

## **Citywide HOPE SF 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  
San Francisco Housing Authority  
Controller's Office of Public Finance

### **Sunnydale HOPE SF \$2,820,000 Funding Amount Block 7 Predevelopment Loan Request**

Evaluation of Request for:	Vertical Predevelopment
Loan Committee Date:	May 7, 2021
Prepared By:	Sara F. Amaral
Source of Funds Recommended:	\$200,000 – Low Moderate Income Housing Asset Fund \$2,620,000 - 2019 General Obligation Housing Bond for Affordable Housing
NOFA/PROGRAM/RFP:	HOPE SF
Applicant/Sponsor Name:	The Related Companies of California and Mercy Housing California
Borrower Name:	TBD limited partnership with Mercy as managing general partner and Related as co-general partner



### **Sponsor Information**

Project Name:	Sunnydale Block 7	Sponsor(s):	Related & Mercy
Project Address (w/ cross St):	Sunrise Way & Santos Street, 94134	Ultimate Borrower Entity:	To-be-formed L.P.

### **Project Summary**

Block 7 is within Phase 3 of Sunnydale HOPE SF (Site), and is the next affordable development phase after Casala, Block 6 and Sunnydale Blocks 3A & 3B. Combined, these five affordable developments will represent a total of 389 combined units, of which 291 are replacement units. Block 7 will include approximately 69 units of affordable housing, of which 51, or 75%, are Replacement Units for Sunnydale residents with a Right to Return. The remaining 16 units will be marketed as tax credit units up to 60% Tax Credit AMI (TCAC AMI) or 83% SFAMI. There will also be parking for 51 vehicles, for a ratio of .74:1, and 69 bikes (Project). A concept design by the architect team from 2011 shows 4 stories of wood over podium. Project design, parking, and building staffing will be evaluated during predevelopment.

Based on current Sunnydale household data from San Francisco Housing Authority (SFHA) from Fall 2020, Block 7 is estimated to consist of 11 one-bedrooms, 34 two-bedrooms, 17 three-bedrooms and 7 four-bedrooms. The unit mix and count will be refined in 2021 during the predevelopment scope. As with all previous buildings at Sunnydale and per the Development Agreement, 75% of the units, or 75 units, will be set aside for Sunnydale public housing households subsidized through a 20-year Project Based Section 8 contract with a maximum affordability of 50% San Francisco AMI. The remaining 25 units will be marketed as tax credit units at 60% TCAC AMI, or 81% SFAMI based on 2020 San Francisco AMIs.

Predevelopment is expected to continue through 2023. Vertical construction of Block 7 is expected to start in June 2023. The construction period is expected to be 20 months with full lease up in 2025. Relocation of all residents living within the Phase 3 footprint is expected to be completed by March 2023, which will allow Block 7 to start two years earlier than originally anticipated.

### **Vertical Project Description**

Project Name:	Sunnydale Block 7	Sponsor(s):	Related & Mercy
Project Address:	Corner of Sunrise Way & Santos Street, 94134	Ultimate Borrower Entity:	To-be-formed L.P.
Construction Type:	Type V over Podium	Project Type:	New Construction
Land Owner:	San Francisco Housing Authority ("SFHA")	Supervisor and District:	Walton, D10
Number of Stories:	4 stories over podium	Lot Size:	1.68 acres/ 73,181SF
Number of Units:	69	Architect:	Saida & Sullivan Design
Total Residential Area:	79,463 GSF	General Contractor:	TBD
Total Commercial Area:	n/a	Property Manager:	Mercy Housing
Total Building Area:	100,939 GSF		Management Group
TDC:	\$72,955,388	Total Acquisition Cost:	Long-Term Ground Lease
TDC/Unit:	\$1,057,324	TDC Less Land Cost/Unit:	\$1,057,180



Loan Amount Requested: \$2,820,000

Request Amount/Unit: \$40,870 in predevelopment

### **PRINCIPAL DEVELOPMENT ISSUES**

- **Relocation & Schedule:** The Phase 3 area contains 137 existing units of which 101 are occupied and will need to be vacated prior to the start of the infrastructure construction for this phase in June 2022. These households will be moving into new units at Block 6 or to later phases on site. If households are unable to move by Spring 2022, construction of Block 7 could be delayed up to two years, which puts the already high construction budget at risk of rising and delays to residents moving into better quality housing. See Section 3.5.
- **Bonds:** The 2021 CDLAC regulations and the expected high level of competition for tax exempt bonds and 4% credits will require Sponsor to focus on cost containment to be competitive for these funding resources. In addition, due to the size of the Project and potential bedroom mix, the Sponsor will provide an analysis to see if the Project can qualify for 9% tax credits instead of 4% credits and bonds. Sponsor will also work with MOHCD and SFHA on projected housing demand for the right to return units and refine the unit mix and unit count, which currently include a significant number of three and four bedroom units. See Sections 4.4 and 5.4.
- **High Costs:** Multiple factors lead to larger all-in Total Development Cost (TDC), anticipated to be approximately \$1,057,324 per unit. The TDC includes 3% design, 3% bid, and 2% owner contingency which totals \$3,807,300. The budget also includes a flat 6% escalation to account for a June 2023 construction start date. The Project also includes more parking and larger units than typical MOHCD affordable projects. Please see Section 5.4.



### **SOURCES AND USES SUMMARY**

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD	\$2,820,000	55 yrs. @ 3% Def / RR	This Request

<b>Permanent Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD	\$12,743,082	55 yrs. @ 3.00% / RR	Not Committed
Tax Credit Equity	\$31,356,326	\$0.93	Not Committed
AHSC	\$10,000,000		Not Committed
Permanent Bank Loan	\$17,008,066	30 yrs. @ 5.68%	Not Committed
Def Dev Fee	\$1,847,914		Not Committed
<b>Total</b>	<b>\$72,955,388</b>		

<b>Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per GSF</b>
Hard Costs	\$57,837,852	\$838,230	\$573
Soft Costs	\$11,069,622	\$160,429	\$110
Developer Fee	\$4,047,914	\$58,665	\$40
<b>Total</b>	<b>\$72,955,388</b>	<b>\$1,057,324</b>	<b>\$723</b>

## 1. BACKGROUND

### 1.1. Project History Leading to This Request

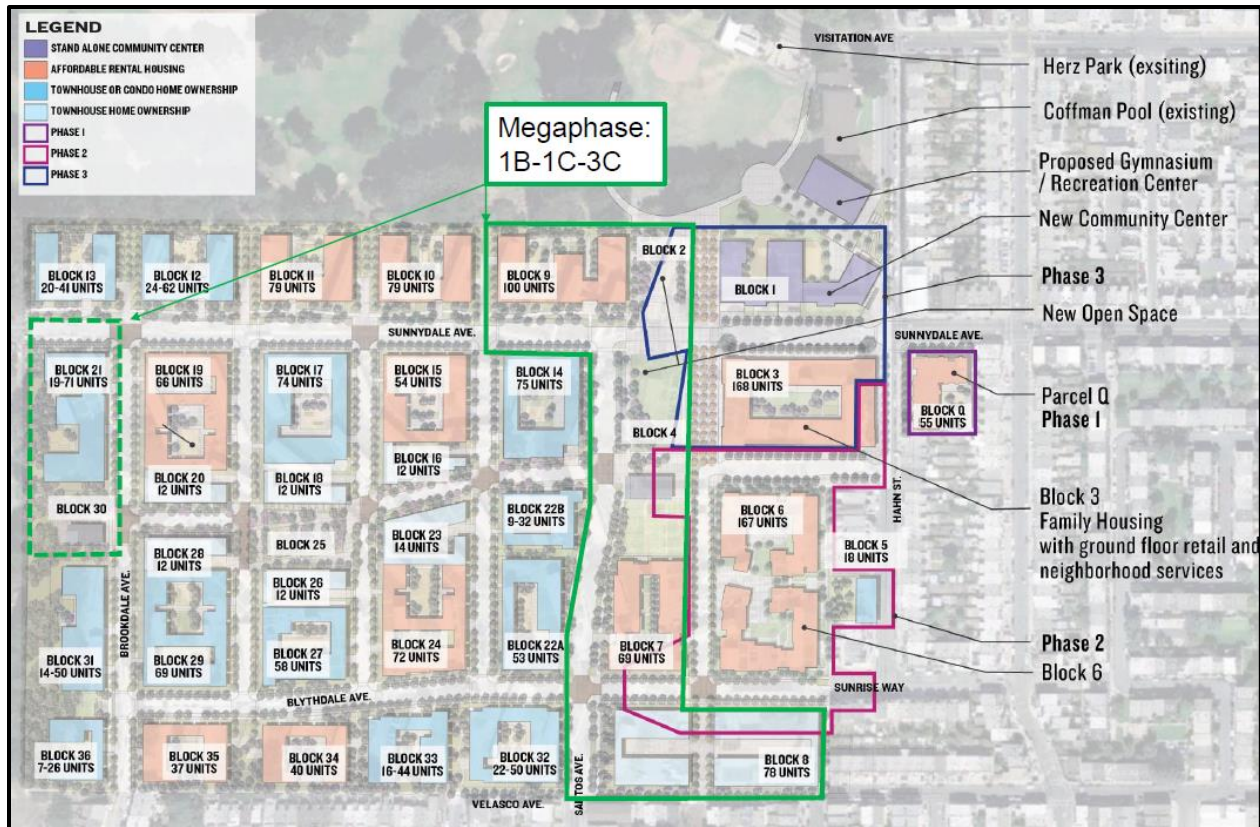
See Exhibit A for more information on the history of Sunnydale Master Plans

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 Block 6, Block 3 and Block 7 could be designed and built at the same time. Saida + Sullivan Design Partners, were selected as project architect for Block 7 through the competitive procurement process and tested the Design Standards Guidelines (DSG) for implementation and preliminary design work for Block 7 yielding rough schematic designs. However, shortly after beginning this engagement, Block 7 was halted for various reasons, including finalization of the Master Development Agreement (MDA) and Developer Agreement (DA), and full entitlements for the site.

This funding request is to restart the Block 7 design concept. Upon predevelopment funding approval, the Sponsors will reengage Saida + Sullivan to revise the original concept drawings to examine cost efficient massing and unit mix, which will also streamline project financing and development processes. In addition, the unit mix will be revisited to match the current Sunnydale need on Site.

### 1.2. Phasing Map





2. BORROWER/GRANTEE PROFILE. (See Attachment A for HOPE SF Project Summary and Attachment C for Asset Management Analysis)

The Sponsors of Block 7 are Mercy (Lead Developer) and Related (Co-Developer). These two entities are also sole members of the Sunnydale HOPE SF Master Developer entity, Sunnydale Development Co, LLC. The Sponsors will be co-general partners of a California limited partnership that will be the owner of this Project and borrower of City funds.

2.1. Development Team for Vertical

Mercy will serve as the Lead Developer and will project manage Block 7 through a joint venture with Related, who will serve as Co-Developer.

The MHC real estate development team working on Sunnydale Block 7 is made up of Nabihah Azim (Senior Project Manager, 30% of her time on Block 7) and Nyla Hill (Assistant Project Manager, 30% of her time on Block 7) with support from Ramie Dare (Director of Real Estate Development) and Elizabeth Kuwada (Associate Director of Real Estate Development).

2.2. Procurement

A design team comprising Saida & Sullivan Designs as the architect was competitively procured in 2011 using Contract Management Division (CMD) protocols. Mercy and Saida + Sullivan Design Partners, a Small Business Enterprise (SBE), will work



together to solicit proposals for the remaining architecture and engineering services using CMD protocols if needed. Mercy will also issue RFQs for a general contractor and construction manager as part of the predevelopment scope of work. Mercy has elected to use Gubb and Barshay for legal services. Mercy and its affiliates will provide property management and resident services for Block 7.

The Sponsor will engage CMD to obtain overall SBE goal for this Project before procuring for any other contracts. SBE goal and milestones will be presented at all subsequent returns to Loan Committee.

