Y	

4.3 Rehab Scope: N/A

4.4 Construction Supervisor/Construction Representative's Evaluation

4.1.1 Construction Supervisor/Construction Representative's Evaluation

The project comprises 73 units in a mix of 1, 2 and 3 bedroom sizes, dedicated residential services, property management, an HPP Community Services facility, and landscaped courtyard, designed by Mithun Architects, an San Francisco design firm with extensive experience in multifamily mixed use with an emphasis on affordable housing. Notably, there is a significant and unusual amount of Commercial space largely dedicated to the HPP Community Services, including a small “café” space facing Hampshire Street, which is part of the commercial parcel. Floors 4 through 8 are efficiently stacked units in 1, 2 and 3 bedroom configurations, and each floor also features a “study” overlooking the courtyard and community garden. The building façade up to the 7th and 8th floors, presents a “crinkled” design with a mixture of thin brick tile and metal panel cladding and glazing areas of varied sizes, while the 7th and 8th floors as well as the courtyard facade receive a cement plaster finish.

The Schematic Design (dated 3/22) incorporates an HPP Community Services space, an approximately 20,000 sf facility on two levels, anticipated to become an air rights parcel and finished to a ‘warm shell’ standard. Due to its size, use and configuration, this area requires thoughtful strategies to contain cost and ensure efficient, active and welcoming space. The HPP Community Services Space includes a small cafe entering on Hampshire, adjacent to the Residential first floor lobby, mail, management, resident services, and utility spaces and shares the 2nd floor with 4 residential units. The Community Services Space is served by a dedicated 2 stop elevator and an adjacent large stairway while the 4 residential units on this level are served by 2 residential elevators

of 8 stops, and 2 egress stairs. The northeast corner of this second level features a Community Garden, ostensibly in its current location, and on grade (as the site slopes and meets the second floor). The remaining residential unit floors begin on the 3rd level where residential units and an HPP resident dedicated Community Room, Laundry Lounge, Courtyard and casual gathering spaces wrapping the 2 residential elevators that serve the remaining floors to the 8th level.

The project faces challenges in cost containment in an environment of a highly volatile construction market combined with a unique set of program challenges. The current Hard Cost Construction budget, with per unit and per bedroom costs approximately 37% and 32% in excess of the average comparable projects of this type, is due in part to the current costs in labor and materials, high quality design and in part due to the unique programmatic strategy of the HPP Services facility. The per square foot costs in contrast, are within a comparable range, which reflects the challenge of a relatively small number of units/beds within the building envelope, shared with a relatively large amount of ancillary (HPP Community Services space). These conditions create an imperative to establish critical design goals as the project enters the Design Development phase. It is recommended that this phase include careful reconsideration of the space needs for each program and opportunities to create flexible, multi-use spaces and reduce dedicated, often underutilized space that requires conditioning, maintenance, security and cleaning. Opportunities that might warrant consideration is the 2nd floor space allocated to each of the Community Service and Residential Spaces with potential to reduce Community Service spaces that could be multi-purpose rather than full time dedicated ones, and possibly increase the number of residential units on this floor. Also, sharing the residential elevators with the Community Service 2nd level with key-fob access might also be considered. The exterior treatment may also be revisited in its treatment to enliven its visual presence while also reducing the more expensive finish area. The “Study” spaces on each floor might also be further evaluated to determine whether they will be enclosed, controlled or open and how they may be programmed, or left as flexible meeting areas.

4.5 Commercial Space.

- Space Description.

The project includes a separate commercial parcel on the lower two levels which will be designed as a ‘warm shell’ for future Tenant Improvements. The approximately 12,500 sf will be designed for the Homeless Prenatal Program, and will include flexible, multi-use office, program and training spaces along with other supportive spaces. This

space will have own dedicated elevator. The commercial space will be an air rights parcel.

- Commercial Leasing Plan. Homeless Prenatal Program will be the tenant and equity partner of the NMTC partnership for the commercial air rights parcel space.
- Operating Pro Forma. The commercial space will be separately financed using New Markets Tax Credits and thus commercial income will not be included in the residential project financing.
- Tenant Improvement Build Out. All tenant improvements in the commercial space will be separately funded by Homeless Prenatal Project, which will also cover a pro rata share of building envelope costs.

4.6 Service Space.

Amenity and support spaces include a community room, kitchen, outdoor common space, common laundry, small on-floor lounges or studies, management offices, lobby, circulation, and supportive service spaces designed to serve the intended population. The ground-floor residential amenity space is intended for resident gathering, mail, stroller/bike storage, resident services, maintenance, and residential management.

4.7 Interim Use. N/A

4.8 Infrastructure. N/A

4.9 Communications Wiring and Internet Access.

The project will comply with the MOHCD Communication Systems Design Standards, in conformance with the Fiber to Housing (FTH) program implemented by MOHCD and DTIS. Service to the building from Public Right of Way to a MPOE and to IDF is designed to adequately accommodate City fiber and cabling for City DTIS and multiple service providers. Owner, Property Manager and Services Provider(s) shall coordinate adoption of FTH services by residents to the greatest extent feasible to ensure residents receive high quality free internet service.

Temporary power service will be provided by PG&E with permanent power service provided by SF PUC. A waiver has already been approved for the temporary power service.

4.10 Public Art Component.

Public Art is required for this project. The development will represent a significant investment to the community and the creation of public art is an essential element. The development team is interested in introducing innovative and impactful artwork into the project that will have a positive impact to the building's inhabitants, the Mission community and greater San Francisco. An important aspect of this process is the creation of a curatorial statement that will guide public art selection and potentially art

within the property. The team is keenly interested in exploring how art can advance the HPP Theory of Change and the project goal of ending the cycle of poverty for homeless families. The project team selected Denver based Nine Dot Arts as its consultant. The total public art budget requirement is \$117,263.

4.11 Marketing, Occupancy, and Lease-Up. The 50% of the units funded with LOSP will be leased up through HSH's Coordinated Entry system. The remaining lottery units will be leased through the typical lottery process with additional limitations on preferences due to HCD funds in the transaction. Mercy's final marketing plan should address specifically any challenges that may arise from the large number of 70% AMI units and large number of 1-bedroom units.

4.12 Relocation. N/A, no current residential tenants. Commercial tenant is the property owner.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Project Manager	Kion Sawney, MHC	N	N
Architect	Mithun	N	N
Landscape Architect	Mithun	N	N
General Contractor	Guzman-Suffolk JV LLC	Y	N
Owner's Rep/Construction Manager	Waypoint	Y	N
Financial Consultant	California Housing Partnership Corporation	N	N
Permit Expediter	Dale Durrett	N	N
EBM	Sitco	N	N
Special Inspections	CEL	N	N
PV	Cal Solar	N	N
Public Art	Nine dot Arts	Y	N
IT/Low Voltage	Salter	Y	N
Joint Trench	UDCE	Y	N
Legal	Gubb & Barshay LLP	N	N
Property Manager	Mercy Housing Management Group	N	N
Services Provider	Homeless Prenatal Program	N	N

5.1. Procurement Plan. Mercy will meet with Contracts Monitoring Division (CMD) to establish goals for the project. Project is in early stages and has not established goals with CMD yet.

