

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
Housing Authority of the City and County of San Francisco

Sunnydale HOPE SF Block 3A \$26,044,937 Funding Amount Preliminary Gap Financing

Evaluation of Request for:	Preliminary Gap Loan
Loan Committee Date:	July 15, 2022
Prepared By:	Sara F. Amaral, Sr. Project Manager
MOHCD Asset Manager:	Omar Cortez
Sources and Amounts of New Funds Recommended:	Housing Trust fund: \$2,183,946 HOME: \$3,000,000 Hope SF GEN FNDS: \$860,991 2019 GO BOND \$20,000,000
Sources and Amounts of Previous City Funds Committed:	\$1,850,000 - 2015 General Obligation Housing Bond for Affordable Housing
NOFA/PROGRAM/RFP:	HOPE SF
Applicant/Sponsor(s) Name:	The Related Companies of California & Mercy Housing California

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Sunnydale HOPE SF Block 3A	Sponsor(s):	The Related Companies of California (Related) & Mercy Housing California (Mercy)
Project Address (w/ cross St):	Sunnydale Avenue and Hahn Street	Ultimate Borrower Entity:	Sunnydale Block 3A Housing Partners, L.P., a California limited partnership

Project Summary:

This request is for preliminary gap funding approval for financing applications to CDLAC and TCAC for the third affordable housing development (Block 3A) of the Sunnydale HOPE SF project. Block 3A is a mixed-use vertical development within the second infrastructure phase (Phase 1A3) that also includes affordable housing Block 3B to the west and Community Building Block 1 to the north. Block 3A is designed to be a five-story Type V wood construction over podium building.

Block 3A will include 79 units of affordable housing comprising 4 studios, 24 one-bedrooms, 28 two-bedrooms, 15 three-bedrooms, and 8 four-bedrooms, along with a three-bedroom manager's unit. Of the units, 75% (60 units) will be set aside for existing Sunnydale public housing households, subsidized by a 20-year Section 8 Project Based Voucher (PBV) contract and limited to households earning up to 50% Mayor's Office of Housing and Community Development Area Median Income (MOHCD AMI). The remaining 19 units will be marketed through DAHLIA at a maximum of 40% TCAC AMI/55% MOHCD AMI. The overall income average of all 79 affordable units is approximately 36% TCAC AMI or 48% MOHCD AMI. The Project also includes a 1:1 bike storage ratio and a 0.75 parking ratio (60 spaces), both of which will be situated in its sister building, Block 3B, and accessed through a use agreement.

Block 3A and Block 3B are uniquely the only two mixed-use buildings in the entire Sunnydale master plan. Together the buildings will create a shared, inclusive space for all residents. The ground floor of Block 3A will include approximately 19,000 square feet of retail and neighborhood services. The proposed uses, which been determined based on years of community engagement and research with Sunnydale residents, include an early childhood education center to be operated by Felton Institute, a health and wellness center to be operated by the San Francisco Department of Public Health replacing its current location in the Sunnydale administration building, Mercy's centralized Sunnydale customer service center, a grocery space, and a restaurant/food hall. Tenants have not been identified for the grocery store and restaurant/food hall spaces as of yet.

Predevelopment activities have been delayed due to the COVID-19 pandemic and CDLAC/TCAC regulations changes. Due to COVID-19, the resident relocation effort was paused in 2020 and then commenced again at a slower pace to ensure safety of residents and staff. Block 3B was supposed to start construction before Block 3A, since parking for both buildings will be in Block 3B, but has not been able to secure an allocation of tax exempt bonds and tax credits from CDLAC/TCAC. The request is to for a funding commitment in support of the Sponsor's joint CDLAC/TCAC application in August 2022. The proposed financing plan leverages \$10.85M in awarded funding from HCD's Affordable Housing and Sustainability Communities (AHSC) program. If awarded bonds and tax credits, the vertical construction of Block 3A is expected to start by May 2023. The construction period is expected to be 20 months with full lease up by May 2025.

Project Description:

Construction Type:	Type V / Type I	Project Type:	New Construction
Number of Stories:	5	Lot Size (acres and sf):	0.83 acres / 36,182 sf
Number of Units:	80	Architect:	David Baker Architects
Total Residential Area:	94,595 sf	General Contractor:	Nibbi/Baines JV

Total Commercial Area:	19,013 sf	Property Manager:	Mercy Property Management
Total Building Area:	113,608 sf	Supervisor and District:	Shamann Walton D10
Land Owner:	SFHA		
Total Development Cost (TDC):	\$95,315,921	Total Acquisition Cost:	\$1
TDC/unit:	\$1,191,449	TDC less land cost/unit:	\$95,315,920
Loan Amount Requested:	\$26,044,937	Request Amount / unit:	\$325,562
HOME Funds?	Yes	Parking?	60 spaces, 0.75 ratio; built in Block 3B

PRINCIPAL DEVELOPMENT ISSUES

- **Financing:** While Block 3A is prepared to commence construction within six months of award of CDLAC/TCAC funds, it is uncertain whether the Project will be competitive, considering the current regulations. Should the Project not receive an award, the Sponsor will consider a few alternatives, which include CHA, if more funds become available, and 9% Tax Credits. Continued delays to this Project will increase costs. See section 6.4.3.
- **Delays to Sunnydale Master Plan Schedule:** Both Block 3A and 3B are keystone projects for Sunnydale. Phase 1A3 infrastructure, which includes the community building Block 1 and Blocks 3A and 3B, has started construction and will be complete by July 2023. Community Building Block 1 will start construction in November 2022. The Sponsors cannot move forward on the MOHCD funded predevelopment work on the next infrastructure phase and affordable housing developments, Phase 3 and Blocks 7 and 9, until Blocks 3B and 3A are built, as the community benefit organizations within Phase 3 will need to be relocated to Block 3A. In addition, the Sponsor will not be able to market the Market Rate Parcel, Block 8, until there is a path forward on Phase 3. Further delays impact residents residing on site in former public housing units now under the management of a third party provider.
 - **Lease Up:** Residential parking for Block 3A residents will be located in Block 3A's sister building, Block 3B. It is uncertain when Block 3B will be built and the parking will be ready in advance of Block 3A's lease-up. Residents may be hesitant to move into Block 3A without parking which could have repercussions on Block 3A lease up. Please see Section 4.14.
- **High Costs:** Multiple factors lead to the Project's larger than average, all-in Total Development Cost (TDC) anticipated to be approximately \$1,191,449 per unit. These include approximately \$6.9 million in retail and neighborhood-service uses on the ground floor and \$4.9 million in hard costs for the parking, which includes parking stackers, to maintain a 0.75 parking ratio.. The TDC also includes 8.5% for plan check contingency and escalation given volatility in construction material costs. Additionally, there are costs directly related to the requirements of HOPE SF affordable housing developments, specifically a greater number of three- and four-bedroom units and the incorporation of in-unit washers and dryers in larger apartments. See Sections 4.4.
- **Commercial costs:** Block 3A is the part of the Hub, a gateway into Sunnydale from Visitacion Valley, which includes concentrated services such as a new Recreations and Parks (RPD) Gym, Block 1 community buildings and the ground floor commercial space of Blocks 3A and 3B. Block 3A includes approximately 19,000 square feet of retail and community-serving commercial spaces divided into five different spaces, including an early childhood education center, a health and wellness center, Mercy's centralized customer service center, a grocery space, and a restaurant/food hall. The cost of building out these spaces is

approximately \$6.9 million, some of which may be tax credit eligible. MOHCD has been working with other City agencies to partner in the development of these critical spaces for the long-term success of the revitalization plan. Please see 6.4.5.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD	\$1,870,000	\$23,375	3% Def	Committed
Total	\$1,870,000			

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD Residential Loan	\$19,106,102	\$238,826	3.00% @ 55 yrs. RR	This Request
MOHCD Commercial Loan	\$6,938,836	\$86,735	3.00% @ 55 yrs. RR	This Request
Permanent Loan	\$16,920,352	\$211,504	6.15% @ 35 yrs.	Uncommitted
HCD AHSC Loan	\$10,850,000	\$135,625	3.00% @ 55 yrs. RR	Committed
Def Dev Fee	\$2,919,000	\$36,488	0.00% @ 15 yrs. RR	Committed
GP Equity	\$100	\$1		Committed
Tax Credit Equity	\$38,581,531	\$482,269		Uncommitted
Total	\$95,315,921	\$1,191,449		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$20,001	\$250	\$0
Hard Costs	\$72,470,936	\$905,887	\$638
Soft Costs	\$13,952,004	\$174,400	\$123
Reserves	\$3,503,879	\$43,798	\$31
Developer Fee	\$5,369,100	\$67,114	\$47
Total	\$95,315,920	\$1,191,449	\$839

1. BACKGROUND

1.1. Project History Leading to This Request.

For a Project History of Sunnydale HOPE SF, with Applicable NOFA/RFQ/RFP, please see Attachment A.

In 2011, the Sponsor issued a Request for Qualifications (RFQ) for architectural services for the first several phases of the Sunnydale Master Plan, with the expectation that three to four buildings could be designed and built at the same time. David Baker Architects and Interstice Architects, the design team that were selected through the competitive procurement process, completed an initial concept design and schematic design. However, shortly after beginning this engagement, the Project was halted for various reasons, including lack of funding.

The Project commenced again in earnest in January 2020 with MOHCD predevelopment loan approval. Block 3A and its sister project, Block 3B directly to the west, were conceptualized as one building at first. The Sponsor has reverted to the two building scheme, similarly presented in the Master Plan, to capitalize on available HCD funding programs to help reduce MOHCD's contribution.

Block 3A will become the third 100% affordable housing development at Sunnydale HOPE SF. Parcel Q, also known as Casala, was the first development with 55 units, and Block 6, also known as 290 Malosi, was the second development with 167 units. Both are fully leased with 75% of the tenants being former Sunnydale public housing households.

1.2. Phasing Map



1.3. Borrower/Grantee Profile. (See Attachment D for Borrower Org Chart)

1.3.1. Borrower.

The Borrower is Sunnydale Block 3A Housing Partners, L.P., a California limited partnership whose sole members are affiliates of Related and Mercy. The Borrower will be the same at closing.

1.3.2. Joint Venture Partnership.

Related and Mercy are co-developing the Sunnydale Master Plan project as a joint venture partnership with a 50-50 split of responsibilities. Related and Mercy alternate the responsibility of serving as lead developer for each Sunnydale project. Related will be the lead developer for Block 3A, with Mercy input and support.

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

See below for a breakdown of the gender identity and race demographics for Related California's Northern California/Northwest affordable housing division. Related does not collect sexual orientation data from staff. The division is led by Ann Silverberg, a woman leader as CEO, and women serve all positions at the senior vice president level as well. Related is a for-profit entity and does not have a Board of Directors.

	Gender Identity	Race
Related Northern California/Northwest	M: 45% F: 55%	Asian: 13% Black/African American: 7% White/Caucasian: 65% Hispanic/Latino: 13% American Indian/Alaska Native: 0% Native Hawaiian/Other Pacific Islander: 0% 2 or more races: 2% Not Specified: 0%

See below for gender identity and race demographics for the applicable Mercy entities. Mercy does not collect sexual orientation data from staff and board members.

	Gender Identity	Race
Mercy Housing California Board	M: 40% F: 60%	Asian: 13% Black/African American: 7% White/Caucasian: 53% Hispanic/Latino: 20% American Indian/Alaska Native: 0 Native Hawaiian/Other Pacific Islander: 0 Biracial: 7% Not Specified: 0
Mercy Housing California – All Staff	M: 43% F: 57%	Asian: 21% Black/African American: 18% White/Caucasian: 22% Hispanic/Latino: 30% American Indian/Alaska Native: 0% Native Hawaiian/Other Pacific Islander: 2% 2 or more races: 5% Not Specified: 2%

1.3.4. Racial Equity Vision.

Related and Mercy committed to ensuring that Block 3A will benefit and generate economic opportunities for smaller and BIPOC-led firms, SBE/LBE organizations,

and low-income local residents, in addition to creating a positive outcome for future residents. At the Project level, the Sponsor continue to work with MOHCD on established community and economic development goals and has competitively procure consultants and contractors who have a track record of meeting or supporting those represented with proper data collection.

The principles of diversity, equity, inclusion, and belonging (DEIB) are core to Related. Related was founded on affordable housing and community development principles over 30 years ago, with origins in revitalizing San Francisco's most segregated and underinvested communities and serving low-income families, seniors, and formerly homeless people. Related has a track record of hiring those with a strong commitment towards social impact and hiring from within the communities they serve.

Mercy Housing was founded on the belief that housing justice is social justice. Mercy's core values are respect, justice, and mercy and commits to using these values to advance racial equity, diversity, and inclusion (REDI). Mercy's commitment to these core values is unwavering and they are central to Mercy Housing's mission and impact. Mercy knows that having varied perspectives helps generate better ideas to solve the complex housing challenges of a changing and increasingly diverse country.

Mercy continually takes action to infuse racial equity throughout their internal culture, systems, and practices. Deliberate steps strengthen their ability to recruit and retain exemplary diverse staff and leadership. Mercy Housing regularly reviews policies, practices, and procedures to support their values and enable employees to do their best work so that residents feel a sense of belonging in the communities where they live.

Mercy completed a REDI organizational framework on November 10, 2021. The REDI organizational framework consists of 6 focus areas:

1. Resident Empowerment
2. Policy, Planning, and Practice
3. Communication and Advocacy
4. Education and Training
5. People and Culture, Hiring, Recruitment and Promotion

According to Mercy, REDI progress changes conversations and paves the way for deeper, more lasting, and inclusive change. Moving forward, Mercy continues to view their progress through a racial equity lens that drives efforts to ensure that Mercy Housing's culture reflects the racially just communities they want to see.

1.3.5. Relevant Experience.

Related has developed 122 LIHTC-financed projects, and all were completed on time and on budget. In San Francisco, the majority of their developments are primarily Type V/I and Type III/I urban infill projects. Related has collaborated with almost all of the most qualified architects and general contractors specializing in this product type in the region. Related owns close to 13,500 affordable units in operations plus 5,200 affordable units under construction or in predevelopment. Related serves extremely low- and low-income households in family properties, senior properties, and properties with permanent supportive housing.

As the largest non-profit owner of affordable housing in the United States, Mercy Housing brings together real estate development, resident services, and property management under a single, mission-aligned organization. Mercy Housing, Inc. (MHI) owns and provides property management (through Mercy Housing Management Group-MHMG) to more than 23,000 units of affordable housing and currently serves more than 50,000 people on any given day. Mercy Housing California (MHC) is the California affiliate of MHI. Throughout the state, MHC has completed development of 10,389 affordable rental units. Of the rental housing developed, approximately 52% has been for families, 32% for seniors, and 16% supportive housing for formerly unhoused households. In addition, MHC has nearly 6,000 units in the development pipeline from feasibility through construction with a team of 38 development staff members to support the process. MHC has a strong presence in San Francisco reflected in its 33 housing developments, including four family and senior properties in the Visitacion Valley neighborhood and two completed properties in Sunnydale thus far.

1.3.6. Project Management Capacity.

Related California:

- Ann Silverberg, CEO, has 30+ years of San Francisco Bay Area affordable housing development and finance experience. She is responsible for the strategic direction, management, and project execution of the firm's Northern California and Oregon affordable pipeline and portfolio; 20% of full time.
- Thu Nguyen, Assistant Vice President, has 10+ years of affordable housing and community development experience. She will manage the development process from inception through construction closeout. Thu has extensive experience in collaborating with stakeholders and overseeing complicated affordable housing projects, including three neighborhood-scale transformation projects. Thu is fully dedicated to the Sunnydale HOPE SF infrastructure and vertical developments and other MOHCD projects; 80% of full time.
- Paige Peltzer, Senior Development Associate, has 3+ years of experience working in public-private housing development in San Francisco. She will heavily support the planning, entitlements, and community engagement process for this Project. Paige is fully dedicated to the Sunnydale HOPE SF infrastructure and vertical developments; 100% of full time.

Mercy Housing:

- Ramie Dare, Director of Real Estate Development, has 30+ years of San Francisco Bay Area affordable housing development and finance experience. She is responsible for the strategic direction, management, and project execution of Sunnydale Master Plan. Ramie is primarily dedicated to the Sunnydale HOPE SF infrastructure and vertical developments; 10% of full time.
- Elizabeth Kuwada, Associate Director of Real Estate Development, has 9+ years of affordable housing development and finance experience. She supports the strategic direction, management, and project execution of Sunnydale Master Plan. Elizabeth is primarily dedicated to the Sunnydale HOPE SF infrastructure and vertical developments; 20% of full time.

1.3.7. Past Performance.

- 1.3.7.1. City audits/performance plans. Related California and Mercy California are currently in good standing with MOHCD.

While Related does not hold any community development grants with MOHCD, it is a well-known entity to the City, as developers who own and manage several affordable housing projects in San Francisco.

Feedback obtained from MOHCD staff regarding Related Management Company's performance and on-site property management relations raised concerns. Specifically, Related staff, including corporate staff and property management staff will need to complete Trauma Informed Systems (TIS) training, and the company will need to produce a Housing Retention Plan to ensure systems are in place to decrease the likelihood of tenant displacement due to non-payment of rent. Disputes should be resolved by neutral third-party consultants approved by MOHCD.

- 1.1.1.1. Marketing/lease-up/operations. The most recent marketing effort on site was completed in April with 290 Malosi, a 167-unit affordable development. As with all projects to date in Sunnydale, the project included 75% public housing replacement units. The remaining 41 units were marketed through DAHLIA with the same marketing preferences as shown in section 4.2. MOHCD marketing and lease up staff provided 290 Malosi with a scorecard on the lease up of the 41 units marketed through DAHLIA. The project was awarded a 52, which is an A grading, based on the marketing plan, assessment of the lottery, and lease up process.

The following tables summarizes the resident data for head of households at Casala and 290 Malosi, the first and second fully leased projects, respectively, at Sunnydale. Note Casala did not have a Right To Return (RTR) Preference at time of lease up. The Right To Return Ordinance was passed on January 19, 2020 after Casala marketing plan was approved and posted on DAHLIA.

Casala – Initial Lease-up Demographics

Race	TCAC (13 units)	PBV (41 units)
Black	23%	59%
Hispanic	38%	12%
Asian	38%	15%
Pacific Islander	0%	10%
White	0%	2%
Mixed-Race	0%	2%

290 Malosi – Initial Lease-up Demographics

Race	TCAC (32 units)	TCAC - Right to Return (9 units)	PBV (125 units)
Black	13%	78%	44%
Hispanic	31%	11%	18%
Asian	50%	0%	15%
Pacific Islander	3%	11%	21%
Indian	3%	0%	0%
White	0%	0%	2%

Related's Real Estate Owned Property (REO) consists of approximately 24,000 tenants across 91 properties. Related does not collect demographic data from its tenants.

Mercy's REO consists of approximately 47,750 tenants across 355 properties nationwide. Disaggregated by race, 38.15% of residents identify as White, 30.21% of residents identify as Black or African American, 12.04% of residents identify as Asian, 10.11% of residents identify as Other, 4.99% of residents did not specify, 2% of residents identified as American Indian or Alaska Native, 1.95% of residents identified as Native Hawaiian or Pacific Islander.

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

Site Description	
Zoning:	Sunnydale HOPE SF Special Use District (Approved Jan. 31, 2017)
Maximum units allowed by current zoning (N/A if rehab):	No restriction on Block 3A. There is a maximum unit count and density limitation for the entire Sunnydale HOPE SF site.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4
Soil type:	The Block 3A geotechnical report finds that the site's top one to five feet of soil is medium-dense material that left unmitigated, may settle under the weight of the proposed building. ENGEO, the geotechnical engineer, recommends removing near-surface loose soil and/or

	<p>artificial fill to a minimum depth of 4 feet below existing grade and replacing as engineered fill.</p> <p>Prior to fill placement, at least 8 inches below the bottom of the over-excavation should be scarified, moisture conditioned, and compacted before placing fill. Engineered fill should be placed, moisture conditioned, and compacted.</p> <p>During construction, the bottom of the over-excavation should be inspected and backfill operations observed to confirm foundation subgrade consists of competent soil.</p>
Environmental Review:	The Planning Commission approved a joint Sunnydale HOPE SF EIR/EIS on July 9, 2015. HUD issued Authorization to Use Grant Funds (AUGF) on September 1, 2015.
Adjacent uses (North):	Sunnydale Community Center owned by a Related and Mercy entity.
Adjacent uses (South):	290 Malosi, owned by a Related and Mercy entity.
Adjacent uses (East):	Sunnydale Casala affordable housing development.
Adjacent uses (West):	Site for future Sunnydale Block 3B affordable housing development.
Neighborhood Amenities within 0.5 miles:	<p>Community and social services: The ground floor of Block 3A and Block 3B will include a Health and Wellness Center operated by the San Francisco Department of Public Health, Felton Early Childhood Education Center and Mercy Housing's customer service center. The ground floor will also include neighborhood retail and the Sponsor is planning a grocery store and resident owned businesses.</p> <p>The Block 1 Community Center will house a new and expanded Wu Yee Early Childhood Education Center (which includes Head Start) and a new and expanded Boys & Girls Clubhouse. The Center will also include indoor multi-purpose spaces and outdoor space for community events and activities.</p> <p>Mercy, Related, and their partners are working with the San Francisco Recreation and Parks Department to construct the Herz Recreation Center at Herz Park to provide the community with a new neighborhood gym and multi-purpose room. RPD is also renovating the Herz playground with new equipment.</p> <p>Samoan CDC is planning to maintain their McLaren School center but continue to be active in the services and programming in the neighborhood.</p> <p>Grocery Outlet and the Leland Avenue small business retail corridor is approximately three-fourths of a mile away. The Schlage Lock development, about one mile away, will include a major grocery store.</p> <p>Small churches and places of worship are located throughout the neighborhood.</p> <p>McLaren School, Visitacion Valley Elementary School, Visitacion Valley Middle School, June Jordan Equity School, and Our Lady – The Visitacion School are in the area.</p>
Public Transportation within 0.5 miles:	MUNI Bus Lines 8, 8BX, 9, 9R, 56, 91
Article 34:	Article 34 Authority will need to be updated before the final gap commitment to represent the final unit count.
Article 38:	Exempt. The Sunnydale site is not located in an Article 38 Air Pollutant Exposure Zone.

Accessibility:	15% of units are accessible (Mobility featured, Hearing and Visual Aid featured); 88% of units are adaptable
Green Building:	Block 3A will meet GreenPoint Rated Requirements in the San Francisco Green Building Ordinance.
Recycled Water:	Exempt. Per the Development Agreement, all Sunnydale HOPE SF development is exempt
Storm Water Management:	A preliminary stormwater control plan was completed for 3A by KPFF Consulting Engineers on September 20, 2021

2.1. Description.

The Site (Block 3A) is approximately 0.83 acres located at the corner of Hahn Street and Sunnydale Avenue and part of Phase 1A3. Phase 1A3 was previously occupied by families living in public housing apartments, but SFHA, with support from the Project Sponsors, worked to relocate the families prior to their units being demolished. Demolition of the site was completed in April 2022. The Site is vacant.

2.2. Environmental Issues. N/A. Please see chart above.

2.2.1. Phase I/II Site Assessment Status and Results.

A Block 3A Phase II Environmental Site Assessment was completed in February 2021 by AEW Engineering, Inc. In March 2021, AEW Site Mitigation Plan was completed. The Phase II ESA concluded that:

- Traces of arsenic and vanadium were found on site, but subsurface soil is not expected to pose significant adverse impacts to human health and the environment.
- No serpentine soil was recorded on the boring logs, nor were there results of asbestos above the detection limit; however, trace fibers were observed in each sample. Asbestos is likely to be subject to California Air Resources Board and NOA regulations during construction.
- The subsurface soil at the site may be considered as non-hazardous waste for offsite disposal if excavated.

2.2.2. Potential/Known Hazards.

The subsurface soil may be considered as non-hazardous waste for offsite disposal if excavated. Asbestos is likely to be subject to California Air Resources Board and NOA regulations during construction. Air monitoring will be required during construction per BAAQMD.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

Since early 2009, Mercy Housing's community building staff have been working on site to outreach to Sunnydale residents. The goals of the community building scope of work are to support an operating culture in which residents and staff create a community network that embodies a culture of empowerment, aspiration, and shared accountability. This includes building and maintaining trust and relationships, mutual support, creative problem solving amongst residents and staff, as well as resident-led

initiatives. Part of this work includes social activities that encourage relationship building in addition to sharing about pertinent services and development-related work. Mercy Housing has worked with community development and organizing consultants to help guide this work.

During the pandemic, the team adapted to the virtual world and continued the community engagement process via monthly website posts and Zoom Neighbor Up meetings. The shift back to in-person community meetings started in Q3 2021. Mercy's community building staff continue to organize regular in-person community events, such as pop-up social and services events and monthly Neighbor Up meetings, with a growing number of residents and neighbors in attendance.

3.2. Future Outreach.

As allowable under local COVID mandates, Mercy Housing will continue to hold monthly in-person Neighbor Up meetings and Pop-Up events in accordance with CDC protocols. The Project Sponsors will also continue to share information with regular website posts, email blasts, and flyers. In addition to these regular outreach efforts, upcoming events include the annual Family Day, where the Project Sponsors will share information and progress about development work, and community meetings for Sunnydale and Visitacion Valley residents.

3.3. 1998 Proposition I Citizens' Right-To-Know. Proposition I noticing was completed for Block 3A in February 2020.

4. DEVELOPMENT PLAN

4.1. Site Control.

The Site is currently owned by SFHA. The Sponsor has entered into an infrastructure ground lease with SFHA during the infrastructure improvement period. The 84 public housing units initially on Site have been demolished and abated.

4.2. Proposed Property Ownership.

SFHA will retain long-term ownership of the land and ground lease it to the Project Sponsor, who will develop and own the affordable housing improvements. The form of the ground lease has been negotiated by the Project Sponsor and SFHA with MOHCD. A long-term vertical ground lease between SFHA and the Sponsor will take effect at construction loan closing with a term of 57 years with an option to extend for an additional 42 years with a \$15,000 annual base rent and annual residual receipts estimated at \$37,500.

In order to make the Project more competitive for CDLAC/TCAC, the Sponsor has removed the commercial costs from the development budget. If Block 3A receives a CDLAC allocation, the Sponsor will provide a commercial condo to separate the housing from the commercial space. MOHCD will have two loans – one for housing/residential and one for commercial. The Sponsor will need to work with MOHCD and SFHA to bifurcate the ground lease at that time.

4.3. Proposed Design.

Block 3A is envisioned to be four stories of Type V over a Type I podium. The ground floor features five commercial spaces: an early childhood education center to be operated by Felton Institute, a health and wellness center to be operated by the San Francisco Department of Public Health replacing its current location in the Sunnydale administration building, Mercy's centralized Sunnydale customer service center, a community grocery space, and a restaurant/food hall/incubator space. The property management and resident service offices will be prominently visible looking onto the lobby and the residential lounge, respectively. The building will share the ground floor garage located in Block 3B with approximately 60 parking spaces allocated to Block 3A (a 0.75 parking ratio). The building will have a central courtyard and be served by a southeast terrace. Three-bedroom and four-bedroom units will have in-unit washers and dryers and each floor will have a laundry room available to residents of said floor.

To date, the design of Block 3A is at 70% construction drawing stage. The Project is expected to receive Site Permit approval in July 2022. Upon Site Permit approval, the Sponsor will be ready to submit the first three addenda: civil and grading; structural (foundation and superstructure); and architectural, landscape, mechanical, electrical, plumbing, and Mayor's Office of Disability (MOD).