Vertical Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Project Manager	Mercy Housing CA	N	N
Joint Venture	Related CA	N	N
Architect	Saida & Sullivan Designs	Y	N
Landscape Architect	TBD		Y
General Contractor	TBD		Y
Owner's Rep/CM	TBD		Y
Financial Consultant	California Housing Partnership	N	N
Legal	Gubb and Barshay	N	N
Property Manager	Mercy Housing Management Group	N	N
Services Provider	Mercy Housing CA	N	N

### 3. DEVELOPMENT PLAN

#### 3.1. Site Description

Site Description	
Parcel Mapping:	The City approved a tentative map with all parcels for the entire master plan in May 2017. The final map for the Phase 3, which includes Block 7, will be submitted to the City for approval as part of the predevelopment scope.
Zoning:	Sunnydale HOPE SF Special Use District (Approved Jan. 31, 2017)
Maximum units allowed by current zoning:	No restriction on Block 7. There is a maximum unit count and density limitation for the entire Sunnydale HOPE SF site.
Seismic (if applicable):	Seismic Zone 4.
Soil type:	<p>A geotechnical report has not been procured for Block 7 to date. The adjacent parcels, Block 6 and 3, are a comparable development to Block 7. The Sponsor expects Block 7 to mirror Block 6 and 3's soil type, which include:</p> <p>The top one to five feet of soil is loose. ENGEO, the geotechnical engineer, recommends the removal and amendment of the existing soils to one to five feet depth for development. The soil has poor infiltrative capacity and water quality, in which flow attenuation will likely need to be achieved via horizontal filtration (conveyance) and storage rather than groundwater recharging and vertical infiltration. The expansive soils also make the location of the infiltration facilities in relation to other improvements (such as foundations, walls, and roads) more critical.</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):	Open Space Block 4
Adjacent uses (South):	Block 8 market rate site and Visitacion Valley neighborhood.
Adjacent uses (East):	Sunnydale Block 6, a 167-unit affordable housing development owned by a Mercy and Related limited partnership.
Adjacent uses (West):	Sunnydale public housing units
Neighborhood Amenities within 0.5 miles:	<p>Community and social services planned to be located on the ground floor of Block 3A and 3B (Estimated in 2024): Health and Wellness Center operated by the San Francisco Department of Public Health (DPH) with space for VisValley Strong Families case management, YMCA case management, as well as Felton Early Childhood Education Center and Mercy Housing's customer service center. The Block 3 ground floor will also include neighborhood retail including a grocery store and resident owned businesses.</p> <p>The Block 1 Community Center, to the northeast of the Project, will house a new and expanded Wu Yee Early Childhood Education Center (which includes Head Start) and a new and expanded Boys &amp; Girls Clubhouse. The Center will also include indoor multi-purpose spaces and outdoor space for community events and activities.</p> <p>The Sponsor is working with the San Francisco Recreation and Parks Department (RPD) 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:	Bus Lines 8, 8BX, 9, 9R, 56, 91
Article 34:	Article 34 Authority will be secured for any additional affordable units created at the site.
Article 38:	Exempt. The Sunnydale site is not located in an Article 38 Air Pollutant Exposure Zone.
Accessibility:	15% of units (10) are accessible (Mobility features, Hearing and Visual Aid featured); 88% of units (60) are adaptable
Green Building:	Block 7 will meet Green Point 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 specific stormwater mitigation plan for Block 7 will be developed as part of the predevelopment scope.
Prop I Noticing:	Not completed. The Prop I noticing process will be completed before execution of the Block 7 predevelopment loan agreement.

### 3.2. Site Description

Block 7 is 1.68 acres (73,181 SF) located west of Block 6 and Casala. The City approved a tentative map with all parcels for the entire master plan in May 2017. The final map for the Phase 3, which includes Block 7, will be submitted to the City for approval as part of the predevelopment scope.

### 3.3. Environmental

Based on the environmental due diligence done at Block 6, the Sponsor anticipates similar conditions on the Site and will conduct a Site specific Phase I and II if needed.

#### 3.3.1. Potential Known Hazards - No known potential hazards.

### 3.4. Community Outreach/Support

Since early 2009, Mercy Housing's community building staff have been located on site, currently at 1657 and 1711 Sunnydale Avenue. 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 ongoing scope of work.

Community engagement around Block 7 design will commence in late 2021 and continue throughout predevelopment. The team has adapted to the virtual world and will build on the current community engagement process which includes a monthly Zoom Neighbor Up meeting, regular Pop Up community events, and through website posts and newsletters.

### 3.5. Relocation

As required in the DA, Mercy/Related's approach to supporting Sunnydale/Velasco households in relocating to new 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, who 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.

As mentioned previously, there are 137 units within the Phase 3 footprint currently. Construction cannot start on Block 7 or 9 until these households are relocated, either to new units onsite, various offsites or rehabbed units onsite. In addition to these various options, the accelerated conversion of Sunnydale and Potrero from public housing to the Housing Choice Voucher (HCV) program will begin again towards the middle of 2021, putting additional restrictions on site. The Sponsor will work with MOHCD and SFHA to identify opportunities for residents to move to units that will require the fewest moves and disruptions for the residents, as part of the Phase 3 relocation planning. Block 7 move-in costs are included in the Phase 3 Infrastructure Loan budget.

#### 4. Development Plan

##### 4.1. Site Control

The site is currently owned by SFHA. The forms of the horizontal and vertical ground leases, the demolition license agreement to abate and demolish existing buildings, and the form of short-term ground lease to construct the new infrastructure have been negotiated by the Sponsor, MOHCD and SFHA. A long-term vertical ground lease between SFHA and the Sponsor will take effect at construction loan closing.

##### 4.2. Proposed Design

Block 7 will be an elevator building with approximately 69 units. On the ground floor, the building will include a main lobby for residents, property management and resident services offices, parking for 51 vehicles and 69 bicycles, a trash/recycling/compost room, and a utility room. A laundry room will be available on each residential floor for all residents, and three- and four-bedroom units will have in-unit washers and dryers and two bathrooms. A community room will be available for residential use. The building assumptions shown below are reflected in the building square footage.

Avg Unit SF by type:	1-bdrm avg sf - 600 sf 2-bdrm avg sf - 850 sf 3-bdrm avg sf - 1,100 sf 4-bdrm avg sf - 1,325 sf
Residential SF:	79,463 sf
Circulation SF:	10,000 sf
Parking Garage SF:	21,476 sf
Common Area SF:	5,893 sf
Building Total SF:	100,939 sf



#### 4.2.1. Units Mix

Of the estimated 69 units, there will be 51 replacement units for Sunnydale residents, 16 additional tax credit units, and one 2-bedroom apartment for the manager. The unit sizes closely resembles those at Block 6, which is closely aligned with what currently exists at the Sunnydale public housing community and exceeds TCAC minimum unit size requirements.

Unit Size	GSF	Units	Total %
1 Bedroom	600	11	16%
2 Bedroom	850	34	49%
3 Bedroom	1100	17	25%
4 Bedroom	1325	7	10%

The unit count and mix above is based on current SFHA data regarding the projected need to house the next phase of Sunnydale relocated households. One of the predevelopment tasks will be to refine this projection after the lease ups of Block 6 (onsite) and 691 China Basin (offsite) are completed in early 2022. SFHA, MOHCD and Mercy/Related will need to collaborate to assess the household data to determine whether the three and four bedroom units are required in these numbers, and if there is any room to increase the unit count if fewer bedrooms are required.

Units Sizes	TCAC	Sunnydale PH	Parcel Q (Casala)	Block 6	Block 3A	Block 3B
1bd	450	559	775	660	560	560
2bd	700	680	968	946	825	825
3bd	900	995	1380	1250	1100	1100
4bd	1100	0	0	1547	1325	1325

#### 4.3. Parking

Parking is not governed by zoning, but by the 2017 Sunnydale Special Use District and the 2017 Development Agreement, which requires, as stated in the Transportation Demand Management Plan (TDM) exhibit, a parking maximum of 1-to-1 off-street parking for all units built. At full build out, it is expected that there would be about 1360 total off-street parking spots (.76 spaces per dwelling unit), which is higher than the .55 ratio for the 775 units originally on Sunnydale. In the TDM, the Sponsor has proposed a maximum ratio of 0.75 off-street parking for all affordable housing units. While parking supply may be aggregated, the total must not exceed the maximum across the site.

Sunnydale, partly due to its location and partly due to lack of City investment in this neighborhood, has been historically underserved by SFMTA and as such, residents are largely reliant upon automobiles. Parking generally, and more specifically the decrease in overall parking onsite after revitalization, has been a contentious issue at all HOPE SF sites. The lack of adequate on-street and off-street parking is exacerbated by delays in planned public transportation improvements at the HOPE SF sites.



The original footprint of Phase 3 included only 50 off-street parking spots for 132 households, resulting in a .36 ratio. Due to the lack of parking on- and off- street and inadequate transit opportunities, the Sponsor has increased off-street parking at Blocks 3A, 3B, 7 and 9 to a .75 ratio. The breakdown of the number of on-street spaces in building block and off-street parking associated with each built property is listed below.

Phase	Block	Units	On-Street Spaces	Off-Street Spaces	Total Spaces	Spaces / Unit	Parking Ratio <i>Per Development, excludes On-Street</i>
	Casala (Parcel Q)	55		30	30	0.55	0.55
1A-1, 1A-2	Block 6	167	50	78	128	0.77	0.47
1A-3	Block 3A & 3B	170	18	138	156	0.92	0.81
1B	Block 7	69	89	52	141	2.04	0.75
1C	Block 9	100	14	75	89	0.89	0.75

\*excludes unpainted red zones or non-designated parking

\*\* Parking associated with each built property

In addition, HOPE SF, MOHCD, SFMTA and SF Planning need to work closely with each other to address parking challenges while also considering the inadequate transportation options for the large families. For example, while most HOPE SF Master Developers considered providing parking on a phase-by-phase basis, residents do not consider their neighborhood in phases. As on-street parking decreases in the phases due to increased density, many residents feel they are losing an amenity especially when their large families' primary transportation option, due to income, becomes the inadequate public transit system for basic needs like school, food shopping, and other essentials. SF Planning's "transit-first" policy, which governs the provision of parking at HOPE SF sites, does not always adequately address transportation needs and options for large low-income families. This is particularly important as reductions in transit service during COVID-19 have exacerbated the problem; furthermore, due to the pandemic SFMTA may have limited future investments for the HOPE SF communities. SFMTA was awarded a Visitation Valley community planning grant in 2021-2022. The grant will look at viable transportation options for the neighborhood.

#### 4.4. Target Population

Per the Sunnydale HOPE SF Development Agreement, 75% of the units, or approximately 51 units, will be set aside for Sunnydale public housing households with a maximum affordability of 60% TCAC AMI. Or 81% MOHCD based on 2020 MOHCD AMI. These 51 units will be subsidized through a 20-year Project Based Section 8 (PBV) contract.



Also, per the DA, Sunnydale residents of all income levels with a Right to Return will be offered a replacement unit. Any non PBV-supported units will be limited to 60% TCAC AMI, or approximately 81% MOHCD AMI, per the DA.

The Sponsor anticipates various funding sources in the Project, including the State's Department of Housing and Community Developments (HCD) Affordable Housing and Sustainable Communities (AHSC) grant funds, which may require AMIs to be lower than 81% MOHCD AMI. In addition, in order for Block 7 to be competitive for CDLAC a 40% TCAC AMI (48% MOHCD AMI) bracket would be required given that Sunnydale is in a Low Resource/High Segregation area. Furthermore, in order to be competitive for HCD funding, at least 20% of all units would need to be set at 20% TCAC AMI, of about 30% MOHCD AMI.

#### 4.5. Marketing & Occupancy Preferences

Residents living within the footprint of Sunnydale/Velasco will need to be in good standing to be eligible for a new public housing replacement unit under the SFHA Right to Return policy and City ordinance. The replacement units will be available to current residents based upon their random drawing number within their assigned relocation group.

In 2019, the City amended the Right to Return Ordinance to give any member of a current or former HOPE SF Sunnydale public housing household a priority in a HOPE SF Non-PBV tax credit unit, pursuant to Chapter 39 of the San Francisco Administrative Code. These household will have the 1st preference to the 25% of units that are not public housing replacement units. The target population for these units will be households who qualify based on income and are selected through MOHCD's typical lottery process.

MOHCD Preference Level	Applicant Category
1	Right to Return to Sunnydale
2	Certificate of Preference (COP) Holders
3	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20%)
4	Neighborhood Preference (25%)*
5	Live or Work in San Francisco Preference
6	All Other

\*If State funding is awarded, the Neighborhood Preference is decreased to from 40% to 25% of TCAC units.

#### 5. VERTICAL FINANCING PLAN (See Attachment D for Cost Comparison of City Investment in Other Housing Developments; See Attachment E for Sources and Uses)

##### 5.1. Vertical Proposed Predevelopment Source Evaluation Narrative

Funding for predevelopment activities for Block 7 will be funded primarily by 2019 Affordable Housing Bonds (GO Bonds). The Sponsor does not anticipate requesting additional predevelopment funding from MOHCD.

##### 5.2. Predevelopment Uses Evaluation



Predevelopment Budget		
Underwriting Standard	Meets Standard?	Notes
Acquisition Cost is based on appraisal	Y	No land costs incurred. Developer will enter into a long-term ground lease with SFHA annual rent that includes base and residual rents.
Architecture and Engineering Fees are within standards	Y	A&E fees are within MOHCD underwriting guidelines.
Bid Contingency is at least 5% of total hard costs	N/A	Bid contingency and all other contingency related to construction costs are included in permanent uses.
Construction Management Fees are within standards	Y	Costs are in line with MOHCD underwriting guidelines.
Developer Fee is within standards	Y	Total developer fee is \$550,000 during predevelopment.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Financing Costs are reasonable	Y	Only consulting and TCAC application costs are included
Permit Fees	Y	\$1,293,750 for building permits and planning fees. This will be further refined during predevelopment.
Commercial Costs	N/A	This building does not have commercial space

Architecture: Predevelopment amount of \$837,552 will cover architectural costs through Construction Document development. The Structural, MEPF, Civil, Landscape, and Lighting consultants total an additional \$715,000.