5.2. Opportunities for BIPOC-Led Organizations.

To increase their contracting with BIPOC-led firms, the Sponsor is doing the following:

-Partnering with BIPOC-led Organization (via Board), Homeless Prenatal Program in the development of 2530 18th Street. HPP has a BIPOC majority Board and will be working in the coming months to select a BIPOC executive director to replace its founding Executive Director Martha Ryan. HPP has a strong tradition of hiring and promoting from their clients whom are majority BIPOC resulting in the majority of their staff being BIPOC and clients.

- Partnering with the San Francisco National Organization of Minority Architects to identify opportunities for participation in projects

-Creating a BIPOC-led or -owned professional firms list for distributing contracting opportunities (this is building on efforts from The Kelsey Civic Center project)

-Including meaningful scoring in RFQ and RFP procurements for professional services (i.e. Owner's Rep, Architect and Engineers, and General Contractor) for firms with racial and gender equity-centered initiatives in regards to advancement within the organization, hiring and subcontracting. This has already been used for current spending during predevelopment.

6. FINANCING PLAN (See Attachment F for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses)

6.1. Prior MOHCD/OCII Funding: N/A

6.2. Disbursement Status. The project has incurred costs dating back to December 1, 2019. Loan Committee approves payment of costs no earlier than December 1, 2019 so long as these costs are deemed acceptable and correspond to gap budget attached herein.

6.3. Fulfillment of Loan Conditions. N/A

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative
N/A

6.4.2. Predevelopment Uses Evaluation:
N/A

6.5. Proposed Permanent Financing

6.5.1. Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently

finance the project

- 4% Tax Credit Equity (\$32,015,608): Investor TBD, \$0.93 per credit, 4% LIHTC
- MHP Loan (\$23,141,457): 55 years, 3% simple interest with a 0.42% mandatory payment, residual receipts, \$500 PUPA replacement reserve requirement, minimum of 4 months of operating reserves
- IIG Sponsor Loan (\$5,060,736): 55 years, 3% simple interest, deferred payment, \$500 PUPA replacement reserve requirement, minimum of 4 months of operating reserves
- MOHCD/HSR Loan (\$16,000,000): 55 years, 3% simple interest, residual receipts.
- AHP (\$1,080,000): Bank TBD, 55 years, 0% simple interest, disbursement into project in 2024
 - Mercy expects to make a future request for a bridge loan from MOHCD for the AHP since the project will not score maximum points until permanent conversion. Mercy is not making the bridge loan request in this evaluation though.
- General Partner Equity (\$100): For tax purposes only, larger GP equity developer fee contribution will not be utilized due to competitive bond process at CDLAC.
- Construction Loan (\$40,725,663): While not a permanent source, the construction loan terms are: lender TBD, 33 month term, projected all in rate with cushion 3.91%.

6.5.2 CDLAC Tax-Exempt Bond Application:

CDLAC Self-Score	
Opportunity Map Resource Level	TCAC/HCD Opportunity Map: Moderate
TCAC Housing Type (new construction only)	TCAC regs: Large Family
Bond Allocation Request Amount	\$40,725,663
Total Self-Score (out of 120 points)	119
Tiebreaker Score	10.29

6.5.3 HOME Funds Narrative: N/A

6.5.4 Commercial Space Sources and Uses Narrative: Commercial space development is being separately funded with New Markets Tax Credits.

Permanent Uses Evaluation:

Development Budget

Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	N	\$1,070,929/unit. This is 34% higher than comparables in cost per unit.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	
Construction Management Fees are within standards	Y	
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 At risk fee: \$1,100,000 Total fee: \$2,200,000
Consultant and legal fees are reasonable	Y	
Entitlement fees are accurately estimated	Y	
Construction Loan interest is appropriately sized	Y	
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 5 months

6.5.5 Developer Fee Evaluation: The milestones for the payment of the developer fee to the sponsor are specified below

Total Developer Fee:	\$2,200,000	
Project Management Fee Paid to Date:	\$0	
Amount of Remaining Project Management Fee:	\$1,100,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Acquisition/Predev		.
Predevelopment closing	\$280,000	25.5%
Submission of HCD funding application	\$110,000	10%
Submission of Joint CDLAC/TCAC app	\$110,000	10%

Construction close	\$270,000	24.5%
Construction Completion	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget.

- The project is requesting 36 LOSP units and is using a per unit pro rata split except for:
 - Legal at 75% for LOSP
 - Security/Front Desk Coverage costs 75% to LOSP
- Major operating budget cost drivers
 - Salaries/Benefits is the second major cost comprising of \$298,861 for 2.33 FTEs
 - Insurance at \$170,000 and supportive services at \$43,516 (0.4 FTE) are other significant costs
- Reserves
 - Replacement reserves are set at \$500 per unit in line with HCD's requirement

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	No perm debt
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5% for all units, which is compliant with TCAC.
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5% for non LOSP, 1% growth shown for LOSP
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$16,967 per unit

		This is in line with similar properties in MOHCD's portfolio that serve homeless families
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$55,188 or \$63 PUPM
Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 1 FTE Senior Property Manager (PM) 1 FTE Assistant PM 0.33 FTE Housing Support Specialist 1 FTE Desk Clerk/ Community Coordinator (not 24 hour coverage) 1 FTE Maintenance Manager 1 FTE Janitor
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr Annual PM Fee is \$24,270/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	\$5,000

7.3. Capital Needs Assessment & Replacement Reserve Analysis. N/A

7.4. Income Restrictions for All Sources.

UNIT SIZE		MAXIMUM INCOME LEVEL		
NON-LOTTERY	No. of Units	MOHCD	TCAC	HCD
1 BR – LOSP	17	30% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
2 BR – LOSP	15	30% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
3 BR – LOSP	4	30% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
Sub-Total	36			
<u>LOTTERY</u>				
1 BR	4	50% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
1 BR	12	70% MOHCD AMI	70% TCAC AMI	70% TCAC AMI
Sub-Total	16			
2 BR	4	50% MOHCD AMI	50% TCAC AMI	50% TCAC AMI

2 BR	13	70% MOHCD AMI	70% TCAC AMI	70% TCAC AMI
Sub-Total	17			
3 BR	1	50% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
3 BR	2	70% MOHCD AMI	70% TCAC AMI	70% TCAC AMI
Sub-Total	3			
STAFF UNITS				
2 BR	1			
TOTAL				
PROJECT AVERAGE		48%	48%	48%
AVERAGE FOR LOTTERY UNITS ONLY		65%	65%	65%

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
1BR	17	30% of Median Income
2BR	15	30% of Median Income
3BR	4	30% of Median Income
1BR	7	50% of Median Income
2BR	6	50% of Median Income
3BR	2	50% of Median Income
1BR	10	70% of Median Income
2BR	10	70% of Median Income
3BR	1	70% of Median Income
2BR	1	Manager's Unit

8. SUPPORT SERVICES

8.1. Services Plan.

This project seeks to assist families in maintaining independence, stability and functioning within a safe and affordable housing community, resulting in improved health and well-being while establishing and maintaining long-term housing.