Avg Unit SF by Type (net):	0-br avg sf- 420 sf 1-br avg sf- 643 sf 2-br avg sf- 920 sf 3-br avg sf- 1,183 sf 4-br avg sf- 1,388 sf																				
Do all units meet TCAC minimum SF?	All units exceed the TCAC minimum SF. <table><tr><th>Unit Type</th><th>TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)</th><th>Block 3A unit type percentage greater than TCAC minimums</th></tr><tr><td>Studios</td><td>200</td><td>110%</td></tr><tr><td>1-BDR</td><td>450</td><td>43%</td></tr><tr><td>2-BDR</td><td>700</td><td>31%</td></tr><tr><td>3-BDR</td><td>900</td><td>31%</td></tr><tr><td>4-BDR</td><td>1,100</td><td>26%</td></tr></table>			Unit Type	TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)	Block 3A unit type percentage greater than TCAC minimums	Studios	200	110%	1-BDR	450	43%	2-BDR	700	31%	3-BDR	900	31%	4-BDR	1,100	26%
Unit Type	TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)	Block 3A unit type percentage greater than TCAC minimums																			
Studios	200	110%																			
1-BDR	450	43%																			
2-BDR	700	31%																			
3-BDR	900	31%																			
4-BDR	1,100	26%																			
Common Area SF:	Resident lounge, flex lounge, and associated bathrooms located in Block 3B, but accessible to Block 3A, is approximately 1,810 square feet.																				
Property Management Suite	One property management office: 194 square feet, one desk for one FTE																				
Resident Services Office	One resident services office: 119 square feet, one desk for one FTE																				
Bicycle Parking:	Bike parking room for 90 spaces (1:1): 648 square feet. The bike parking is located on the ground floor of Block 3B and accessible to Block 3A.																				

Parking SF:	27,650 gross square feet for 3A and 3B. This is for 60 covered parking spaces 0.75:1.0 ratio. The garage is located on the ground floor of Block 3B and accessible to Block 3A.
Residential SF:	94,595 gross square feet
Commercial SF:	19,013 gross square feet
Customer Service Center	4,650 gross square feet for up to 26 staff
Grocery	2,936 gross square feet
Restaurant/Food Hall	1,172 gross square feet
DPH	2,687 gross square feet
Felton institute	7,568 gross square feet
Circulation SF	15,684 gross sf
Building Total SF:	113,608 square feet

4.4. Construction Supervisor/Construction Representative's Evaluation

Block 3A, along with its sister project Block 3B, are both very efficiently designed, but nonetheless come in at a very high cost comparable to projects for a number of reasons. The plans for Block 3A include a large amount of non-residential space, a large portion of which is somewhat atypically being completely built out under the base building scope. This includes commercial space, including the Mercy's office and health center space. All commercial spaces are being built to warm-shell guidelines, consistent with MOHCD's Commercial Space Policy for community servicing spaces, which also adds cost. The site is sloped which also increases costs and the Project has a fairly high bedroom count, although not as high as other HOPE SF developments like Potrero and Hunters View. MOHCD's new construction non-HOPE SF developments do not include washer/dryers or washer/dryer hook-up in units. The in-unit laundry for three and four-bedroom units is typical for Potrero and Sunnydale HOPE SF, but not for all other HOPE sf sites.

Block 3A is in a prominent location and will be seen as the gateway into Sunnydale, and therefore Block 3A utilizes a slightly higher quality of exterior skin material (in this case tile and Corten steel) than might otherwise have been the case. The team has done a good job in diligently saving money where they can and will continue those efforts through bidding.

As it stands, the Project is roughly 27% more expensive than comparable projects on a per-unit basis, 24% more per-bedroom, and 20% more per-square-foot. In addition to the design factors mentioned above, larger market factors are at play here causing the higher-than-comparable-project costs. Removing the commercial costs from these numbers, the Project is more reasonable and seems in line with other projects, consider the currently market. Removing the commercial, the Project is more expensive than 15% per unit, 12% per bedroom, and 9% more expensive per square foot. Based upon industry forecast, specifically data issued by Engineering News Record (ENR), which tracks cost data both regionally and nationally, some of the rapid material cost escalation seen in the last 18 months, some seeing 12-30% annual increase (e.g.

concrete, steel, lumber, asphalt) have driven higher than anticipated project hard cost escalation. While there are some commodities that are leveling out (e.g. lumber) others, particularly those affected by the conditions in Ukraine (including petroleum based materials), are expected to remain volatile for the near future. However, there are some early indicators that this escalation and volatility might be leveling off, particularly as higher interest rates and uncertainty about commercial and office space markets have begun to stall market rate development, contribute to more competitive bidding and stabilization of prices for both labor and materials. As a result, the pricing reflected here is a snap-shot in time that is indicative of the current market, and errs on the side of caution when projecting costs to the anticipated construction start date. MOHCD and the Project Team are committed to continuing to collaborate on cost reduction and containment strategies

4.5. Units Design

The proposed unit count and mix shown was developed based on the demographics of Sunnydale households following the lease up of 290 Malosi. As such, the Project includes a greater number of large apartments than what is typical among MOHCD and TCAC-financed affordable housing projects.

As part of the HOPE SF racial equity and reparations framework, the Sponsor is striving to provide apartments that are larger and of higher quality than Sunnydale's public housing units. As noted in the table below, the overall unit gross square footages are bigger among all Block 3A unit types compared to the existing Sunnydale public housing stock. Additionally, the Project Sponsors strived to create unit plans where each room – living, dining, bedroom, and bathroom – is bigger than that in the existing Sunnydale public housing stock.

	TCAC Min	SFHA Existing	Casala	290 Malosi	Block 3A
Studio	200	-	469	-	420
1 BD	450	575	574	607	643
2 BD	700	811	854	886	920
3 BD	900	920	1241	1198	1183
4 BD	1100	1042	-	1438	1388

Meeting this HOPE SF goal increases costs, making Sunnydale 3A uncompetitive under the cost efficiency competitiveness factor common for HCD, CDLAC, and TCAC funding based on the current policy. The Project Sponsors are acutely aware of the importance of cost efficiency and have completed multiple rounds of value engineering without decreasing the unit size or the number of parking.

4.6. Commercial Space. Commercial space development budget and financing are discussed in Section 6 below.

4.6.1. Space Description.

Block 3A is located on the southwest corner of Sunnydale Avenue and Hahn Street and will serve as the most prominent building at the Sunnydale HOPE SF revitalized community's gateway entrance. Block 3A is also one of only two mixed-use buildings

in the entire Sunnydale development. By featuring approximately 19,000 square feet of active nonprofit and community-serving retail spaces, Block 3A will meet one of HOPE SF's longstanding commitments to the community. The non-residential component will wrap around the north, east, and south side of the building. This retail program has been well designed through years of community engagement as well as demonstrated need. Below is the gross square feet of the spaces and the intended uses::

- Neighborhood Grocery Store (2,936 SQFT) that can offer fresh produce to this food desert neighborhood.
- Restaurant/Food Hall/Food Business Incubator (1,172 SQFT) for food-related Sunnydale or local entrepreneurs to sell homemade goods.
- Mercy Office (4,650 SQFT) for any Sunnydale resident from any building to seek immediate property management and resident service assistance.
- DPH Health & Wellness Center (2,687 SQFT) as a permanent replacement center for its Sunnydale operations.
- Felton Institute Early Childhood Education Center (7,568 SQFT) to provide a second early childhood education center for an additional 60+ children in the neighborhood.

4.6.2. Commercial Leasing Plan.

The grocer and restaurant/incubator tenants are unknown at this time. The Project Sponsor continues to solicit interest from the grocery and restaurant community with the aim to identify a healthy and affordable grocer and local/small restaurant owners dedicated to serving the community. The Sponsor will put out a Request for Qualifications (RFQ) at construction start for operators of these sites, that includes the goals and vision of HOPE SF. MOHCD and HOPE SF will review the RFQ and assist in the procurement process. MOHCD and HOPE SF will also approve operators of the Sites. In order to guide the RFP, a market analysis will be due to MOHCD and HOPE SF for review. This will be provided before final gap financing approval. Mercy has requested assistance from MOHCD on a path forward to funding with MOHCD.

Mercy, DPH, and Felton Institute are known tenants. The Sponsor will provide an LOI with Mercy and DPH by prior to final gap loan request. The Sponsor and Felton Institute have signed an LOI.

All leases for the commercial spaces at Block 3A will be triple net (NNN). All commercial spaces are community serving and therefore will pay below market rents. For more details on Commercial Operating Plan, please see Section 7.5.

As mentioned above, this space will be bifurcated into a separate commercial condo. The commercial spaces will share an electric service, but each space will be sub-metered. Currently, plumbing is shared for the entire Block 3A building, but the commercial spaces will be sub-metered. Electric heating will be included in the electric sub-metering. Since all spaces are community serving, the Sponsor is

carrying warm shells and Tenant Improvements in the development budget. For more information on Commercial development budget, please see section 6.4.4, under Sources and Uses.

For more details on Commercial Operating Plan, please see Section 7.5 below, in Operating Budgets.

	Grocery Store	Restaurant/ Food Hall	Mercy Office	DPH Wellness	Felton Early Childhood Education	Total
Square Footage	2,936	1,172	4,650	2,687	7,568	19,013
Estimated 1 st Yr. Rent	\$30,681	\$13,149	\$1	TBD	TBD	\$43,833

4.7. Service Space

The Block 3A ground floor lobby has space for one resident service office of 119 square feet that is dedicated to the building.

4.8. Property Management Office

The Block 3A ground floor lobby has a 194-square foot office for the Block 3A Assistant Property Manager.

4.9. Common Areas

Block 3A includes a welcoming 1,114-square foot lobby with space for mailboxes and a 140-square foot parcel room. Residents will be able to share a resident-only second floor courtyard.

Block 3A residents will have access to a resident lounge, flex lounge, and associated bathrooms located in Block 3B. The shared common spaces in Block 3B are approximately 1,810 square feet. Block 3A and Block 3B will execute a use agreement to allow residents from either building to use the common space and meet the requirements of TCAC.

4.10. Parking & Bike Storage

A ground floor parking garage will be located in Block 3B and serve residents of both Block 3A and Block 3B. The garage will hold approximately 60 spaces for Block 3A and 68 spaces for Block 3B, for a parking ratio of .75. The garage will utilize parking stackers. A bike room will also be located in Block 3B for the enjoyment of residents of both Block 3A and Block 3B. Block 3A is carrying \$4.9M in parking costs for 60 units in this budget, which include cost for parking stackers. Currently, there is not a path forward for Block 3B to start construction. The Sponsor will need to provide an interim plan for parking for Block 3A residents if 3B is not built before Block 3A. After construction, a lottery process will take place after lease-up for the free parking assignment similar to Casala and 290 Malosi.

4.11. Infrastructure.

Construction of Phase 1A3 infrastructure, which comprises Block 3A, affordable housing Block 3B and Community Building Block 1, commenced in May 2022. Phase 1A3 consists of infrastructure improvements along Sunnydale Avenue, including streets, sidewalks, street trees and furniture, utility infrastructure, bicycle lanes, off-site intersection improvements, and SFMTA infrastructure, as well as grading of the three development blocks.

Involved Agencies. Phase 1A3 requires significant coordination among the Project Sponsors, MOHCD, SFHA, SFDPW, SFPUC, and OEWD. This work is ongoing.

Infrastructure Funding. The total budget for Phase 1A3 is \$25,047,111 which was recommended for approval by Loan Committee on November 5, 2021 and approved by the Board of Supervisors (BOS) on December 3, 2021.

Schedule. As mentioned above, Phase 1A3 infrastructure improvements started in February 2022 and will be completed by June 2023. Based on this schedule, the Block 3A pad can start vertical construction by end of year 2022, or within 6 months of financing commitments.

4.12. Communications Wiring and Internet Access.

The Sponsors will continue to work with MOHCD Construction Representative to determine the appropriate communications wiring scope to meet MOHCD's current standards. All Sunnydale projects, including Block 3A, access the City fiber high-speed network and are served by Monkey Brains internet service, a San Francisco-based internet service provider.

4.13. Public Art Component.

The Project is not required to meet a public art requirement. However, the Sponsor anticipates incorporating a public art component with Sunnydale resident involvement.

4.14. Marketing, Occupancy, and Lease-Up

The 60 Sunnydale/Velasco replacement units will be available to current residents through a random drawing, a process determined and agreed upon by MOHCD, HOPE SF, SFHA, and the Sponsor. SFHA can refer future residents from its waitlist for these units only after all existing residents have exercised their HOPE SF Right to Return.

The 19 tax credit units will be marketed through DAHLIA, MOHCD's typical lottery process, including MOHCD's required preference system detailed below. Block 3A will be the second Sunnydale development to implement the HOPE SF Right to Return preference, which provides a priority preference for eligible current or former residents of Sunnydale.

MOHCD Preference Level	Applicant Category
1	HOPE SF with Right to Return
2	Certificate of Preference (COP) Holders
3	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20%)
4	Neighborhood Preference (40%)*
5	Live or Work in San Francisco Preference
6	All Other

*Sunnydale Block 3A has AHSC, awarded by the State. Due to this, the Neighborhood Preference has decreased to 25% of TCAC units.

Marketing materials will be printed in English, Spanish, Chinese, and Samoan, as these are the primary languages of Sunnydale residents, and published in a variety of publications that represent a broad range of non-English speaking populations. The engagement strategy will include a concerted effort to outreach to communities of color through linkages with neighborhood-based organizations and former Sunnydale resident communities, including partnering with other community based organizations in the neighborhood.

Mercy Housing Management Group marketed 290 Malosi in accordance with the approved marketing plan. This included marketing via printed material such as a flyer and COP postcards sent to RTR and COP households and advertisements in five local news publications (Bayview, La Opinion de la Bahia, Philippine News, World Journal, Bay Area Reporter) and via social media and online publications. The team identified 9 households for RTR units, which is 21% of the non PBV units. This is the first time that the Sponsor marketed to RTR households and will continue to advance this marketing with lessons learned and additional outreach.

It should be noted that Block 3A will likely experience delay in lease up if block 3B is not built before or in conjunction with Block 3A the parking requirement for both buildings will be built in 3B. For both buildings to start construction at the same time, one building would need to not be a tax credit building, as TCAC requires the buildings to start construction 6 months apart to justify separate ownership. A successful CHA application to one or both of these buildings would allow for them to start concurrently, in the event the other received a CDLAC/TCAC or 9% award.

4.15. Relocation.

The relocation of public housing residents residing within Block 3A footprint to rehabbed public housing units in later phases is complete. The Sunnydale HOPE SF Final Master Relocation Plan approved by SFHA on August 25, 2016 outlines the applicable relocation requirements, including the Uniform Relocation Act (URA) and State of California Relocation Assistance Law (CRAL), and details a phased relocation plan consistent with those requirements. SFHA, as the displacing agency, executed the relocation activities for Block 3A, with support from the Sponsor and MOHCD.

Relocation of the existing households was performed by SFHA with financial support by MOHCD. The Infrastructure Phase 1A3 budget includes \$200k in relocation costs

for Sunnydale residents to move into Block 3A and 3B, and therefore the Block 3A budget does not include these costs.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	David Baker Architects	N	N
Landscape Architect	Interstice	Y	N
General Contractor	Nibbi/Baines JV	Y (40%)	N
Owner's Rep/Constr Mgr.	Waypoint Consulting	N	N
Financial Consultant	CHPC	N	N
Legal	Gubb & Barshay LLP	N	N
Property Manager	Mercy Housing Management Group	N	N
Services Provider	Mercy Housing CA	N	N
Structural	Mar	Y	N
Mechanical, Plumbing, Fire	Tommy Siu	Y	N
Electrical	UDCE	Y	N
Acoustical	Wilson Ihrig	Y	N
Utility Joint Trench	Giacalone	N	N
Appraisal/Market Studies	Raney	N	N

5.1. Procurement Plan.

Project Sponsor has coordinated with Contract Management Division (CMD) to establish a professional services goal of 25% SBE and a construction goal of 25% SBE. Currently, the Project is achieving professional services SBE participation of 25% through the end of fiscal year 2021.

For Casala, 290 Malosi and Block 3A, Project Sponsor has established a First Source Hiring Program Goal of hiring 50% of new construction hires through the CityBuild workforce system. As of December 2021, Casala had reached 16.03% of new hires (76 workers) and 290 Malosi achieved 27.32% of new hires through CityBuild. The Sponsor will make efforts to learn from Casala and 290 Malosi to improve the First Source Hiring outcomes for Block 3A and future Sunnydale projects, by bringing on the General Contractors early in the Project timeline

5.2. Opportunities for BIPOC-Led Organizations.

The Sponsor is fully committed to ensuring that Block 3A will generate economic opportunities for smaller and BIPOC-led firms, SBE/LBE organizations, and low-income local residents, in addition to creating a positive outcome for future residents. At the project level, Sponsor will work with MOHCD to establish explicit community and economic development goals, competitively procure consultants and contractors who have a track record of meeting or supporting those goals, and track progress through proper data collection. Strategies include:

- Outreach, advertising and marketing, including timely use of the Bid and Contract Opportunities newsletter published by the City and County of San Francisco Purchasing Department and media focused specifically on SBE businesses such as

the Small Business Exchange, of the opportunity to submit bids or proposals and to attend a pre-bid meeting to learn about contracting opportunities.

- Collaborate with other local, community-based employment and training agencies to enroll very low- and low-income area residents in training programs, such as City Build, so they are prepared for construction workforce opportunities when they become available.
- Utilize the Construction Industry Workforce Initiative for outreach to employ neighborhood college students as interns.
- Perform direct outreach to SBE firms to ascertain their interest in performing certain contract scopes.
- Consider splitting professional contracting into smaller scopes of work or dollar amount contracts to allow smaller firms to participate more easily.
- Assist and provide possible solutions to potential contractors and subcontractors who have questions around bonding and lines of credit.
- Hold hiring fairs to attract neighborhood residents into trade training programs that will prepare them for pending construction work.
- General Contractor and subcontractors provide First Source Hiring Plans to outline the specific steps the contractors will take to implement hiring goals by gap request.

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

6.1. Prior MOHCD/OCII Funding:

Loan Type	Loan Date	Loan Amount	Rate	Maturity Date	Repayment Terms	Left to Disburse	Accrued Interest to Date
Predev	Jan 6, 2020	\$1,850,000	3%	57 years from recorded DOT	Residual Receipts	\$434,973	\$29,820

6.2. Disbursement Status. This preliminary gap request is for application purposes only and the Sponsor is not eligible to draw the preliminary gap amount. Currently, there is \$434,973 left to draw on the predevelopment loan. Sponsor intends to fully draw funds by Project closing, which is estimated to be March 2023. Should the Project not be successful for a CDLAC/TCAC award in early 2023, the Sponsor will evaluate whether an additional commitment of predevelopment funds from MOHCD is needed.

6.3. Accrued interest.

To date, the Project has accrued \$29,820 in interest. In an effort to reduce all project costs as much as possible to improve Block 3A's competitiveness for CDLAC/TCAC funds, the Sponsor is requesting that the accrued interest of \$29,820 and interest accrued by construction close to be forgiven by MOHCD.

6.4. Fulfillment of Loan Conditions. Below is the status of Loan Conditions approved by Loan Committee on April 16, 2021:

- Sponsor will provide a detailed commercial plan analysis 6 months before Gap request, including researching financing options for the commercial space in order to

minimize the need for MOHCD funding for the space. In addition, the analysis will include a schedule and plan on the commercial space's lease-up, including identifying potential commercial tenants. LOIs will be required for all community serving spaces by gap loan approval.

Status: In process. Commercial Plan currently under review by MOHCD.

- Sponsor must provide marketing plan for child-care units by gap financing request.
Status: N/A. The ground floor will have an early childhood education center operated by Felton Institute. The building will not have individual child care units.
- Sponsor must apply to AHP before gap financing request, and subsequent to Gap request as needed, to offset MOHCD contribution.
Status: Complete. Due to Related's for-profit status and the developer fee split with Mercy, the Sponsor is not considered competitive for the program.
- Sponsor will work with MOHCD staff to reduce Operating Expenses to be further in line with underwriting guidelines.
Status: In process.
- Sponsor will work with SFHA to provide funding commitments for the PBVs for the development.
Status: In process. Commitment needed before final gap.
- Sponsor will work with MOHCD to bring marketing costs in line with other projects in MOHCD pipeline prior to Gap.
Status: In process. To be completed prior to final gap.
- Sponsor must provide services plan and budget prior to Gap.
Status: In process. Sponsor is working with MOHCD and HOPE SF to finalize services plan and budget. To be completed prior to final gap.
- Sponsor must provide security plan and budget prior to Gap.
Status: In process. Sponsor is working with MOHCD and HOPE SF to finalize plan and budget by final gap.
- Sponsor must provide Request for Proposals for the equity investor before the RFP is issued to investors.
Status: To be completed after CDLAC/TCAC award in November 2022.
- Sponsor must provide all responses to lender and investor RFP prior to selections.
Status: To be completed. See above
- Sponsor will reduce the DSCR for all vertical projects to 1.15 in year 1.
Status: Complete.

- Sponsor will increase income and expenses assumptions to match MOHCD underwriting standards.
Status: Complete.
- Sponsor will provide analysis for increased developer fee to ensure MOHCD is not covering the delta
Status: Complete. Sponsor lowered developer fee and MOHCD workbook shows no increase from MOHCD.
- Sponsor will look to lower permanent debt interest rate and payment to more appropriate market standards.
Status: In process. Market constraints are difficult to interpret currently, and Letters of Intent will be due closer to gap.

6.5. Proposed Permanent Financing

6.5.1. Permanent Sources Evaluation Narrative: The Sponsor proposes to use the following sources to permanently finance the project:

- Private mortgage (\$16,920,352): Lender to be finalized after RFP process. Assuming 6.15% on a 35 year amortization.- This terms and rate are reasonable considering the current financial market, but the Sponsor needs to work to bring the DSCR for year 1 to 1.15 by gap request. Currently, DSCR is showing as 1.21, which means the Sponsor can take on more debt by about \$2m and effectively reducing MOHCDs gap.
- 4% Tax Credit Equity (\$38,581,531): Upon award of TCAC, Sponsor will issue a RFP for an equity investor. Based on current market, assuming \$0.95. Section 8 contracts have trended higher for equity pricing than non-section 8 deals in San Francisco due to the higher rents paid by SFHA. It is expected that this Project will receive more favorable pricing than others in MOHCD pipeline.
- AHSC Housing Loan (\$10,850,000): 3% Deferred interest, with a mandatory annual payment of .42%. This is a permanent source and will come in at Project Completion.
- MOHCD Loan - Residential (\$19,106,102): 3% Deferred interest term for 55 years, residual receipts payments, as is standard. Increases in tax credit equity or better terms for permanent debt financing will decrease this amount.
- MOHCD Loan - Commercial (\$6,938,836): 3% Deferred interest term for 55 years, residual receipts payments, as is standard. MOHCD and the Sponsor will determine if the interest rate is reasonable prior to gap request.

- Deferred Developer Fee (\$2,919,000): Sponsor is entitled to 50% of the cashflow after MOHCD and HCD split.
- General Partner Equity (\$100): Per HOPE SF Developer Fee Policy, as shown in the Sunnydale HOPE SF Development Agreement.
- Construction Loan (\$59,464,754): While not a permanent source, the construction loan terms are underwritten at 5.00% for 30 months, assuming a 20-month construction period, 4 month lease-up period, and 3 months of stabilization prior to perm conversion with a 3 month buffer.

6.4.2. CDLAC Tax-Exempt Bond Application

Block 3A has a Self-Score of 119 points out of 120 points, with a tiebreaker score of 14.42. Given that this upcoming August 2022 joint CDLAC/TCAC round is the first under new regulations, it is difficult to determine the Project's competitiveness against other projects. Based on MOHCD pipeline, however, Block 3A looks to be the least competitive of all the projects.

According to a MOHCD analysis of 2021 CDLAC rounds, Sunnydale Block 3B would have had to reduce its overall cost by \$20 million and lower all AMIs to be competitive. MOHCD's Bond Manager suggested that removing the commercial costs from Block 3A's budget and lowering all the non-PBVs to 30% TCAC/45% MOHCD, plus income averaging all units to no more than 36% TCAC AMI/48% MOHCD AMI would help make the project more competitive. The amount below does not include commercial costs in the Bond amount.

CDLAC Self-Score	
Opportunity Map Resource Level	High Segregation and Poverty
TCAC Housing Type (new construction only)	None
Bond Allocation Request Amount	\$47,000,000
Total Self-Score (out of 120 points)	119
Tiebreaker Score	14.42

6.4.3. Financing Options.

As shown above, it is not known whether the Project will successfully compete for a CDLAC/TCAC award due to next round being the 1st round in with new regulation changes. However, based on past rounds it seems unlikely. Changes to the CDLAC regulations, including a potential scoring bonus for Revitalization Projects such as HOPE SF, are still pending as of this writing. There are a few options to move this Project forward, but all prove to be more expensive than applying to CDLAC/TCAC.

Option 1. The Project Sponsor is requesting up to \$26,044,937 to submit a joint CDLAC/TCAC Round 2 2022 application. This loan evaluation is based on this described scenario.

Option 2. Should Block 3A not receive CDLAC/TCAC funds in round 2, then Project Sponsor intends to apply for Tier 3 CHA funds in spring 2023, if and when the funds become available. The MOHCD gap loan would remain approximately the same as Option 1 with a likely increase due to escalation/delayed construction start, rising interest rate, additional professional service costs, and other costs that may arise from further project delay. As a reminder, Block 3B will also be applying for these funds and the projects would be competing with each other. Block 3B was not be competitive for Tier 2 funds due to high costs and in order to be competitive, would need to have lowered the development budget by \$20 million and lower all AMIs in the project, which is consistent with the HOPE SF DAs.

Option 3. As a final Option, Block 3A could apply for 9% geographic tax credits. The AMIs would stay the same as noted in the DA. It is estimated that MOHCD's soft loan amount needed for a 9% structure is approximately \$41,100,000. The Sponsor could apply in Spring 2023, and request a forward commitment of the fall round, in order to ensure that the Spring allocation is secure. Otherwise, could apply in the fall for full allocation, as long as the Spring allocation wasn't utilized. In either case, the Sponsor will work with MOHCD to finalize.

6.4.4. HOME Funds Narrative

This Project is eligible to receive HOME funds and meets HOME loan limits. The maximum HOME subsidy for the project is calculated to be \$3,023,000. This analysis is on file with Fiscal.

6.4.5. Commercial Space Sources and Uses Narrative

Block 3A includes approximately 19,000 square feet of commercial space, as represented in the Sunnydale HOPE SF Development Agreement, which is not tax credit eligible. As such, the \$6.9M in total development costs for the commercial space does not leverage other financing. Furthermore, since all spaces will pay below market rents as they are community servicing, the Sponsor cannot obtain debt financing on the space.