Construction Management: The 3<sup>rd</sup> party Construction Management cost of \$60,000 assumes a construction start date of 2023 at \$2,500 a month.

### 5.3. Proposed Permanent Financing

The permanent financing and development budget are being presented to demonstrate the Project's overall financial feasibility. The Loan Committee is not approving the Project permanent sources and/or uses at this time. The Sponsor will return to Loan Committee for preliminary approval for future funding applications and for permanent funding from MOHCD.

CDLAC: With approval of this request, the Sponsor will review the Project's competitiveness under the current regulations. Competitive projects require at least 119 – 120 points and a tiebreaker score that assumes a lower per-unit cost. Sponsor will provide this analysis by the end of 2021 and before funding requests due in 2022 for additional financing.

Permanent Loan: The Sponsors estimate a total permanent loan of \$17.6M leveraging tenant rent payments, a projected PBV contract award for 51 units at 5.68% interest rate, 30-year term, and a DSCR of 1.18. The tenant assistance payments will provide an additional first year income of \$1.5M. Staff believe the Sponsor should increase the term to at least 40 years, assume a 5% interest rate, and a 1.15 DSCR, which would increase



the permanent debt to \$21.3M and lower the MOHCD debt. The Sponsor will revise the terms and interest rate before returning to MOHCD for additional approvals.

Tax Credit: The Sponsors estimate a tax credit equity contribution of \$31M, contingent on a successful 4% application to be submitted to TCAC in 2023. The assumed credit pricing is \$0.93 and a 130% basis boost for being in a DDA. . The Sponsors hope that the tax credit equity market will improve by construction closing, thereby increasing the overall equity amount. During predevelopment, the Sponsor will look at other options, including utilizing the 9% program or hybrid options.

HCD AHSC: The Sponsors are optimistic that AHSC from the state of California's Housing and Community Development Department (HCD) will continue to receive funding for several rounds. The Sponsors are projecting a maximum allocation of \$10M based on the 2020 NOFA guidelines. It should be noted that the current draft guidelines for 2020 requires 47% of units to be at 20% TCAC AMI/30% SFAMI, and given the Project's location in a high segregation area, 20% of units must be above 60% TCAC AMI/81% SFAMI. If these guidelines remain, the Project would not be competitive for HCD funding.

HCD IIG: In addition, with the approval of this request, the Sponsor will look at HCD's Infill Infrastructure Grants (IIG) to understand if these funds can be leveraged to reduce MOHCD's contribution to gap financing, or Phase 3 Infrastructure funding. Currently, as noted above, Phase 3 Infrastructure costs are assumed under a separate loan and no infrastructure costs are included in this budget, even though these costs could generate more equity. The Sponsor will provide an analysis before gap to see if the Project could generate more equity.

Gap Funding: Based on the above, the Sponsors anticipate a MOHCD vertical gap loan of \$12,743,083 or \$184,682 per unit, which is significantly less than the average \$230,345 per unit in MOHCD portfolio currently. The Sponsors commit to analyze other funding options as they become available in order to reduce MOHCD's debt on the Project, such as AHP and increasing the permanent debt.



DEVELOPMENT BUDGET		
Underwriting Standard	Meets Standard?	Notes
Hard Cost per unit are within standards	N	Hard Costs are \$838,226/unit, including the general conditions, GC overhead, and GC insurance. The Sponsor will work with MOHCD to reduce overall project costs
Construction Hard Cost Contingency is at least 5% (new construction)	N	Hard Cost Contingency is 13.2%, including owner contingency at 5% and 6% escalation. Sponsor to lower these to MOHCD UW standards.
Architecture and Engineering Fees are within standards	Y	A&E fees are within MOHCD underwriting guidelines.
Construction Management Fees are within standards	N	Fees are slightly higher than the MOHCD UW guidelines. Sponsor to be procured as part of predevelopment scope and reduce the fees
Developer Fee is within standards, see also disbursement chart below	Y	Project Management Fee is \$1.1M At Risk is \$1.1M GP Equity is \$500k Deferred Fee is \$1,847,914 Total Fee: \$4,547,914
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 9.7%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is within guidelines.
HOPE SF Tenant Readiness	N/A	Readiness costs are included in the Infrastructure Predev Loan request

#### 5.4. Permanent Uses Evaluation

Contingencies: Project includes \$1,427,737 design contingency at 3% of hard cost, \$1,427,737 bid contingency at 3% of hard cost, and \$951,825 bid contingency at 2% of hard cost. Contingency percentages reflect the MOHCD 2020 underwriting guidelines.

Infrastructure: Due to high costs associated with HOPE SF requirements, the infrastructure costs are not included in the vertical projects to keep costs low and make the projects more competitive for bond financing.

Architecture: The architecture design and consultant costs equal \$2,379,562. The \$200,000 third party cost includes any BIM coordination which has been an additional cost during construction on Sunnydale Block 6.

Financing costs: If this Project is feasible as a 9% tax credit deal, the Project would see a reduction of approximately \$500,000 for bond issuance costs, though these savings may be reduced due to other financing changes such as a potentially higher interest rate. The Sponsor will analyze whether this Project can be structured as a 9% tax credit deal given the cap on tax credits and the high-cost test, and the resulting impact to the overall project financing.

Permit Fees: The permit fees and utility fees equal \$1,518,849 which is in line with other Mercy projects.

Hard Costs: The residential structure totals \$573 PSF which is \$60 more PSF, on average than other projects in MOHCD pipeline. Furthermore, the total development



costs per unit are higher than other project in Sunnydale portfolio of similar size and scope. The hard costs include a parking ratio of 1:.75, which is higher than other projects at Sunnydale. The general conditions, contractor overhead, and contractor insurance make up 14% of hard costs and construction contingency is an additional 5% of hard costs. A flat 6% escalation is also included in the numbers. At this point in time, the design is conceptual.

Project Name	SF	Units	TDC	TDC/ SF	TDC/Unit
<b>Block 6</b>	243,721	167	\$133,717,205	\$549	\$800,702
<b>Block 3B(less retail)</b>	125,800	90	\$85,066,422	\$676	\$85,066,422
<b>Casala</b>	75,356	55	448,281,472	\$641	\$877,845
<b>Block 7</b>	100,939	69	\$73,455,388	\$723	\$1,057,324
<b>Block 9</b>	139,769	100	\$101,184,933	\$724	\$1,011,849

Capitalized Operating Reserve: Per HCD underwriting guidelines, the capitalized operating reserve is calculated as three months of operations plus debt service minus social services. This project's capitalized operating reserve comes to a total of \$590k based on the first three months of stabilized cash flow.

Transition Reserves: Per HCD guidelines, the Sponsor included \$1,776,753 in transition reserves in the event that HCD awards AHSC, which is equal to 6 months of operating costs..

Marketing/Rent-up: \$375,518 - The costs shown on this line item are based on the Block 6 budget. MOHCD believes these costs to be high, considering the size of the building. The Sponsor will work with MOHCD to reduce these costs before gap.

Relocation: No relocation costs, including relocation readiness, are considered in this request or permanent uses. All relocation costs are included in Phase 3 Infrastructure.

#### 5.5. Construction Supervisor/Construction Specialist's evaluation

The overall square footage presented at this very early stage is rather low given the number of units and bedrooms planned, and the amount of parking that will need to be provided. However, the per Unit and per Bedroom costs seem appropriate when compared to similar projects, and projecting cost escalation for projects that won't be breaking ground for several years. As is typical for HOPE SF projects, the per unit cost is on the high end, but the per bedroom cost is about \$20k more per unit than the MOHCD average. The soft costs currently shown are approximate to other projects currently in predevelopment, and might need to be adjusted upwards as they go out to bid on the design team.



## 6. PROJECT OPERATIONS

### 6.1. Annual Operating Budget

Project Based Section 8 (PBV) Units: All HOPE SF projects utilize Housing Choice Vouchers (HCVs) awarded by HUD as part of the Section 18 Demolition and Disposition process. The Project will apply for Section 8 Project Based Vouchers from SFHA before requesting gap financing. 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 Payment Standards less 2020 utility allowances.

The Project includes 69 affordable units and one manager unit.

Summary	Studio	1BD	2BD	3BD	4BD	Total	Percent
TC		4	8	4	1	17	25%
PBV		7	25	13	6	75	75%
<b>Total</b>	0	11	33	17	7		

TCAC units: Approximately 25% of units are subject to the City's regular occupancy preferences with income limits at 60% TCAC AMI per the MDA.

### 6.2. Unit Matrix based on 2020 MOHCD AMI

Unit Type	Number of Units	TCAC AMI	MOHCD AMI	Max Gross Rent	Rent, Operating Subsidy
1 Br	2	20%	25%	608	PBV
1 Br	5	39%	50%	600	PBV
1 Br	4	60%	76%	1957	TCAC
2 Br	7	20%	27%	652	PBV
2 Br	18	37%	50%	850	PBV
2 Br	8	60%	81%	2348	TCAC
3 Br	4	20%	28%	782	PBV
3 BR	9	35%	50%	1100	PBV
3 Br	4	60%	85%	2714	TCAC
4 BR	1	20%	29%	904	PBV
4 BR	6	50%	40%	1325	PBV

### 6.3. Annual Operating Expenses Evaluation

Operating Proforma		
Underwriting Standard	Meets Standard?	Notes



Debt Service Coverage Ratio is between minimum 1.10:1	N	DSC is 1.19:1 in Year 1. The Sponsor will lower this to MOHCD UW guidelines before returning to Loan Committee
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N	DSC is 1.55:1 in Year 20. Per the requirement above, lowering the DSCR will reduce the cashflow over time
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	
Annual Operating Expenses are increased at 3.5% per year	Y	
Base year operating expenses per unit are reasonable per comparables	N	Total Operating Expenses are \$15,967 per unit. Please see below.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$73 PUPM
Property Management staffing level is reasonable per comparables	N	0.88 Community Coordinator , .21 FTE Community Manager Officer, 1.5 FTE Assistant Community Manager Officer, .2 FTE Senior Maintenance Mgr. + 1 FTE Maintenance Tech + 1 FTE Janitor for a total of 5.09 FTE
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr. Annual PM Fee is \$24,270/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 PUPY per HCD underwriting guidelines
Limited Partnership Asset Management Fee meets standards	Y	Total LP AM fee is \$21,900 per year. \$5,000 AM fee

The operating cost per unit per annum (PUPA) is \$15,697, including reserves, ground lease payment to SFHA and Master Association fee or debt. This is significantly higher than any other project in the HOPE SF portfolio, which has an average of \$12,167 PUPA and of other Sunnydale projects that are of similar size. The high costs are attributable to higher security, services, overall staffing fees and sitewide Master Association fees.

The Sponsor will work with MOHCD to bring PUPA in line with MOHCD underwriting standards before gap financing through measures such as cost sharing with other developments through site-wide security, property management, and services.

HOPE SF Developments	Units	PUPA*
Sunnydale Block 3A	80	\$ 13,011
Sunnydale Block 3B	90	\$ 13,230
Potrero Block B	157	\$ 11,750
Sunnydale Block 6	176	\$ 12,513
Potrero Block X	72	\$ 13,114
Sunnydale Parcel Q	55	\$ 12,454
Alice Griffith Phase 4	31	\$ 13,405
Alice Griffith Phase 3	122	\$ 10,901
Alice Griffith Phase 2	91	\$ 10,768
Alice Griffith Phase 1	93	\$ 10,786



Hunters View Phase I	107	\$ 13,882
Hunters View Phase IIB	179	\$ 13,317
Hunters View Phase III	100	\$ 11,074
Hunters View Phase IIA	107	\$ 11,628
<i>Average</i>	<i>104</i>	<i>\$ 12,274</i>

- Does not include Debt Service

Community Master Association fee: \$34,500. This is based on the Sunnydale campus planning approach. All buildings within the Master Development will be charged \$500 per unit, per year. Fees are used to pay for master landscaping and transportation demand management.

Property Management & Maintenance Staffing: The operating budget includes a total of 5.09 FTE:

- 0.21 FTE for a Community Manager Officer,
- 1.5 FTE for an Assistant Community Manager Officer,
- 0.88 FTE for a Customer Service Representative,
- 0.2 FTE for a Senior Maintenance Manager,
- 1 FTE for a Maintenance Tech, and
- 1 FTE for a Janitor.

MOHCD believes this level of staffing is high for a building of this size. The Sponsor will reduce the level of services or find an economies of scale with other developments within the HOPE SF portfolio.