Homeless Prenatal Program (HPP) will provide services for the 33 formerly homeless households and MHC will provide services to the entire property, or 73 households. Both agencies will work together to provide client-centered services steeped in the Strengthening Factors Framework (parental resilience, social connections, knowledge of

parenting and child development, concrete support in times of need, social and emotional competence of children).

HPP's main outcome for the project is that families will stabilize. Housing, offered alongside services, will enable families to take the first steps along the housing ladder. HPP understands that families face unique challenges, and will join this housing community at different places along the spectrum of healing from the trauma of homelessness and/or any additional underlying stress and need.

Using PSH best practices, such as harm reduction, de-escalation, and trauma-informed practices, the team will support residents throughout their tenancy. Larger building programming will be designed with residents and with consideration of the needs of the tenant population as a whole. Additional services will be individualized to meet specific family needs. Stabilization of households in an environment conducive to their success is core to this model.

HPP and MHC are proposing the following on-site support services staff to support the households referred from Coordinated Entry (funded by HSH) and the lottery units referred from the DAHLIA program (funded by building operations):

Staff Position	FTE	Employed	Residents Served	Staff to Resident Ratio	Funding Source
Resident Services Coordination (MHC)	0.40	MHC	73 HH (Households)	1:100	Operating
Support Services Mgr. (ECS)	1.0	HPP	33 PSH HH	1:20	HSH
Bilingual Case Manager (ECS)	1.0	HPP	33 PSH HH	1:20	HSH
Total	2.4				

With HPP and MHC support, families will have comprehensive day-to-day care. HPP will offer a layered program that provides continuity of care including individualized intensive case management; outreach and engagement; intake and assessment; benefits advocacy and assistance;

referrals and coordination of services; wellness checks; support groups and social events; housing stability support; clinical services; and exit planning. Holistic services will be conducted collaboratively to integrate services/treatment, including with tenants' off-site case managers/care team. HPP will coordinate closely with MHC to ensure tenant stability. This project offers an innovative approach to family homelessness against HPP's track record for success: 95% of families housed by HPP remain housed a year later.

By offering onsite employment services, this innovative approach seeks to ensure that this cycle is permanently broken. A recent study of families that were housed through rapid rehousing efforts found that over half returned to shelters when the subsidy ran out. Rather than offer a temporary solution to family homelessness, integrated job training services offered by this project help families achieve the first steps in the housing ladder toward wealth generation.

The project team intends to continue its collaboration with MOHCD to use placement preferences to ensure access for historically disenfranchised populations to housing. Housing security is the first step toward creating generational wealth –and placement of these households is core to the effort.

8.2 Services Budget. The .4 FTE Resident Services Coordinator (RSC) will be funded from the operating budget, which includes \$108,790 for RSC staffing in Year 1. This conforms to MOHCD's Underwriting Guidelines. The 2 FTE Case Management will be funded through a separate services contract between the Sponsor and HSH. The Project will receive HSH's Tier 5 annual services funding level, which is \$5,711/unit or \$154,197 total.

8.3 HSH Assessment of Service Plan and Budget. Will work with HSH to get assessment and approval of services plan and budget before any loan disbursement.

9 STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$16,000,000
Loan Term:	55 years
Loan Maturity Date:	2080
Loan Repayment Type:	Residual Receipts

Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	12/1/2019

9.2 Recommended Loan Conditions

1. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
 1. Community outreach completed,
 2. Outcomes achieved related to racial equity goals, and
 3. Commercial-use programming.
2. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines.
3. Sponsor must provide MOHCD with a services plan and proposed staffing levels approved by HSH that meet MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.
4. Sponsor must work with MOHCD staff and project's General Contractor to Value Engineer construction budget.
5. Sponsor must work with MOHCD staff to revise unit mix so that the project will include a higher number of units serving households at 50% MOHCD AMI.
6. Sponsor must provide signed LOI from commercial tenant prior to MOHCD's gap loan closing.
7. Sponsor must provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.
8. Sponsor must provide the Reciprocal Easement Agreement between the commercial and residential parcels to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
9. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
10. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all

selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.

11. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
12. Sponsor must provide quarterly updated response to any letters requesting corrective action.
13. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.
14. Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers.
15. Sponsor to provide self-scores for all third party funding requests.
16. Sponsor to work with MOHCD to find a land ownership and ground lease structure that complies with MOHCD policies. Land purchase will be contingent on MOHCD reviewing the appraisal and Purchase and Sale Agreement (PSA).

10. LOAN COMMITTEE MODIFICATIONS

[N/A or list]

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

APPROVE. DISAPPROVE. TAKE NO ACTION.

Eric D. Shaw, Director
Mayor's Office of Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Anna Van Degna, Director
Controller's Office of Public Finance

Date: _____

- Attachments:
- A. Project Milestones/Schedule
 - B. Borrower Org Chart
 - C. Developer Resumes
 - D. Asset Management Analysis of Sponsor
 - E. Threshold Eligibility Requirements and Ranking Criteria
 - F. Site Map with amenities
 - G. Elevations and Floor Plans, if available
 - H. Comparison of City Investment in Other Housing Developments
 - I. Predevelopment Budget – N/A
 - J. Development Budget
 - K. 1st Year Operating Budget
 - L. 20-year Operating Pro Forma

Attachment A: Project Milestones and Schedule

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, June 24, 2022 11:47 AM
To: Chavez, Rosanna (MYR)
Subject: Preliminary Gap Loan Commitment 2530 18th St

I approve

Eric D. Shaw
Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Friday, June 24, 2022 4:10 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: 2530 18TH STREET

I approve Mercy Housing California and Homeless Prenatal request for a commitment of \$16,000,000 for a gap loan with 3% simple interest for the development of 73 units of affordable housing at 2530 18th Street.

Best,

salvador



Salvador Menjivar
Director of Housing
Pronouns: He/Him
San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1@sfgov.org | 415-308-2843

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Chavez, Rosanna (MYR)

From: Colomello, Elizabeth (CII)
Sent: Friday, June 24, 2022 11:43 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Preliminary Gap Loan Request for 2530 18th Street

Hi Rosie-
I approve the subject request on behalf of OCII.
Thanks-
Elizabeth



Elizabeth Colomello
Housing Program Manager

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749-2488, Cell 415.407-1908
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, June 24, 2022 11:44 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: RE: Preliminary Gap Loan Commitment 2530 18th St

approve

Bridget Katz

Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

From: Katz, Bridget (CON)
Sent: Friday, June 24, 2022 11:44 AM
To: Chavez, Rosanna (MYR) <rosanna.chavez@sfgov.org>
Cc: Shaw, Eric (MYR) <eric.shaw@sfgov.org>
Subject: Preliminary Gap Loan Commitment 2530 18th St