	Grocery Store	Restaurant	Mercy Office	DPH Wellness	Felton Early Childhood Education	Total
Sq. Footage	2,936	1,172	4,650	2,687	7,568	19,013
Cold Shell	\$494,787	\$197,510	\$783,637	\$452,824	\$1,275,391	\$3,204,150
Warm Shell Construction	\$334,339	\$133,462	\$245,435		\$245,435	\$958,672
Contingencies	\$75,916	\$31,506	\$93,741	\$42,369	\$136,724	\$380,257
Tenant Improvements	\$178,676	\$71,324	\$1,279,257			\$1,529,257
Commercial Lease Up Reserves	\$142,941	\$57,059				\$200,000

Legal	\$18,530	\$7,397	\$29,348	\$16,959	\$47,765	\$120,000
FF&E			\$195,000			
Soft Cost Contingency	\$15,674	\$6,257	\$24,824	\$14,344	\$40,401	\$101,500
Comm Dev Fee	\$38,605	\$15,411	\$61,142	\$35,331	\$99,511	\$250,000
Total	\$1,299,468	\$519,927	\$2,712,385	\$561,828	\$1,845,228	\$6,938,836

6.5.2. Commercial Build Out.

Since all spaces are considered Community Serving, the Project budget includes the costs of providing the warm and cold shell, as well as Tenant Improvements.

- Grocery Store & Restaurant/Incubator. The Sponsor is proposing building these two retail spaces to a warm shell, given that these are desired uses by the community, the difficulty of finding mission-driven local tenants, and the current retail climate in San Francisco. With a warm shell, the tenants will be responsible for tenant improvements, which are estimated to be at least \$600,000. The Project Sponsors are proposing \$250,000 as warm-shell cost in the budget and Mercy has secured \$350,000 from the Stupak Foundation for tenant improvements, increasing the likelihood that Related and Mercy can occupy these spaces with local small business and BIPOC tenants. The Sponsor is also requesting \$200,000 as a commercial reserve for after the building is open but before the tenants have completed their tenant improvements.
- Health & Wellness Center. DPH has committed up to \$2 million to the Project, to cover all DPH capital costs, as well as warm and cold shell. Any remaining funds will be used to cover other MOHCD costs including permit fees. MOHCD and the Sponsor will continue working with DPH to refine the design and identify additional cost savings. DPH, MOHCD and the Sponsor are working on the LOI currently. The funding amount for this work is included in FY 2022/2023 budget, which is not yet approved. Therefore, it is not shown in the proforma currently, but will be included by gap financing request.
- Early Childhood Education Center (ECEC). The Felton Institute is seeking funding for \$5 million in tenant improvements from local and state early childhood education resources. Felton recently secured funding for its ECEC in another MOHCD-funded project in the Mission District.
- Mercy's Sunnydale Customer Service Office. Mercy will create a centralized office at Block 3A for property management and resident services staff members currently on and off site that support the revitalization efforts at Sunnydale. The Mercy Customer Service Center will accommodate up to 26 staff in total. This will include Mercy property management currently on site at new buildings, as

well as Management and Services leadership, plus service coordinators on site, will be based in this office, as will staff from two community-based organizations currently working at Sunnydale: Visitacion Valley Strong Families and the YMCA. The future residential buildings will have office space for day-to-day property management and services functions specific to each building, though at a reduced square footage given the centralized customer service center/office in Block 3A.

It is not inherently clear whether MOHCDs capital contribution to this service center will offset the costs of providing future property management and services space at future affordable development buildings. This request is unusual for what MOHCD would provide in each affordable housing building, however, it is not reasonable considering the size and scope of the Site. Eventually, there will almost 1000 affordable units on site, so a centralized property management and resident services center makes sense from a customer services point of view.. Mercy needs to provide to MOHCD a detailed analysis on operational costs for the space by gap request. In addition, the TI budget is larger than MOHCD would expect for other nonprofits that would operate out of a City funded building. Mercy will need to fund their TI costs above the MOHCD standard.

For all non-residential spaces, the Sponsor will need to identify additional outside sources, including OEWD, to cover Project costs.

6.4.6. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	N	\$905,887 residential hard cost/unit, including commercial (\$6.9M) and parking (\$4.9M). Removing hard costs related to commercial would put the project at \$819,637 per unit. Removing parking would reduce the hard costs per unit to \$758,816, more in line with other MOHCD projects.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 4.7%, but sponsor is also carrying 3.7% in plan check contingency which includes 8% for escalation.
Architecture and Engineering Fees are within standards	Y	
Construction Management Fees are within standards	Y	\$195k and within MOHCD Underwriting Guidelines
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1.1M At risk fee: \$1.1M Deferred fee: \$2,919,000 GP equity: \$100 Commercial fee: \$250,000 Total fee: \$5,369,100

Entitlement fees are accurately estimated	Y	\$1.5M is budgeted based on 290 Malosi and Casala. Sponsors are determining the final cost.
Construction Loan interest is appropriately sized	Y	
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 8.8%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months.
Transition Reserves	Y	Capitalized Transition Reserve is per HCD AHCS guidelines

6.5.4 Developer Fee Evaluation: The Developer Fee requested below is about \$1.6M less than the ask at predevelopment approval, due to current practice of reducing developer fee to remain competitive for CDLAC/TCAC. The fee is within guidelines and does not increase MOHCD's gap. The Sponsor is entitled to \$50,000 in developer fee for creating a commercial condo.

Total Developer Fee:	\$5,369,100	
Project Management Fee Paid to Date:	\$100,000	
Amount of Remaining Project Management Fee:	\$1,000,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$250,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$2,919,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$100	Per HOPE SF Developer Fee Policy
<i>Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management</i>	<i>Amount Paid at Milestone</i>	<i>Percentage Project Management Fee</i>
Predevelopment Loan Closing	\$165,000	15%
Approval of commercial space plan	\$198,000	18%
Submission of joint CDLAC/TCAC application	\$176,000	16%
Construction close	\$220,000	25%
Construction 50% Complete	\$220,000	20%
100% Lease Up	\$110,000	10%
<i>Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee</i>		<i>Percentage At Risk Fee</i>
Draft Cost Certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%
<i>Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee</i>		<i>Percentage Commercial Fee</i>
Executed LOIs from 3 out of 5 Tenants	\$82,500	33%
Executed Leases 3 out of 5 Tenants	\$82,500	33%
100% Occupancy by all Commercial Tenants	\$82,500	33%

7. PROJECT OPERATIONS (See Attachment J and K for Operating Budget and Proforma; See Attachment L for Commercial Operating Budget)

7.1. Annual Operating Budget.

- **Project Based Section 8 (PBV) Units:** Block 3A will apply for Section 8 Project Based Vouchers from SFHA. Per SFHA's updated Administrative Plan, all future Housing Assistance Payment (HAP) contracts will be 20 years with an automatic 20-year renewal. Income from the PBV Section 8 units is based on current SFHA Payment Standards fewer utility allowances. If payment standards decrease as seen in the beginning of the pandemic, the amount of supportable private debt will decrease, the MOHCD gap loan will increase.
- **Community Association Fee: \$40,000:** This fee is to cover costs of the master association (aka HOA). This is a standard fee on Sunnydale HOPE SF projects, at \$500 PUPA.
- **Property Management and Maintenance: \$246,547:** Property management costs include staff salaries and benefits. A full breakdown of property management and maintenance FTEs is provided in Section 7.2. In addition to property management staff, Block 3A is carrying a 1.0 FTE community coordinator. This position has not been approved or finalized by MOHCD services staff and will be negotiated based on outcomes at Block 6.

7.2. Annual Operating Expenses Evaluation.

Overall operating expenses are approximately \$14,980 PUPA per year. The average HOPE SF project is approximately \$17,828, but this includes two large outliers for Alice Griffith, based on the Annual Monitoring from MOHCD's Asset Management staff. Once those outliers of higher PUPA are removed, the Block 3A cost per unit, prior to debt service, ground lease and bond fees are the roughly the same per other HOPE SF projects at \$14,840 PUPA.

HOPE SF Development	Units	PUPA*
<i>Sunnydale Block 3A – this request</i>	80	\$14,980

Sunnydale Block 6	167	\$13,994
Potrero Block B	157	\$12,859
Potrero Block X	72	\$17,566
Sunnydale Parcel Q	55	\$22,305
Alice Griffith Phase 4	31	\$13,405
Alice Griffith Phase 3	122	\$15,665
Alice Griffith Phase 2	91	\$33,183
Alice Griffith Phase 1	93	\$32,215
Hunters View Phase I	107	\$14,043
Hunters View Phase IIB	179	\$13,588
Hunters View Phase III	100	\$11,074
Hunters View Phase IIA	107	\$14,043
<i>Average</i>	107	\$17,828

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	Y	DSCR is 1.17 at Year 1 and 1.55 at Year 17.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%. Commercial vacancy is estimated at 50% based on HCD guidelines.
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%
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 \$16,428 per unit, not including debt service and \$14,980 before ground lease and reserves. This is in line with other HOPE SF projects.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$72,960 or \$76 PUPM
Property Management staffing level is reasonable per comparables	N	Sponsor is showing higher than average property management costs due to the campus approach of Sunnydale HOPE SF. This breakdown is not finalized and the final, campus wide plan will be approved by MOHCD before gap commitment. Please see more details below in Section 7.3
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$22,670/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 Annually without an annual adjustor

7.3. Staffing

Position	FTE	Salary	Notes
Community Management of Operations (fake Property Manager)	0.50	\$42,000	.5 FTE in 3A budget and .5FTE in Block 3B
Assistant Property Manager (APM)	1.00	\$48,193	1 FTE APM dedicated to Block 3A, @ \$23.17/hr.
Community Coordinator	1.00	\$48,193	@ \$23.17/hr. To be negotiated with MOHCD prior to gap commitment.
Regional Management Specialist		\$2,000	Based on \$25 PUPA
Maintenance Manager	0.50	\$30,000	.5 FTE Senior Maintenance Manager to be split with Block 3B.
Maintenance Technician	0.50	\$23,920	.5 FTE Maintenance Technician @\$23 per/hr. on 3A budget; .5FTE in Block 3B

Janitor	1.00	\$37,960	1 FTE janitor @ \$18.25 per/hour taking minimum wage increase into account
Regional Maintenance Specialist		\$2,880	Based on \$36 PUPA
Total Salaries	4.5	\$235,146	

The above staffing plan calls for 4.5FTE for Block 3A. With the proximity to 3B, MOHCD expects economies of scale, which are not currently apparent. Part of the issue is that Mercy assumes a campus-wide approach to property management, maintenance and services. This approach has not been presented to senior staff or the budget being fully vetted. As such, costs and staffing levels carried in the Block 3A budget are higher than other projects in MOHCD portfolio. Maintenance is particularly high for an 80 unit building. Staff will return with fully vetted campus-wide plan before gap request with the objective that future asks on other projects can be aligned to campus-wide approach. As of this presentation for preliminary gap, these numbers are not approved by MOHCD. Staff and the Sponsor will work together to bring these in line with MOHCD underwriting, or come to agreement based on the campus-wide approval by gap.

Definition of the positions above are as follows:

- One full time, on-site Assistant Property Manager (APM), who is responsible for the day-to-day property management and is able to specialize in leasing, certifications, and accounts payable. The APM collaborates with the site team and residents to create and strengthen a healthy community, facilitate on-site communication, and monitor property goals.
- Community Manager of Operations (CMO) will support the APM and will be shared between Block 3A and Block 3B. Formerly called property managers, the Sunnydale CMOs will lead the property management staff and ensure that the operations of the Sunnydale properties are in compliance with the standards and expectations of Operational Excellence. Sunnydale will be served by 3 FTE CMOs overall, each with an area of specialization. The CMOs are responsible for monitoring and directing all management-related activities with site-level personnel and ensuring that physical guidelines are achieved at each property; that positive, collaborative internal and external relationships are fostered and maintained; requests are responded to in a timely manner; and that resident concerns are appropriately addressed in a timely manner.
- The Regional Management Specialist is experienced in lease ups and certifications and will provide senior level technical support to properties with operational, lease-up, and compliance issues. A small amount of the specialist's time will be allocated to each Sunnydale property.
- A full-time Community Coordinator will be located on-site at Block 3A. The Community Coordinator is responsible for interacting with residents, communicating community policies, and maintaining the wellbeing of the community. The Community Coordinator has various responsibilities that include identifying housing stability and community service needs of the residents, monitoring visitors in and out of the building, and be able to respond to resident problems and emergencies as appropriate. This position is still under review with MOHCD staff and is contingent on

outcomes received at 290 Malosi and Casala, which are in pilot phases currently. This will be approved by Lease Up plan approval, 6 months prior to TCO.

- The Regional Maintenance Specialist ensures collaborates with the Area Director of Operations and Regional Facilities Manager to complete special assignments and projects, provide training, mentoring and education to site-level staff. A small amount of the Specialist's time is allocated to each of the properties.
- The Senior Maintenance Manager will be located on-site split between Block 3A and Block 3B. This position is responsible for ensuring the completion of all property maintenance site-level activities with site-level staff and other Mercy Housing-related departments. The Senior Maintenance Manager will supervise all maintenance and janitorial staff.
- The Maintenance Tech will be located on-site split between Block 3A and Block 3B. The Maintenance Tech completes janitorial tasks, preventative maintenance, minor repairs, and apartment turnovers. As a part of the site team, is responsible to ensure a high standard of cleanliness, customer service, and a hazard-free environment.
- The Janitor will work full time on-site in conjunction with maintenance staff to coordinate an appropriate schedule to meet the regular operational maintenance/cleanliness requirements of the property. Responsible for cleaning of grounds and all common areas within the buildings and surrounding grounds.

7.4. Income Restrictions for All Sources.

UNIT SIZE		<u>MAXIMUM INCOME LEVEL</u>	
<u>NON-LOTTERY</u>	No. of Units	MOHCD	TCAC
1 BR – PBV	5	40% MOHCD AMI	30% TCAC AMI
2 BR – PBV	6	40% MOHCD AMI	30% TCAC AMI
3 BR – PBV	3	40% MOHCD AMI	30% TCAC AMI
4 BR – PBV	2	40% MOHCD AMI	30% TCAC AMI
1 BR – PBV	11	50% MOHCD AMI	40% TCAC AMI
2 BR – PBV	15	50% MOHCD AMI	40% TCAC AMI
3 BR – PBV	12	50% MOHCD AMI	40% TCAC AMI
4 BR – PBV	6	50% MOHCD AMI	40% TCAC AMI
Sub-Total	60		
<u>LOTTERY</u>			
0 BR	4	55% MOHCD AMI	40% TCAC AMI
Sub-Total	4		
1 BR	8	55% MOHCD AMI	40% TCAC AMI
Sub-Total	8		
2 BR	7	55% MOHCD AMI	40% TCAC AMI
Sub-Total	7		
<u>STAFF UNITS</u>			
3 BR	1		
TOTAL	80		

PROJECT AVERAGE		50%	37%
AVERAGE FOR LOTTERY UNITS ONLY		55%	40%

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
1 BR	5	40% of Median Income
2 BR	6	40% of Median Income
3 BR	3	40% of Median Income
4 BR	2	40% of Median Income
1 BR	11	50% of Median Income
2 BR	15	50% of Median Income
3 BR	12	50% of Median Income
4 BR	6	50% of Median Income
0 BR	4	55% of Median Income
1 BR	8	55% of Median Income
2 BR	7	55% of Median Income
3 BR	1	Manager's Unit

7.6. Commercial Operating

Currently, the commercial proforma is not generating any income since all spaces are considered community serving. Leasing and turn over reserves are priced at any remaining income after triple net (NNN) lease costs are covered.

- Grocery Store & Restaurant. Related and Mercy will strive to occupy these spaces with local small business and BIPOC tenants and will start an RFQ process by construction start. Currently, rents are estimated to be \$0.75 PSF NNN each.
- Health & Wellness Center. The health and wellness center to be located at Block 3A will serve as the replacement office for the existing center currently located at the SFHA administrative building on the 1600 block of Sunnydale Avenue, which will be demolished as part of Phase 3. The underwritten rents are \$1 per year NNN, however has not been negotiated with DPH. DPH currently pays \$18,000 annually to SFHA. DPH has committed to funding the operations of the wellness center. The Sponsor will work with MOHCD and DPH to negotiate rent in the new space.
- Early Childhood Education Center. Felton Institute was competitively procured to serve as the second ECEC operator at Sunnydale, after Wu Yee. The early childhood education center will serve approximately 60 children ranging from infant to pre-K with slots for both subsidized and non-subsidized youths. The underwritten rents are \$1 per year NNN. .

By final gap loan approval, the Sponsor will provide a market analysis as the rents carried in the neighborhood and surrounding area, will finish rent negotiations, finalize Mercy's customer service plan and provide LOIs for all parties.

- Mercy's Sunnydale Customer Service Office. The Sponsor is requesting rents to be underwritten at \$1 per year NNN. However, Mercy is unsure how to fund the operations of the space as Sunnydale awaits new projects to come online. It is not clear if the CBOs, VisValley Strong Families and Samoan CDC, sharing the space will pay rent. The Sponsor will continue to work to finalize Mercy responsibilities for the operations of this commercial site. Final plans will be due before final gap request and will be approved by MOHCD.

MOHCD would like to see more investment from DPH and Felton Institute in form of rent charged, instead of the \$1 annual fee currently represented in these budgets. This source of funds could flow back to Mercy for operations plus the CAM charges. As more affordable projects come online, Mercy services center will become self-sufficient and then payments to the MOHCD commercial loan could begin. The Sponsor will work with DPH and Felton to negotiate rental charges prior to coming in for Gap approval.

	Grocery Store	Restaurant / Food Hall	Mercy Office	DPH Wellness	Felton Early Childhood Education	Total
Square Footage	2,936	1,172	4,650	2,687	7,568	19,013
Estimated Rent	\$30,681	\$13,149	\$1	TBD	TBD	\$43,833

8. SUPPORT SERVICES

8.1. Services Plan.

8.1.1. Services Provided.

Mercy resident service staff will be located on Site to provide service coordination and housing stability support for Block 3A residents. Block 3A residents will benefit from organized community building activities, leasing and move-in assistance, and general support for every day housing needs. Resident service staff will facilitate and implement core programs and collect and record data to measure program outcomes. Staff are responsible for identifying human and community service needs of residents and developing strategies to link residents with needed services, including assistance in overcoming various barriers that might impede access to services. Additionally, resident service staff will build community partnerships that bring services and notice to Block 3A. MOHCD staff and the Director of HOPE SF will review and approve the final service plan 6 months prior to lease up.

8.1.2. Provider.

Mercy Housing California will provide resident services for Block 3A.

8.1.3. Proposed Staffing.

The services plan calls for 1FTE on-site Resident Services Coordinator (RSC) at Block 3A. The RSC will facilitate and implement core services programs, collect and record data to measure program outcomes, identify service needs of residents, develop strategies to link residents with needed services, build community partnerships, seek volunteers, and actively participate with other staff working toward resident stability. The RSC will organize and implement community building activities for all building residents, as well as partner with programming and community building work in the wider Sunnydale and Visitacion Valley community, such as at the to-be-constructed community center in close proximity to Block 3A. The RSC will be supervised by the Associate Director of Resident Services.

Overall staffing is 1 FTE staff to 90 households. This is in line with HOPE SF minimums of 1:100.

8.2. Services Budget.

The first-year service budget is estimated at \$1,573 per resident unit per annum to be paid out of the operating budget. The resident service staff allocation is based on the campus staff plan. A breakdown of the resident services budget is shown below.

RESIDENT SERVICES COST		In 2022 Dollars
<u>Resident Services Coordinator</u>		
Salary		\$ 65,535
Benefits	28%	\$ 18,350
Supervision (% of Associate Director of Resident Services)	15%	\$ 15,559
Program Supplies, Staff Dev, Software, Tracel		\$ 10,000
Overhead	15%	\$ 16,417
TOTAL SERVICES COST		\$ 125,860

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$26,044,937
Loan Term:	55 years
Loan Maturity Date:	2080
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

9.2. Recommended Loan Conditions

1. Sponsor will provide a detailed final commercial plan analysis 6 months before Gap request, including financing options for the commercial space in order to minimize the need for MOHCD funding for the space, finalizing lease payments from DPH and Felton. LOIs will be required for all community serving spaces by gap loan approval.
2. Mercy to provide to MOHCD a detailed analysis on operational cost sharing for the commercial space. Furthermore, the TI budget is larger than MOHCD would expect for other nonprofits that would operate out of a MOHCD supported building. Overruns would be at the expense of Mercy for their customer service space.
3. Sponsor to work with MOHCD and HOPE SF on RFQ for grocer and restaurant space within 3 months of construction close for determination of operator within 1 year of TCO.
4. Sponsor will work with MOHCD staff to reduce Operating Expenses to be further in line with underwriting guidelines, including property managements. Final Campus-wide approach to services, property management and maintenance will be due and approved before gap.
5. Sponsor will work with SFHA to provide funding commitments for the PBVs for the development.
6. Sponsor will work with MOHCD to bring marketing costs in line with other projects in MOHCD pipeline prior to Gap.
7. Sponsor must provide final services plan and budget prior to final gap loan request.
8. Sponsor must provide security plan and budget prior to final gap loan request.
9. General Contractor and subcontractors will provide First Source Hiring Plans to outline the specific steps the contractors will take to implement hiring goals by gap request.
10. Sponsor must provide Request for Proposals for the equity investor before the RFP is issued to investors.
11. Sponsor must provide all responses to lender and investor RFP prior to selections.
12. Sponsor will look to lower permanent debt interest rate and payment to more appropriate market standards.
13. By gap, the Sponsor will provide a market analysis for the rents carried in the neighborhood and surrounding area, including commercial rents, and will finish rent negotiations, finalize Mercy's customer service plan and provide LOIs for all parties.

14. Staff will return with fully vetted campus-wide plan before gap request with the objective that future asks on other projects can be aligned to campus-wide approach.
15. Negotiate the full-time Community Coordinator by Lease Up Plan approval. This position is still under review with MOHCD staff and is contingent on outcomes received at 290 Malosi and Casala, which are in pilot phases currently.
16. Sponsor must submit updated evidence to MOHCD that Sponsor staff, including all managerial, supervisory, and resident facing staff has completed Trauma Informed Systems (TIS) training

10. LOAN COMMITTEE MODIFICATIONS

1. In the event that Block 3B starts construction after Block 3A and therefore parking is going to be delayed, the Sponsor will provide a detailed parking mitigation plan for residents of Block 3A by gap.

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, Interim 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: _____

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

Tonia Lediju, Director
Housing Authority of the City and County of San Francisco

Date: _____

Attachments:

- A. HOPE SF Project Summary
- B. HOPE SF Developer Fee Policy
- C. Project Milestones/Schedule
- D. Borrower Org Chart
- E. Site Map with amenities
- F. Elevations and Floor Plans, if available
- G. Comparison of City Investment in Other Housing Developments
- H. Development Budget
- I. Commercial Budget
- J. 1st Year Operating Budget
- K. 20-year Operating Pro Forma
- L. Commercial Operating Budget

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, July 15, 2022 11:44 AM
To: Chavez, Rosanna (MYR)
Subject: Sunnydale Gap Loan Block 3a

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, July 15, 2022 12:04 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: PRELIMINARY GAP FINANCING FOR SUNNYDALE HOPE SF Block 3A

I approve Sunnydale Block 3A Housing Partners request for a loan amount of \$26,044,937 to develop 79 units of affordable housing comprising 4 studios, 24 one-bedrooms, 28 two-bedrooms, 15 three-bedrooms, and 8 four-bedrooms, along with a three-bedroom manager's unit and approximately 19,000 square feet of retail and neighborhood services.

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: Sims, Pamela (CII)
Sent: Monday, July 18, 2022 9:44 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Colomello, Elizabeth (CII)
Subject: LC - Sunnydale Block 3A

Hi Rosie –

With the addition of a loan condition for the interim parking plan (to be submitted no later than 3 months after the start of construction) for the Block 3A residents, I approve the Sunnydale Block 3A development on behalf of OCII.

Please let me know if you have any questions.

Thanks!
Pam

Chavez, Rosanna (MYR)

From: Katz, Bridget (CON)
Sent: Friday, July 15, 2022 11:42 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Request for Prelim Gap Financing for Sunnydale HOPE SF Block 3A

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

Chavez, Rosanna (MYR)

From: Tonia Lediju, PhD <ledijut@SFHA.ORG>
Sent: Friday, July 15, 2022 11:43 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Sunnydale Gap Loan - Approved

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Respectfully,

Tonia Lediju, PhD

Chief Executive Officer
Housing Authority of the City & County of San Francisco
(650) 356-8401
(415) 619-1936

Clear is kind. Unclear is unkind -- Brene' Brown, PhD

From: Chavez, Rosanna (MYR) <rosanna.chavez@sfgov.org>
Sent: Friday, July 8, 2022 1:20 PM
To: Wong, Harry (MYR) <harry.j.wong@sfgov.org>; Defiesta, Agnes (MYR) <agnes.defiesta@sfgov.org>; Travis, Paul (MYR) <paul.travis@sfgov.org>; Blitzer, Mara (MYR) <mara.blitzer@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Obstfeld, Kimberly (CII) <kimberly.obstfeld@sfgov.org>; Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>; Sims, Pamela (CII) <pam.sims@sfgov.org>; Romero, Anne (MYR) <anne.romero@sfgov.org>; Heavens, Cindy (MYR) <cindy.heavens@sfgov.org>; Amaral, Sara (MYR) <sara.amaral@sfgov.org>; Van Degna, Anna (CON) <anna.vandegna@sfgov.org>; Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>; Gotthelf, Felicia (MYR) <felicia.gotthelf@sfgov.org>; Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Tonia Lediju, PhD <ledijut@SFHA.ORG>; Benioff, Martha (HOM) <Martha.Benioff@sfgov.org>; Baca, Robert (MYR) <robert.baca@sfgov.org>; Cortez, Omar (MYR) <omar.cortez@sfgov.org>; Faust, Holly B. (MYR) <holly.b.faust@sfgov.org>; Dwyer, Brendan (MYR) <brendan.dwyer@sfgov.org>; Madden, Scott (MYR) <scott.madden@sfgov.org>; McLoone, Michael (MYR) <michael.mcloone@sfgov.org>; Nusser, Sarah (MYR) <sarah.nusser@sfgov.org>; Vanzuylen, Ryan (MYR) <ryan.vanzuylen@sfgov.org>; Lewis, Matthew (MYR) <matthew.a.lewis@sfgov.org>; Spears, Shawnte (MYR) <shawnte.spears@sfgov.org>; Abadilla, Audrey (MYR) <audrey.abadilla@sfgov.org>; Suskin, Jane (CII) <jane.suskin@sfgov.org>; Katz, Bridget (CON) <bridget.katz@sfgov.org>; Shepard, Judy (MYR) <judy.shepard@sfgov.org>; Wilcox, William (MYR) <william.wilcox@sfgov.org>; Masry, Omar (MYR) <omar.masry@sfgov.org>; Morales, James (CII) <james.morales@sfgov.org>; Oliver, John (MYR) <john.p.oliver@sfgov.org>; Walsh, Ofelia de la luz (MYR) <ofelia.walsh@sfgov.org>; Fukutome-Lopez, Amanda (MYR) <amanda.fukutome-lope@sfgov.org>; Heckman, Gretchen (CII) <gretchen.heckman@sfgov.org>; Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>; Tsou, Jackie (MYR) <jackie.tsou@sfgov.org>; Ellison-Labat, Wesley (MYR) <wesley.ellison-labat@sfgov.org>
Subject: Citywide Affordable Housing Loan Committee - Friday, July 15, 2022 11:15 a.m

Dear Loan Committee, MOHCD staff and community partners,

Attached is the agenda for next week's meeting, which **will be held Friday, July 15, 2022 at 11:15 am via Microsoft Teams.**

You can join via the link or the phone number below. Within Teams you will have the option to mute your microphone and hide your video. If this will be your first time using Teams, please sign into the meeting a few minutes early.