In addition to the staff listed above, Mercy/Related have introduced a new role of Community Coordinator which aims to provide a welcoming environment to residents as the first point of contact. The Community Coordinator will identify and develop strategies to link residents with needed services and triage to the appropriate on-site staff. This position has not been vetted or approved by HOPE SF or MOHCD and may be redundant to the resident services coordinator role, which is also being proposed at higher level of service than what has been approved for HOPE SF sites of 1 FTE to 100 units. Sponsor will provide detailed description and requirement of the Community Coordinator, as it pertains to the building but also to the campus-wide services approach.

The staffing is based on Mercy/Related's preliminary campus wide staffing plan. We expect to further refine the budget during predevelopment.

Security: Security cost is based on a cost per unit using the Block 6 budget. As part of the Master Plan loan, the Sponsor is required to provide a site-wide staffing analysis for security, services and property management.

## 7. DEVELOPER FEE

### 7.1. Cash Out Fee.



Total Development Fee is \$4,047,914 including \$1,847,914 in deferred fee. However, the additional deferred fee does not generate more equity or limit the amount of MOHCD subsidy.

Sponsor and MOHCD will retain the 50%/50% cash flow split until the developer fee is paid with HCD in the deal.

Payment Milestone	% of Project Mgmt. Fee	Amount
At closing of preconstruction financing	15%	<b>\$165,000</b>
Proj Mgt Fee portion 1 of 3: Predevelopment - GC selection approval	15%	<b>\$165,000</b>
Proj, Mgt Fee portion 2 of 3: Predevelopment - Submission of HCD funding application	10%	<b>\$110,000</b>
Proj Mgt Fee portion 3 of 3: Predevelopment - Submission of joint CDLAC and TCAC application	10%	<b>\$110,000</b>
At Construction Close	20%	<b>\$220,000</b>
End of Construction	20%	<b>\$220,000</b>
Project close-out: PIS application; 100% lease-up; City Approval of Sponsor's project completion report and documents, including final cost certification	10%	<b>\$110,000</b>
<b>Total Project Management Fee</b>	<b>100%</b>	<b>\$1,100,000</b>
<b>At-Risk Fee</b>		<b>\$1,100,000</b>
<b>Total Cash Fee</b>		<b>\$2,200,00</b>
<b>Deferred Developer Fee</b>		<b>\$1,847,914</b>
<b>Total Developer Fee</b>		<b>\$4,047,914</b>

## 7.2. At-Risk Developer Fee Payment

Payment Milestone	% of At Risk Fee	Amount
95% Leased Up and Draft Cost Certification	20.00%	\$220,000
Permanent Loan Closing/Conversion (Final Cost Certification)	50.00%	\$550,000
Project Close Out (See Project Management Project Close-Out milestone activities)	30.00%	\$330,000
<b>Total At Risk Fee</b>		<b>\$1,100,000</b>

## 8. SUPPORTIVE SERVICES

### 8.1. Services Plan

The services plan and budget will be developed as part of the 2021 Master Plan loan scope. The preliminary plan is for a 0.92 FTE Mercy Housing California Resident Services Coordinator II (RSC) to be located on site and provide service coordination and housing stability support for Block 7 residents. The RSC will also organize and



implement community building activities for all building residents, as well as partner with community building work in the wider Sunnydale and Visitacion Valley community. The RSCs will be supported by a Resident Service Manager (RSM) at 0.20 FTE who oversees resident service coordinators in the new on-site buildings as well as the ones working site-wide at Sunnydale.

The current service level for the building is higher than MOHCD underwriting guidelines of 1 RSC for 100 units. The Sponsor will provide a master service plan to MOHCD and HOPE SF before gap financing of this loan for approval. MOHCD staff and the Director of HOPE SF will review and approve the final service plan.

#### 8.2. Service Budget

The first-year service budget is estimated at \$1,634 per resident unit per annum, or \$112,786 annually, to be paid out of the operating budget. The staffing is part of an overall Campus Staffing Plan, which is Mercy Housing's resident services and property management staffing approach for the Sunnydale neighborhood. The Sponsor projects the need for 0.92 FTE Senior RSCs and RSC manager and a typical budget for supplies and other reasonable costs. The Sponsor anticipates that the service budget may need to be amended once more information is provided on required tenant service provisions. As mentioned above, the costs and level of services are higher than MOHCD and HOPE SF underwriting and the Sponsor will provide full analysis as part of the Master Loan conditions.

#### 8.3. HOPE SF Assessment of Service Plan and Budget

The Services plan and budget has not been reviewed by HOPE SF. The Sponsors will have the plan and budget reviewed by HOPE SF before final MOHCD gap loan approval.

### 9. STAFF RECOMMENDATIONS

#### 9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$2,820,000
Loan Term:	55 years
Loan Maturity Date:	2074
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

#### 9.2. Recommended disbursement conditions/schedule

- Sponsor must provide evidence of Limited Partnership formation.
- Prop I might must be satisfied.

#### 9.3. Recommended conditions prior to financing gap

- Sponsor will work with MOHCD to select a Construction Manager and General Contractor through the RFQ process.



- Sponsor will provide 9% feasibility for Project before end of 2021.
- The Sponsor will submit a marketing and lease up plan before gap.
- Sponsor will submit an updated service plan and budget to MOHCD at gap financing and will work to reduce overall level of service.
- Sponsor will reduce property management, maintenance and community coordinator costs to align with MOHCD guidelines.
- Sponsor will provide analysis on competitiveness for various funding sources, including CDLAC, FHLBSF and HCD.
- MOHCD must approve the debt and equity RFP as well as the final investor and lender selection .
- MOHCD must approve raw financial data from Sponsor or financial consultant prior to selection of the investor and lender.
- Sponsor will decrease DSCR to 1.1 in the first year to maximize permanent debt proceeds.
- Sponsor will work with MOHCD staff to bring Operating Expense in line with underwriting guidelines.
- Sponsor will seek to increase permanent mortgage proceeds through securing better loan terms and a more competitive interest rate before returning for gap.
- Sponsor will work with SFHA to secure 52 PBVs for the development.
- Sponsor to work with MOHCD construction manager and other resources to bring hard costs and A&E costs within an acceptable range for MOHCD approval.

## 10. LOAN COMMITTEE

### 10.1. Modifications

### 10.2. Recommendations



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 and Community Development

Date: \_\_\_\_\_

☐ APPROVE      ☐ DISAPPROVE      ☐ TAKE NO ACTION

\_\_\_\_\_  
Salvador Mejia, Deputy Director for Programs  
Department of Homelessness and Supportive Housing

Date: \_\_\_\_\_

☐ APPROVE      ☐ DISAPPROVE      ☐ TAKE NO ACTION

\_\_\_\_\_  
Sally Oerth, Interim Executive Director  
Office of Community Investment and Infrastructure

Date: \_\_\_\_\_

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

\_\_\_\_\_  
Anna Van Degna, Director  
Controller's Office of Public Housing

Date: \_\_\_\_\_

☐ APPROVE      ☐ DISAPPROVE      ☐ TAKE NO ACTION

\_\_\_\_\_  
Tonia Lediju, Chief Executive Office  
San Francisco Housing Authority

Date: \_\_\_\_\_



## Chavez, Rosanna (MYR)

---

**From:** Shaw, Eric (MYR)  
**Sent:** Tuesday, May 11, 2021 7:12 PM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** Sunnyvale Block 7

I approve

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## Chavez, Rosanna (MYR)

---

**From:** Menjivar, Salvador (HOM)  
**Sent:** Friday, May 14, 2021 12:44 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** SUNNYDALE HOPE SF BLOCK 7

I approve Mercy Housing request for \$2,820,000 in predevelopment financing for Sunnydale Hope SF Block 7.

Salvador



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

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## Chavez, Rosanna (MYR)

---

**From:** Oerth, Sally (CII)  
**Sent:** Friday, May 7, 2021 11:58 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Amaral, Sara (MYR)  
**Subject:** Sunnydale HOPE SF Block 7 - 5.7.21 Loan Committee

I approve the predevelopment funding for Sunnydale Block 7, as presented at the 5.7.21 Loan Committee



**Sally Oerth**  
**Interim Executive Director**

📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103  
📞 415.749.2588  
🏠 [www.sfocii.org](http://www.sfocii.org)

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## Chavez, Rosanna (MYR)

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**From:** Pereira Tully, Marisa (CON)  
**Sent:** Friday, May 7, 2021 11:58 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Sunnydale HOPE SF Block 7

Approve

Marisa Pereira Tully (she/her)  
Controller's Office of Public Finance  
City and County of San Francisco



## Chavez, Rosanna (MYR)

---

**From:** Tonia Lediju, PhD <ledijut@SFHA.ORG>  
**Sent:** Friday, May 7, 2021 11:57 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Sunnydale HopeSF Block 7

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Yes

Respectfully,

Tonia Lediju, PhD  
SF Housing Authority Transition Lead  
Acting Executive Director  
Office of the Mayor  
(415) 715-3276  
(415) 619-1936

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

---

**From:** Chavez, Rosanna (MYR) <rosanna.chavez@sfgov.org>  
**Sent:** Friday, April 30, 2021 5:11 PM  
**To:** Taylor, Rommel (MYR) <rommel.taylor@sfgov.org>; Wong, Harry (MYR) <harry.j.wong@sfgov.org>; Defiesta, Agnes (MYR) <agnes.defiesta@sfgov.org>; Travis, Paul (MYR) <paul.travis@sfgov.org>; Mara Blitzer <mara.blitzer@sfgov.org>; Lee, Jonah (MYR) <jonah.lee@sfgov.org>; Carson, Erin (MYR) <erin.carson@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Obstfeld, Kimberly (CII) <kimberly.obstfeld@sfgov.org>; Wong, Annie (CII) <annie.h.wong@sfgov.org>; Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>; Sims, Pamela (CII) <pam.sims@sfgov.org>; Romero, Anne (MYR) <anne.romero@sfgov.org>; Gagen, Jonathan (MYR) <jonathan.gagen@sfgov.org>; Slen, Joyce (MYR) <joyce.slen@sfgov.org>; McCormack, Caroline (MYR) <caroline.mccormack@sfgov.org>; Lopez, Viviana (MYR) <viviana.lopez@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>; White, Jeffrey (CII) <jeffrey.white@sfgov.org>; Oerth, Sally (CII) <sally.oerth@sfgov.org>; Gotthelf, Felicia (MYR) <felicia.gotthelf@sfgov.org>; Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Tonia Lediju, PhD <ledijut@SFHA.ORG>; Kitchingham, Kevin (MYR) <kevin.kitchingham@sfgov.org>; Benioff, Martha (HOM) <Martha.Benioff@sfgov.org>; Barnes, Maximilian (MYR) <maximilian.l.barnes@sfgov.org>; Baca, Robert (MYR) <robert.baca@sfgov.org>; Cortez, Omar (MYR) <omar.cortez@sfgov.org>; Faust, Holly (MYR) <holly.faust@sfgov.org>; Noonan, Jacob (MYR) <jacob.noonan@sfgov.org>; Dwyer, Brendan (MYR) <brendan.dwyer@sfgov.org>; Ausman, Bao-Tran (MYR) <baotran.ausman@sfgov.org>; Madden, Scott (MYR) <scott.madden@sfgov.org>; McLoone, Michael (MYR) <michael.mcloone@sfgov.org>; Pereira Tully, Marisa (CON) <marisa.pereira.tully@sfgov.org>; Nusser, Sarah (MYR) <sarah.nusser@sfgov.org>; Leatutufu, Saidah (MYR) <saidah.leatutufu@sfgov.org>  
**Subject:** Citywide Affordable Housing Loan Committee - Friday, May 7, 2021 11:15 a.m.

Dear Loan Committee, MOHCD staff and community partners,



Attached are the agenda and materials for next week's meeting, which **will be held Friday, May 7, 2021 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.

### **Microsoft Teams meeting**

#### **Join on your computer or mobile app**

[Click here to join the meeting](#)

#### **Or call in (audio only)**

[+1 415-906-4659,,985935179#](#) United States, San Francisco

Phone Conference ID: 985 935 179#

Thank you,

Rosie Chavez

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



Attachments:

- A. HOPE SF Summary
- B. HOPE SF Developer Fee
- C. Borrower Organization Chart
- D. Cost Comparison Chart
- E. Predevelopment Sources and Uses
- F. Permanent Sources and Uses
- G. 1<sup>st</sup> year operating budget
- H. 20 yr. operating budget



## **Attachment A: HOPE SF 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 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 senior and 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 senior housing/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.