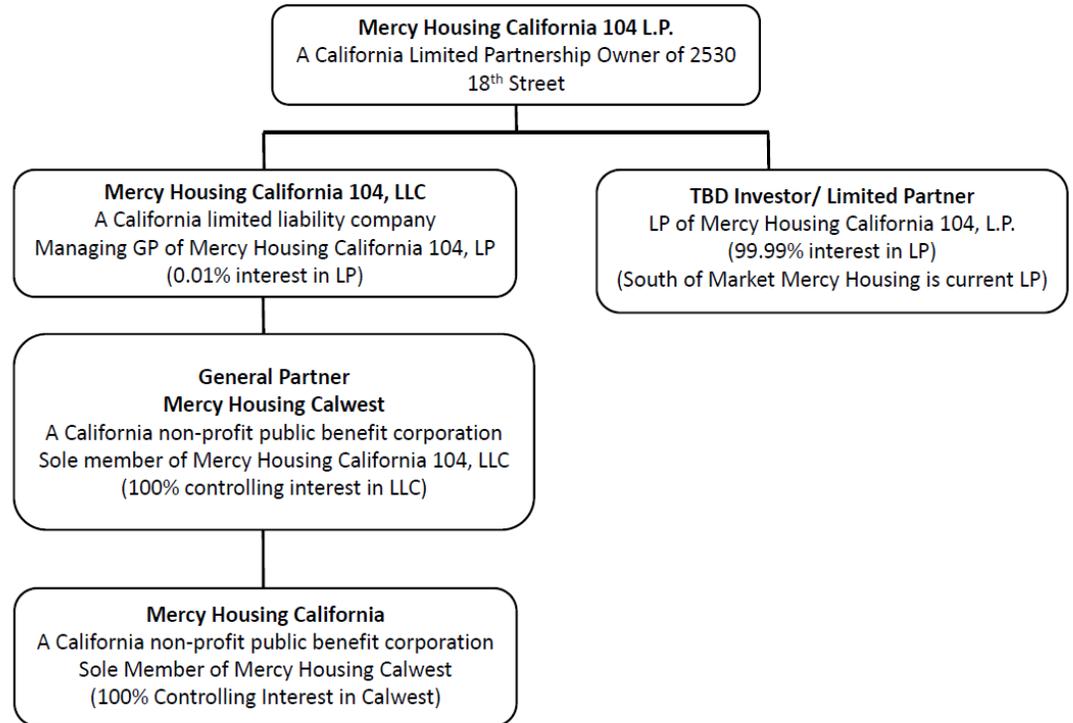
Bridget Katz

Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)		
1	Acquisition/Predev Financing Commitment	<u>12/19/2019</u>	First Republic Bank provided initial land commitment to HPP
2.	Site Acquisition	<u>12/19/2019</u>	Acquired by HPP
3.	Development Team Selection		
a.	Architect	<u>10/21/21</u>	
b.	General Contractor	<u>10/21/21</u>	
c.	Owner's Representative	<u>10/21/21</u>	
d.	Property Manager	<u>10/21/21</u>	
e.	Service Provider	<u>10/21/21</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>4/11/22</u>	
b.	Submittal of Design Development & Cost Estimate	<u>8/8/22</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>12/16/22</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>6/2/23</u>	
5.	Commercial Space		
a.	Reciprocal Easement Agreement with commercial parcel Submission	<u>9/25/23</u>	
b.	LOI/s Executed	<u>n/a</u>	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>10/28/21</u>	
b.	CEQA Environ Review Submission	<u>n/a</u>	
c.	NEPA Environ Review Submission	<u>n/a</u>	
d.	CUP/PUD/Variances Submission	<u>n/a</u>	
7.	PUC/PG&E		
a.	Temp Power Application Submission	<u>6/1/22</u>	
b.	Perm Power Application Submission	<u>6/1/22</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>10/28/21</u>	
b.	Addendum #1 Submitted	<u>4/10/23</u>	

c.	Addendum #2 Submitted	<u>9/25/23</u>	
9.	Request for Bids Issued	<u>6/5/23</u>	
10.	Service Plan Submission		
a.	Preliminary	<u>12/1/22</u>	
b.	Final	<u>5/1/23</u>	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>12/1/22</u>	
b.	Gap Financing Application	<u>5/1/23</u>	
12.	Other Financing		
a.	HCD Application	<u>7/12/22</u>	
b.	Construction Financing RFP	<u>3/7/23</u>	
c.	AHP Application	<u>3/1/23</u>	
d.	CDLAC Application	<u>4/28/23</u>	
e.	TCAC Application	<u>4/28/23</u>	
f.	Other Financing Application		
g.	LOSP Funding Request	<u>9/23/24</u>	
13.	Closing		
a.	Construction Loan Closing	<u>9/25/23</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>2/12/26</u>	
14.	Construction		
a.	Notice to Proceed	<u>9/29/23</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>6/2/25</u>	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>9/23/24</u>	
b.	Commence Marketing		
c.	95% Occupancy	<u>10/17/25</u>	
16.	Cost Certification/8609	<u>3/12/27</u>	
17.	Close Out MOH/OCII Loan(s)		

Attachment B: Borrower Org Chart



Attachment C: Development Staff Resumes



BARBARA GUALCO

Vice President of the Corporation, Housing Development

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

Director, Housing Development, September 2003 to Present

Direct the multi-family housing and commercial development work in the San Francisco office of a national leader in the acquisition and production of quality affordable multi-family housing developments. Currently overseeing 15 developments, with a budget of \$380 Million. Responsibilities include developing an acquisitions strategy, negotiating site control; conducting market and demographic analysis, feasibility assessments, preliminary land use analysis, asset repositioning and work-outs; obtaining neighborhood acceptance and land use approvals; managing the bidding and design process; assembling public equity and private debt financing for complex tax credit and bond financing packages. Responsible for the selection and management of retained development team professionals from financing, legal, design, construction and management disciplines. Manage and assist a staff of 7 development professionals.

Mercy Housing California, San Francisco, California

Senior Project Manager, November 1987 to August 2003

Perform site analysis and prepare proformas to determine feasibility of new development opportunities. Identify and structure development and operating financing; obtain commitments; close financing including various public sector subsidy sources and conventional financing. Obtain land use entitlements; coordinate community acceptance plans; represent agency in public forums. Identify, select, contract and coordinate team of development professionals including architects, engineers, attorneys, financial consultants, property management, etc. Oversee construction progress including processing construction change orders and payment applications. Develop and administer development budgets and schedules; provide reporting to multiple funding sources.

Provided direct project management for nine distinct housing developments comprised of approximately 500 units. These developments included new construction, renovation and adaptive re-use with a wide range of financing including the HUD 202 Capital Advance Program, Low Income Housing Tax Credits both 9% and 4%, McKinney Programs and Shelter + Care.

EDUCATION

Master of City Planning, Land Use Concentration, University of California Berkeley, 1987
B.A., Economics San Francisco State University, Phi Beta Kappa 1983

PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLMENT

Board Member, Treasure Island Homeless Development Initiative (TIHDI)
Board Member, Non-Profit Housing Association of Northern California



KION SAWNEY

Project Developer

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

Project Developer I, July 2020 to present

- Manage and perform all tasks related to the development of affordable housing associated with acquisition and new construction.
- Responsible for reviewing sites for potential housing developments, preliminary land use analysis to determine feasibility; secure local approvals and neighborhood acceptance; prepare financial analysis and secure project funding; oversee design and construction process and close out with the investors and lender.
- Projects include: 600 7th Street - 221 units of affordable PSH and family housing; 2530 18th Street with Homeless Prenatal Program - 73 units of affordable family housing.