[Join Microsoft Teams Meeting](#)

[+1 415-906-4659](#) United States, San Francisco (Toll)

Conference ID: 515 148 769#

Thank you,

Rosie Chavez

Asset Manager/Assistant Housing Loan Administrator
Mayor's Office of Housing and Community Development
1 South Van Ness, 5th Floor, San Francisco, CA 94103

****Please Note: Fiscal blackout period is through June 17th - July 5th. Disbursements to resume after July 8th****

Attachment A: HOPE SF Project Summary

HOPE SF Initiative:

HOPE SF, established in 2007, seeks to transform four of San Francisco's most distressed public housing sites into new mixed-income communities. HOPE SF sites share unified principals and goals to eradicate intergenerational poverty by:

- Ensuring No Loss of Public Housing, which includes unit-for-unit replacement, building modern high-quality homes, and minimizing temporary and permanent displacement.
- Creating an Economically Integrated Community.
- Maximizing the Creation of New Affordable Housing.
- Involving Residents in the Highest Levels of Participation in the Entire Project.
- Providing Economic Opportunities through the Rebuilding Process.
- Integrating Process with Neighborhood Improvement Revitalization Plans.
- Creating Economically Sustainable and Accessible Communities.
- Building a Strong Sense of Community.

The four HOPE SF sites are Alice Griffith, Hunters View, Sunnydale/Velasco and Potrero Annex/Terrace.

Project Summary:

The 48.8-acre Sunnydale HOPE SF site is located in the western end of the Visitacion Valley neighborhood in San Francisco. The Sunnydale and Velasco public housing, together referred to as Sunnydale, are currently owned, and operated by the San Francisco Housing Authority (SFHA), with 775 public housing units on site. The team of Mercy Housing California and The Related Companies of California was selected as the master developer by the SFHA and entered into an Exclusive Negotiating Rights Agreement with SFHA dated September 11, 2008. Van Meter Williams Pollack LLP was selected as the master plan architect.

The Sunnydale HOPE SF master planning process included an extensive resident and community engagement that spanned over 18 months. The goals for the revitalization of Sunnydale is to create a vibrant and healthy mixed-income neighborhood in which residents thrive. The development should reconnect Sunnydale residents with the surrounding neighborhood and reconnect the surrounding neighborhood with the Sunnydale residents. It is envisioned that the new community will bring in new residents of different incomes, new quality programs for youth and families, and new open space and green landscaping will provide healthy places to play and to grow local produce.

The master plan as described in the Development and Master Development Agreements includes:

- Up to 1,770 housing units consisting of a mix of one-for-one replacement public housing pending availability of project based rental subsidies, and tax credit affordable units for a total of 994 total affordable units, and approximately 600 market rate units;
- A 30,000 square foot Community Center with recreational facility and family and youth development programs for the entire neighborhood and an early childhood learning center, located at the gateway on Hahn and Sunnydale Avenue;
- 22,000 square feet for a neighborhood health clinic, arts program, early childhood education center, and job training for youth and adults located in the ground floor of the family mixed use buildings across the street from the Community Center.
- 8,000 square feet of neighborhood serving retail including a corner grocery, financial services, and healthy eating establishments also located in the ground floor of the mixed use building;
- 4.6 acres of open spaces in four blocks and a linear open space on the north side of Sunnydale Avenue. The program for these open spaces includes a community garden, orchards, plazas, play areas, and neighborhood green.

The Sunnydale HOPE SF development received CEQA clearance on July 9, 2015 and NEPA clearance with CPD and PIH Authorization to Use Grant Funds on September 1, 2015. An EIR/EIS Addendum for Parcel Q was approved on June 16, 2016. The Board of Supervisors approved the Master Development Agreement with SFHA and City on December 8, 2016 by

SFHA Commission and on January 31, 2017. The Development Agreement, which vests entitlements for the project for 25 years, was approved by the Board of Supervisors on January 31, 2017. Both the MDA and DA were recorded on March 3, 2017.

Project Funding Summary – Funded to Date:

Master Planning Funding to Date:

Master Planning activities related to community building, Choice Neighborhoods Planning, EIR/EIS Planning, Entitlements Legislation etc. has been funded since 2008 in the following amounts:

Total Master Planning Sources	Amount	Status
HOPE SF Loan 1	\$1,400,000	Disbursed
HOPE SF Loan 2	\$1,724,593	Disbursed
HOPE SF Loan 3	\$1,000,000	Disbursed
HOPE SF Loan 4	\$1,123,846	Disbursed
HOPE SF Loan 5	\$1,000,000	Disbursed
HOPE SF Loan 6	\$2,475,000	Disbursed
HOPE SF Loan 7	\$1,094,878	\$960,052 left to Disburse
Total	\$9,818,317	

Sunnydale Vertical and Horizontal Funding to Date:	Amount	Status
Parcel Q Vertical Predev	\$2,000,000	Disbursed, closed in Dec 2016
Parcel Q Acquisition	\$3,000,000	Disbursed, closed in Dec 2016
Parcel Q Gap	\$7,466,847	Disbursed, closed in Feb 2018
Block 6 Predev	\$4,000,000	Disbursed, closed in Oct 2017
Phase 1A1/1A2 Predev	\$4,433,153	Disbursed, closed Feb 2018
Phase 1A1/1A2 Gap	\$24,045,828	Closed May 2019
Block 6 Gap	\$8,188,533	Closing Sept 2019
Phase 1A3 Predev & Gap	\$25,072,111	\$20,090,544 left to disburse; closed January 2020
Block 3A Predev	\$1,850,000	\$480,412 left to disburse; closed January 2020
Block 3B Predev	\$1,850,000	\$393,516 left to disburse; closed January 2020
Phase 3 Infrastructure Predev	\$4,000,000	\$3,701,587 left to disburse; closed Sept 2021
Block 7 Predev	\$2,620,000	\$2,266,627 left to disburse; closed Sept 2021
Block 9 Predev	\$3,500,000	\$2,988,067 left to disburse; closed Sept 2021
Total	\$92,026,472	

Vertical and Horizontal Funding to Date:

Overall Funding and Ownership Structure:

The Master Planning loan is made to the Master Developer, which is Sunnydale Development Co., LLC (which consists of Mercy Housing California and The Related Companies of California as sole members). Horizontal (infrastructure) loans will be made to an LLC entity that will consist of affiliates of Mercy and Related as members, and when the City accepts the streets and public infrastructure, the loan will be considered forgiven. Vertical loans are made to single purpose Limited Partnerships that will own and operate the individual affordable housing buildings. The general partners of these limited partnerships will be affiliates of Mercy Housing and Related CA. Vertical loans are payable on residual receipts basis and due in 55 years. The infrastructure LLC may assign any portion of the horizontal loans to a vertical developer LP entity to the extent allowable under the tax credit program in order to maximize leveraging of the tax credits.

All affordable parcels will be ground leased to the vertical LP entity by the SFHA for 99 years. All market rate parcels, once improved by the infrastructure LLC, will be sold fee simple by SFHA to a third party. All infrastructure parcels will be dedicated to the City through their infrastructure acceptance process. All parks and open spaces will be sold fee simple by SFHA to the master plan developer entity or its affiliate, and maintained by the master HOA.

Services Plan and Relocation Summary:

Overall Services approach

Since 2009, Mercy/Related has staffed community liaisons or other community staff at Sunnydale to engage residents, neighbors, Community Based Organizations (CBOs) and other stakeholders in community building and programs and services. Currently located on site at 1711 and 1657 Sunnydale Ave, Mercy's on-site staff includes six staff that collectively represents Sunnydale residents, including the racial diversity of the Sunnydale/Velasco community, language fluency in Samoan, Cantonese, Mandarin, Taiwanese, and Spanish. Managed by a senior Resident Services Manager, two Resident Services Coordinators (RSC) and three Community Liaisons together engage residents and neighbors in community building events such as:

- Weekly game nights and senior teas
- Annual events: Back to school, Thanksgiving, Christmas, Family Day, Game Day
- Support residents in their organizing, such as the women's group
- Special events such Black History Month Talent Show and Literacy Career Day
- Monthly or special community meetings with various topics related to the development or to engage them in neighborhood issues such as parks, transit or safety
- Community gardening with Urban Sprouts and the Greenway

The team, in particular the Resident Services Coordinators, connects residents with services and programs that they desire or need. This includes connecting them to the CBO's that serve Sunnydale and Visitacion Valley, or finding resources in other neighborhoods as needed. This also includes connecting with SFHA staff to assist residents with urgent or long-standing maintenance issues.

Mercy assists in the management of a Collective Impact table and the Vis Valley Collaborative. The latter is a coalition of CBOs and City agencies that serve the Sunnydale and Vis Valley community that serves as a central place for information sharing and coordination of activities. The Collective Impact table is a subset of the CBOs and City agencies that is focused on strategic and collective action for maximum impact on the community, as opposed to each CBO or agency working on their own.

Overall Relocation Approach:

Mercy/Related's approach to supporting Sunnydale/Velasco households in relocating to new on site or off-site permanent housing units and/or temporarily to vacant units and then to new permanent housing units involves pre and post move work by Mercy's Sunnydale Resident Services team and others as follows:

- One on one household engagement to obtain household data, provide information about the new development and relocation process, and to offer Mercy's assistance in connecting residents with services.
- Preparing residents for relocation by identifying and helping them to remove barriers to relocation. This includes collaborating with CBO's for case management services and legal and housing groups on legal support to residents.
- Working closely with SFHA, which will manage the household moves

- Work with Mercy property management, who will manage the new housing units, to develop and execute a plan for a seamless lease up, move in and transition of households into the new units.
- Work with the Mercy resident services coordinator for the new development for a “warm handoff” of households from the Mercy Sunnydale Resident Services team so that residents continue to obtain resident services support from Mercy Housing in the new development.

Attachment B: HOPE SF Developer Fee Policy

The HOPE SF Developer Fee Policy for Sunnydale HOPE SF is attached as Exhibit B to this loan evaluation. A summary of the policy is as follows:

HOPE SF DEVELOPER FEE STRUCTURE BY FEE TYPE AND MILESTONE	
Master Planning Fee	\$1,400,000
Management cost reimbursement during planning/entitlement	\$1,000,000
Land use approval - DA	\$200,000
HUD Section 18 approval	\$200,000
Master Planning Additional Residential Fee (as applicable on a per-building basis pursuant to Section 1) AT RISK	\$800,000
Infrastructure Development Fee: Disbursements Milestones Per Phase	Total Aggregate Fee: \$5 Million (per phase fee values divided equally between DA-defined phases)
60% Construction Documents	15%
Construction Commencement	25%
Fifty Percent Completion of the Phase	20%
DPW Determination of Completion	30%
Board of Supervisors Acceptance	10%
Residential Developer Fee(s) by Financed Phase (example)	\$2,000,000
HOPE SF Loan Closing	\$150,000
During or at completion of predevelopment/construction closing with no more than 35% of the total project management fee disbursed prior to construction loan closing	\$550,000
During or at Completion of Construction	\$200,000
Project close-out: PIS application; 100% lease-up; City Approval of Sponsor's project completion report and documents, including final cost certification	\$100,000
At-Risk	\$1,000,000
Lot Sales Proceeds (as applicable, pursuant to Section 4)	

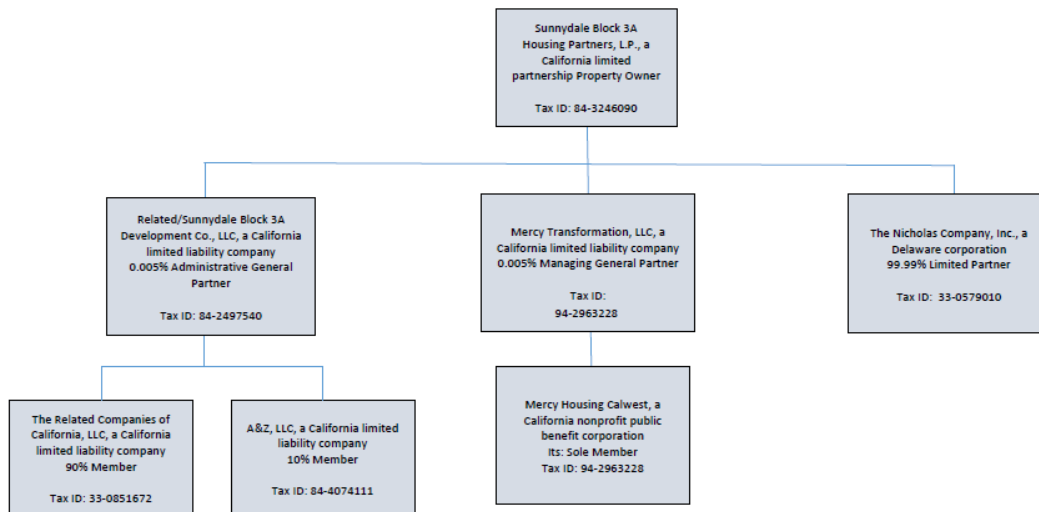
Attachment C: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing	02/2020	
1	Acquisition/Predev Financing Commitment	01/2020	
2.	Site Acquisition	N/A	
3.	Development Team Selection		
a.	Architect	01/2021	
b.	General Contractor	5/2021	
c.	Owner's Representative	10/2020	
d.	Property Manager	N/A	
e.	Service Provider	N/A	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	11/2020	
b.	Submittal of Design Development & Cost Estimate	09/2021	
c.	Submittal of 35% CD Set	10/2021	
d.	Submittal of Pre-Bid Set & Cost Estimate (70% CDs)	4/2022	
5.	Commercial Space		
a.	Commercial Space Plan Submission	10/2021	
b.	LOI/s Executed	09/2019	Felton LOI executed
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	N/A	
b.	CEQA Environ Review Submission	N/A	CEQA review completed
c.	NEPA Environ Review Submission	N/A	NEPA review completed
d.	CUP/PUD/Variances Submission	N/A	
7.	PUC/PG&E		
a.	Temp Power Application Submission	12/2021	
b.	Perm Power Application Submission	03/2022	
8.	Permits		
a.	Site Permit Application Submitted	05/2021	

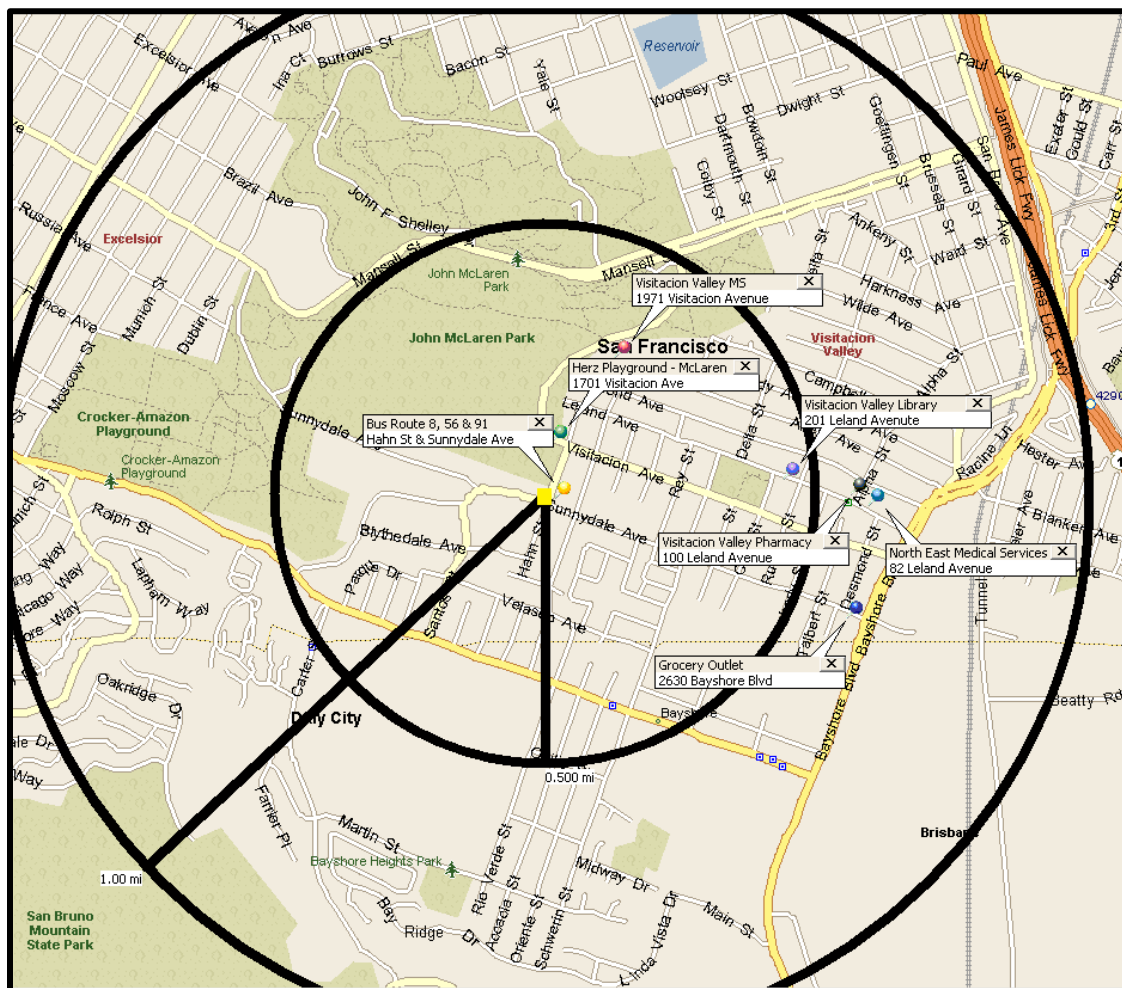
b.	Addendum #1 Submitted	5/2022	
c.	Addendum #2 Submitted	5/2022	
d.	Addendum #3 Submitted	5/2022	
9.	Request for Bids Issued	10/2022	
10.	Service Plan Submission		
a.	Preliminary	11/2022	
b.	Final	9/2023	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	10/2021	w First CDLAC app
b.	Gap Financing Application	10/2022	
12.	Other Financing		
a.	AHSC Application	06/2021	Second Submittal, Awarded
b.	Construction Financing RFP	10/2022	
c.	AHP Application	N/A	
d.	CDLAC Application	07/2022	
e.	TCAC Application	7/2022	
g.	LOSP Funding Request	N/A	
13.	Closing		
a.	Construction Loan Closing	03/2023	
b.	Conversion of Construction Loan to Permanent Financing	05/2025	
14.	Construction		
a.	Notice to Proceed	03/2023	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	09/2024	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	03/2024	
b.	Commence Marketing	09/2024	
c.	95% Occupancy	02/2025	
16.	Cost Certification/8609	12/2025	
17.	Close Out MOH/OCII Loan(s)	12/2025	

Attachment D: Borrower Org Chart

ORGANIZATIONAL CHART FOR SUNNYDALE BLOCK 3A HOUSING PARTNERS, L.P.



Attachment E: Site Map with amenities



Attachment F: Elevations and Floor Plans

SUNNYDALE BLOCK 3A

70% CONSTRUCTION DOCUMENTS

ED 13-01 & 17-02 Priority Permit - 100% Affordable Housing

Block 3 is part of the Sunnydale HOPE SF Development, per:

- Sunnydale HOPE SF Special Use District Ordinance 16-17
- Sunnydale HOPE SF Development Agreement Ordinance 18-17



Mayor's Office on Disability



London N. Breed
Mayor
Nancy Kelly
City Administrator
Heidi Bates
Director

DISABILITY ACCESS COMPLIANCE FOR CITY FUNDED PROJECTS

Permit applicant: Fill in project name and address and then scan onto plans.

PROJECT: _____
Project Address: _____

Leave Area Below Blank -- For MOD Staff Use Only

PLAN REVIEW STAGE: MOD has approved:

- | | |
|---|-------------|
| <input type="checkbox"/> Unreasonable Hardship / technically infeasible | Date: _____ |
| <input type="checkbox"/> Playground ADA Inventory Form | Date: _____ |
| <input type="checkbox"/> Pre-application review / site permit | Date: _____ |
| <input type="checkbox"/> Final Construction Plans | Date: _____ |

INSPECTION STAGE: The following inspections are required, if selected. Call MOD at 554-6789 to schedule:

- | |
|---|
| <input type="checkbox"/> Pre-Construction Conference |
| <input type="checkbox"/> Rough framing, after plumbing and electrical rough is complete |
| <input type="checkbox"/> Mock-up inspection of bathroom / kitchen |
| <input type="checkbox"/> Demonstration of adaptable cabinetry |
| <input type="checkbox"/> Signage, including proofs and color samples prior to fabrication |
| <input type="checkbox"/> Door closer pressure and timing |
| <input type="checkbox"/> Power door operator testing per BHMA A156.10 |
| <input type="checkbox"/> Playground equipment, surface, and path of travel |
| <input type="checkbox"/> Final Signoff of Project |

The following additional documents are required:

- | |
|---|
| <input type="checkbox"/> Reasonable Accommodation Notices |
| <input type="checkbox"/> Signage approved from Lighthouse for the Blind |
| <input type="checkbox"/> Illustrated instruction manual to adapt unit interiors |
| <input type="checkbox"/> Inspection matrix listing each covered dwelling unit or common space |

By: MOD Access Compliance Officer _____ Date: _____

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



London N. Breed
Mayor

Eric Shaw
Director

March 16, 2021

Mr. Patrick O'Riordan
Director, Department of Building Inspection City and County of San Francisco
49 South Van Ness Avenue, Suite 500
San Francisco, CA 94103

RE: Request for Permit Fee Deferral: 1500 Block of Sunnydale Ave. San Francisco, California, 94134
Lot 3 of Sunnydale HOPE SF
Tentative Map 9537 APN: 6311-0001

Dear Director O'Riordan:

On behalf of the Mayor's Office of Housing and Community Development, I would like to request approval of fee deferral for the above described property which represents an 100% affordable housing project of a total of 80 units of low and very low income, and replacement housing along with community serving retail, health and wellness center and early childhood education center, which will be developed by Related California and Mercy Housing a 501(c)(3) nonprofit. Payment of fees will be made upon issuance of the Permit.

If this request meets with your approval, please sign below and return to my attention. If you have questions or need anything further regarding this request, please feel free to contact me (415) 602-2745 or erin.carson@sfgov.org. Thank you in advance for your assistance.

Sincerely,

Erin Carson

Mayor's Office of Housing and Community Development

Department of Building Inspection
Approval to defer fees as requested:

Patrick O'Riordan
Director, Department of Building Inspection

3/17/21
Date

1 South Van Ness Avenue -- Fifth Floor, San Francisco, CA 94103
Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 * www.sfmohcd.org

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



London N. Breed
Mayor

Eric D. Shaw
Director

Letter Confirming City Priority Permit Status of Address TBD (1500 Block of Sunnydale) Lot 3 & 4 of Sunnydale HOPE SF Tentative Map 9537

November 12, 2020

Ann Silverberg
CEO
Norcal Affordable
Related California
44 Montgomery Street, Suite 1300
San Francisco, CA 94104

Good afternoon, Ann

On behalf of the Mayor's Office of Housing and Community Development (MOHCD) this letter confirms the priority status of your 100% affordable housing project (listed below) as Executive Directive 13-02 & 17-02 priority project. MOHCD acknowledges that **Sunnydale Block 3A and 3B, which comprises 170 units of affordable housing for low and very low income families, with ground floor commercial and community serving amenities including early childcare education and a wellness center**, is being developed by your organization, Related California and Mercy Housing California (Mercy), a 501(c)(3) nonprofit.

This priority letter is applicable for Electronic Plan Review during the SFDBI upload intake process and for OTC submissions, the letter shall be scanned onto the permit sets. For Fire-only permits, such as sprinkler system and fire alarm permits, your selected contractor and/or it's sub-contractors may include this letter as part of their permit application.

Thank you and please contact the staff person listed below with any questions.

Erin Carson

Director of Construction Services
Erin.carson@sfgov.org

One South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103
Phone: 415.701.5500 Fax: 415.701.5501 TDD: 415.701.5503 www.sfmohcd.org

DocuSign Envelope ID: F6CC8C0D-F069-4BA3-B2ED-8B29BD044726



PARALLEL PROCESSING PROGRAM AND STATEMENT OF ELIGIBILITY APPLICATION

Property Information

Project Address: Main residential address: 1545 Sunnydale Ave Block/Lot(s): _____
Additional service/retail addresses: 1515, 1525, 1535, Sunnydale Ave
220, 230 Hahn St

Related App

Preliminary Project Application and/or Environmental Evaluation Applications No(s): _____

Building Permit Applications No(s): _____

Eligibility Criteria

To be eligible for parallel processing, a project must meet the following criteria:

FEATURES	YES
Number of Units: The development must include either (1) 50 or more net new dwelling units with no non-residential uses excepting ancillary ground floor uses, or (2) 250 or more new units along with other, non-residential uses.	<input checked="" type="checkbox"/>
Height: The development must be less than 240 feet in height. Projects over 240 feet in height require third-party peer review, which adds complexity that is not conducive to Parallel Processing.	<input checked="" type="checkbox"/>
New Construction: The development must be new construction and not an alteration.	<input checked="" type="checkbox"/>
Access to Public Right of Way: The development must not be landlocked and have legal access to existing public rights-of-way.	<input checked="" type="checkbox"/>
Subdivisions & Mergers: The development may include a lot merger or a new construction condominium application; however, it may not include any land subdivision application.	<input checked="" type="checkbox"/>

PLANNING APPLICATION RECORD NUMBER

DocuSign Envelope ID: F6CC8C0D-F069-4BA3-B2ED-8B29BD044726

APPLICANT'S AFFIDAVIT

Under penalty of perjury the following declarations are made:

- The undersigned is the owner or authorized agent of the owner of this property.
- The information presented is true and correct to the best of my knowledge.
- Other information or applications may be required.
- I hereby authorize City and County of San Francisco Planning staff to conduct a site visit of this property as part of the City's review of this application, making all portions of the interior and exterior accessible through completion of construction and in response to the monitoring of any condition of approval.
- I attest that personally identifiable information (PII) - i.e. social security numbers, driver's license numbers, bank accounts - have not been provided as part of this application. Furthermore, where supplemental information is required by this application, PII has been redacted prior to submittal to the Planning Department. I understand that any information provided to the Planning Department becomes part of the public record and can be made available to the public for review and/or posted to Department websites.

DocuSigned by:

Ann Silverberg

Signature

Name (Printed)

05/25/2021

Date

Owner

(415) 677-9000

asilverberg@related.com

Relationship to Project

Phone

Email

(i.e. Owner, Architect, etc.)

For Department Use Only
Application received and verified by Planning Department:

By: _____

Date: _____

CASE NO.

MOTION NO.

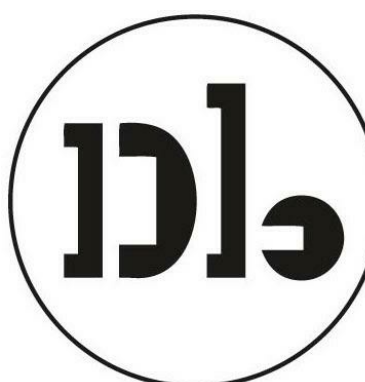
EFFECTIVE DATE

NIR RECORDED?

☐ Yes ☐ No

SUNNYDALE BLOCK 3A

SAN FRANCISCO, CA



David Baker Architects

dbarchitect.com

461 Second St, Loft c127

San Francisco, CA 94107

415.896.6700

License Stamp



Issuances	
Description	Date
100% SD	10/15/2020
Vertical Design Review	11/05/2020
50% DD	12/22/2020
100% DD	02/19/2021
35% CD	10/05/2021
70% CD	01/31/2022

Revisions	
Rev.	Date

Set Title

70% CD

Drawing Title

COVER SHEET

Sheet No.