### **Phasing Overview:**

This chart shows the projected buildout by phase, with the active phases highlighted:

Start Year	Finish Year	Block Name	Phase	Phase Type	Total units	Status	Total MOHCD Loan Amount	TDC
2018	2019	<b>Block Q</b>	<b>1A-0</b>	Affordable	<b>55</b>	<b>Gap</b>	<b>\$8,905,799</b>	<b>\$46,139,312</b>
2019	2021		<b>1A-1/2</b>	Infrastructure		<b>Gap</b>	<b>\$28,478,891</b>	<b>\$28,478,891</b>
2019	2021	<b>Block 6</b>	<b>1A-1/2</b>	Affordable	<b>167</b>	<b>Gap</b>	<b>\$23,910,414</b>	<b>\$144,717,205</b>
2022	2023	<b>Block 5</b>	<b>1A-1/2</b>	Market Rate	<b>8</b>	<b>Gap</b>		
2021	2022		<b>1A-3</b>	Infrastructure		<b>Predev</b>	<b>\$22,271,663</b>	<b>\$22,271,663</b>
2022	2024	<b>Block 3A</b>	<b>1A-3</b>	Affordable	<b>80</b>	<b>Predev</b>	<b>\$6,828,000</b>	<b>\$73,760,039</b>
2022	2024	<b>Block 3B</b>	<b>1A-3</b>	Affordable	<b>90</b>	<b>Predev</b>	<b>\$8,072,868</b>	<b>\$84,916,931</b>
2022	2023		<b>1B, 1C, 3C</b>	Infrastructure		<b>Projected</b>	<b>\$39,821,767</b>	<b>\$39,821,767</b>
2023	2025	<b>Block 7</b>	<b>1B</b>	Affordable	<b>69</b>	<b>Projected</b>	<b>\$12,743,082</b>	<b>\$73,455,388</b>
2023	2025	<b>Block 9</b>	<b>1C</b>	Affordable	<b>100</b>	<b>Projected</b>	<b>\$8,920,116</b>	<b>\$91,445,034</b>
2024	2026	<b>Block 8A</b>	<b>1C</b>	Market Rate	<b>26</b>			
2024	2026	<b>Block 8B</b>	<b>1C</b>	Market Rate	<b>22</b>			
2026	2027		<b>2A</b>	Infrastructure		<b>Projected</b>	<b>\$55,581,504</b>	<b>\$55,581,504</b>
2027	2029	<b>Block 10</b>	<b>2A</b>	Affordable	<b>79</b>	<b>Projected</b>	<b>\$11,931,633</b>	<b>\$81,667,215</b>
2027	2028	<b>Block 14</b>	<b>2A</b>	Market Rate	<b>24</b>			
2027	2028	<b>Block 16</b>	<b>2A</b>	Market Rate	<b>12</b>			
2027	2020	<b>Block 15</b>	<b>2A</b>	Affordable	<b>54</b>	<b>Projected</b>	<b>\$8,007,041</b>	<b>\$60,765,836</b>
2027	2028	<b>Block 22B</b>	<b>2A</b>	Market Rate	<b>9</b>			
2027	2029		<b>2B</b>	Infrastructure		<b>Projected</b>	<b>\$34,004,409</b>	<b>\$34,004,409</b>
2027	2029	<b>Block 11</b>	<b>2B</b>	Affordable	<b>79</b>	<b>Projected</b>	<b>\$5,476,997</b>	<b>\$88,898,168</b>
2028	2029	<b>Block 17</b>	<b>2B</b>	Market Rate	<b>74</b>			
2028	2029	<b>Block 18</b>	<b>2B</b>	Market Rate	<b>12</b>			
2029	2030		<b>2C</b>	Infrastructure		<b>Projected</b>	<b>\$47,913,754</b>	<b>\$47,913,754</b>
2029	2031	<b>Block 19</b>	<b>2C</b>	Affordable	<b>66</b>	<b>Projected</b>	<b>\$4,650,874</b>	<b>\$78,486,667</b>
2029	2030	<b>Block 12</b>	<b>2C</b>	Market Rate	<b>24</b>			
2029	2030	<b>Block 13</b>	<b>2C</b>	Market Rate	<b>20</b>			
2029	2030	<b>Block 20</b>	<b>2C</b>	Market Rate	<b>12</b>			
2029	2030		<b>3A</b>	Infrastructure		<b>Projected</b>	<b>\$21,503,462</b>	<b>\$21,503,462</b>
2029	2030	<b>Block 24</b>	<b>3A</b>	Affordable	<b>72</b>	<b>Projected</b>	<b>\$12,620,894</b>	<b>\$85,621,818</b>



2029	2030		<b>3B</b>	Infrastructure		<b>Projected</b>	<b>\$34,708,608</b>	<b>\$34,708,608</b>
2029	2030	<b>Block 34</b>	<b>3B</b>	Affordable	<b>40</b>	<b>Projected</b>	<b>\$6,288,258</b>	<b>\$43,727,285</b>
2030	2031	<b>Block 23</b>	<b>2C</b>	Market Rate	<b>14</b>			
2030	2031	<b>Block 22A</b>	<b>3A</b>	Market Rate	<b>48</b>			
2030	2031	<b>Block 32</b>	<b>3A</b>	Market Rate	<b>22</b>			
2030	2031	<b>Block 33</b>	<b>3A</b>	Market Rate	<b>16</b>			
2029	2030	<b>Block 35</b>	<b>3B</b>	Affordable	<b>37</b>	<b>Projected</b>	<b>\$5,810,127</b>	<b>\$40,447,845</b>
2030	2031	<b>Block 21</b>	<b>3C</b>	Market Rate	<b>19</b>			
2030	2031	<b>Block 26</b>	<b>3B</b>	Market Rate	<b>12</b>			
2030	2031	<b>Block 27</b>	<b>3B</b>	Market Rate	<b>58</b>			
2030	2031	<b>Block 28</b>	<b>3B</b>	Market Rate	<b>12</b>			
2030	2031	<b>Block 29</b>	<b>3B</b>	Market Rate	<b>63</b>			
2030	2031	<b>Block 31</b>	<b>3B</b>	Market Rate	<b>50</b>			
2030	2031	<b>Block 36</b>	<b>3B</b>	Market Rate	<b>26</b>			
		<b>TOTAL</b>			<b>1491</b>		<b>\$408,450,161</b>	<b>\$1,169,653,211</b>

### 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	\$286,285 remaining to draw
<b>Total</b>	<b>\$8,723,438</b>	

### Vertical and Horizontal Funding to Date:

	Amount	Status
Sunnydale Parcel Q Vertical Predevelopment	<b>\$2,000,000</b>	Closed Dec 2016
Sunnydale Parcel Q Acquisition	<b>\$3,000,000</b>	Closed Dec 2016
Sunnydale Parcel Q Gap	<b>\$6,905,799</b>	Closed Jan 2018
Sunnydale Block 6 Predevelopment	<b>\$4,000,000</b>	Closed Oct 2017
Sunnydale Phase 1A1/2 Predevelopment	<b>\$4,433,153</b>	Closed Feb 2018
Sunnydale Phase 1A1/2 Partial Gap	<b>\$28,478,891</b>	Closed May 2019
Sunnydale Phase 1A1/2 Gap	<b>\$20,478,891</b>	Closing May 2019
Sunnydale Block 6 Gap	<b>\$12,910,414</b>	Closed Dec 2019
Phase 1A3 Predevelopment	<b>\$5,800,000</b>	Closed Aug 2019
Sunnydale Block 3A	<b>\$1,850,000</b>	Closed Aug 2019
Sunnydale Block 3B	<b>\$1,850,000</b>	Closed Aug 2019
	<b>\$91,707,148</b>	



### **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 are repaid in kind when the City accepts the streets and public infrastructure. 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, who 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.

### **History from 2017 to Date:**

The Sponsor has made significant progress with master plan and project level work since the last Master Plan loan approved in 2017, including the completion of streetscape planning and Master Utility Plans (MUP). The Sponsor has also completed the master tentative map and street vacation application for the entire site, as well as negotiated the forms of the horizontal and vertical ground leases and license agreements with the San Francisco Housing Authority (SFHA). The Sponsor completed master planning of the Hub community serving space, which included planning with project partners (Boys & Girls Club, Wu Yee Children's Services, San Francisco Recreation and Parks Department) to develop the campus approach for these services and programs, selection of the community center and recreation center architect, and a community planning process to develop and locate the programming elements within the Hub (including open space, food and retail, and neighborhood services). This master planning work allowed the Sponsor to start on development activities for the individual developments such as Block 3A and 3B, the community center and recreation center within the Hub. The Sponsor also completed the master brand plan and is now making progress on elements and implementation of the plan. Throughout all of this work, the Sponsor has focused on community building and outreach related to relocation support and development activities, including hosting monthly community meetings beginning in 2016. While these monthly in-person meetings were put on hold during the pandemic, the Sponsor continued to engage the community during this time through virtual community meetings and presentations, newsletters, flyers, project websites, and other communication tools, and is resuming monthly community meetings in a virtual format until they can be held in-person again.

In addition, the Sponsor completed construction of the first affordable housing development, Casala Apartments (55 units), in 2019 and completed lease-up and permanent conversion in 2020. Phase 1A1/2 infrastructure improvements started in 2018, with construction of Block 6 housing(167 units), the second affordable development, starting construction December 2019 and expected to start lease up by November 2021. The Sponsor is also working on predevelopment for the next Infrastructure Phase, Phase 1A3, and on predevelopment for both Block 3A and 3B, the next two affordable developments on site totaling 170 units. Construction on this phase is expected to start later this year after all residents are relocated from the Phase 1A3 footprint.

Additionally, relocation work continues on the Sunnydale HOPE SF site. Currently, The Sponsor's real estate development team and resident services staff, in collaboration with MOHCD and SFHA, to assist residents with a Right to Return to voluntarily move offsite to units at 691 China Basin in Mission Bay



(38 units). This is the second offsite option for Sunnydale residents after the completion of 24 units at Natalie Gubb Commons in the Transbay neighborhood. To date, onsite, the Sponsor has completed or is in predevelopment for 561 total units at Sunnydale, which include 420 Replacement Units and 141 tax credit units' households. This includes for Block 7 and Block 9, which are currently in schematic design. Including offsite units, this brings the total affordable units completed or in progress to 662 units. This total includes 522 Replacement Units for Sunnydale households. To date, the Sponsor is on track to build back 67% of the original 775 units on site as required per the Development Agreement.

	Completion Date	Replacement Units	Tax Credit Units (Inc. mgr. unit)	Total Units
Natalie Gubb Commons (off-site)	2018	24	-	24
Casala Apartments	2019	41	14	55
691 China Basin (off-site)	2021	38	-	38
Block 6	2021	125	42	167
Balboa Park Upper Yard (off-site)	2023	39	-	39
Block 3A and 3B	2024/2025	128	42	170
Block 7	2027	52	17	69
Block 9	2027	75	25	100
		<b>522</b>	<b>140</b>	<b>662</b>

In addition to the above-mentioned housing and infrastructure accomplishments at Sunnydale HOPE SF thus far, the Sponsor has progressed with predevelopment work on approximately 60,000 square feet of new neighborhood-serving spaces (Hub) that sits at the nexus of Sunnydale and Visitacion Valley neighborhoods. The Hub is the only mixed-use setting in the Sunnydale HOPE SF development where residents, neighbors, and visitors across incomes, ages, and race/ethnicity will be able to access the same quality neighborhood amenities that other neighborhoods currently include. The Hub is envisioned to be inclusive and family friendly, reflect the diversity of the residents, and inspire people to play, eat, and learn together in a common neighborhood.

The Hub, which includes the ground floor space at Blocks 3A and 3B and a new community building in Block 1,, is a significant community development endeavor that will be transformative for the community, as well as for individuals. The Hub components are made up of the following elements:

- Community Center in Block 1
  - The Sponsor will acquire the land for the Community Center from SFHA, the Community Center will be managed by Mercy Housing and the land and improvements will owned by the New Market Tax Credit QALICB entity (Qualified Active Low-Income Community Business)
  - Programming:
    - 29,000 square feet community center
    - Boys & Girls Clubhouse for 125 school aged youth,
    - Wu Yee Children's Services Early Childhood Education Center for 81 pre-school children, and
    - multi-purpose spaces for neighborhood activities.
  - The Sponsor is underway in design development following in person and virtual community engagement in 2018-2021 to inform project design and programming. Construction is expected to begin in 2022 after infrastructure improvements in Phase 1A3.