Beacon Development Group, San Francisco, California

Housing Developer, August 2016 to 2019

- Directly managed an affordable housing development portfolio worth over \$150 million in Northern California and concurrently supporting projects in Southern California and Washington State - the portfolio included urban infill construction, re-syndications, acquisition rehabs, new markets TC and 4% non-competitive.
- Oversaw all aspects of project development, working closely with clients and project teams on site acquisition, predevelopment, entitlements, design, financing, construction, and project close out. Negotiated development, loan, and partnership agreements with public and private equity partners.

Nashville Civic Design Center, Nashville, Tennessee

Research Fellow, May 2014 to 2016

- Authored, "Creating Inclusive Communities," a publication describing 7 topic areas for Nashville to pursue that improve housing accessibility for low to moderate-income individuals. The report assembled statistical demographic changes, engaged with over 50 community stakeholders, and showcased national best practices.
- Advised and consulted with the Mayor's Office, government agencies and officials, community organizations and trade groups on tools to increase the city's affordable housing stock and improve non-profit capacity.
- In partnership with the Chamber of Commerce and the Urban Land Institute, proposing an innovation district in the city's midtown and began preliminary work for its creation.

EDUCATION

BA, Urban Planning, Vanderbilt University, 2014

CURRENT PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLVEMENT

Commissioner, San Francisco Residential Rent Stabilization and Arbitration Board
Board Member, Yimby Action: San Francisco Board
Tree Planting Leader, Friends of the Urban Forest

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California (MHC) will assume asset management duties for 2530 18th Street. Asset Management falls under the National Portfolio Management department of Mercy Housing Inc, which is led by Senior Vice President Melissa Clayton.

Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio

California represents the largest portion of the portfolio with 156 operating properties across the state; 55 Mercy owned and occupied properties are located in the City of San Francisco.

Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant)

Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 22 years, 9 of which in the Asset Management Department, and is responsible for a portfolio of real estate assets serving families, seniors, and special needs individuals. She leads a team of five Asset Managers, four in San Francisco, one in Sacramento. Two Asset Management Analysts and one Commercial Asset Management Analyst based in the National Office in Denver, CO, and one Commercial Asset Manager based in San Francisco are supporting Yelena's team. In addition, there are two Asset Managers overseeing other regions in CA and one Capital Project Investment Manager, reporting directly to Melissa Clayton.

Yelena is located in the San Francisco office and interfaces directly with Doug Shoemaker, President of Mercy Housing California (MHC), and Jennifer Dolin, Vice President of Operations of MHC. Yelena and her team act as Mercy Housing's representatives in relation to the physical and financial status of each asset and protect its financial health and long-term viability.

Mercy's portfolio management also includes Transaction Team comprised of 2 staff devoted to other specialized needs such as the Year 15 buy out and the refinance of properties.

All positions are currently filled and they are all full time. The breakdown of the Bay Area asset management staff positions is as follows:

- (1) Vice President of Asset Management
- (1) Director of Portfolio Analysis
- (4) Asset Managers
- (2) Asset Management Analysts
- (1) Commercial Asset Management Analyst
- (1) Commercial Asset Manager

Each Asset Manager oversees a portfolio of up to 25 assets. The Asset Managers in the San Francisco office currently have 90 assets in their portfolio. Eight of these properties are in predevelopment, under construction or in rehab in the City of San Francisco or Bay Area. In San Francisco, Asset Managers manage fewer than the maximum of 25 assets in order to free up capacity for future developments. Once development is complete, a San Francisco based Asset Manager will assume asset management duties for 1530 18th Street.

Description of Scope and Range of Duties of Developer's Asset Management Team

Asset Management staff has oversight over all operations of the properties. The portfolio is analyzed monthly through the Portfolio Scorecard, which looks at physical and economic occupancy, trade and intercompany payables. In addition, the team performs quarterly risk ratings according to Affordable Housing Investment Council (AHIC) standards, of every property to evaluate occupancy, reserves, management, capital needs and available reserves. If a property is placed on the watchlist, there is a quarterly meeting with the Asset Management team, Mercy Housing Management Group and Mercy Housing California President to find a solution to get the property off the watchlist.

Asset Managers are responsible for tracking all capital needs on their portfolio on a quarterly basis as part of Mercy's watchlist process. They are assisted by various staff of Mercy Housing Management Group, including the Regional Facilities Manager and the various Area Directors of Operations assigned to the properties. Using various analysis including our watchlist and budget planning, reviewing CNAs, and Reserve analysis, the Asset Managers determine when the necessary capital needs can be completed in the short and long term.

The analyst team submits reserve replacement requests bi-annually. In addition, the analyst team helps with the compliance with financing requirements and various reporting regulatory requirements by sending quarterly and annual reporting to investors and funders.

Portfolio preservation planning is accomplished through balancing the use of reserves with the payment of scheduled partnership and deferred development fees through cash flow.

The transaction team handles some of the longer term needs of the portfolio such as Year 15 analysis and investor buyout and a property restructuring such as a refinance.

Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc.

There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is ongoing coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

Developer's Budget for Asset Management Team Shown as Cost Center (nationwide)

Asset Management staffing budget is \$2,460,839.

Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio

Mercy Housing anticipates that the portfolio will grow from 156 buildings to approximately 170 buildings in the next 5 years. Two new Asset Manager positions based in San Francisco were added in 2017 and one in 2019.

MOHCD Asset Management staff assessment of Sponsor's asset management capacity: The Sponsor's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 7 FTE asset managers statewide and a portfolio of 156 projects in California, the project/asset management staff ratio is 22, which is in line with the industry standard of 20-25 recommended by NeighborWorks America. In addition, the Sponsor's asset management staff also includes Asset Management Analysts who support the Asset Managers. The full range of asset management responsibilities are covered by the asset managers and the analysts. With an increase of 15-16 projects in the Sponsor's portfolio anticipated over the next 5 years, the ratio will increase but remain within the industry standard.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

Minimum Qualifications and Scoring from Homeless Family NOFA 2022

A. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section B below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel will be appointed by the Director of MOHCD composed of persons with expertise in the areas of development, affordable housing finance, affordable housing construction management, community development, commercial space development, housing access/marketing, housing and services for homeless households, and public design/arts commission, as well as community representatives.

The Selection Panel will review all qualified responses (see Section C below) and may interview top-scoring Respondents, at which time Respondents will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel.

After any interviews have been completed, the Selection Panel will meet to determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Project(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected teams will enter into acquisition and predevelopment loan agreements with specific milestone achievement requirements established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected development team that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected development team, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected development team should it be determined that the team lacks representation necessary to the achievement of the goals of the NOFA.

B. MINIMUM QUALIFICATIONS

1. MINIMUM DEVELOPMENT TEAM CHARACTERISTICS

The proposed Development Team must include:

- A non-profit developer (or developers) with experience developing permanent supportive housing for formerly homeless families in San Francisco or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing permanent supportive housing for homeless families in San Francisco (the “Developer”); the development team must have demonstrated experience conducting effective community outreach and engagement.
- A property owner entity with experience owning housing for low-income communities, including formerly homeless families;
- A property management entity with experience managing housing for formerly homeless families with Housing First principles, preferably in San Francisco;
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed services appropriate for formerly homeless families in a supportive housing context.

Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.

2. MINIMUM DEVELOPMENT TEAM EXPERIENCE

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form 5 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.**

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics:

- new construction (not a requirement for Minimum Service Provision Experience) in a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience)
- a supportive affordable housing development for families experiencing homelessness
- financed by use of Low-Income Housing Tax Credits.

1. MINIMUM DEVELOPER AND OWNER CAPACITY REQUIREMENTS

a. Minimum Developer Experience

The proposed Developer must have completed within the past ten years at least **one** Qualifying Project located in San Francisco. The definition of “completed” of a Qualifying Project means having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either

entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the RFQ response and must be acceptable to MOHCD.

- b. **Minimum Ownership Experience** - The proposed Owner of the Project must have owned at least **one** Qualifying project housing formerly homeless families in San Francisco for at least 5 years prior to the Submittal Deadline of this NOFA. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

- c. **Minimum Property Manager Experience** - The proposed property manager for the Project must have managed at least two Qualifying Projects for formerly homeless households, including at least one project in San Francisco, each for at least 36 months. In addition, the Property Manager must provide evidence of experience with managing housing financed with Low Income Housing Tax credits and operating projects with a Housing First approach. The Property Manager must demonstrate effective strategies for working with service providers to collaborate on housing stability of residents.
- d. **Minimum Service Provision Requirements** - The proposed service provider(s) must have at least 36 months' experience providing supportive services to formerly homeless families within a Qualifying Project, including case management and comprehensive services for homeless households in a residential setting. The proposed service provider(s) must demonstrate effective strategies with working with property management to collaborate on housing stability of residents. The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors.
- e. **Other Consultants** – For any Respondent team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent's team..

Note Regarding Experience: For any Respondent team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site. Any substitution should be clearly identified in Attachment E, Qualifying Project Form.

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

2. **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment F – Financing Terms for Developer’s Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
3. **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment G – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.
4. **Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner’s asset management portfolio, proposed Owner’s current asset management staffing noting job titles, FTEs, and status of each position (filled/vacant) and proposed Owner’s organizational chart.

C. Minimum Proposal Requirements.

Eligible Proposals:

1. Must demonstrate site control as evidenced by appropriate documentation. The proposed purchase price must be reasonable in comparison to other sites in the neighborhood and in comparison to other affordable housing sites in the City. Prior to any disbursement of funds for acquisition, an appraisal supporting the acquisition cost will be required.
2. Must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
3. Must demonstrate financial feasibility. The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with

MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.

4. Must demonstrate – through provision of specific examples of inputs used for estimating - that the project's total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy and construction cost.

Note: The MOHCD underwriting guidelines may be found here:
<http://www.sfmohcd.org/documents-reports-and-forms>

5. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.
6. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified. Proposals that include any displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.
7. Must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, and within HSH's funding guidelines for the services contract, assuming at least 50% families experiencing homelessness.
8. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward.
9. Must express a commitment to pursue racial equity consistent with HSH's (See Section XX IIIA) MOHCD's racial equity goals, as follows: through its policies, programs, resource allocation, and practices, MOHCD is committed to working in partnership with communities, organizations and those that have been most harmed by racial inequity especially Black, Brown, Indigenous and other San Franciscans of Color to: protect against displacement; shape where they live and work; create thriving neighborhoods; and celebrate diverse cultures and unlock economic prosperity.
10. Ability for the project to make use of streamlined entitlements through SB 35 is highly desired.

D. FINANCING PLAN AND AFFORDABILITY RESTRICTIONS

Applicants should incorporate the following terms into their financing plans and submit a detailed sources and uses budget that reflects:

- a. *Primary capital funding sources that include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds.*
- b. *Rents set at affordability levels appropriate for the target population.*

- a. *For the LOSP units serving formerly homeless families, developers should include a projected rent subsidy amount necessary to ensure affordability and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is **\$250** per unit per month for formerly homeless households. Future projections may differ given the proposed tenant population and subsidy program available.*

While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population. An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

- b. *For the non LOSP units serving low income families, sponsors may propose rents up to the maximum tax credit eligible rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD ("MOHCD AMI"). For the LOSP units, sponsors should assume an ongoing rental subsidy sufficient to cover difference between \$250/month tenant payment and 60% MOHCD AMI rent levels.*
- c. *An operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the non-*

homeless households. A separate budget should be attached for services that will support the 50% of households who were formerly homeless, for which the City will provide funding.

- d. A construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.

All proposed financing will be subject to underwriting using the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, available on the MOHCD website (see <https://sfmohcd.org/housing-development-forms-documents>)

E. DESIGN REQUIREMENTS

Applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5" x 11" paper, no more than 5 pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. This information does not constitute a formal design submission. There is no reimbursement for costs related to this requirement.

F. SUPPORTIVE SERVICES REQUIREMENTS

1. Services Funding

This NOFA is part of the City's effort to facilitate the development of affordable permanent housing for low-income and homeless households by coordinating the review and approval of applications for capital resources from MOHCD with the review of funding requests for supportive services and operating subsidies from the Department of Homelessness and Supportive Housing (HSH). Generally, HSH will make direct referrals for any units targeting families that are homeless.

The winning developers will apply for services funding separately at the appropriate time. However, HSH, MOHCD and OCII, where applicable, collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of all of these agencies. Successful applicants under this particular NOFA will receive priority for funding from HSH for services and operating subsidies.

2. Services Budget

As stated previously, operating budgets should include 1:100 staffing for the non-homeless residents.

For the 50% of units occupied by formerly homeless residents: assume that services for homeless families will be funded separately by HSH through direct contracts with the Projects' social services providers.

For the purposes of this NOFA only, respondents should budget \$1,000 per unit per month in services funding for the formerly homeless units. This amount may change during underwriting and services negotiations. Assume 1:20 case management staffing ratios for these units.

Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD as well as the support services agreement held by HSH.