G000A

Date 2022-01-31
Project No. 21845

<p><u>PROJECT DEVELOPER:</u> RELATED CALIFORNIA 44 MONTGOMERY STREET #1300 SAN FRANCISCO, CA 94104 T. 415.677.9000 Attn: Thu Nguyen TNguyen@related.com</p>	<p><u>PROJECT SPONSOR:</u> MERCY HOUSING CALIFORNIA 1256 MARKET STREET SAN FRANCISCO, CA 94103 T. 415.355.7100 Attn: Elizabeth Kuwada Elizabeth.Kuwada@mercyhousing.org</p>	<p><u>ARCHITECT:</u> DAVID BAKER ARCHITECTS 461 2ND STREET LOFT C127 SAN FRANCISCO, CA 94701 T. 415.896.6700 Attn: Daniel Simons danielsimons@dbarchitect.com</p>
<p><u>JOINT TRENCH:</u> GIACALONE 5820 Stoneridge Mall Road, Ste. 345 Pleasanton, CA 94558 T. 925-467-1740 ext. 318 Attn: Arnold Saenz arnolds@dryutilitydesign.com</p>	<p><u>CIVIL ENGINEER:</u> KPPF 45 FREMONT STREET, 28TH FLOOR SAN FRANCISCO, CA 94105 T. 415.268.1086 Attn: Cory Bannon cory.bannon@kppf.com</p>	<p><u>LANDSCAPE ARCHITECT:</u> INTERSTICE ARCHITECTS INC. 1173 SUTTER STREET SAN FRANCISCO, CA 94109 T. 415.285.3960 Attn: Zoe Astrachan za@intersticearchitects.com</p>
<p><u>STRUCTURAL ENGINEER:</u> MAR STRUCTURAL DESIGN 2332 5TH ST STE D BERKELEY, CA 94710 T. 510.990.0801 Attn: Gordon Yagisawa gordon.yagisawa@marstructuraldesign.com</p>	<p><u>MECHANICAL, PLUMBING:</u> TOMMY SIU AND ASSOCIATES 657 MISSION ST UNIT 448, SAN FRANCISCO, CA 94105 T. 415-541.9910 Attn: Ailina Carlson acarlson@tsiassociates.com</p>	<p><u>ELECTRICAL ENGINEER:</u> BWF CONSULTING ENGINEERS 510 MYRTLE AVE # 100, SOUTH SAN FRANCISCO, CA 94080 T. 650.871.0220 Attn: Michael Voigtlander mvoigtlander@bwfce.com</p>
<p><u>GEOTECHNICAL:</u> ENGEQ Attn: Ian McCreery imccreery@engeo.com</p>	<p><u>ACOUSTICAL:</u> WILSON IHRIG Attn: Leisa Nalls lnalls@wilsonihrg.com</p>	<p><u>SUSTAINABILITY / ENERGY:</u> BRIGHT GREEN STRATEGIES Attn: Patti Heath Patti@brightgreenstrategies.com</p>
<p><u>WATERPROOFING:</u> STEELHEAD Attn: Alan Burnett aeb@steelheadengineers.com</p>		

The map displays the 10th Ward with the following blocks and streets:

- Streets:** Sunnyside Ave. (top), Harmonia St. (middle), Santos St. (left), Melesi St. (bottom-left), and Hahn St. (right).
- Blocks:**
 - Block 1:** A large block at the top right, colored light gray.
 - Block 2:** A block to the left of Block 1, colored green.
 - Block 3A:** A block in the center-right, colored light gray.
 - Block 3B:** A block to the left of Block 3A, colored dark gray.
 - Block 4:** A large block on the left side, colored green.
 - Block 6A:** A block at the bottom center, colored light gray.
 - Block 6B:** A block below Block 6A, colored light gray.
 - Block 7:** A block at the bottom left, colored light gray.
 - Block 5:** A small block to the right of Block 6B, colored light gray.
 - Block Q:** A block on the far right, colored light gray.
- North Arrow:** Located in the bottom right corner, pointing towards the top of the map.

UNIT MIX BLOCK 3B			% OF TOTAL UNITS	15% MOBILITY	10% COMMUNICATION
UNIT TYPE	COUNT	AVG AREA			
0A	4	375	4 UNITS (5%) 24 UNITS (27%) 36 UNITS (40%)	1 UNITS (25%)	1 UNITS (25%)
1A	24	565		3 UNITS (12.5%)	2 UNITS (8.3%)
2A	28	865		6 UNITS (16.6%)	4 UNITS (11%)
2B	8	875			
3A	8	1100			
3B.1	8	1100	4 UNITS (15.3%)	2 UNITS (7%)	
3B.2	8	1075			
3C	2	1090			
TOTAL	90		14 UNITS (15.5%)	9 UNITS (10%)	

BLOCK 3B - UNIT ACCESSIBILITY FEATURES		
Number	UNIT TYPE	Accessibility designation
Level 1B		
101W	3C	ADAPTABLE
102W	3C	ADAPTABLE
Level 2B		
200W	2B	ADAPTABLE
201W	3B.2	ADAPTABLE
202W	1A	COMMUNICATION
203W	2A	ADAPTABLE
204W	2A	ADAPTABLE
205W	2A	ADAPTABLE
206W	0A	MOBILITY
207W	2A	ADAPTABLE
208W	1A	ADAPTABLE
209W	3B.2	ADAPTABLE
210W	1A	MOBILITY
211W	2B	ADAPTABLE
212W	3B.1	ADAPTABLE
213W	3A	COMMUNICATION
214W	2A	MOBILITY
215W	2A	ADAPTABLE
216W	1A	ADAPTABLE
217W	1A	ADAPTABLE
218W	1A	ADAPTABLE
219W	2A	COMMUNICATION
220W	3B.1	MOBILITY
221W	3A	ADAPTABLE
Level 3B		
300W	2B	ADAPTABLE
301W	3B.2	ADAPTABLE
302W	1A	COMMUNICATION
303W	2A	ADAPTABLE
304W	2A	ADAPTABLE
305W	2A	ADAPTABLE
306W	0A	COMMUNICATION
307W	2A	ADAPTABLE
308W	1A	ADAPTABLE
309W	3B.2	ADAPTABLE
310W	1A	MOBILITY
311W	2B	ADAPTABLE
312W	3B.1	ADAPTABLE
313W	3A	COMMUNICATION
314W	2A	MOBILITY
315W	2A	ADAPTABLE
316W	1A	ADAPTABLE

BLOCK 3B - UNIT ACCESSIBILITY FEATURES		
Number	UNIT TYPE	Accessibility designation
317W		
318W		
319W		
320W		
321W		
Level 4B		
400W		
401W		
402W		
403W		
404W		
405W		
406W		
407W		
408W		
409W		
410W		
411W		
412W		
413W		
414W		
415W		
416W		
417W		
418W		
419W		
420W		
421W		
Level 5B		
500W		
501W		
502W		
503W		
504W		
505W		
506W		
508W		
509W		
509W		
510W		
511W		
512W		
513W		
514W		

BLOCK 3B - UNIT ACCESSIBILITY FEATURES		
Number	UNIT TYPE	Accessibility designation
515W		
516W		
517W		
519W		
520W		
522W		
523W		
TOTAL: 90		

DESCRIPTION / SCOPE OF WORK														
BLOCK 3A (LOT 3) WILL CONTAIN A BUILDING CONSISTING OF 4 STORIES OF TYPE VA CONSTRUCTION OVER ONE STORY OF TYPE I. THE GROUND FLOOR WILL HOST AN EARLY CHILDHOOD EDUCATION CENTER, RETAIL AND RESTAURANTS, A WELLNESS CENTER, AND RESIDENTIAL COMMON SPACES. THE UPPER FLOORS WILL CONTAIN RESIDENTIAL UNITS AND SERVICE SPACES.														
PROPOSED FUNDING SOURCES														
BLOCK 3A IS SEEKING PUBLIC FUNDING SOURCES, INCLUDING A 4% TAX CREDIT FROM THE CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE.														
SITE / PLANNING INFORMATION														
PROJECT NAME:	SUNNYDALE BLOCK 3A - MAYOR ED 13-01 & 17-02 PRIORITY PERMIT													
PROJECT ADDRESS:	1501 SUNNYDALE AVE (LOT 3 OF SUNNYDALE HOPE SF REDEVELOPMENT), SAN FRANCISCO, CA 94134													
LOCATION:	LOT IS ON THE CORNER OF SUNNYDALE AVE AND HAHN ST													
ASSESSOR'S PARCEL NUMBER:	6311-001													
SITE AREA:	34,400 SF													
ZONING:	RM-1 / SUNNYDALE HOPE SF SUD													
HEIGHT DISTRICT:	4065-X													
EXISTING USE:	PUBLIC HOUSING													
PROPOSED USE:	AFFORDABLE HOUSING ABOVE MIXED-USE GROUND FLOOR													
BUILDING INFORMATION														
OCCUPANCY:	<ul style="list-style-type: none"> RESIDENTIAL GROUP R-2, OFFICES GROUP B, RESTAURANTS / ASSEMBLY GROUP A-2 ASSEMBLY GROUP A-3 EDUCATION GROUP E 													
CONSTRUCTION TYPE:	TYPE 1A FOR LEVEL 1 TYPE VA FOR LEVELS 2-5													
BUILDING HEIGHT:	<table border="0"> <tr> <td>TYPE VA</td> <td><u>PROPOSED</u> 58'-11"(SEE G600B)</td> <td><u>ALLOWED</u> 60'-0" FT ABOVE GRADE PLANE (PER CBC 504.3)</td> </tr> </table>	TYPE VA	<u>PROPOSED</u> 58'-11"(SEE G600B)	<u>ALLOWED</u> 60'-0" FT ABOVE GRADE PLANE (PER CBC 504.3)										
TYPE VA	<u>PROPOSED</u> 58'-11"(SEE G600B)	<u>ALLOWED</u> 60'-0" FT ABOVE GRADE PLANE (PER CBC 504.3)												
# OF STORIES:	<table border="0"> <tr> <td>TYPE 1A</td> <td>1 STORY</td> <td>UNLIMITED</td> </tr> <tr> <td>TYPE VA</td> <td>4 STORIES</td> <td>4 STORIES</td> </tr> </table>	TYPE 1A	1 STORY	UNLIMITED	TYPE VA	4 STORIES	4 STORIES							
TYPE 1A	1 STORY	UNLIMITED												
TYPE VA	4 STORIES	4 STORIES												
BUILDING AREA:	<table border="0"> <tr> <td>TYPE 1A</td> <td>24,282 SF</td> <td>UNLIMITED</td> </tr> <tr> <td>TYPE VA</td> <td>41,395 SF (AREA A2)*</td> <td>75,440 SF (WITH AUTOMATIC SPRINKLER SYSTEM AND AREA INCREASE)</td> </tr> <tr> <td></td> <td>46,250 SF (AREA A3)*</td> <td>73,440 SF (WITH AUTOMATIC SPRINKLER SYSTEM AND AREA INCREASE)</td> </tr> </table>	TYPE 1A	24,282 SF	UNLIMITED	TYPE VA	41,395 SF (AREA A2)*	75,440 SF (WITH AUTOMATIC SPRINKLER SYSTEM AND AREA INCREASE)		46,250 SF (AREA A3)*	73,440 SF (WITH AUTOMATIC SPRINKLER SYSTEM AND AREA INCREASE)				
TYPE 1A	24,282 SF	UNLIMITED												
TYPE VA	41,395 SF (AREA A2)*	75,440 SF (WITH AUTOMATIC SPRINKLER SYSTEM AND AREA INCREASE)												
	46,250 SF (AREA A3)*	73,440 SF (WITH AUTOMATIC SPRINKLER SYSTEM AND AREA INCREASE)												
<p>* HORIZONTAL EXIT IS PROVIDED AT TYPE VA TO COMPLY WITH MAX AREA REQUIREMENTS. SEE SHEET G600A FOR BUILDING HEIGHT AND AREA ANALYSIS.</p>														
GROSS FLOOR AREA PER LEVEL:	<table border="0"> <tr> <td>Level 1A</td> <td>24,282 SF</td> </tr> <tr> <td>Level 2A</td> <td>21,911 SF</td> </tr> <tr> <td>Level 3A</td> <td>21,911 SF</td> </tr> <tr> <td>Level 4A</td> <td>21,911 SF</td> </tr> <tr> <td>Level 5A</td> <td>21,911 SF</td> </tr> <tr> <td>TOTAL GSF</td> <td>111,927 SF</td> </tr> </table>		Level 1A	24,282 SF	Level 2A	21,911 SF	Level 3A	21,911 SF	Level 4A	21,911 SF	Level 5A	21,911 SF	TOTAL GSF	111,927 SF
Level 1A	24,282 SF													
Level 2A	21,911 SF													
Level 3A	21,911 SF													
Level 4A	21,911 SF													
Level 5A	21,911 SF													
TOTAL GSF	111,927 SF													
FIRE PROTECTION														
<p>1. ALL AREAS ARE TO BE PROTECTED BY AN AUTOMATIC FIRE SPRINKLER SYSTEM PER 2019 CBC 903.3 AND THE NFPA 13. 2. PROVIDE STANDPIPES PER 2019 CBC SECTION 905. 3. PROVIDE MANUAL FIRE ALARM SYSTEM PER 2019 CBC 907.2.9 AND NFPA 72. 4. FIRE WALLS SHOULD BE CONSTRUCTED IN ACCORDANCE WITH 2016 CBC SECTION 706.</p>														
ACCESSIBILITY														
<p>1. THIS PROJECT IS PUBLICLY FUNDED AND WILL BE SUBJECT TO THE APPROVAL OF THE MAYOR'S OFFICE ON DISABILITY. 2. ALL RESIDENTIAL MOBILITY UNITS SHALL COMPLY WITH CBC SEC. 11B-233.3.1.1, THE REMAINING UNITS SHALL COMPLY WITH CBC SEC. 11B-233.3.1.2, COMMUNICATION UNITS SHALL COMPLY WITH BOTH CBC SEC. 11B-233.3.1.2 AND CBC SEC. 233.3.1.3. 3. THE COMMON SPACES IN THE BUILDING SHALL COMPLY WITH CHAPTER 11B OF THE 2019 CBC.</p>														

ALL CONSTRUCTION AND INSTALLATION SHALL CONFORM TO THE FOLLOWING CODES:

2019 CALIFORNIA BUILDING CODE (CBC) - TITLE 24 C.C.R., PART 2, VOL. 1&2

2019 CALIFORNIA MECHANICAL CODE (CMC) - TITLE 24 C.C.R., PART 4

2016 CALIFORNIA PLUMBING CODE (CPC) - TITLE 24 C.C.R., PART 5

2019 CALIFORNIA ELECTRICAL CODE (CEC) - TITLE 24 C.C.R., PART 3

2019 CALIFORNIA ENERGY CODE - TITLE 24 C.C.R., PART 6

2019 CALIFORNIA GREEN BUILDING STANDARDS CODE - TITLE 24 C.C.R., PART 11

2015 INTERNATIONAL PROPERTY MAINTENANCE CODE

2019 CALIFORNIA FIRE CODE (CFC) - TITLE 24 C.C.R., PART 9

2019 NFPA 72 (NATIONAL FIRE ALARM CODE)

2019 NFPA 13 (INSTALLATION OF FIRE SPRINKLER SYSTEMS)

2019 NFPA 14 (STANDPIPE)

2019 NFPA 24 (UNDERGROUND)

2019 NFPA 1221 AND SFDD AB2.01 ADDENDUM G (ERRCS)

2016 CALIFORNIA REFERENCED STANDARDS CODE - TITLE 24 C.C.R., PART 12

2010 AMERICANS WITH DISABILITIES ACT (ADA) & ARCHITECTURAL BARRIERS ACT (ABA)

ICC/ANSI A117.1 - 2003 ACCESSIBLE AND USAGE BUILDINGS AND FACILITIES

CCR - TITLE 8 - CHAPTER 4 - SUBCHAPTER 6 ELEVATOR SAFETY ORDERS AND ASME

17.1-2004

		<u>SPACES REQUIRED</u>	<u>SPACES PROVIDED</u>
BICYCLE PARKING:	<u>CLASS 1 SPACES</u>		
	DWELLING UNITS	80 (1 PER DU)	
	RESTAURANTS	1 (1 PER 7500 SF)	
	OFFICE	1 (1 PER 5000 SF)	
	CHILDCARE	3 (1 PER 20 CHILDREN)**	
	TOTAL:	86	86*
	<u>CLASS 2 SPACES</u>		
	DWELLING UNITS	4 (1 PER 20 DU)	
	RESTAURANTS	5 (1 PER 750 SF OR MIN 2)	
	OFFICE	2 (MIN 2 FOR > 5000 SF)	
	CHILDCARE	3 (1 PER 20 CHILDREN)**	
	TOTAL:	14	14
<p>* Provided in Block 3B bicycle room</p> <p>** Based on estimated # of children to be about 60. However, childcare center to be under separate permit, and only shell provided under this permit. Counts to be revisited when childcare center is permitted.</p>			
		<u>SPACES REQUIRED</u>	<u>SPACES PROVIDED</u>
OFF-STREET VEHICLE PARKING:		0	0

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	Issuances
Description	Date
100% SD	10/15/2020
Vertical Design Review	11/05/2020
50% DD	12/22/2020
100% DD	02/19/2021
35% CD	10/05/2021
70% CD	01/31/2022

Revisions

Rev.	Description	Date
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PROJECT INFORMATION

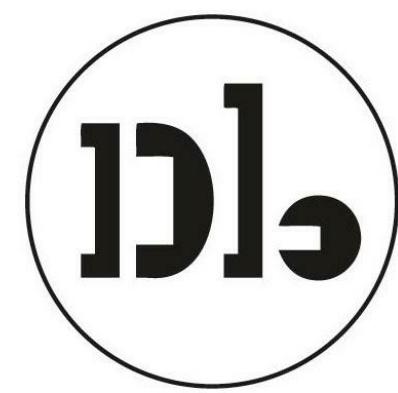
Sheet No.

G001A

Date	2022-01-31
Project No.	21845

SUNNYDALE
BLOCK 3A

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Revisions	
Rev.	Date

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SITE PLAN

Sheet No.

A001

Date 2022-01-31
Project No. 21845

COMMUNITY CENTER (LOT 5)

SUNNYDALE AVE.

PROPERTY LINE

179' - 3 5/16"

352' - 9"

173' - 6"

LEVEL 2 COURTYARD

LEVEL 2 COURTYARD

BLOCK 3B (LOT 4)
PROPOSED
5-STORY BUILDING
(+ BASEMENT)
(NOT IN SCOPE)

BLOCK 3A (LOT 3)
PROPOSED
5-STORY BUILDING

SUB-GRADE
TRANSFORMER
VAULTS

EXIT STAIR TO
GRADE

HAHN ST.

EXTERIOR STAIRS

MAIN RESIDENTIAL
ENTRIES

EXTERIOR PEDESTRIAN
WALKWAY (L3-L5)

LEVEL 2 TERRACE

SUB-GRADE
TRANSFORMER VAULTS

HARMONIA ST.

STREET IMPROVEMENTS, N.I.C.
SEE CIVIL DRAWINGS

BLOCK 6 (LOT 1)

PRIVATELY
OWNED &
PUBLIC
ACCESS
OPEN SPACE
(LOT C)

OPEN SPACE

208' - 6"

EXIT STAIR TO
GRADE

1/16" = 1'-0"

SITE PLAN

1

SUNNYDALE
BLOCK 3A

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Rev.	Date

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FLOOR PLAN -
LEVEL 1 - BLOCK
3A

Sheet No.

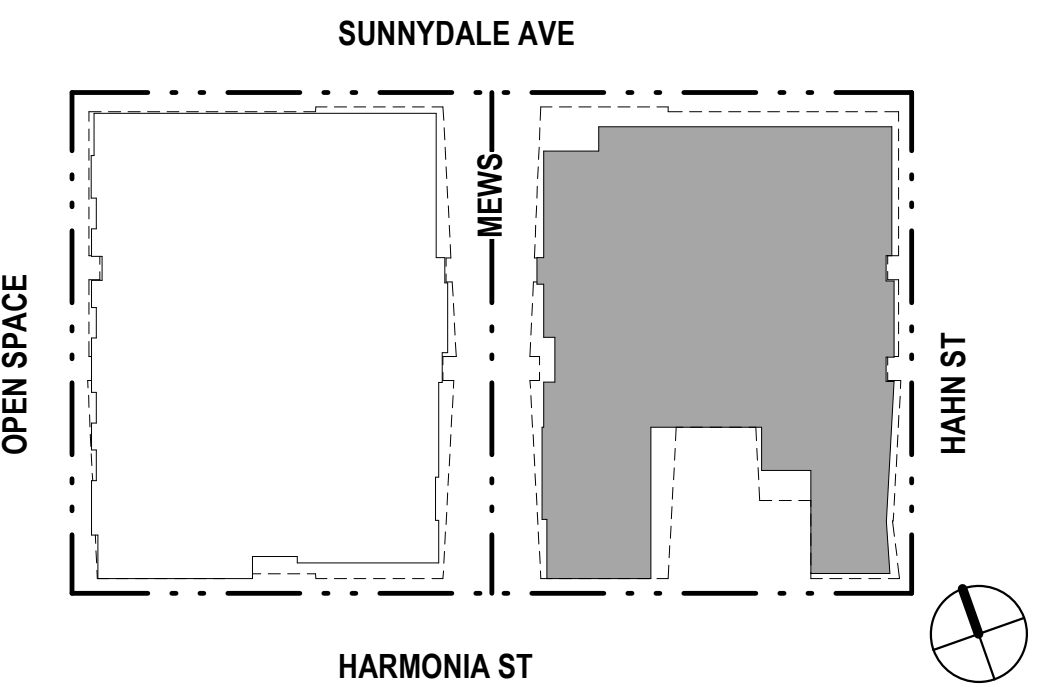
A110A

Date 2022-01-31
Project No. 21845

KEYNOTE LEGEND	
08 41 13	Aluminum-Framed Entrance and Storefront
12 48 13	Entrance Floor Mat and Frame
14 91 82	Trash Chute (C/R/T)
21 10 00.FD	Fire Department Connection

WALL AND FLOOR LEGEND

	1 HR
	2 HR
	CONCRETE WALL, UP TO 3HR RATING



FLOOR PLAN - LEVEL 1A 1

KEY PLAN - BLOCK 3A - L1

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Rev.	Description	Date

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FLOOR PLAN -
LEVEL 2 - BLOCK
3A

Sheet No.

A120A

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Project No.	21845

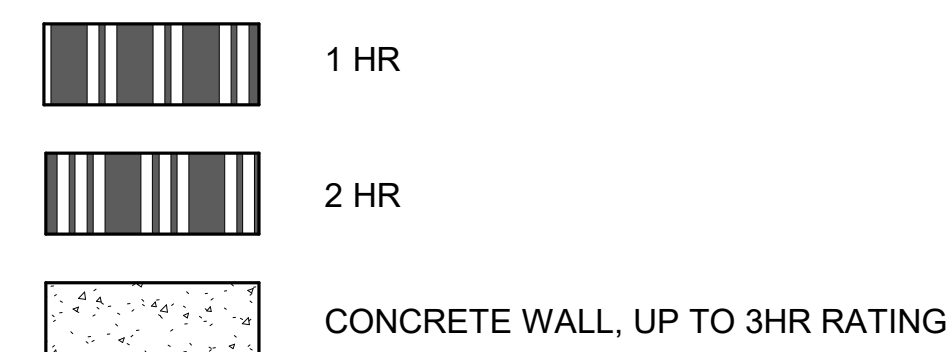


FLOOR PLAN - LEVEL 2A 1

KEY PLAN

KEYNOTE LEGEND	
05 52 13.MR	Mesh Railing
10 71 00.A1	Fixed Perforated Sunshade, TYPE A1 (See A610)
10 71 00.A2	Fixed Perforated Sunshade, TYPE A2 (See A610)
10 71 00.B2	Fixed Perforated Sunshade, TYPE B2 (See A610)
10 71 00.C2	Fixed Perforated Sunshade, TYPE C2 (See A610)
10 71 00.C3	Fixed Perforated Sunshade, TYPE C3 (See A610)
10 71 00.D2	Fixed Perforated Sunshade, TYPE D2 (See A610)
10 71 00.D3	Fixed Perforated Sunshade, TYPE D3 (See A610)
11 01 40	
21 10 00.SP	Fire-Suppression Standpipe
22 13 16.FD	Floor Drain/Area Drain, SPD
22 30 00.TC	2-Way Communication Device

WALL AND FLOOR LEGEND



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		Revisions
Rev.	Description	Date

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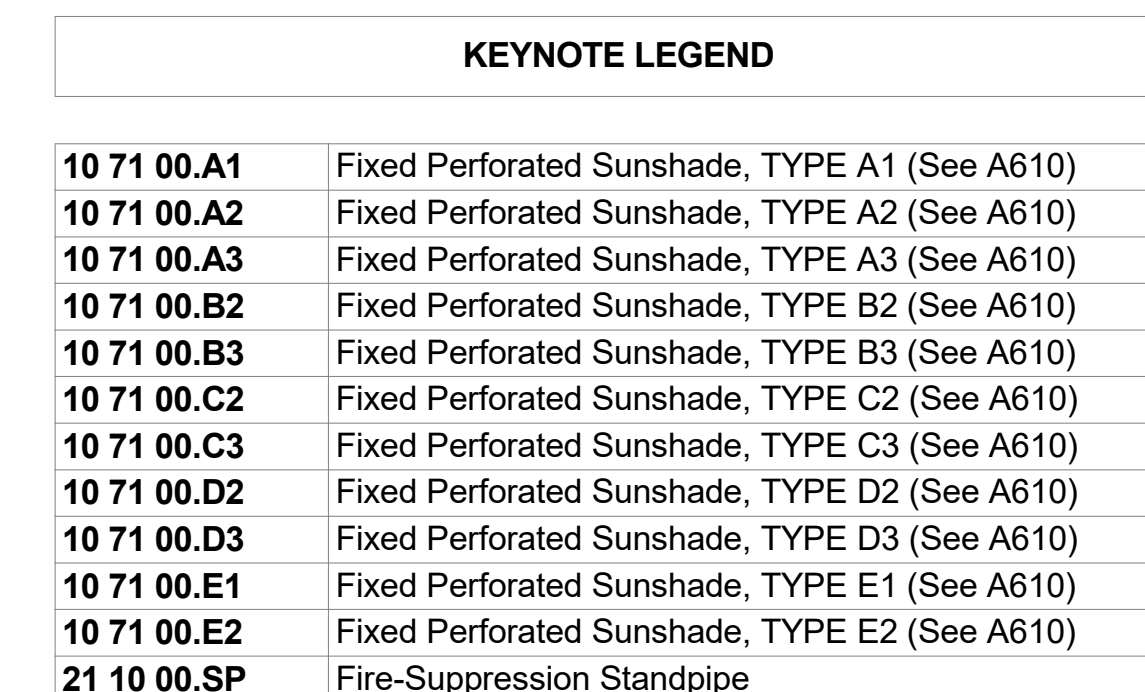
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FLOOR PLAN -
LEVEL 3 - BLOCK
3A

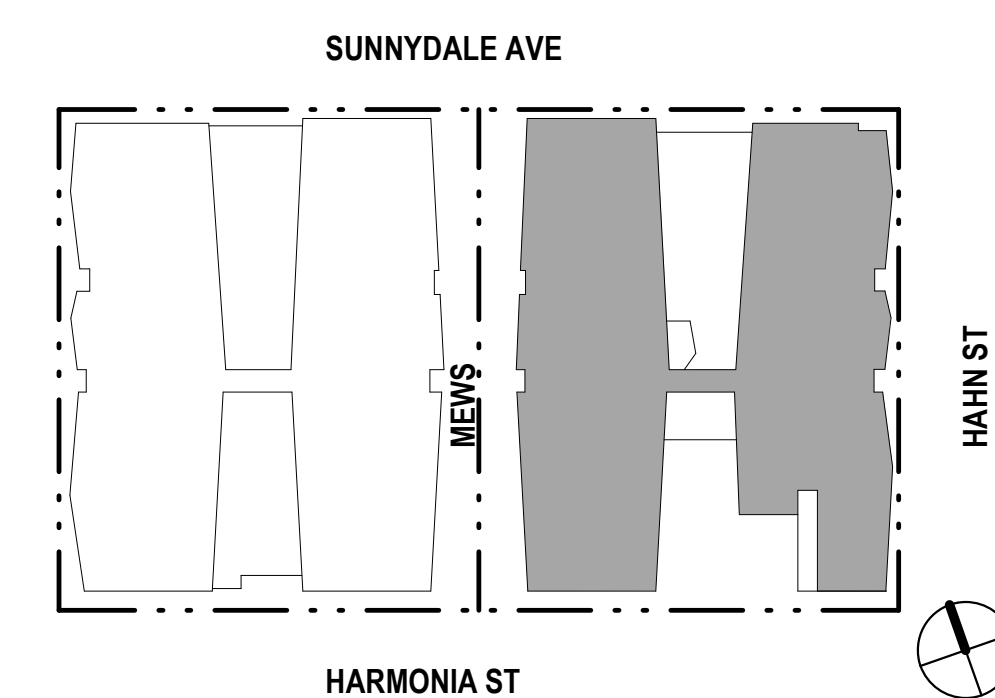
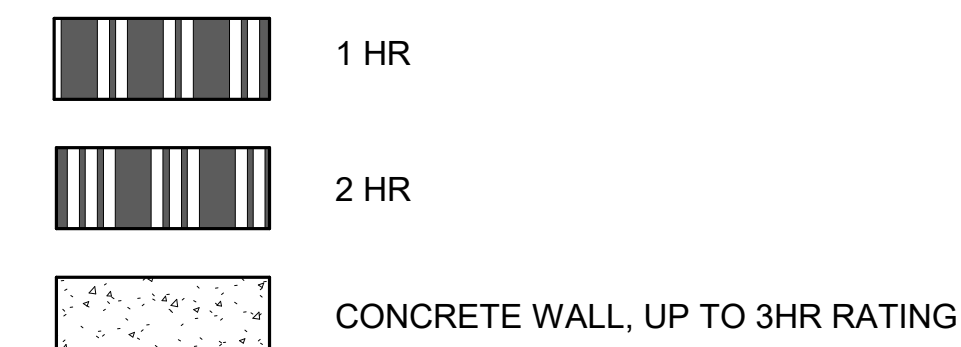
Sheet No.