- The Sponsor has also moved forward with project financing, including a New Market Tax Credit application and Capital Campaign activities to finance the development of the Block 1 community center. The Capital Campaign is led by the Sponsor and includes the Boys and Girls Club and Wu Yee Children's Services in raising \$35,000,000 total in private philanthropy to fund the new Community Center (\$25,000,000) and Recreation Center (\$10,000,000). To date, \$20,000,000 of the Capital Campaign has been pledged.
- Block 3A and 3B Ground Floor:
  - The Sponsor will set up two commercial condominiums to own and manage the improvements for the Block 3A and 3B ground floor programming spaces and will ground lease the land from SFHA.
  - An Early Childhood Education Center consisting of 7,000 square foot center serving 60 children and operated by Felton Institute,
  - A Health and Wellness Center of 2,500 square foot operated by the San Francisco Department of Public Health (DPH) to provide a range of mental and physical health care services to Sunnydale residents. The Wellness Center will also include meeting space for some of the Community Benefit Organizations (CBO's) currently serving the community, and
  - A Mercy Neighborhood Customer Service Center, which includes 5,000 square foot for Mercy property management and services staff, as well as work space for the community master association, transit demand management coordinator, and resident association.
  - Neighborhood Retail spaces for approximately 6,200 square feet that will be place-making, demand-serving and provide entrepreneurial and employment opportunities for Sunnydale residents, such as a green grocer and café.
  - Construction is set to start on this building pending a successful award from CDLAC, in 2022.
- A new 11,500 square feet Recreation Center within Herz Park that will include an indoor gymnasium for sports and other community activities and a multi-purpose room.
  - The Sponsor is developing this Recreation Center in partnership with the San Francisco Recreation and Parks Department (RPD) and RPD will own and manage the property.
  - The Sponsor is underway in design development following extensive community engagement. Construction is expected to begin in 2022.
  - The Sponsor is working with RPD on project financing, including \$10 million from Capital Campaign activities and securing \$10 million from the voter-approved 2020 Proposition A Health and Recovery Bond to finance the development of the recreation center.
- Improvements at the 6-acre Herz Park by RPD including a new playground.
  - Improvements such as outdoor fitness and play areas are part of the Herz Recreation Center project in partnership with the Sponsor and RPD.
  - RPD is leading the Herz Playground renovation project, a Tier II Let'sPlaySF! Initiative Project. Construction is expected to begin in 2022.
- New open spaces at Blocks 2 and 4 that will include space for active recreation as well as urban agriculture and that will be developed in this upcoming phase by the Sponsor.
  - The Sponsor will acquire the land from SFHA and the Sponsor will own and manage the improvements.
  - Predevelopment for these open spaces will begin in mid-2021 and construction is expected to begin in 2023.

The Sponsor is also underway with a Food Sovereignty Project that will inform the Block 3A and 3B food-based retail businesses and other elements of the Hub. Through a grant awarded by the Stupski



Foundation, Mercy is collaborating with residents and community partners to address issues of food insecurity and limited access to healthy food in the neighborhood. This collective process includes:

1. Exploring the dynamics of food insecurity impacting residents (with an emphasis on Sunnydale residents who are disproportionately affected by food insecurity) in-depth;
2. Brainstorming and visioning feasible systems and solutions for this changing community; and
3. Creating 2-4 business plans to implement that will improve neighborhood food systems (including food access and quality) while prioritizing resident dignity and self-efficacy.

Intended outcomes include financial and operating models for a neighborhood green grocer within Block 3A, community garden in Block 4 open space, and recommendations to improve existing neighborhood food systems.

Lastly, the Sponsor has been busy with master plan level work including the development of the community master association and governance model, campus property management and resident services staffing plan, branding work including environmental graphics, website, communications, and visual palette, neighborhood transit planning in collaborating with the City (SFMTA, Planning, MOHCD), and public art and placemaking work. In collaboration with the SF Arts Commission and with the endorsement by the Mayor's Office, Mercy submitted a grant application to the National Endowment for the Arts in 2020 and was awarded this grant in mid-2021 to fund an effort to hire local artists to engage Sunnydale residents in telling their stories. The proposed Community Stories Project will support residents in gathering and preserving the stories and memories from their rich multicultural history through creative expression in multiple formats that will be incorporated into the physical design of the site. Mercy is seeking additional grant funding from other foundations to support the implementation of this project.



**Attachment B: HOPE SF Developer Fee**

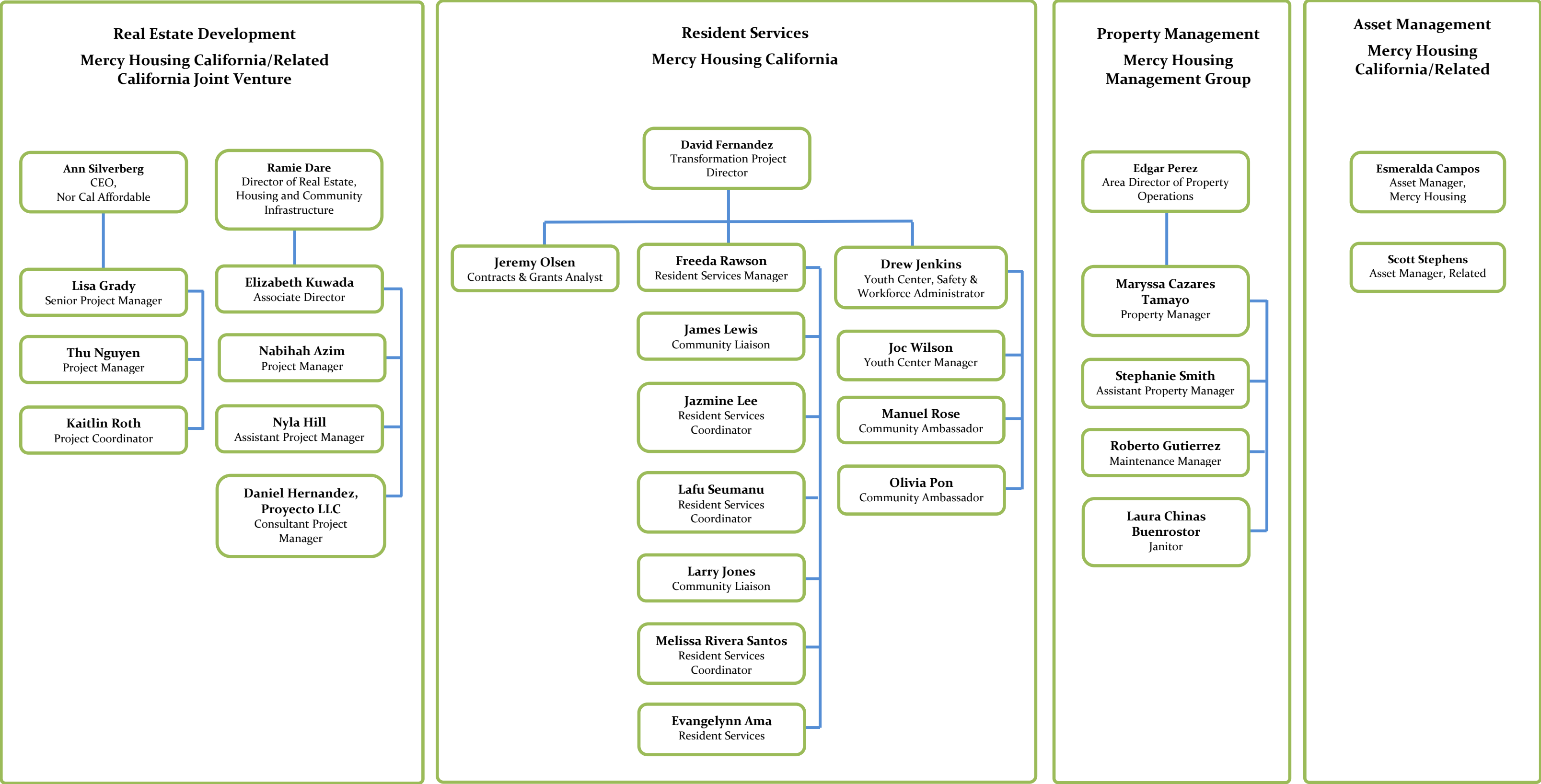
The HOPE SF Developer Fee Policy for Sunnydale HOPE SF is attached as Exhibit B to this loan evaluation. A summary of the policy is as follows:

<b>HOPE SF DEVELOPER FEE STRUCTURE BY FEE TYPE AND MILESTONE</b>	
<b>Master Planning Fee</b>	<b>\$1,400,000</b>
Management cost reimbursement during planning/entitlement	\$1,000,000
Land use approval - DA	\$200,000
HUD Section 18 approval	\$200,000
<b>Master Planning Additional Residential Fee (as applicable on a per-building basis pursuant to Section 1) AT RISK</b>	<b>\$800,000</b>
<b>Infrastructure Development Fee: Disbursements Milestones Per Phase</b>	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%
<b>Residential Developer Fee(s) by Financed Phase (example)</b>	<b>\$2,000,000</b>
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
<b>Lot Sales Proceeds (as applicable, pursuant to Section 4)</b>	