G. SELECTION CRITERIA AND SCORING

MOHCD's expectations for responsive submittals include a thorough discussion of Respondents' background in developing and managing permanently affordable housing for families and homeless families. Responses should include both a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

All applications that meet the Minimum Experience and Capacity Requirements will be scored and ranked according to the following selection criteria:

	Category	Points
A.	EXPERIENCE:	40
i.	<p>Developer (12 pts)</p> <ul style="list-style-type: none"> ➤ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing Type V/I or III/I construction ○ Developing housing for low-income families and those experiencing homelessness ➤ Building community support through outreach ➤ Current staff capacity and experience to take on this project type 	
ii.	<p>Owner (4 pts)</p> <ul style="list-style-type: none"> ➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits <ul style="list-style-type: none"> ○ Experience owning affordable housing for low-income families and those experiencing homelessness ➤ Effectiveness of current asset management structure and staffing, given portfolio size ➤ Capacity for assuming asset management of an expanded portfolio once the development is complete 	

iii.	<p>Property Manager (8 pts)</p> <ul style="list-style-type: none"> ➤ Experience managing property for low-income families and those experiencing homelessness ➤ Experience achieving high rates of housing retention ➤ Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy ➤ Contributes to long-term sustainability of the development ➤ Achieves cost efficiencies in operations 	
iv.	<p>Service Providers (8 pts)</p> <ul style="list-style-type: none"> ➤ Experience delivering services to low-income families and those experiencing homelessness ➤ Experience linking residents to the City's safety net of services ➤ Works with property management to achieve high rates of housing retention ➤ Supports positive outcomes for residents around health and economic mobility ➤ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years ➤ Capacity to attract and retain adequate staffing to take on this project 	
v.	<p>Racial Equity (8 pts)</p> <ul style="list-style-type: none"> ➤ Describes level of racial equity awareness ➤ Experience providing housing to COP and neighborhood preference holders ➤ Uses innovative approaches to engagement with COP and neighborhood preference holders ➤ Demonstrates commitment to racially diverse project development teams ➤ Demonstrates experience with serving historically excluded communities of color, including formerly homeless households ➤ Describes approaches to overcoming historical obstacles to communities of color obtaining high quality affordable housing ➤ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color, including formerly homeless households 	
<p>B. VISION: 60</p>		
i.	<p>Program Concept (20 pts)</p> <ul style="list-style-type: none"> ➤ Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. 	

	<ul style="list-style-type: none"> ➤ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> ○ A residential program and other envisioned uses; ○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ➤ Indicates particular groups served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.). ➤ Describes how the program will contribute to lowering barriers to persons of color seeking and retaining quality housing. 	
ii.	<p>Community Engagement Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes community engagement strategy and includes: <ul style="list-style-type: none"> ○ The team's philosophy on community engagement; ○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community; ○ Efforts designed to engage all interested community members - particularly BIPOC members of the target populations - and including monolingual non-English speaking members of the community; ○ How the Development Team intends to comply with the City's Language Access Ordinance. ➤ Describes the Team's approach to achieving entitlements for the project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ➤ Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations. 	
iii.	<p>Services Delivery Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes the Development Team's services delivery strategy and includes: <ul style="list-style-type: none"> ○ The overall service philosophy; ○ Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); ○ The services goals of the proposed vision. ➤ A brief description of the desired outcome of the services to be provided and innovative approaches to 	

	<p>services provision, including the strategy of engaging residents and encouraging access to services.</p> <ul style="list-style-type: none"> ➤ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community. 	
iv.	<p>Finance & Cost Containment Approach (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes the Development Team’s financing approach to the project. ➤ Includes the Team’s process for structuring the project and controlling development costs. ➤ Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing. ➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ➤ Does not include proforma financials. 	
v.	<p>Racial Equity Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations. ➤ Proposes a substantive partnership that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations ➤ Explains how the Development Team’s model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods. ➤ Describes strategies used to help BIPOC tenants overcome barriers to accessing supportive services and income that mitigate the effects of poverty and lead to improved self-sufficiency. 	
TOTAL POSSIBLE POINTS		100

1. Experience

In **no more than five pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe how each member of the Proposed Development Team has the most relevant experience for the successful development of the project. **Describe how the Development Team has implemented lessons learned from past affordable housing experience.** Please note that Respondents are not limited to discussing the Qualifying Project(s).

- a. **Developer:** Describe the Developer’s track record successfully developing high-quality affordable housing, including supportive housing. In particular, discuss the Developer’s experience completing housing development projects on time and on budget, obtaining competitive financing terms, developing type V/I or III/I construction, developing for low-income families and those experiencing homelessness and building community support for mixed use projects (affordable residential with ground floor commercial) through outreach for

similar projects. Describe the experience and capacity of current staff to take on a project of this type.

- b. Owner:** Describe the Owner's track record successfully owning housing financed with Low-Income Housing Tax Credits. In particular, discuss the Owner's experience owning affordable housing for low-income families and those experiencing homelessness and describe the Owner's current asset management structure, staffing and portfolio, and its capacity for assuming asset management of an expanded portfolio once the development is complete. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed project and to provide asset management for the project is the proposed "Owner".
- c. Property Manager:** Describe the Property Manager's track record successfully managing high-quality affordable housing communities. In particular, discuss the Property Manager's experience providing management services for low-income families and those experiencing homelessness, including communities of color; experience achieving high rates of housing retention, implementing low barrier tenant selection policies, contributing to the long-term sustainability of the development, experience administering subsidies such as LOSP; and achieving cost efficiencies in operations.
- d. Services Provider(s):** Describe the Services Provider(s)' track record delivering highly impactful services to residents in affordable and/or supportive housing developments. In particular, discuss the Services Provider(s)' experience delivering services to low-income families and those experiencing homeless, including communities of color; linking residents to the City's safety net of services; working with property management to achieve high rates of housing retention; and supporting positive outcomes for residents around health, economic mobility, and housing stability. If the Service Provider(s) have had any services contracts prematurely terminated in the last five years, include an explanation for each termination. Discuss strategies for eliminating barriers that prevent communities of color from accessing quality health care services, employment and educational opportunities.
- e. Racial Equity Strategy:** MOHCD recognizes the oppressive history of racial injustice, especially in housing and community services, the structural inequities that remain today, and the trauma those inequities perpetuate. Please describe the Developer team's level of racial equity awareness using the guidelines below:
- Understands and communicates that reducing racial inequities is mission critical
 - Routinely collects, disaggregates, and analyzes data by race/ethnicity in programmatic and operational work
 - Views diversity as a value-added feature of organizations, and enquires about the cultural competence of staff and grantees to work with diverse groups
 - Has mechanisms for management accountability for equity, diversity, and inclusion
 - Has mechanisms for staff accountability for equity, diversity, and inclusion
 - Describes Development Team's present and future practices to meet MOHCD's racial equity goals as articulated in the racial equity goals of this NOFA
 - Describes the Developer's experience with serving historically excluded communities of color
 - Has experience providing access and implementing service delivery strategies to historically excluded communities of color
 - Describes the demonstrated commitment to racially diverse project development and service teams

2. Vision

In **no more than seven pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe the Proposed Development Team's vision for the successful development of the project:

- a. Program concept:** Describe how the Development Team's proposed Project will maximize unit yield in a cost-effective construction type and make use of SB35's expedited permitting. Describe the Development Team's vision for a development program while best achieving MOHCD's project expectations and goals. Indicate how the proposed uses and amenities will enhance the lives of the future residents and the surrounding neighborhood. Indicate particular groups served by the programs and spaces (tots, children, teens, young adults, adults, formerly homeless, etc.). Describe how the program will contribute to lowering barriers to persons of color seeking and retaining housing. Applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use to print on 8.5" x 11" paper, no more than 5 pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. This information does not constitute a formal design submission.
- b. Community engagement strategy:** Describe the Development Team's community engagement strategy, including the team's philosophy on community engagement and process for establishing and/or building positive relationships with surrounding neighbors and the larger community. Describe the Team's approach to achieving entitlements for the project expeditiously and the Team's approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. The strategy should include efforts designed to engage all interested community members, particularly BIPOC members of the target population, and including monolingual non-English speaking members of the community. The strategy should also make clear how the Development Team intends to comply with the City's Language Access Ordinance. Finally, address how the community engagement strategy will address the historical exclusion of communities of color from quality housing.
- c. Services delivery strategy:** Describe the Development Team's services delivery strategy, including the overall philosophy and model for providing services to targeted low-income and formerly homeless populations (including case management ratio and provision of amenities such as front desk clerks), the services goals of the proposed vision, a brief description of the desired outcomes of the services to be provided and innovative approaches to services provision, including the strategy for engaging residents and encouraging access to services, and how services for residents will be coordinated with the existing network of services in the neighborhood and community.
- d. Financing and cost containment approach:** Describe the Development Team's financing approach to the project, including the Team's process for structuring the project and controlling development costs. Describe any innovative strategies intended to minimize MOHCD's projected capital gap financing. Also, describe any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. Do not submit a development budget or pro forma. Scored responses must be in narrative form only.
- e. Racial Equity Strategy:** Please submit an overall statement regarding how the Development Team will incorporate the principles of racial equity in the development of the program concept, the community engagement strategy, services delivery strategy and marketing approach. Explain how the strategy aligns with the goals of this NOFA set forth in the Introduction and Project Expectations. Describe any substantive partnership that is part of the NOFA response that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations in development roles. Explain how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency

and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods.

H. SUBMITTAL REQUIREMENTS OVERVIEW

Using **Attachment B – Submittal Checklist**, check boxes of all items that will be submitted. Complete and submit **Attachment C - NOFA Registration Form**. All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB above.

1. Minimum Development Team Characteristics

Submit **Attachment D - Respondent Description** to document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Developer and/or Co-Developer, submit a current copy of the following documents:

- a. **Certificate of Good Standing** from the California Secretary of State
- b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.

2. Minimum Development Team Experience

Submit **Attachment E - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one (1) Qualifying Project for each of the experience categories:

- a. **Minimum Development Experience**
- b. **Minimum Ownership Experience**
- c. **Minimum Property Management Experience**
- d. **Minimum Service Provision Experience**
- e. **Minimum experience in incorporating principles of racial equity into development, management and service experience**

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than five (5) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.**

3. Minimum Developer and Owner Capacity Requirements

- a. **Financial Capacity**

- Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
 - **Attachment F – Financing Terms for Developer’s Qualifying Project** to document the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
- b. **Staffing Capacity**
- Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
 - **Attachment G – Projected Staffing Workload Form**, documenting the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.
- c. **Asset Management Capacity**
- Proposed Owner’s recent **Real Estate Owned (REO) schedule**, documenting the number of projects and average number of units/project currently in Owner’s asset management portfolio.
 - Proposed Owner’s current **asset management staffing**, noting job titles, FTEs, and status of each position (filled/vacant).
 - Proposed Owner’s **organizational chart**.
- d. **Racial Equity Capacity**
- Demonstrate how developer has met the City’s minimum compliance standards for Equal Employment Opportunities on the **Qualifying Project**.

4. Selection Criteria and Scoring

- a. **Experience** – Provide written narrative of **no more than five pages** (in Times New Roman font, 12 font size, and 1-inch margins).
- b. **Vision** - Provide written narrative of **no more than seven pages** (in Times New Roman font, 12 font size, and 1-inch margins).

Additional documents submitted in this section will not be allowed. The two written narratives above will only be the only documents reviewed and scored by the panel.

5. Evidence of Authority

Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant’s general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.

6. Disclosure Form

Submit a completed and signed copy of **Attachment H – Disclosures**, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the Respondent.

Attachment F: Site Map with amenities



Attachment G: Elevations and Floor Plans

Attachment H: Comparison of City Investment in Other Housing Developments

Review Instructions tab before beginning		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs by Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft ⁶	Soft/unit	Soft/BR	Soft/ sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft ⁶	Subsidy / unit	Leveraging ⁷
Delta of Subject and Comparable Projects		\$ 28,961	\$ 16,858	\$ 130	\$ 214,271	\$ 120,143	\$ 46	\$ (12,368)	\$ (12,606)	\$ (55)	\$ 231,101	\$ 124,548	\$ 3	\$ (5,272)	102.3%
Delta Percentage		56%	50%	42%	37%	32%	8%	-6%	-9%	-26%	27%	23%	0%	-2%	153%
2530 18th Street Homeless Prenatal		\$ 80,953	\$ 50,509	\$ 438	\$ 795,693	\$ 496,396	\$ 633	\$ 197,444	\$ 123,191	\$ 157	\$ 1,073,990	\$ 670,096	\$ 854	\$ 275,374	74.4%
Comparable Projects Average:		\$ 51,992	\$ 33,651	\$ 308.06	\$ 581,322	\$ 376,253	\$ 587	\$ 209,811	\$ 135,798	\$ 212	\$ 842,889	\$ 545,549	\$ 851	\$ 280,645	66.7%
<i>Costs lower than comparable average (within 10%)</i>	<i>Costs higher than comparable average (within 10%)</i>														
		Building Square Footage					Total Project Costs								
		Lot sq.ft	Completion/ start date	# of Units	# of BR ¹	Res. ²	Non-Res. Sq. ft.	Total sq. ft.	Acq. Cost ³	Constr. Cost ⁴	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing
ALL PROJECTS Average:		32,618		118	185	117,613	13,027	128,407	\$ 2,275,781	\$ 72,721,364	\$ 18,753,073	\$ 93,584,242	\$ 26,990,028	\$ 91,319,297	
<i>Comparable Projects Completed (filtered)</i> Average:		14,725		85	128	72,051	17,970	90,021	12,025,515	52,223,924	9,988,632	74,238,071	23,298,215	62,212,556	
<i>Comparable Projects Under Construction (filtered)</i> Average:		18,906		108	186	82,805	26,586	109,391	1,853,895	54,251,461	29,815,020	85,920,376	32,400,000	84,066,481	
<i>Comparable Projects In Predevelopment (filtered)</i> Average:		12,906		83	113	70,149	5,190	73,672	\$ 456,882	\$ 53,817,311	\$ 18,049,364	\$ 72,258,289	\$ 21,686,390	\$ 71,866,675	
Total Comparable Projects Average:		15,512		92	142	75,001	16,582	91,028	\$ 4,778,764	\$ 53,430,899	\$ 19,284,339	\$ 77,472,245	\$ 25,794,868	\$ 72,715,237	
SUBJECT PROPERTY		13,504		73	117	79,010	12,768	91,778	\$ 5,909,600	\$ 58,078,289	\$ 14,413,395	\$ 78,401,284	\$ 20,102,281	\$ 72,491,684	4% MHP, IIG, AHP
Delta of Subject and Comp Project Averages		-2,008		-19	-25	4,009	-3,814	750	\$1,130,836	\$4,647,390	(\$4,870,944)	\$929,039	(\$5,692,587)	(\$223,553)	
Delta Percentage		-13%		-21%	-18%	5%	-23%	1%	24%	9%	-25%	1%	-22%	0%	

Attachment I: Predevelopment Budget

N/A

Attachment J: Development Budget

Attachment K: 1st Year Operating Budget

Attachment L: 20-year Operating Proforma