A130A

Date	2022-01-31
Project No.	21845



WALL AND FLOOR LEGEND


$$1'' = 80'-0''$$

FLOOR PLAN - LEVELS 3A	1
------------------------	---

KEY PLAN

SUNNYDALE
BLOCK 3A

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70% CD	01/31/2022

Revisions	
Rev.	Date

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FLOOR PLAN -
LEVEL 4 - BLOCK
3A

Sheet No.

A140A

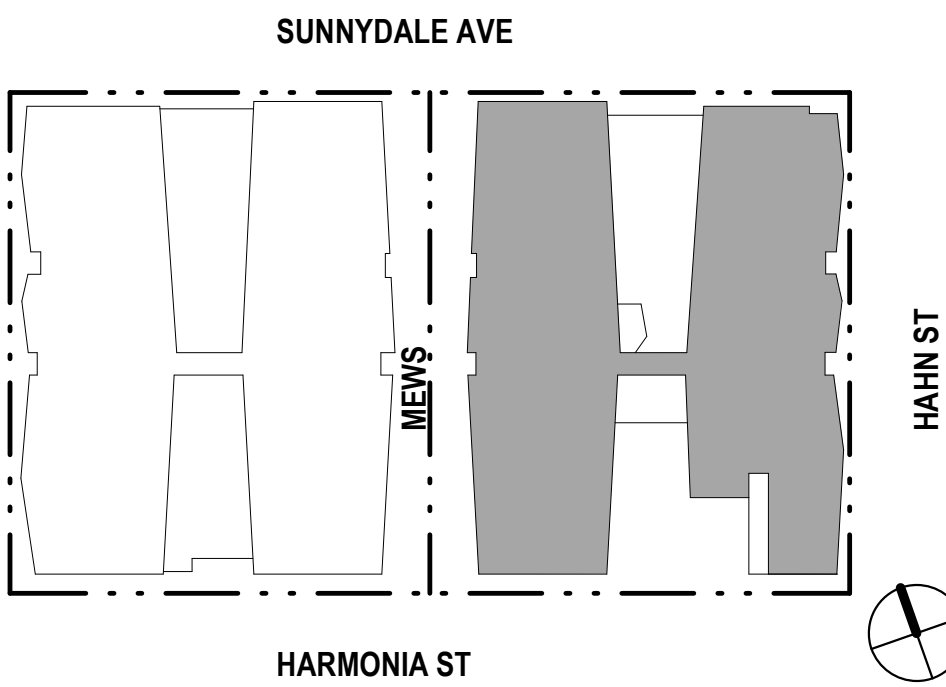
Date 2022-01-31
Project No. 21845

KEYNOTE LEGEND

10 71 00.A1	Fixed Perforated Sunshade, TYPE A1 (See A610)
10 71 00.A2	Fixed Perforated Sunshade, TYPE A2 (See A610)
10 71 00.A3	Fixed Perforated Sunshade, TYPE A3 (See A610)
10 71 00.B2	Fixed Perforated Sunshade, TYPE B2 (See A610)
10 71 00.B3	Fixed Perforated Sunshade, TYPE B3 (See A610)
10 71 00.C2	Fixed Perforated Sunshade, TYPE C2 (See A610)
10 71 00.C3	Fixed Perforated Sunshade, TYPE C3 (See A610)
10 71 00.D2	Fixed Perforated Sunshade, TYPE D2 (See A610)
10 71 00.D3	Fixed Perforated Sunshade, TYPE D3 (See A610)
21 10 00.SP	Fire-Suppression Standpipe
27 20 00.TC	2-Way Communication Device

WALL AND FLOOR LEGEND

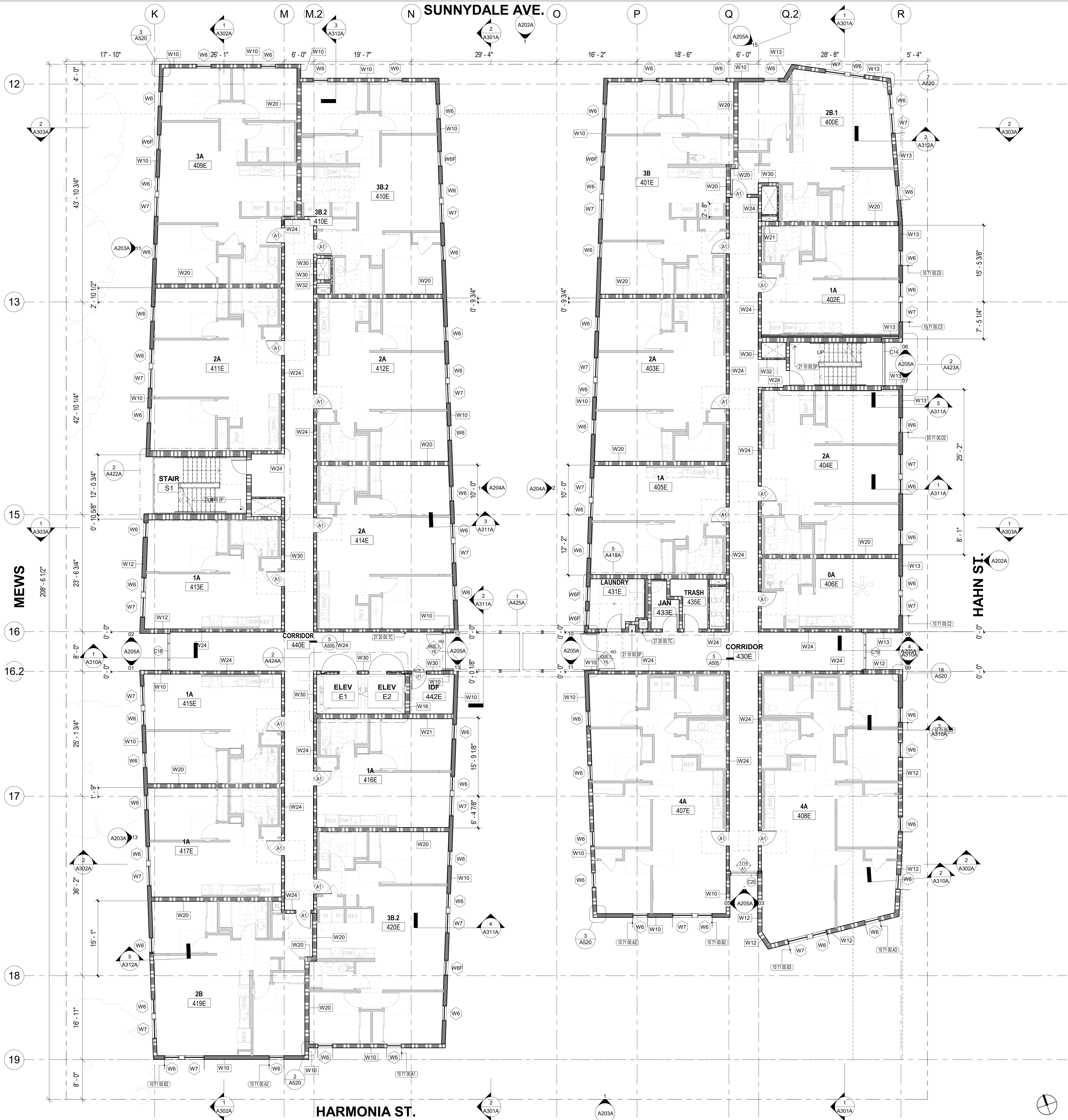
	1 HR
	2 HR
	CONCRETE WALL, UP TO 3HR RATING



FLOOR PLAN - LEVEL 4A

1" = 80'-0"

KEY PLAN



SUNNYDALE
BLOCK 3A

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70% CD	01/31/2022

Revisions	
Rev.	Date

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FLOOR PLAN -
LEVEL 5 - BLOCK
3A

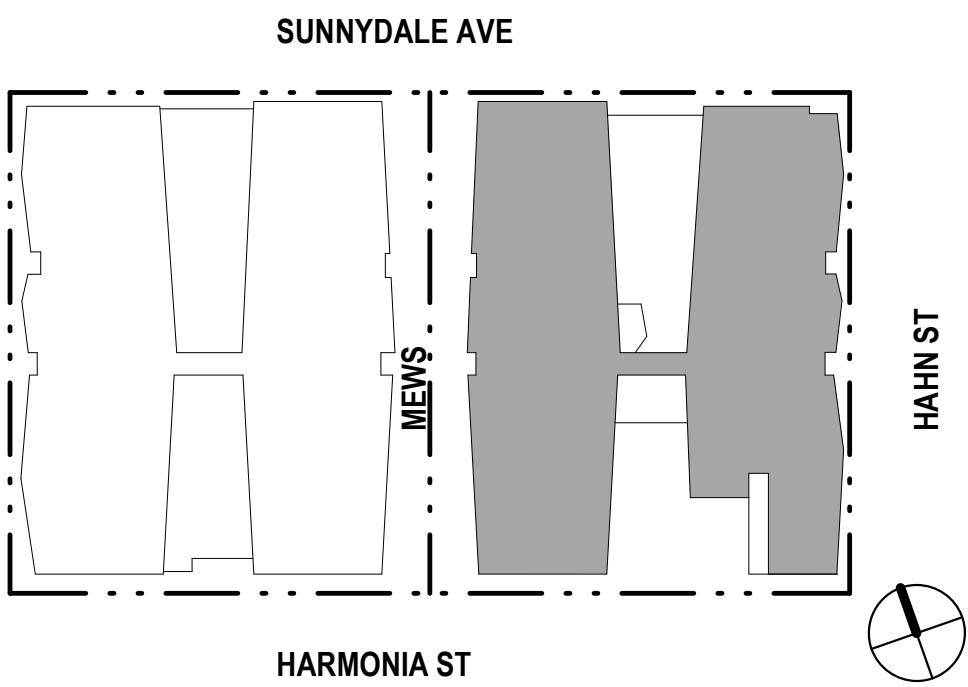
Sheet No.

A150A

Date 2022-01-31
Project No. 21845

KEYNOTE LEGEND	
05 52 13.MR	Mesh Railing
10 71 00.A1	Fixed Perforated Sunshade, TYPE A1 (See A610)
10 71 00.A2	Fixed Perforated Sunshade, TYPE A2 (See A610)
10 71 00.A3	Fixed Perforated Sunshade, TYPE A3 (See A610)
10 71 00.B2	Fixed Perforated Sunshade, TYPE B2 (See A610)
10 71 00.B3	Fixed Perforated Sunshade, TYPE B3 (See A610)
10 71 00.C2	Fixed Perforated Sunshade, TYPE C2 (See A610)
10 71 00.C3	Fixed Perforated Sunshade, TYPE C3 (See A610)
10 71 00.D2	Fixed Perforated Sunshade, TYPE D2 (See A610)
10 71 00.D3	Fixed Perforated Sunshade, TYPE D3 (See A610)
10 71 00.E1	Fixed Perforated Sunshade, TYPE E1 (See A610)
10 71 00.E2	Fixed Perforated Sunshade, TYPE E2 (See A610)
21 10 00.SP	Fire-Suppression Standpipe
27 20 00.TC	2-Way Communication Device

WALL AND FLOOR LEGEND	
	1 HR
	2 HR
	CONCRETE WALL, UP TO 3HR RATING

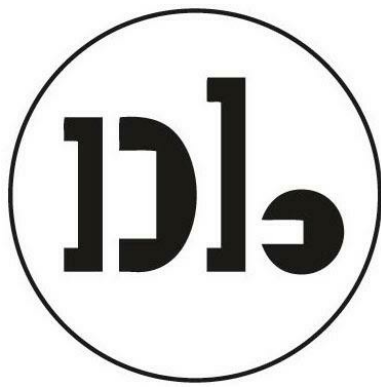


FLOOR PLAN - LEVEL 5A 1

KEY PLAN

SUNNYDALE
BLOCK 3A

SAN FRANCISCO, CA



David Baker Architects
dbarchitect.com
461 Second St, Loft c127
San Francisco, CA 94107
415.896.6700

License Stamp



Issuances	
Description	Date
100% SD	10/15/2020
Vertical Design Review	11/05/2020
50% DD	12/22/2020
100% DD	02/19/2021
35% CD	10/05/2021
70% CD	01/31/2022

Revisions	
Rev.	Date

Set Title

70% CD

Drawing Title

EXTERIOR
ELEVATIONS -
BLOCK 3A

Sheet No.

A202A

Date 2022-01-31
Project No. 21845

KEYNOTE LEGEND

05 12 00.AS	Architecturally Exposed Structural Steel Framing, SSD
05 52 13.MR	Mesh Railing
07 42 13.16	Metal Plate Wall Panel
08 41 13	Aluminum-Framed Entrances and Storefront
08 42 29.23	Sliding Automatic Entrance
08 91 19.EL	Exterior Fixed Louver, See Glazed Wall Schedule for Dimensions
10 73 16	Metal Canopies and Trellises
21 10 00.FD	Fire Department Connection
26 51 00.ES	Exterior Light Fixture, Surface Mount; SED
26 51 00.SC	Exterior Light Fixture, Sconce; SED

ARTISIAN SIDING PROFILES

	SHIPLAP
	SQUARE CHANNEL
	BEVEL CHANNEL

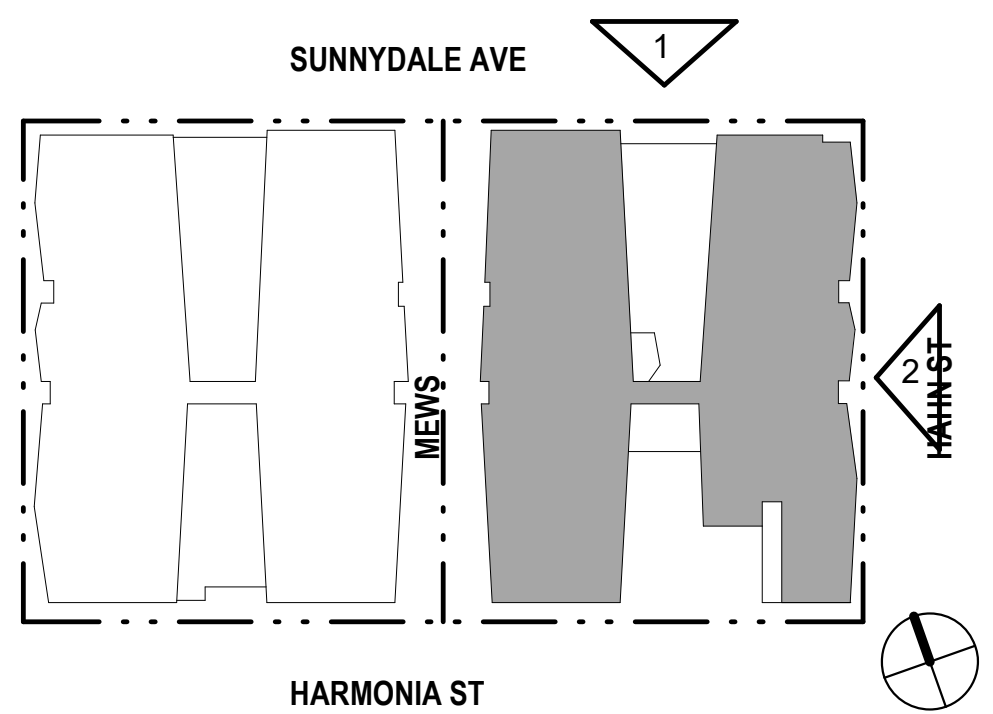
BLOCK 3A - HAHN ST 2

ELEVATION - SIDING PROFILE LEGEND

EXTERIOR MATERIAL LEGEND

AL-1	ANNODIZED ALUMINUM PANEL - DARK
AL-2	ANNODIZED ALUMINUM PANEL - LIGHT
BR-1	THIN BRICK VENEER - WARM
BR-2	THIN BRICK VENEER - LIGHT
BR-3	THIN BRICK VENEER - DARK
CN-1	CAST-IN-PLACE CONCRETE, TEXTURED FINISH AT EXTERIOR
CT-1	CORTEN METAL PANEL
FC-1	FIBER CEMENT VERTICAL SIDING - LIGHT
FC-2	FIBER CEMENT VERTICAL SIDING - DARK
GL-1	GLAZED AND ALUMINUM STOREFRONT
GL-2	FROSTED GLAZING
GL-3	OPAQUE GLAZING
GT-1	GLAZED TILE - COLOR 1
GT-2	GLAZED TILE - COLOR 2
GT-3	GLAZED TILE - COLOR 3
PF-1	PERFORATED ALUMINUM METAL
PF-2	PERFORATED CORTEN METAL
PF-3	DARK PERFORATED METAL
ST-1	STEEL

EXTERIOR MATERIAL LEGEND

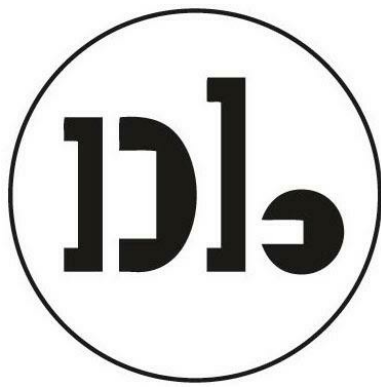


SUNNYDALE AVE ELEVATION - BLOCK 3A 1

KEY PLAN

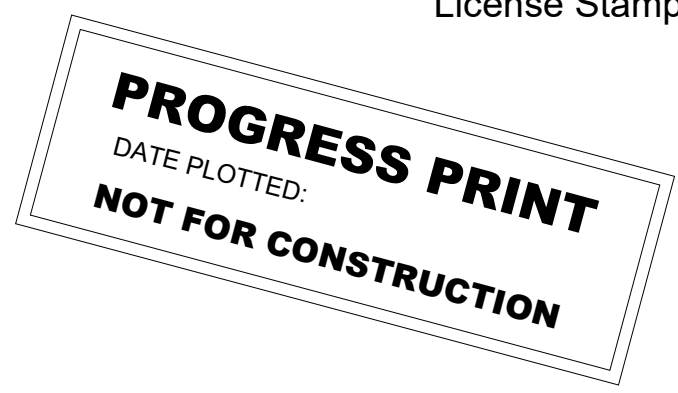
SUNNYDALE
BLOCK 3A

SAN FRANCISCO, CA



David Baker Architects
dbarchitect.com
461 Second St, Loft c127
San Francisco, CA 94107
415.896.6700

License Stamp



Issuances	
Description	Date
100% SD	10/15/2020
Vertical Design Review	11/05/2020
50% DD	12/22/2020
100% DD	02/19/2021
35% CD	10/05/2021
70% CD	01/31/2022

Revisions	
Rev.	Date

Set Title

70% CD

Drawing Title

EXTERIOR
ELEVATIONS -
BLOCK 3A

Sheet No.

A203A

Date 2022-01-31
Project No. 21845



BLOCK 3A - MEWS 13

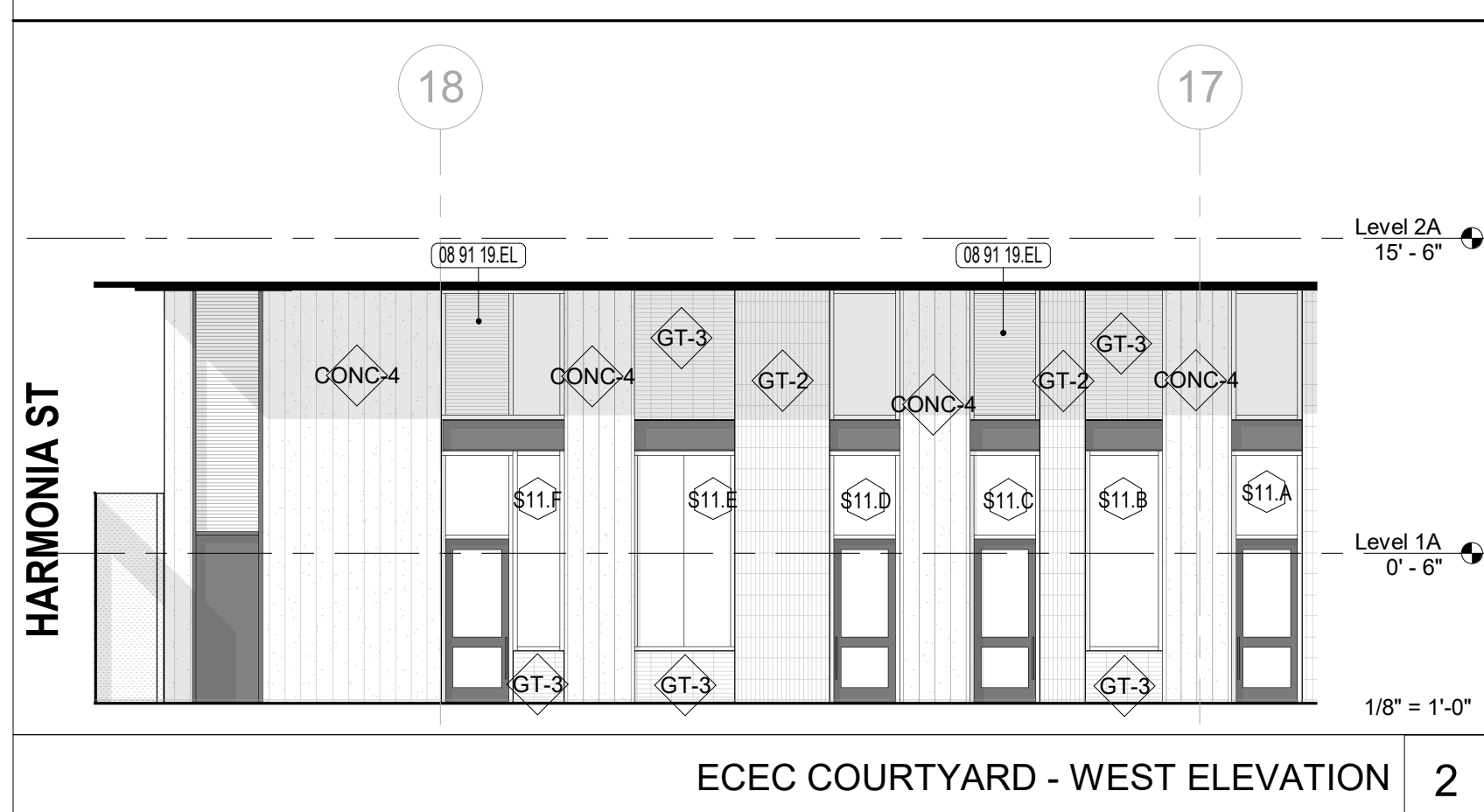
ELEVATION - SIDING PROFILE LEGEND

EXTERIOR MATERIAL LEGEND	
AL-1	ANNODIZED ALUMINUM PANEL - DARK
AL-2	ANNODIZED ALUMINUM PANEL - LIGHT
BR-1	THIN BRICK VENEER - WARM
BR-2	THIN BRICK VENEER - LIGHT
BR-3	THIN BRICK VENEER - DARK
CN-1	CAST-IN-PLACE CONCRETE, TEXTURED FINISH AT EXTERIOR
CT-1	CORTEN METAL PANEL
FC-1	FIBER CEMENT VERTICAL SIDING - LIGHT
FC-2	FIBER CEMENT VERTICAL SIDING - DARK
GL-1	GLAZED AND ALUMINUM STOREFRONT
GL-2	FROSTED GLAZING
GL-3	OPAQUE GLAZING
GT-1	GLAZED TILE - COLOR 1
GT-2	GLAZED TILE - COLOR 2
GT-3	GLAZED TILE - COLOR 3
PF-1	PERFORATED ALUMINUM METAL
PF-2	PERFORATED CORTEN METAL
PF-3	DARK PERFORATED METAL
ST-1	STEEL