**Attachment C: Borrower Organization Chart**







**Attachment D: Cost Comparison Chart**



# Affordable Multifamily Housing New Construction Cost Comparison

Updated 4/30/2021

PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
Hunters View Phase II - Bl 7 & 11	227-228 West Point Rd	82,703	May-17	107	239	117,023	23,857	140,880	\$ -	\$ 60,115,237	\$ 9,272,003	\$ 69,387,240	\$ 19,737,243	\$ 69,387,240	2 HCD Loans (MHP & IIG)	Mixed Townhome stepping downslope and Type III-V over Type I flats w/pkg
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 46,568,375	\$ (219,733)	\$ 46,348,642	\$ 19,737,243	\$ 46,348,642	9% LIHTC	Type IIA over Type I Podium 5 Stories + Parking; Community Hub and Childcare
Mission Bay Bl 6 East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	276	162,080	9,719	171,799	\$ 148,125	\$ 90,961,721	\$ 15,222,907	\$ 96,332,753	\$ 35,750,000	\$ 96,184,628	HCD AHSC Loan	Type IIA & V over Type I podium, 41 pkg spaces, Mission Bay soils and infrastructure
Mission Bay S. Block 3E	1150 Third Street	47,140	Jan-20	119	192	83,138	41,062	124,200	\$ -	\$ 65,227,607	\$ 13,577,564	\$ 78,805,171	\$ 20,093,600	\$ 78,805,171	HCD VHPH Loan	Type V over Type I podium strong articulation / ext. skin added due to D4D reqmnts.
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 61,332,336	\$ 12,766,230	\$ 74,119,266	\$ 17,693,093	\$ 74,096,566		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	\$ 9,300,000	\$ 57,684,810	\$ 14,837,459	\$ 81,822,269	\$ 22,187,436	\$ 72,522,269	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Parcel O	455 Fell Street	37,428	Jun-19	108	165	82,117	31,128	113,245	\$ -	\$ 58,134,337	\$ 9,994,087	\$ 66,648,743	\$ 17,309,250	\$ 66,648,743	HCD AHSC Loan	Type V over Type I from approved eval dated 05/05/17
Sunnydale Parcel Q	1477-1497 Sunnydale Ave	21,757	Jun-20	55	102	75,101	-	75,101	\$ -	\$ 35,588,475	\$ 10,072,197	\$ 45,660,672	\$ 9,652,147	\$ 45,660,672	9% LIHTC	Type IV - 5 Stories over grade podium parking
Completed Projects:	Average:	44,619		99	184	100,593	24,162	121,734	\$ 3,156,275	\$ 58,201,612	\$ 10,690,339	\$ 69,890,594	\$ 20,270,002	\$ 68,706,991		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
2060 Folsom Street	2060 Folsom	29,075	Mar-21	127	252	155,648	11,810	167,458	\$ 134,931	\$ 71,655,660	\$ 20,100,172	\$ 91,890,763	\$ 31,697,110	\$ 91,755,832	HCD AHSC Loan	9 Story Type IB - TAY, Childcare, Community Hub w/AHSC Improvements of \$6MM
1950 Mission Street	1950 Mission Street	36,590	Mar-21	157	262	113,432	48,142	161,574	\$ 9,775,000	\$ 85,644,853	\$ 15,171,496	\$ 110,591,349	\$ 44,945,740	\$ 100,816,349	HCD AHSC Loan	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes
1990 Folsom Street	1990 Folsom	29,047	May-21	143	226	138,824	15,063	153,887	\$ 8,407,380	\$ 73,760,332	\$ 25,616,512	\$ 107,784,224	\$ 46,711,496	\$ 99,376,844		Mixed type - Type VA (townhomes) and 8 story Type I over Podium
88 Broadway - Family Housing	88 Broadway	38,182	Mar-21	125	221	140,279	8,700	148,979	\$ 14,900,000	\$ 69,461,936	\$ 27,558,226	\$ 112,120,162	\$ 27,906,676	\$ 97,220,162		Type IIIA & V over Type I Podium (5-6 stories) - family
691 China Basin (MB South 6W)	691 China Basin St	49,437	Mar-21	152	294	178,050	7,098	185,148	\$ -	\$ 93,617,452	\$ 27,507,082	\$ 121,124,534	\$ 47,361,690	\$ 121,124,534	HCD IIG Grant	Type III/podium and Type V/podium on mews wing, incl. 28 parking spaces, 4,640 sf child care space
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Dec-21	108	186	82,805	26,586	109,391	\$ 1,853,895	\$ 54,251,461	\$ 29,815,020	\$ 85,920,376	\$ 32,400,000	\$ 84,066,481	HCD AHSC Loan	Type I 8 stories on constrained site
Sunnydale Block 6	242 Hahn Street	95,213	Jun-21	167	375	167,065	76,656	243,721	\$ -	\$ 102,447,000	\$ 28,898,989	\$ 131,345,989	\$ 28,109,924	\$ 131,345,989		Type V over Podium (does not include infrastrucure assignment)
681 Florida	681 Florida Street	19,000	Jun-22	130	199	126,830	9,250	136,080	\$ 125,091	\$ 69,184,293	\$ 20,545,793	\$ 89,855,177	\$ 33,826,507	\$ 89,730,086	HCD MHP Loan	Type IB 9 stories, 8,400+- PDR
4840 Mission	4840 Mission	64,033	Apr-23	137	232	181,711	14,384	196,095	\$ 14,169,802	\$ 83,789,393	\$ 23,931,086	\$ 121,890,281	\$ 51,614,447	\$ 107,720,479	HCD MHP Loan	Type V over Type I Podium + retail + 39 spaces pkg + Health Clinic + POPO (11/20 loan eval)
Under Construction:	Average:	42,165		138	250	142,738	24,188	158,567	\$ 5,485,122	\$ 78,201,376	\$ 24,371,597	\$ 108,058,095	\$ 38,286,177	\$ 102,572,973		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments
TI Parcel C3.1	Treasure Island C3.1	49,497	Jul-21	138	321	140,803	52,000	192,803	\$ 25,000	\$ 100,337,586	\$ 21,841,279	\$ 122,203,865	\$ 33,014,900	\$ 122,178,865	HCD AHSC Loan	Type IIA and VB over Type I in 3 to 7 stories stepped + 26 pkg and Youth Activity (100% DD 6/20 nc
Shirley Chisholm Village Ed Hsg.	1351 42nd	60,000	Mar-21	135	203	157,635	11,322	168,957	\$ -	\$ 80,769,866	\$ 19,603,978	\$ 100,373,844	\$ 25,469,902	\$ 100,373,844	9% LIHTC	Type 3A 4 stories on grade courtyard + IA pkg and Community + POPO 9% LIHTC proposed (11/12
Potrero Block B	25th and Connecticut	74,311	Aug-20	157	348	225,601	43,174	268,775	\$ -	\$ 119,309,925	\$ 35,517,065	\$ 154,826,990	\$ 12,057,404	\$ 154,826,990	4% Credits; HCD IIG & AHSC	Type IIIA over Type IA 5-6 stepped, 65 pkg + childcare & park. (per 11/19/20 est. incl VE) excl. Infra c
Hunters View Ph 3 Block 14 & 17	855 & 853 Hunters View Dr	39,355	Oct-21	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 stories with Comm'l (Community svlg) spaces & 56 Pkg spaces (35% CD 8/
730 Stanyan	730 Stanyan Street	37,813	Dec-21	120	203	124,770	20,000	144,770	\$ -	\$ 79,633,599	\$ 13,958,549	\$ 98,121,310	\$ 34,328,853	\$ 98,121,310	4% Credits; HCD MHP	Type IB 6 stories, passive house design, multiple services spaces, urban farm (100% SD pricing 1/2
4200 Geary	4200 Geary	16,738	Feb-22	98	98	70,503	1,197	71,700	\$ 11,064,369	\$ 53,417,898	\$ 18,629,458	\$ 83,111,725	\$ 35,251,638	\$ 72,047,356	4% Credits; HCD MHP, AHP, Private Loan	Type III over Type I, 7 stories, TI space, no parking, Urban Agriculture (100% DD est dated 2/12/21)
Laguna Honda Senior	375 Laguna Honda Blvd		Feb-24	200	204	212,000	13,000	225,000	\$ 15,000	\$ 97,750,000	\$ 20,222,441	\$ 117,972,441	\$ 47,272,441	\$ 117,972,441	4% Credits; IIG, HCD, AHP	Type III over I, 7 stories
The Kelsey	240 Van Ness	18,313	Jul-22	107	117	86,288	1,349	87,637	\$ 9,846	\$ 63,695,025	\$ 23,310,936	\$ 86,925,737	\$ 13,000,000	\$ 86,915,351	4% LIHTC, IIG, AHSC, Large Sponsor Loan	5 stories of Type III over 3 stories of Type I
2550 Irving	2550 Irving Street	19,126	Apr-23	98	177	96,390	2,228	107,618	\$ 9,426,500	\$ 62,022,139	\$ 15,672,611	\$ 94,019,982	\$ 25,573,912	\$ 84,593,492	MOHCD; 4% LIHTC; HCD - IIG, MHP, AHP	Type I, 7 stories, TI space, 11 parking spaces
Sunnydale Block 3B	TBD	73,000	Feb-22	90	178	125,800	3,400	129,200	\$ 20,001	\$ 69,588,660	\$ 19,750,187	\$ 89,338,847	\$ 8,466,742	\$ 89,338,847	4% Credits; HCD IIG & AHSC	Type IIIA 5 story, 30k sq ft of commercial; includes infrastructure costs
Sunnydale Block 3A	TBD	34,400	Aug-22	80	164	83,339	18,461	101,800	\$ 20,001	\$ 60,021,794	\$ 18,364,563	\$ 78,386,357	\$ 7,161,137	\$ 78,386,357	4% Credits; HCD IIG & AHSC	Type IIIA 5 story, 30k sq ft of commercial; includes infrastructure costs
Reservoir Buiding E	Lee Avenue	31,008	Mar-23	124	192	138,150	1,000	139,150	\$ 1,777,707	\$ 73,866,869	\$ 30,821,255	\$ 106,465,831	\$ 13,628,128	\$ 104,688,124	4% Credits; HCD IIG & AHSC	Type IIIA over Type IA 7 stories
In Predevelopment	Average:	41,233		122	208	136,910	14,251	151,161	\$ 3,719,737	\$ 79,971,024	\$ 21,824,166	\$ 104,582,383	\$ 24,413,090	\$ 102,722,515		

ALL PROJECTS	Average:	42,672		120	214	126,747	20,867	143,821	\$ 4,120,378	\$ 72,124,671	\$ 18,962,034	\$ 94,177,024	\$ 27,656,423	\$ 91,334,160		
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Sunnydale Block 7	TBD	73,161	Oct-24	69	159	100,939	-	100,939	\$ 10,000	\$ 57,837,582	\$ 15,107,806	\$ 72,955,388	\$ 12,743,082	\$ 72,955,388	4% Credits; HCD IIG & AHSC	4 stories of wood over podium, icludes parking at .74 ratio
Sunnydale Block 9	TBD	52,272	Oct-24	100	239	108,644	-	108,664	\$ 10,000	\$ 80,087,484	\$ 20,587,449	\$ 100,684,933	\$ 18,660,015	\$ 100,684,933	4% Credits; HCD IIG & AHSC	4 stories of wood over podium, icludes parking at .74 ratio

PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging <sup>7</sup>
Hunters View Phase II - Bl 7 & 11	May-17	-	-	-	\$ 561,825	\$ 251,528	\$ 427	\$ 86,654	\$ 38,795	\$ 66	\$ 648,479	\$ 290,323	\$ 493	\$ 184,460	71.6%
Hunters View Phase II - Block 10	Jun-18	-	-	-	\$ 646,783	\$ 323,391	\$ 449	\$ (3,052)	\$ (1,526)	\$ (2)	\$ 643,731	\$ 321,866	\$ 447	\$ 274,128	57.4%
Mission Bay S6E	Nov-18	1,036	537	2	\$ 566,166	\$ 293,340	\$ 471	\$ 106,454	\$ 55,155	\$ 89	\$ 673,656	\$ 349,032	\$ 561	\$ 250,000	62.9%
Mission Bay S. Block 3 East	Jan-20	-	-	-	\$ 548,131	\$ 339,727	\$ 525	\$ 114,097	\$ 70,716	\$ 109	\$ 662,228	\$ 410,444	\$ 635	\$ 168,854	62.4%
Potrero Block X (Vertical)	Sep-19	288	149	1	\$ 851,838	\$ 441,240	\$ 531	\$ 177,309	\$ 91,843	\$ 111	\$ 1,029,434	\$ 533,232	\$ 642	\$ 245,737	76.1%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	\$ 510,485	\$ 273,388	\$ 445	\$ 131,305	\$ 70,320	\$ 115	\$ 724,091	\$ 387,783	\$ 632	\$ 196,349	72.9%
Parcel O	Jun-19	-	-	-	\$ 638,281	\$ 352,329	\$ 513	\$ 92,538	\$ 60,670	\$ 211	\$ 617,118	\$ 403,932	\$ 589	\$ 160,271	74.0%
Sunnydale Parcel Q	Jun-20	-	-	-	\$ 647,063	\$ 348,907	\$ 474	\$ 183,131	\$ 98,747	\$ 129	\$ 830,194	\$ 447,654	\$ 608	\$ 175,494	78.9%
Completed Projects:	Average:	20,928	11,212	127	\$ 608,821	\$ 327,981	\$ 480	\$ 111,054	\$ 60,578	\$ 103	\$ 728,616	\$ 393,033	\$ 576	\$ 206,912	70%

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy		
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft <sup>6</sup>	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft <sup>6</sup>	Subsidy / unit	Leveraging <sup>7</sup>	
2060 Folsom Street	Mar-21	1,062	535		5	\$ 564,218	\$ 284,348	\$ 428	\$ 158,269	\$ 79,763	\$ 120	\$ 723,549	\$ 364,646	\$ 549	\$ 249,584	65.5%
1950 Mission Street	Mar-21	62,261	37,309		267	\$ 545,509	\$ 326,889	\$ 530	\$ 96,634	\$ 57,906	\$ 94	\$ 704,403	\$ 422,104	\$ 684	\$ 286,279	59.4%
1990 Folsom Street	May-21	58,793	37,201		289	\$ 515,807	\$ 326,373	\$ 479	\$ 179,136	\$ 113,347	\$ 166	\$ 753,736	\$ 476,921	\$ 700	\$ 326,654	56.7%
88 Broadway - Family Housing	Mar-21	119,200	67,421		390	\$ 555,695	\$ 314,307	\$ 466	\$ 222,066	\$ 125,603	\$ 186	\$ 896,961	\$ 507,331	\$ 753	\$ 223,269	75.1%
691 China Basin (MB South 6W)	Mar-21	-	-		-	\$ 615,904	\$ 318,427	\$ 506	\$ 180,968	\$ 93,562	\$ 149	\$ 796,872	\$ 411,988	\$ 654	\$ 311,590	60.9%
500 Turk Street (555 Larkin)	Dec-21	17,166	9,967		98	\$ 502,328	\$ 291,675	\$ 496	\$ 276,065	\$ 160,296	\$ 273	\$ 795,559	\$ 461,938	\$ 785	\$ 300,000	62.3%
Sunnydale Block 6	Nov-21	-	-		-	\$ 613,455	\$ 273,192	\$ 420	\$ 173,048	\$ 77,064	\$ 119	\$ 786,603	\$ 350,256	\$ 539	\$ 168,323	78.6%
681 Florida	Jun-22	962	629		7	\$ 532,187	\$ 347,660	\$ 508	\$ 158,045	\$ 103,245	\$ 151	\$ 691,194	\$ 451,534	\$ 660	\$ 260,204	62.4%
4840 Mission Street	Apr-23	103,429	61,077		221	\$ 611,601	\$ 361,161	\$ 693	\$ 174,679	\$ 103,151	\$ 198	\$ 889,710	\$ 525,389	\$ 1,009	\$ 376,748	57.7%
Under Construction:	Average:	45,359	26,767	160	\$ 561,856	\$ 316,003	\$ 503	\$ 179,879	\$ 101,549	\$ 162	\$ 782,054	\$ 441,345	\$ 704	\$ 278,072	64%	



**Attachment E: Predevelopment Sources and Uses**



Application Date:5/7/21  
Project Name:Sunnydale Block 7  
Project Address:TBD TBD  
Project Sponsor:Mercy Housing California

# Units:69  
# Bedrooms:159  
# Beds:0

SOURCES						Total Sources	Comments
2,820,000						2,820,000	
Name of Sources: MOHCD/OCII							

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition							0	
Environmental Remediation							0	
Onsight Improvements/Landscaping							0	
Offsite Improvements	0						0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	0	0	0	0	0	0	0	
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)							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	837,552						837,552	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)	715,000						715,000	Structural, MEPF, Civil, Landscape, Waterproofing, and Lighting consultants
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	1,552,552	0	0	0	0	0	1,552,552	
Other Third Party design consultants (not included under Architect contract)	69,172						69,172	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	1,621,724	0	0	0	0	0	1,621,724	

Engineering & Environmental Studies

Survey	15,000						15,000	
Geotechnical studies	40,000						40,000	
Phase I & II Reports	20,000						20,000	
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	75,000	0	0	0	0	0	75,000	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDJAC 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	0	

Permanent Financing Costs

Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	
Total Financing Costs	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees							0	
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	0	0	0	0	0	0	0	

Other Development Costs

Appraisal	15,000						15,000	
Market Study	15,000						15,000	
* Insurance							0	
* Property Taxes							0	
* Accounting / Audit							0	
* Organizational Costs							0	
* Entitlement / Permit Fees							0	
* Marketing / Rent-up							0	
* Furnishings							0	\$2,000/unit; See MOHCD UIW Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
PGE / Utility Fees	225,009						225,009	
TCAC App / Alloc / Monitor Fees	51,902						51,902	
* Financial Consultant fees							0	
Construction Management fees / Owner's Rep	60,000						60,000	
Security during Construction							0	
* Relocation							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
Total Other Development Costs	366,911	0	0	0	0	0	366,911	