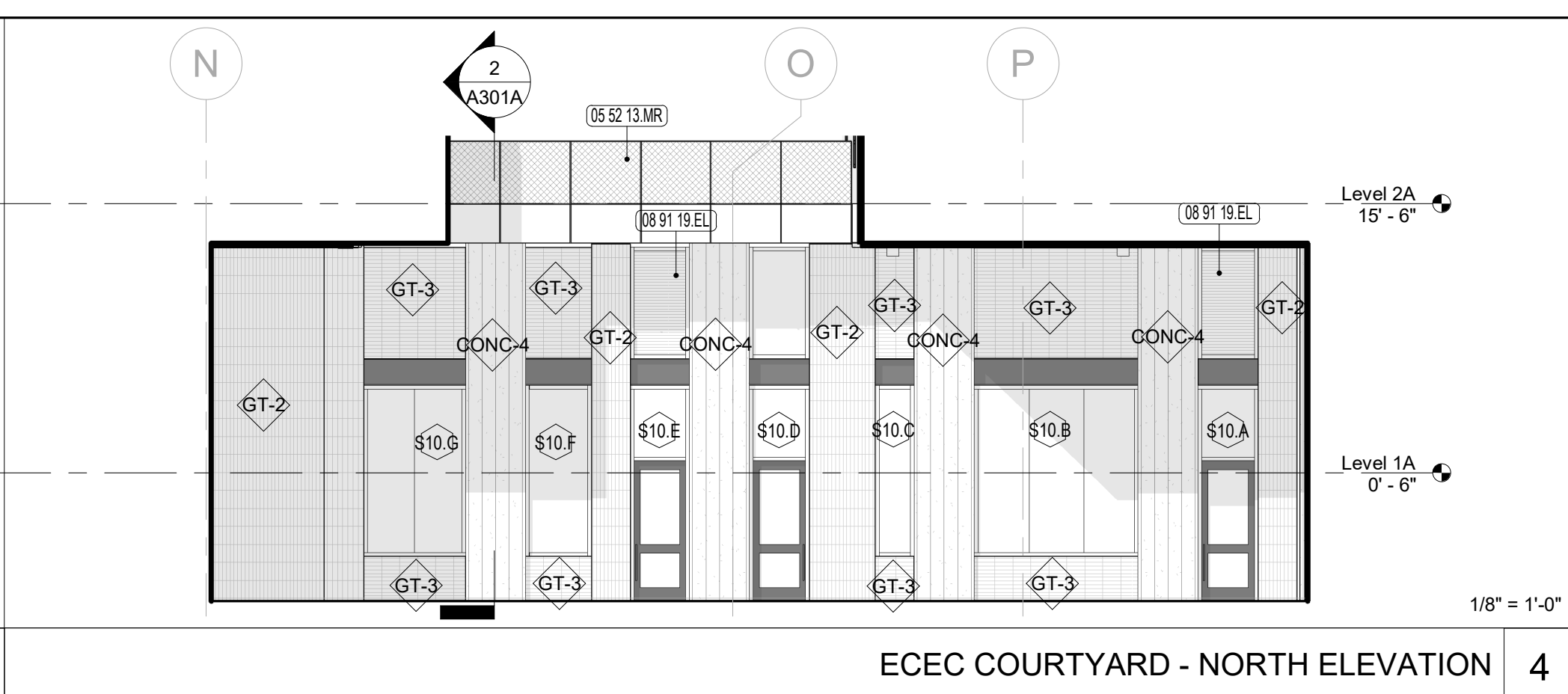


HARMONIA ST. ELEVATION - BLOCK 3A 1

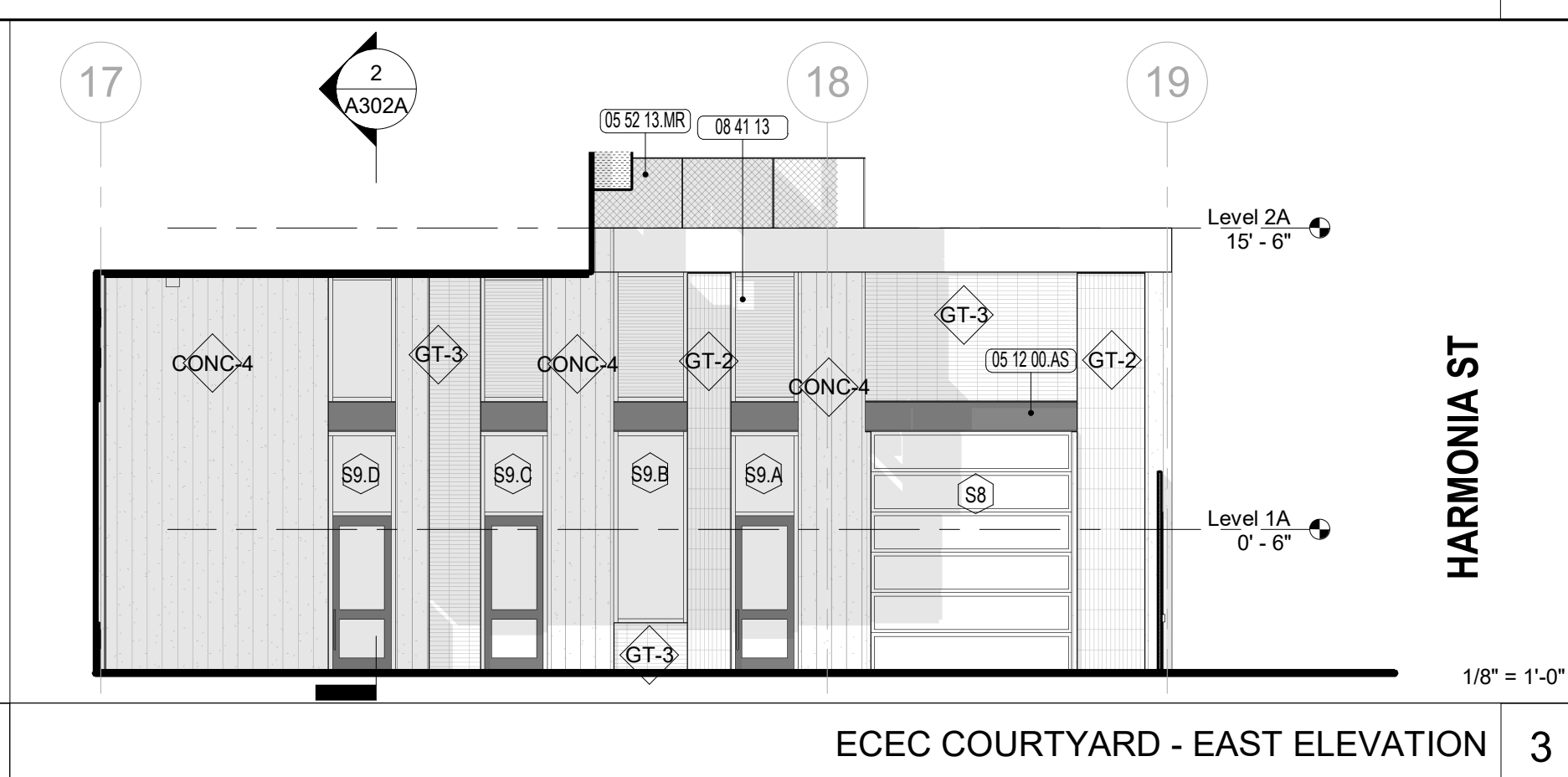
EXTERIOR MATERIAL LEGEND



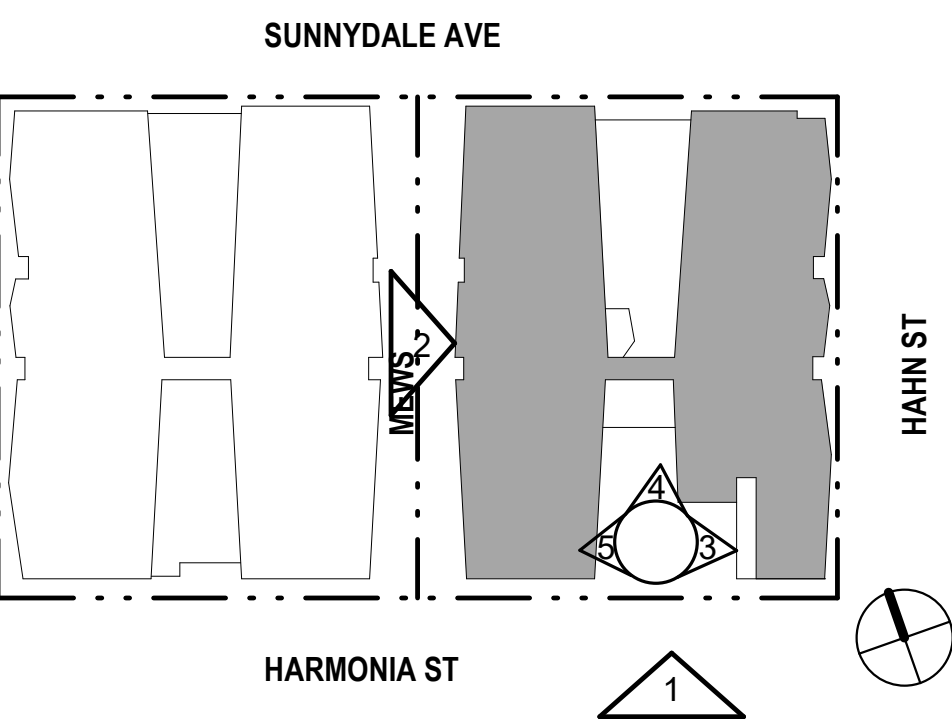
ECEC COURTYARD - WEST ELEVATION 2



ECEC COURTYARD - NORTH ELEVATION 4



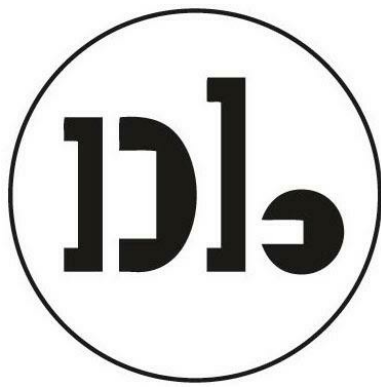
ECEC COURTYARD - EAST ELEVATION 3



KEY PLAN

SUNNYDALE
BLOCK 3A

SAN FRANCISCO, CA



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License Stamp



Issuances	
Description	Date
100% SD	10/15/2020
Vertical Design Review	11/05/2020
50% DD	12/22/2020
100% DD	02/19/2021
35% CD	10/05/2021
70% CD	01/31/2022

Revisions	
Rev.	Date

Set Title

70% CD

Drawing Title

EXTERIOR
ELEVATIONS -
BLOCK 3A

Sheet No.

A204A

Date 2022-01-31
Project No. 21845

KEYNOTE LEGEND

05 52 13.MR	Mesh Railing
05 70 00.AW	Cable hung steel awning
07 42 13.16	Metal Plate Wall Panel
08 42 56	Architectural Terrace Door
08 43 29.15	Multiple Panel Sliding Door System
08 91 19	Fixed Louver
08 91 19.EL	Exterior Fixed Louver, See Glazed Wall Schedule for Dimensions
10 71 00.A1	Fixed Perforated Sunshade, TYPE A1 (See A610)
10 71 00.E1	Fixed Perforated Sunshade, TYPE E1 (See A610)
10 71 00.E2	Fixed Perforated Sunshade, TYPE E2 (See A610)

ARTISIAN SIDING PROFILES

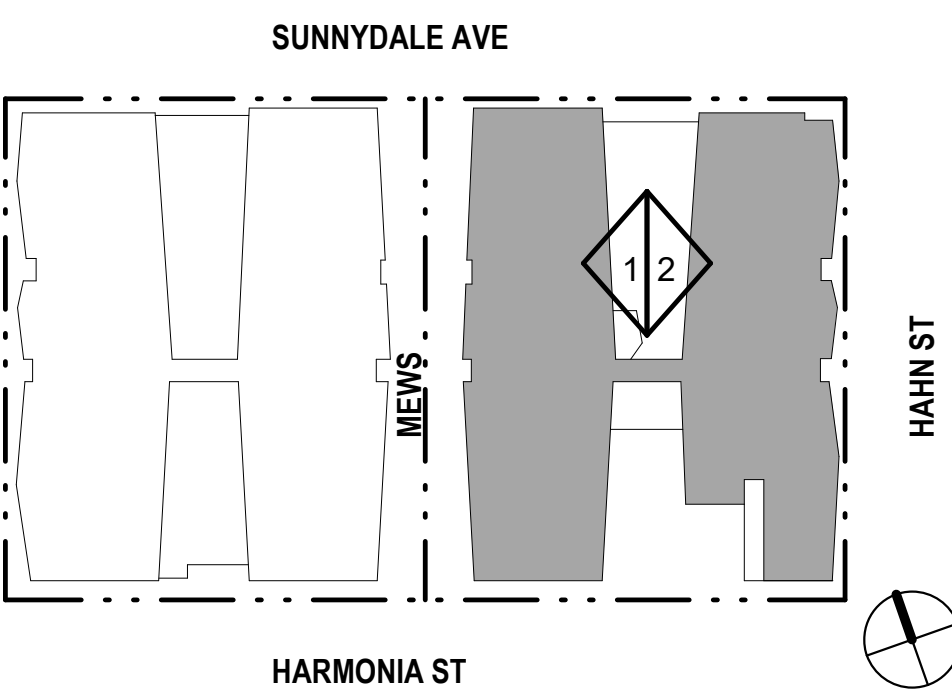
	SHIPLAP
	SQUARE CHANNEL
	BEVEL CHANNEL

ELEVATION - SIDING PROFILE LEGEND

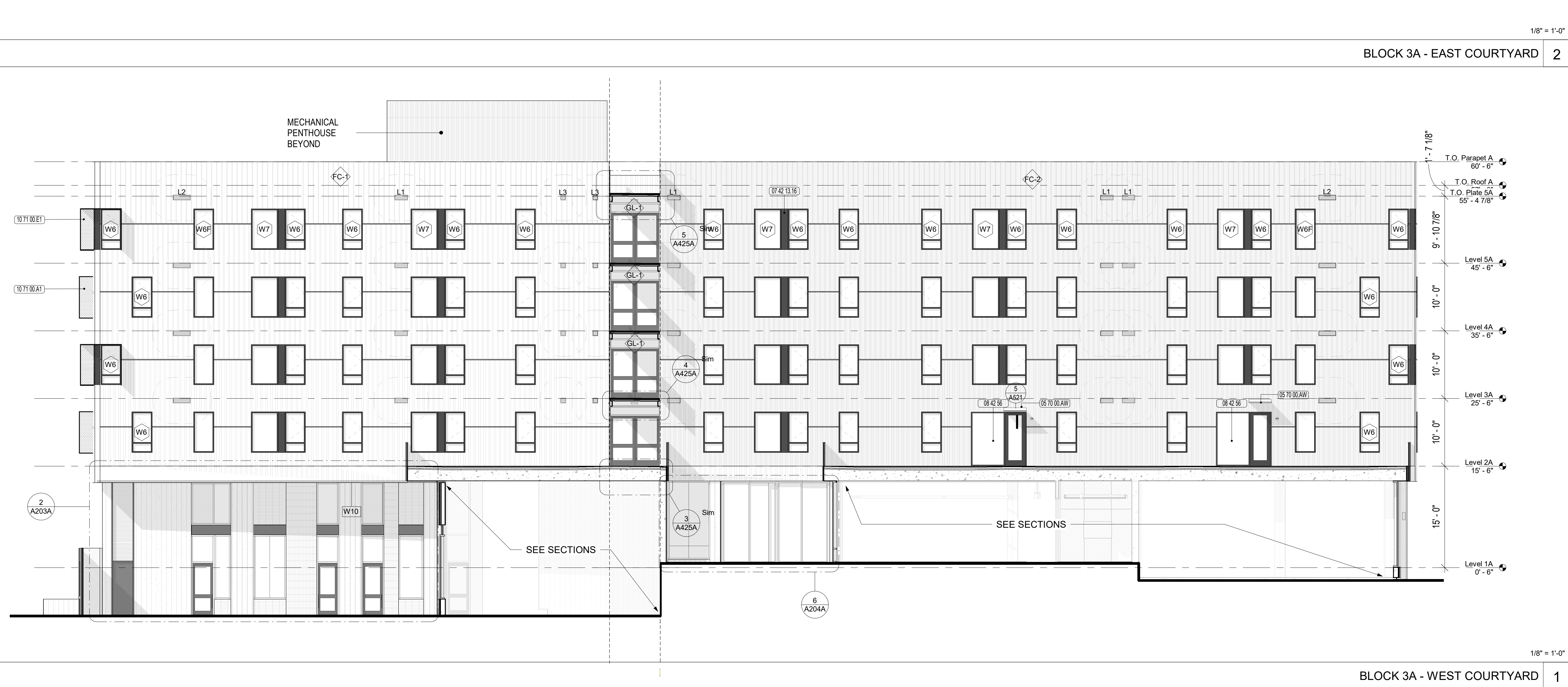
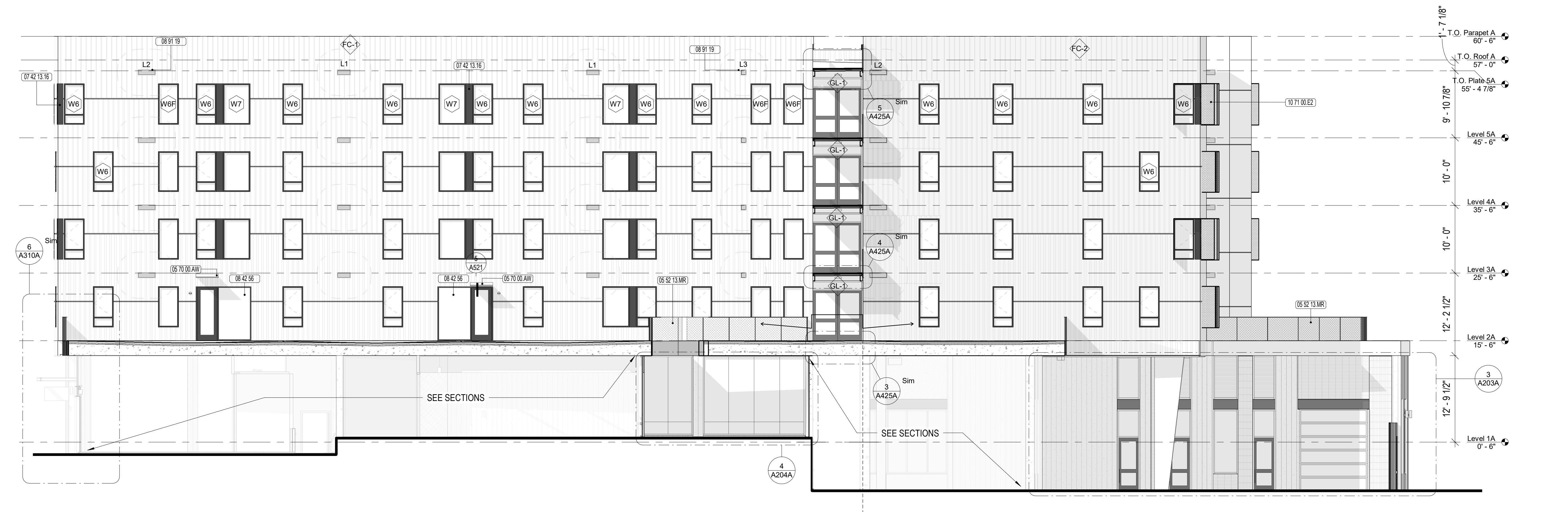
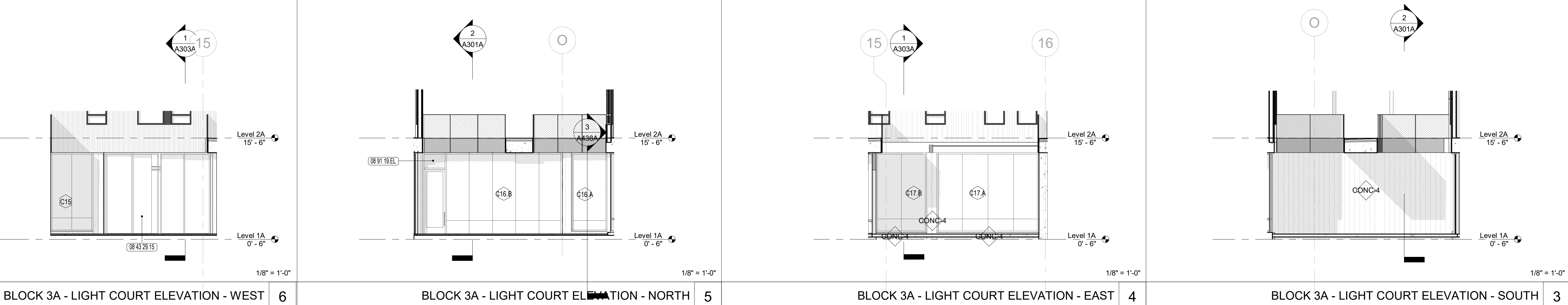
EXTERIOR MATERIAL LEGEND

AL-1	ANNODIZED ALUMINUM PANEL - DARK
AL-2	ANNODIZED ALUMINUM PANEL - LIGHT
BR-1	THIN BRICK VENEER - WARM
BR-2	THIN BRICK VENEER - LIGHT
BR-3	THIN BRICK VENEER - DARK
CN-1	CAST-IN-PLACE CONCRETE, TEXTURED FINISH AT EXTERIOR
CT-1	CORTEN METAL PANEL
FC-1	FIBER CEMENT VERTICAL SIDING - LIGHT
FC-2	FIBER CEMENT VERTICAL SIDING - DARK
GL-1	GLAZED AND ALUMINUM STOREFRONT
GL-2	FROSTED GLAZING
GL-3	OPAQUE GLAZING
GT-1	GLAZED TILE - COLOR 1
GT-2	GLAZED TILE - COLOR 2
GT-3	GLAZED TILE - COLOR 3
PF-1	PERFORATED ALUMINUM METAL
PF-2	PERFORATED CORTEN METAL
PF-3	DARK PERFORATED METAL
ST-1	STEEL

EXTERIOR MATERIAL LEGEND



KEY PLAN



Attachment G: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison

Updated 7/8/2022		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 ⁵	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	\$ (25,787)	\$ (12,877)	\$ (54)	\$ 190,541	\$ 84,771	\$ 107	\$ 134,366	\$ 63,819	\$ 89	\$ 303,612	\$ 137,956	\$ 180	\$ 68,812	77.3%	
Delta Percentage	-99%	-99%	-99%	27%	24%	20%	89%	85%	79%	34%	31%	27%	27%	109%	
Sunnydale 3A	\$ 250	\$ 122	\$ 1	\$ 905,887	\$ 441,896	\$ 638	\$ 285,312	\$ 139,177	\$ 201	\$ 1,191,449	\$ 581,195	\$ 839	\$ 325,562	72.7%	
Comparable Projects	Average: \$ 26,037	\$ 12,999	\$ 54.93	\$ 715,346	\$ 357,125	\$ 531	\$ 150,946	\$ 75,357	\$ 112	\$ 887,837	\$ 443,239	\$ 659	\$ 256,750	71.1%	

Costs **lower** than comparable average (within 10%)

Costs **higher** than comparable average (within 10%)

		Building Square Footage			Total Project Costs									Notes on Financing	Building Type	Stories	Comments
		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			
ALL PROJECTS	Average:	32,618		118	185	117,752	13,516	128,997	\$ 2,275,781	\$ 72,722,735	\$ 18,775,237	\$ 93,607,777	\$ 27,018,417	\$ 91,342,832			
Comparable Projects Completed (filtered)	Average:	54,714		110	211	124,290	21,132	145,550	\$ 2,131,529	\$ 73,151,701	\$ 14,303,827	\$ 87,991,331	\$ 21,177,885	\$ 85,859,803			
Comparable Projects Under Construction (filtered)	Average:	64,033		138	277	190,266	13,075	165,724	\$ 7,097,401	\$ 91,042,480	\$ 21,442,175	\$ 119,582,056	\$ 40,283,382	\$ 112,484,655			
Comparable Projects In Predevelopment (filtered)	Average:	49,634		108	224	147,198	20,485	167,683	\$ 20,782	\$ 89,932,460	\$ 17,877,516	\$ 107,830,757	\$ 29,749,050	\$ 107,809,976			
Total Comparable Projects	Average:	56,127		118	237	153,918	18,230	159,652	\$ 3,083,237	\$ 84,708,880	\$ 17,874,506	\$ 105,134,715	\$ 30,403,439	\$ 102,051,478			
Sunnydale 3A		36,182	1/1/2023	80	164	94,595	19,013	113,608	\$ 20,001	\$ 72,470,936	\$ 22,824,963	\$ 95,315,920	\$ 26,044,938	\$ 95,285,919		Type V over Type IA	\$ Large ground floor retail / services
Delta of Subject and Comp Project Averages		-19,945		-38	-73	-59,323	783	-46,044	(\$3,063,236)	(\$12,237,944)	\$ 4,950,477	(\$9,818,795)	(\$4,358,501)	(\$6,755,559)			
Delta Percentage		-36%		-32%	-31%	-39%	4%	-29%	-99%	-14%	28%	-9%	-14%	-7%			

PROJECTS COMPLETED						Building Square Footage			Total Project Costs						Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost	Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land				
Hunters View Phase II - B1 7 & 11	227-229 West Point Rd	82,703	May-17	107	239	117,023	23,857	140,880	\$ -	\$ 70,135,832	\$ 9,272,003	\$ 79,407,835	\$ 19,737,243	\$ 79,407,835	2 HCD Loans (MHP & HCD)	Type III-V over Type I flats	2 +	Mixed Townhome stepping downslope
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 39,639,577	\$ 8,732,464	\$ 48,372,041	\$ 17,393,406	\$ 48,372,041	9% LIHTC	Type IIIA over Type I	5	Indl Parking, Community Hub and Childcare
Mission Bay S. Block 3E	1150 Third Street	47,140	Jan-20	119	192	83,138	41,082	124,200	\$ -	\$ 76,100,381	\$ 2,704,790	\$ 78,805,171	\$ 20,093,600	\$ 78,805,171	HCD VHPHP Loan	Type V over Type I		strong articulation / est. skin due to DAD reqmts.
Petersen Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	29,952	115,521	\$ 20,700	\$ 71,555,808	\$ 12,765,230	\$ 84,342,738	\$ 17,693,093	\$ 84,322,038		Type IIIA & V over Type I Pod	4-6	4-6 stories stepped w/ topography. No infrastr. Cost
Parcel O	455 Fall Street	37,428	Jun-19	108	165	108,387	1,500	110,787	\$ -	\$ 67,824,736	\$ 9,994,087	\$ 66,648,743	\$ 17,309,250	\$ 66,648,743	HCD AHSC Loan	Type V over Type I		
88 Broadway - Family Housing	88 Broadway	38,182	Jul-21	125	221	140,279	8,700	148,979	\$ 14,900,000	\$ 84,358,577	\$ 27,758,226	\$ 127,016,803	\$ 27,908,676	\$ 112,116,803		Type IIIA & V over Type I	5-6	Family
Sunnydale Block 6	290 Malosi St	95,213	Feb-22	167	375	244,359	30,524	274,883	\$ -	\$ 102,447,000	\$ 28,898,989	\$ 131,345,989	\$ 28,109,924	\$ 131,345,989		Type V over Type I		Does not include infrastructure assignment)

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs						Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost	Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land				
4840 Mission	4840 Mission	64,033	Jun-23	137	232	181,711	14,384	120,861	\$ 14,169,802	\$ 83,789,393	\$ 23,931,085	\$ 121,890,281	\$ 51,614,447	\$ 107,720,479	HCD MHP Loan	Type V over Type I		Inc retail + 39 spaces pkg + Health Clinic + POPO
Treasure Island C3.1	6th St. Avenue C	49,841		138	321	198,821	11,765	210,586	\$ 25,000	\$ 98,295,567	\$ 18,953,264	\$ 117,273,831	\$ 28,952,317	\$ 117,248,831		Type IIIA over Type IA	7	4-7 Stories Type V & IIIA over 2 Stories Type IA

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs						Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land				
Shirley Chisholm Village Ed Hsg.	1351 42nd/1360 43rd	44,444	Aug-22	135	212	141,351	23,915	165,266	\$ 115,002	\$ 86,427,957	\$ 17,518,666	\$ 104,061,625	\$ 51,200,000	\$ 103,946,623	9% LIHTC	Type VA over IA	4	9% TCAC (85% CD est. 12/20 esc. to 7/22)
Sunnydale Block 3B	1501 Sunnydale Avenue	39,160	Nov-22	90	178	113,438	38,488	151,926	\$ 20,001	\$ 71,571,738	\$ 19,352,088	\$ 90,943,827	\$ 8,466,742	\$ 90,923,826	4% Credits; HCD IIG	Type VA over IA	6	plan check contig to 11/22) + parking
Petersen Block B	25th and Connecticut	74,311	Jul-22	197	348	274,371	10,473	284,844	\$ 11,251	\$ 147,836,082	\$ 37,617,867	\$ 185,265,200	\$ 15,688,292	\$ 185,253,949	4% Credits; HCD IIG	Type IIIA over IA	5-6	200 MHP + 100% parking; 100% SU S.E. 2022 est with 18% esc for parking
HPSV Block 52-54	151 and 351 Friedell St	45,580	May-22	112	217	147,190	21,541	168,731	\$ -	\$ 91,678,228	\$ 18,839,389	\$ 108,717,617	\$ 59,200,732	\$ 108,717,617	4% credits, bonds	Type III over Type I		ratio 6:1
HPSV Block 56	11 Innes Court	28,792	Jul-22	73	147	76,614	15,939	92,553	\$ -	\$ 50,051,162	\$ 13,596,970	\$ 63,648,132	\$ 34,298,513	\$ 63,648,132	4% LIHTC Infill Intra	Type V over Type I	5	
Hunters View Ph. 3 Block 14 & 17	855 & 853 Hunters View Dr	39,355	Oct-22	118	286	172,645	3,881	176,526	\$ -	\$ 99,328,925	\$ 23,897,677	\$ 123,226,602	\$ 37,735,027	\$ 123,226,602	4% Credits; HCD MHP	Type III-A over Type I	5-6	Indl Comm apases & 56 Pkg (35% CD 8/20)
Sunnydale Block 7	Sunrise Wy and Santos St	73,161	Oct-24	81	184	114,374	22,815	137,189	\$ 10,000	\$ 78,088,122	\$ 8,000,000	\$ 86,088,122	\$ 12,743,082	\$ 86,088,122	4% Credits; HCD IIG	Type VA over IA	5	Parking at 74 ratio; 100% SU S.E. 2022 est with 18% esc for Jan 2026 start
Sunnydale Block 9	TBD	52,272	Oct-24	96	223	137,602	26,826	164,428	\$ 10,000	\$ 94,477,462	\$ 6,197,471	\$ 100,674,933	\$ 18,660,015	\$ 100,674,933	4% Credits; HCD IIG	Type VA over IA	5	

Attachment H: Development Budget

Application Date: 6/20/22
Project Name: Sunnydale HOPE SF Block 3A
Project Address: TBD TBD TBD
Project Sponsor: Related California & Mercy Housing California

Units: 80
Bedrooms: 160
Beds:

SOURCES	19,106,102	6,938,836	16,920,352	10,850,000	2,919,000	100	38,581,531	-	-	Total Sources	95,315,920	Comments
	MOHCD	Commercial	Perm Debt	HCD AHSC	Def Dev Fee	GP Equity	TC Equity					

USE:

ACQUISITION

Acquisition cost or value	1									1	
Legal / Closing costs / Broker's Fee	20,000									20,000	
Holding Costs										0	
Transfer Tax										0	
TOTAL ACQUISITION	20,001	0	0	0	0	0	0	0	0	20,001	

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab			13,227,443	10,850,000			38,581,531			62,658,974	Incl. GCGRs, GC Profit, Insurance, etc.
* Commercial Shell Construction		4,162,822								4,162,822	
* Demolition										0	
* Environmental Remediation										0	
* Onsite Improvements/Landscaping										0	
* Office Improvements										0	
* Infrastructure Improvements										0	
* Parking										0	
* GC Bond Premium/GC Insurance/GC Taxes										0	
* GC Overhead & Profit										0	
* GC General Conditions										0	
Sub-total Construction Costs	0	4,162,822	13,227,443	10,850,000	0	0	38,581,531	0	0	66,821,796	
Design Contingency (remove at DD)										0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)										0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)		163,920	2,341,726							2,505,646	8% escalation
Hard Cost Construction Contingency	1,575,974	216,337	1,351,183							3,143,494	5% new construction / 15% rehab
Sub-total Construction Contingencies	1,575,974	380,257	3,692,909	0	0	0	0	0	0	5,649,140	
TOTAL CONSTRUCTION COSTS	1,575,974	4,543,079	16,920,352	10,850,000	0	0	38,581,531	0	0	72,470,936	

SOFT COSTS

Architecture & Design

Architect design fees	2,191,464									2,191,464	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)										0	
Architect Construction Admin										0	
Reimbursables										0	
Additional Services	340,000									340,000	
Sub-total Architect Contract	2,531,464	0	0	0	0	0	0	0	0	2,531,464	
Other Third Party design consultants (not included under Architect contract)	270,000									270,000	Consultants not covered under architect contract: name consultant type and contract amount
Total Architecture & Design	2,801,464	0	0	0	0	0	0	0	0	2,801,464	

Engineering & Environmental Studies

Survey	40,000									40,000	
Geotechnical studies	40,000									40,000	
Phase I & II Reports	45,000									45,000	
CEQA / Environmental Review consultants										0	
NEPA / 106 Review										0	
CNA/PNA (rehab only)										0	
Other environmental consultants										0	Name consultants & contract amounts
Total Engineering & Environmental Studies	125,000	0	0	0	0	0	0	0	0	125,000	

Financing Costs

Construction Financing Costs											
Construction Loan Origination Fee	594,648									594,648	
Construction Loan Interest	4,328,860									4,328,860	
Title & Recording	185,000									185,000	
CDLAC & CDJAC fees	48,662									48,662	
Bond Issuance Fees	413,615									413,615	
Other Bond Cost of Issuance										0	
MOHCD Gap Loan Interest	55,344									55,344	
Sub-total Const. Financing Costs	5,626,128	0	0	0	0	0	0	0	0	5,626,128	
Permanent Financing Costs											
Permanent Loan Origination Fee	84,602									84,602	
Credit Enhance. & Appl. Fee										0	
Title & Recording	60,000									60,000	
Sub-total Perm. Financing Costs	144,602	0	0	0	0	0	0	0	0	144,602	
Total Financing Costs	5,770,730	0	0	0	0	0	0	0	0	5,770,730	

Legal Costs

Borrower Legal fees	125,000	120,000								245,000	
Land Use / CEQA Attorney fees										0	
Tax Credit Counsel	76,000									76,000	
Bond Counsel	75,000									75,000	
Construction Lender Counsel	60,000									60,000	
Permanent Lender Counsel	40,000									40,000	
MOHCD Counsel	50,000									50,000	
Total Legal Costs	426,000	120,000	0	0	0	0	0	0	0	546,000	

Other Development Costs

Appraisal	10,000									10,000	
Market Study	25,000									25,000	
Insurance	660,077									660,077	
Property Taxes										0	
Accounting / Audit	32,711									32,711	
Organizational Costs	8,240									8,240	
Entitlement / Permit Fees	1,500,000									1,500,000	
Marketing / Rent-up	345,000									345,000	
Furnishings	180,000	195,000								355,000	\$2,000/unit. See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees										0	
TCAC App / Alloc / Monitor Fees	74,006									74,006	
Financial Consultant fees	79,500									79,500	
Construction Management fees / Owner's Rep	195,600									195,600	
Security during Construction	240,000									240,000	
Relocation										0	
Permit Expeditor										0	
Messenger, Mailing	20,000									20,000	
Community Outreach	10,000									10,000	
Total Other Development Costs	3,390,134	195,000	0	0	0	0	0	0	0	3,585,134	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,022,176	101,500								1,123,676	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	13,535,504	416,500	0	0	0	0	0	0	0	13,952,004	8.8%

RESERVES

* Operating Reserves	622,410									622,410	
* Replacement Reserves										0	
* Tenant Improvements Reserves		1,529,257								1,529,257	
* Commercial Reserve		200,000								200,000	
* Rental Assistance Transition Reserve	1,152,212									1,152,212	
Other (specify)										0	
TOTAL RESERVES	1,774,622	1,729,257	0	0	0	0	0	0	0	3,503,879	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,100,000									1,100,000	
Developer Fee - Cash-out At Risk	1,100,000									1,100,000	
Commercial Developer Fee		250,000								250,000	
Developer Fee - GP Equity (also show as source)					2,919,000		100			2,919,000	
Developer Fee - Deferred (also show as source)										100	
Development Consultant Fees										0	
Other (specify)										0	
TOTAL DEVELOPER COSTS	2,200,000	250,000	0	0	2,919,000	100	0	0	0	5,369,100	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	19,106,102	6,938,836	16,920,352	10,850,000	2,919,000	100	38,581,531	0	0	95,315,920	
Development Cost/Unit as % of TDC by Source	238,826	86,735	211,504	135,625	36,488	1	482,269	0	0	1,191,449	
	20.0%	7.3%	17.8%	11.4%	3.1%	0.0%	40.5%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source

	19,700	56,788	211,504	135,625	0	0	482,269	0	0	905,887	
Construction Cost (inc Const Contingency)/SF	13.87	39.99	148.94	95.50	0.00	0.00	339.60	0.00	0.00	637.90	

*Possible non-eligible GO Bond/COP Amount:

	3,107,439
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City Subsidy/Unit

	238,826
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Tax Credit Equity Pricing:

	0.960
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Construction Bond Amount:

	46,184,191
--	------------

Construction Loan Term (in months):

	28 months
--	-----------

Construction Loan Interest Rate (as %):

	5.00%
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Attachment I: Commercial Development Budget

Application Date:6/20/22# Commercial Spaces: 5

Project Name:Sunnydale HOPE SF Block 3A

Project Address:TBD TBD TBD

Project Sponsor:Related California & Mercy Housing California

COMMERCIAL SPACE	Space 1		Space 2		Space 3		Space 4		Space 5		Total Building Costs in Commercial Budget	Total Commercial SF
	Commercial Use - Description	Gross SF	Grocery Space	Restaurant	Mercy Office	DPH Wellness	Fellow ECEC					
			2936	1172	4650	2687	7568				0.167356172	19,013

SOURCES	Name of Sources:	Total Sources					Comments
		1,299,468	519,927	2,712,385	561,828	1,845,228	
		MOHCD	MOHCD	MOHCD	MOHCD	MOHCD	

USE:

ACQUISITION								
Acquisition cost or value								0
Legal / Closing costs / Broker's Fee								0
Holding Costs								0
Transfer Tax								0
TOTAL ACQUISITION		0	0	0	0	0		0

CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab								0	
Commercial Warm Shell Construction		334,339	133,462	245,435		245,435		958,672	
Commercial Cold Shell Construction		494,787	197,510	783,637		452,824		3,204,150	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	0.0%
GC Overhead & Profit								0	0.0%
CG General Conditions								0	0.0%
Sub-total Construction Costs		829,126	330,973	1,029,073	452,824	1,520,826		4,162,822	
Design Contingency (remove at DD)								0	0.0%
Bid Contingency (remove at bid)								0	0.0%
Plan Check Contingency (remove/reduce during Plan Review)		32,914	14,340	40,369	18,884	57,412		163,920	3.9%
Hard Cost Construction Contingency		43,002	17,166	53,372	23,485	79,312		216,337	5.2%
Sub-total Construction Contingencies		75,916	31,506	93,741	42,369	136,724		380,257	
TOTAL CONSTRUCTION COSTS		905,042	362,479	1,122,814	495,194	1,657,550		4,543,079	

SOFT COSTS									
Architecture & Design									
Architect design fees								0	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Architecture design fees for Schematic Drawings for tenant-paid tenant improvements								0	
Design Subconsultants to the Architect (incl. Fees)								0	
Architect Construction Admin								0	
Reimbursables								0	
Additional Services								0	
Sub-total Architect Contract		0	0	0	0	0		0	
Other Third Party design consultants (not included under Architect contract)								0	
Total Architecture & Design		0	0	0	0	0		0	
Engineering & Environmental Studies									
Survey								0	
Geotechnical studies								0	
Phase I & II Reports								0	
CEQA / Environmental Review consultants								0	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies		0	0	0	0	0		0	
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee								0	
Construction Loan Interest								0	
Title & Recording								0	
CDLAC & CDIAC fees								0	
Bond Issuer Fees								0	
Other Bond Cost of Issuance								0	
Other Lender Costs (specify)								0	
Sub-total Const. Financing Costs		0	0	0	0	0		0	
Permanent Financing Costs									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Commercial Loan Origination Fee								0	
Sub-total Perm. Financing Costs		0	0	0	0	0		0	
Total Financing Costs		0	0	0	0	0		0	
Legal Costs									
Borrower Legal fees		18,530	7,397	29,348	16,959	47,765		120,000	
Land Use / CEQA Attorney fees								0	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs		18,530	7,397	29,348	16,959	47,765		120,000	

Other Development Costs									
Appraisal								0	
Market Study								0	
Insurance								0	
Property Taxes								0	
Accounting / Audit								0	
Organizational Costs								0	
Entitlement / Permit Fees								0	
Marketing / Lease-up								0	
Furnishings				195,000				195,000	
PGE / Utility Fees								0	
TCAC App / Alloc / Monitor Fees								0	
Financial Consultant fees								0	
Construction Management fees / Owner's Rep								0	
Security during Construction								0	
Relocation								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
Total Other Development Costs		0	0	195,000	0	0		195,000	
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)		15,674	6,257	24,824	14,344	40,401		101,500	5%
TOTAL SOFT COSTS		34,204	13,654	249,172	31,303	88,167		416,500	32.2%

RESERVES									
Operating Reserves								0	
Replacement Reserves								0	
Tenant Improvements Reserves		178,676	71,324	1,279,257				1,529,257	
Commercial Lease-Up Reserves		142,941	57,059					200,000	For all commercial (not just grocery store)
Other (specify)								0	
TOTAL RESERVES		321,616	128,384	1,279,257	0	0		1,729,257	

DEVELOPER COSTS									
Commercial Developer Fee - Cash-out Paid at Milestones		38,605	15,411	61,142	35,331	99,511		250,000	For all commercial (not just grocery store)
Other (specify)								0	
Other (specify)								0	
TOTAL DEVELOPER COSTS		38,605	15,411	61,142	35,331	99,511		250,000	

TOTAL DEVELOPMENT COST		1,299,468	519,927	2,712,385	561,828	1,845,228	6,938,836	
Development Cost/SF by Source		443	444	583	209	244		
Development Cost/Unit as % of TDC by Source								

Acquisition Cost/SF by Source		0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF By Source		308	309	241	184	219		
Construction Cost (inc Const Contingency)/SF		308.26	309.28	241.47	184.29	219.02	39.99	

Commercial Loan Amount:	N/A
Commercial Loan Term (in years):	N/A
Commercial Interest Rate (as %):	N/A

Attachment J: 1st Year Operating Budget

Application Date:

6/20/2022

Total # Units:

80

First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):

2025

Project Name:

Sunnydale HOPE SF Block 3A

Project Address:

TBD TBD TBD

Project Sponsor:

Related California & Mercy Housing California

TCAC Income Limits In Use!

Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	1,280,520	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	1,584,372	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	43,833	from 'Commercial Op. Budget' Worksheet. Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet. Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	2,908,725	
Vacancy Loss - Residential - Tenant Rents	(64,026)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(79,219)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	(21,917)	from 'Commercial Op. Budget' Worksheet. Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	2,743,564	PUPA: 34,295

OPERATING EXPENSES

Management

Management Fee	72,960	1st Year to be set according to HUD schedule.
Asset Management Fee	22,670	
Sub-total Management Expenses	95,630	PUPA: 1,195

Salaries/Benefits

Office Salaries	96,386	1 FTE APM @ \$23.17/hour; 1 FTE community coordinators @ \$23.17/hr
Manager's Salary	44,000	1 FTE PM to be split with 3B, plus Reg. Management Specialist
Health Insurance and Other Benefits	9,406	Retirement; all other benefits included w salary
Other Salanes/Benefits	1,990	Training, conference, membership
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	151,782	PUPA: 1,897

Administration

Advertising and Marketing	2,400	
Office Expenses	40,845	Postage, copier, other equipment, computer, telephone, etc.
Office Rent		
Legal Expense - Property		
Audit Expense	17,840	
Bookkeeping/Accounting Services	12,000	
Bad Debts		
Miscellaneous		
Sub-total Administration Expenses	73,085	PUPA: 914

Utilities

Electricity	48,000	
Water	48,000	
Gas		
Sewer	60,880	
Sub-total Utilities	156,880	PUPA: 1,961

Taxes and Licenses

Real Estate Taxes	3,000	
Payroll Taxes	82,301	
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses	85,301	PUPA: 1,066

Insurance

Property and Liability Insurance	150,000	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	150,000	PUPA: 1,875

Maintenance & Repair

Payroll	94,760	1 FTE SMM, 1 FTE MT both to be split with Block 3B, plus RMS \$36 PUPA, 1 FTE Janitor
Supplies		
Contracts	94,268	& Supplies
Garbage and Trash Removal	62,586	
Security Payroll/Contract	99,211	2 guards split w Block 3B and Block 1
HVAC Repairs and Maintenance	10,845	
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses	361,670	PUPA: 4,521

Supportive Services

	122,950	
--	---------	--

Commercial Expenses

	1,096	from 'Commercial Op. Budget' Worksheet. Commercial to Residential allocation: 100%
--	-------	--

TOTAL OPERATING EXPENSES

1,198,393

PUPA: 14,980

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	15,000	Ground lease with SFHA	Provide additional comments here, if needed.
Bond Monitoring Fee			
Replacement Reserve Deposit	40,000	HCD \$500 PUPA	
Operating Reserve Deposit			
Other Required Reserve 1 Deposit	40,000	Community Association Fee (HOA)	
Other Required Reserve 2 Deposit			
Required Reserve Deposit/s, Commercial	20,821	from 'Commercial Op. Budget' Worksheet. Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	115,821	PUPA: 1,448	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)

1,314,214

PUPA: 16,428

NET OPERATING INCOME (INCOME minus OP EXPENSES)

1,429,350

PUPA: 17,867

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender	1,178,263	Perm Debt	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Len	45,570	HCD AHSC	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet. Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	1,223,833	PUPA: 15,298	

CASH FLOW (NOI minus DEBT SERVICE)

205,517

USES OF CASH FLOW BELOW (This row also shows DSCR.)

1.17

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)	24,270		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000		
Other Payments	37,500	SFHA residual rents	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell H30)	88,124	Def. Develop. Fee split: 64%	Provide additional comments here, if needed.

TOTAL PAYMENTS PRECEDING MOHCD

154,894

PUPA: 1,936

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

50,624

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Yes

Project has MOHCD ground lease?

No

Will Project Defer Developer Fee?

Yes

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:

50%

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):

69,374

% of Residual Receipts available for distribution to soft debt lenders in Y

50%

Soft Debt Lenders with Residual Receipts Obligations

(Select lender name/program from drop down)

Total Principal Amt

Distrib. of Soft Debt Loans

MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	\$6,938,836	39.01%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$1	0.00%
HCD (soft debt loan) - Lender 3	HCD AHSC	\$10,850,000	60.99%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due	19,747	50% of residual receipts, multiplied by 39.01% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	19,747	Enter/override amount of residual receipts proposed for loan repayment
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

30,877

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	30,877	50% of residual receipts, multiplied by 60.99% -- HCD AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	30,877	

REMAINDER (Should be zero unless there are distributions below)

0

Owner Distributions/Incentive Management Fee

0

Other Distributions/Uses

0

Final Balance (should be zero)

0

Attachment K: 20-year Residential Operating Proforma

Sunnydale HOPE ST BLOCK 3A

Total # Units: 80

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	
INCOME	% annual increase	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
	Residential - Tenant Rents	2.5%	1,280,520	1,312,533	1,345,346	1,378,980	1,413,454	1,448,791	1,485,011	1,522,136	1,560,189	1,599,194	1,639,174	1,680,153	1,722,157	1,765,211	1,809,341	1,854,575	1,900,939	1,948,463	1,997,174	2,047,104
	Residential - Tenant Assistance Payments (Non-LOSP)	n/a	1,584,372	1,623,981	1,664,581	1,706,195	1,748,850	1,792,571	1,837,386	1,883,320	1,930,403	1,978,664	2,028,130	2,078,833	2,130,804	2,184,074	2,238,676	2,294,643	2,352,009	2,410,809	2,471,080	2,532,857
	Commercial Space	2.5%	43,833	44,929	46,052	47,203	48,383	49,593	50,832	52,103	53,406	54,741	56,109	57,512	58,949	60,423	61,934	63,482	65,069	66,696	68,363	70,072
	Other Income																					
Gross Potential Income		2,908,725	2,981,443	3,055,979	3,132,378	3,210,688	3,290,955	3,373,229	3,457,559	3,543,998	3,632,598	3,723,413	3,816,498	3,911,911	4,009,708	4,109,951	4,212,700	4,318,017	4,425,968	4,536,617	4,650,032	
Vacancy Loss - Residential - Tenant Rents	n/a	(64,026)	(65,627)	(67,267)	(68,949)	(70,673)	(72,440)	(74,251)	(76,107)	(78,009)	(79,960)	(81,959)	(84,008)	(86,108)	(88,261)	(90,467)	(92,729)	(95,047)	(97,423)	(99,859)	(102,355)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(79,219)	(81,199)	(83,229)	(85,310)	(87,443)	(89,629)	(91,869)	(94,166)	(96,520)	(98,933)	(101,407)	(103,942)	(106,540)	(109,204)	(111,934)	(114,732)	(117,600)	(120,540)	(123,554)	(126,643)	
Vacancy Loss - Commercial	n/a	(21,917)	(22,464)	(23,026)	(23,602)	(24,192)	(24,796)	(25,416)	(26,052)	(26,703)	(27,370)	(28,055)	(28,756)	(29,475)	(30,212)	(30,967)	(31,741)	(32,534)	(33,348)	(34,181)	(35,036)	
EFFECTIVE GROSS INCOME		2,743,564	2,812,153	2,882,457	2,954,518	3,028,381	3,104,091	3,181,693	3,261,235	3,342,766	3,426,335	3,511,993	3,599,793	3,689,788	3,782,033	3,876,583	3,973,498	4,072,835	4,174,656	4,279,023	4,385,998	
OPERATING EXPENSES																						
Management	3.5%	95,630	98,977	102,441	106,027	109,738	113,578	117,554	121,668	125,926	130,334	134,896	139,617	144,503	149,561	154,796	160,214	165,821	171,625	177,632	183,849	
Salaries/Benefits	3.5%	151,782	157,094	162,593	168,283	174,173	180,269	186,579	193,109	199,868	206,863	214,103	221,597	229,353	237,380	245,688	254,288	263,188	272,399	281,933	291,801	
Administration	3.5%	73,085	75,643	78,290	81,031	83,867	86,802	89,840	92,985	96,239	99,607	103,094	106,702	110,436	114,302	118,302	122,443	126,728	131,164	135,755	140,506	
Utilities	3.5%	156,880	162,371	168,054	173,936	180,023	186,324	192,846	199,595	206,581	213,811	221,295	229,040	237,056	245,353	253,941	262,829	272,028	281,549	291,403	301,602	
Taxes and Licenses	3.5%	85,301	88,287	91,377	94,575	97,885	101,311	104,857	108,527	112,325	116,257	120,326	124,537	128,896	133,407	138,076	142,909	147,911	153,088	158,446	163,991	
Insurance	3.5%	150,000	155,250	160,684	166,308	172,128	178,153	184,388	190,842	197,521	204,435	211,590	218,995	226,660	234,593	242,804	251,302	260,098	269,201	278,623	288,375	
Maintenance & Repair	3.5%	361,670	374,328	387,430	400,990	415,024	429,550	444,584	460,145	476,250	492,919	510,171	528,027	546,508	565,636	585,433	605,923	627,130	649,080	671,798	695,311	
Supportive Services	3.5%	122,950	127,253	131,707	136,316	141,087	146,026	151,136	156,426	161,901	167,568	173,433	179,503	185,785	192,288	199,018	205,983	213,193	220,655	228,378	236,371	
Commercial Expenses		-	1,134	1,174	1,215	1,257	1,301	1,347	1,394	1,443	1,493	1,546	1,600	1,656	1,714	1,774	1,836	1,900	1,967	2,035	2,107	
TOTAL OPERATING EXPENSES		1,198,393	1,240,337	1,283,749	1,328,680	1,375,184	1,423,315	1,473,131	1,524,691	1,578,055	1,633,287	1,690,452	1,749,618	1,810,854	1,874,234	1,939,832	2,007,727	2,077,997	2,150,727	2,226,022	2,303,912	
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		14,980																				
Reserves/Ground Lease Base Rent/Bond Fees																						
Ground Lease Base Rent		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Bond Monitoring Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Replacement Reserve Deposit		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Required Reserve 1 Deposit		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Required Reserve Deposits, Commercial		20,821	21,330	21,852	22,387	22,934	23,495	24,069	24,657	25,260	25,877	26,509	27,156	27,819	28,498	29,193	29,905	30,634	31,381	32,146	32,929	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		115,821	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		1,314,214	1,335,337	1,378,749	1,423,680	1,470,184	1,518,315	1,568,131	1,619,691	1,673,055	1,728,287	1,785,452	1,844,618	1,905,854	1,969,234	2,034,832	2,102,727	2,172,997	2,245,727	2,321,002	2,398,912	
PUPA (w/ Reserves/GL Base Rent/Bond Fees)		16,428																				
NET OPERATING INCOME (INCOME minus OP EXPENSES)		1,429,350	1,476,816	1,503,708	1,530,838	1,558,197	1,585,775	1,613,562	1,641,544	1,669,711	1,698,048	1,726,541	1,755,175	1,783,934	1,812,798	1,841,751	1,870,771	1,899,838	1,928,929	1,958,020	1,987,086	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																						
Hard Debt - First Lender		1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	1,178,263	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	45,570	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE		1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	1,223,833	
CASH FLOW (NOI minus DEBT SERVICE)		205,517	252,984	279,876	307,006	334,365	361,943	389,729	417,712	445,878	474,216	502,709	531,343	560,101	588,966	617,918	646,939	676,006	705,097	734,188	763,253	
USES OF CASH FLOW BELOW (This row also shows DSCR.)																						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																						
Deferred Developer Fee (Enter amt <= Max Fee from row 131)	DSCR:	1,168	1,207	1,229	1,251	1,273	1,296	1,318	1,341	1,364	1,387	1,411	1,434	1,458	1,481	1,505	1,529	1,552	1,576	1,6	1,624	
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	88,124	111,432	124,438	137,549	150,757	164,059	177,448	190,917	204,460	218,069	231,737	245,455	259,214	273,004	286,816	-	-	-	-	-	
Partnership Management Fee (see policy for limits)	3.5%	24,270	25,119	25,999	26,909	27,850	28,825	29,834	30,878	31,959	33,078	34,235	35,433	36,674	37,957	39,286	40,661	42,084	43,557	45,081	46,659	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	

Attachment L: 20-year Commercial Operating Proforma