Total Soft Cost Contingency as % of Total Soft Costs 10.0%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	206,365	0	0	0	0	0	206,365	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	2,270,000	0	0	0	0	0	2,270,000	

RESERVES

* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	0	0	0	0	0	0	0	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000						550,000	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	550,000	0	0	0	0	0	550,000	

TOTAL DEVELOPMENT COST

2,820,000	0	0	0	0	0	0	2,820,000	
Development Cost/Unit by Source	40,870	0	0	0	0	0	40,870	
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

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

0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/SF

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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\*Possible non-eligible GO Bond/COP Amount:

0

City Subsidy/Unit

40,870

Tax Credit Equity Pricing:

0.93

Construction Bond Amount:

30,903,594

Construction Loan Term (in months):

20 months

Construction Loan Interest Rate (as %):

4.00%



**Attachment F: Permanent Sources and Uses**



Application Date:  
Project Name:  
Project Address:  
Project Sponsor:

5/7/21  
Sunnydale Block 7  
TBD TBD  
Mercy Housing Californiai

# Units: 69  
# Bedrooms: 159  
# Beds: 0

SOURCES	12,743,082	17,008,066	31,356,326	1,847,914	10,000,000	-	Total Sources	72,955,388	Comments
		Tax-Exempt Perm Loan	Tax credit Equity	Deferred Developer Fee	AHSC				

USES

ACQUISITION

Acquisition cost or value							0	
Legal / Closing costs / Broker's Fee	10,000						10,000	
Holding Costs							0	
Transfer Tax							0	
TOTAL ACQUISITION	10,000	0	0	0	0	0	10,000	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	3,899,548	17,008,066	16,029,872		5,554,701		42,492,186	Include FF&E
Commercial Shell Construction							0	
Demolition		0					0	
Environmental Remediation			0				0	
Onsight Improvements/Landscaping							0	
Offsite Improvements	0						0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes	0		833,055				833,055	2.0%
GC Overhead & Profit	0		2,549,531				2,549,531	6.0%
CG General Conditions	0		2,549,531				2,549,531	6.0%
Sub-total Construction Costs	3,899,548	17,008,066	21,961,989	0	5,554,701	0	48,424,303	
Design Contingency (remove at DD)	0				1,427,737		1,427,737	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)	0				1,427,737		1,427,737	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Revie	0				951,825		951,825	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	0	0	5,606,249		0		5,606,249	includes owner contingency @ 5%+ escalation @6%
Sub-total Construction Contingencies	0	0	5,606,249	0	3,807,299	0	9,413,548	
TOTAL CONSTRUCTION COSTS	3,899,548	17,008,066	27,568,238	0	9,362,000	0	57,837,852	

Construction  
line item costs  
as a % of hard  
costs

SOFT COSTS

Architecture & Design

Architect design fees	1,664,562						1,664,562	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	715,000						715,000	Structural,MEPF,Civil, Landscape, Waterproofing, and Lighting consultants
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	2,379,562	0	0	0	0	0	2,379,562	
Other Third Party design consultants (not included under Architect contract)								
	200,000						200,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	2,579,562	0	0	0	0	0	2,579,562	

Engineering & Environmental Studies

Survey	15,000						15,000	
Geotechnical studies	40,000						40,000	
Phase I & II Reports	20,000						20,000	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants	0						0	Name consultants & contract amounts
Total Engineering & Environmental Studies	75,000	0	0	0	0	0	75,000	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee	317,829	0					317,829	
Construction Loan Interest	231,276	0	1,937,460				2,168,736	
Title & Recording	30,000	0					30,000	
CDLAC & CDIAC fees		0					0	
Bond Issuer Fees		0					0	
Other Bond Cost of Issuance	111,654	0					111,654	
Other Lender Costs (lender inspection)	15,000	0					15,000	
Sub-total Const. Financing Costs	705,759	0	1,937,460	0	0	0	2,643,219	

Permanent Financing Costs

Permanent Loan Origination Fee	176,124						176,124	
Credit Enhance. & Appl. Fee	25,000						25,000	
Title & Recording	20,000						20,000	
Sub-total Perm. Financing Costs	221,124	0	0	0	0	0	221,124	
Total Financing Costs	926,883	0	1,937,460	0	0	0	2,864,343	

Legal Costs

Borrower Legal fees	100,000						100,000	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel	65,393						65,393	
Construction Lender Counsel	100,000						100,000	
Permanent Lender Counsel	65,000						65,000	
Other Legal (specify)							0	
Total Legal Costs	330,393	0	0	0	0	0	330,393	

Other Development Costs

Appraisal	15,000						15,000	
Market Study							0	
* Insurance	192,248						192,248	
* Property Taxes							0	
Accounting / Audit	30,000						30,000	
* Organizational Costs							0	
Entitlement / Permit Fees	259,107		1,034,643				1,293,750	
* Marketing / Rent-up	0	0	259,107				259,107	
* Furnishings	0	0			138,000		138,000	\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees	225,099						225,099	
TCAC App / Alloc / Monitor Fees	51,902						51,902	
* Financial Consultant fees	75,000						75,000	
Construction Management fees / Owner's Rep	200,000						200,000	
Security during Construction							0	
* Relocation							0	
Other (Env Consultant)	25,000						25,000	
Other (specify)	0						0	
Other (specify)							0	
Total Other Development Costs	1,073,356	0	1,293,750	0	138,000	0	2,505,106	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	270,546	0	0	0	500,000	0	770,546	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	5,255,740	0	3,231,210	0	638,000	0	9,124,950	

Total Soft Cost  
Contingency as % of Total  
Soft Costs

9.2%

RESERVES

* Operating Reserves	33,184		556,878				590,062	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (Transition Reserve)	1,344,610	0	0				1,344,610	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	1,377,794	0	556,878	0	0	0	1,934,672	

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							0	
Developer Fee - GP Equity (also show as source)						0	0	
Developer Fee - Deferred (also show as source)				1,847,914	0		1,847,914	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	2,200,000	0	0	1,847,914	0	0	4,047,914	

TOTAL DEVELOPMENT COST

	12,743,082	17,008,066	31,356,326	1,847,914	10,000,000	0	72,955,388	
Development Cost/Unit by Source	184,682	246,494	454,440	26,781	144,928	0	1,057,324	
Development Cost/Unit as % of TDC by Source	17.5%	23.3%	43.0%	2.5%	13.7%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	
--	---	---	---	---	---	---	---	--

Construction Cost (inc Const Contingency)/Unit By Source

	56,515	246,494	399,540	0	135,681	0	838,230	
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Construction Cost (inc Const Contingency)/SF

	38.63	168.50	273.12	0.00	92.75	0.00	573.00	
--	-------	--------	--------	------	-------	------	--------	--

\*Possible non-eligible GO Bond/COP Amount:

4,199,980
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City Subsidy/Unit

184,682
---------

Tax Credit Equity Pricing:

0.930
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Construction Bond Amount:

50,517,691
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Construction Loan Term (in months):

20 months
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Construction Loan Interest Rate (as %):

4.00%
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**Attachment G: 1<sup>st</sup> year Operating Budget**



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

5/7/2021  
69  
46296

Project Name:  
Project Address:  
Project Sponsor:

Sunnydale Block 7  
TBD TBD  
Mercy Housing Californiai

TCAC Income Limits In Use!

INCOME	Total	Comments
Residential - Tenant Rents	1,237,344	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	1,501,380	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	Links from 'Utilities & Other Income' Worksheet
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	6,084	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	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	2,744,808	
Vacancy Loss - Residential - Tenant Rents	(61,867)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(75,069)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	Links from 'Commercial Op. Budget' Worksheet
EFFECTIVE GROSS INCOME	2,607,872	PUPA: 37,795

OPERATING EXPENSES

Management		
Management Fee	60,548	1st Year to be set according to HUD schedule.
Asset Management Fee	24,280	
Sub-total Management Expenses	84,828	PUPA: 1,229

Salaries/Benefits		
Office Salaries	39,353	.88 Customer Service Rep: based on \$21.50 per/hour
Manager's Salary	84,097	.21 FTE CMO + 1.5 FTE ACMO: CMO \$72 annual salary plus 3% merit increase over next
Health Insurance and Other Benefits	69,760	Calc based on 32% of salary
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	193,210	PUPA: 2,800

Administration		
Advertising and Marketing		
Office Expenses	10,000	
Office Rent		
Legal Expense - Property	31,229	
Audit Expense	7,107	
Bookkeeping/Accounting Services	10,350	
Bad Debts		
Miscellaneous	12,785	telecom and resident procurement, unit turnover
Sub-total Administration Expenses	71,471	PUPA: 1,036

Utilities		
Electricity	31,188	
Water	35,052	
Gas	20,217	
Sewer	68,724	
Sub-total Utilities	155,181	PUPA: 2,249

Taxes and Licenses		
Real Estate Taxes	3,000	
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses	3,000	PUPA: 43

Insurance		
Property and Liability Insurance	128,389	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	128,389	PUPA: 1,861

Maintenance & Repair		
Payroll	94,550	.2 FTE SMM + 1 FTE MT + 1 FTE Janitor: SMM \$59K annual salary; MT \$21.50 per/hour;
Supplies	3,105	
Contracts	48,507	
Garbage and Trash Removal	54,579	
Security Payroll/Contract	74,664	
HVAC Repairs and Maintenance	1,035	
Vehicle and Maintenance Equipment Operation and Repairs	8,000	Grounds
Miscellaneous Operating and Maintenance Expenses	68,448	Compliance monitoring and review of all new move-ins, recertifications, uniforms for
Sub-total Maintenance & Repair Expenses	352,888	PUPA: 5,114

Supportive Services	112,786	0.92 FTE + RSC Manager
Commercial Expenses	0	Links from 'Commercial Op. Budget' Worksheet

TOTAL OPERATING EXPENSES

1,101,753

PUPA: 15,967

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	34,500	\$500 per unit per year	
Operating Reserve Deposit			
Other Required Reserve 1 Deposit	34,500	HOA Fee	
Other Required Reserve 2 Deposit	1,725	RAD fee	
Required Reserve Deposit/s, Commercial	0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	85,725	PUPA: 1,242	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	1,187,478	PUPA: 17,210	Min DSCR: 1.09
			Mortgage Rate: 5.00%
			Term (Years): 30
NET OPERATING INCOME (INCOME minus OP EXPENSES)	1,420,394	PUPA: 20,585	Supportable 1st Mortgage Pmt: 1,303,114
			Supportable 1st Mortgage Amt: \$20,228,842
			Proposed 1st Mortgage Amt: \$17,008,066

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

Hard Debt - First Lender	1,223,993	Permanent Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0		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	Links from 'Commercial Op. Budget' Worksheet	
TOTAL HARD DEBT SERVICE	1,223,993	PUPA: 17,739	

CASH FLOW (NOI minus DEBT SERVICE)	196,401	
USES OF CASH FLOW BELOW (This row also shows DSCR.)	1.16	

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	2nd	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st	
Other Payments			
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 I130)		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.

TOTAL PAYMENTS PRECEDING MOHCD

29,270

PUPA: 424

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	167,131	
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Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	No
Will Project Defer Developer Fee?	No		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to soft debt lenders in	67%		

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	\$12,743,082	98.84%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	1.16%
HCD (soft debt loan) - Lender 3			0.00%
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	111,421	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	111,421	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	55,710	
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	0	

REMAINDER (Should be zero unless there are distributions below)	55,710	
Owner Distributions/Incentive Management Fee	55,710	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	



**Attachment H: 20 yr. Operating Budget**



## Sunnydale Block 7

**Total # Units: 69**

**TCAC Income Limits In Use!**

			Year 1	Year 2	Year 3	Year 4	Year 6	Year 7	Year 8	Year 9	Year 10	
			46296	46297	46298	46299	46300	46301	46302	46303	46304	46305
	% annual increase	Comments (related to annual inc assumptions)	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
INCOME												
Residential - Tenant Rents	2.5%		1,237,344	1,268,278	1,299,985	1,332,484	1,365,796	1,399,941	1,434,940	1,470,813	1,507,584	1,545,273
Residential - Tenant Assistance Payments (Non-LOSP)	2.5%		1,501,380	1,538,915	1,577,387	1,616,822	1,657,243	1,698,674	1,741,141	1,784,669	1,829,286	1,875,018
Commercial Space	2.5%		-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		6,084	6,236	6,392	6,552	6,716	6,883	7,056	7,232	7,413	7,598
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%		-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-									
Gross Potential Income			2,744,808	2,813,428	2,883,764	2,955,858	3,029,754	3,105,498	3,183,136	3,262,714	3,344,282	3,427,889
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(61,867)	(63,414)	(64,999)	(66,624)	(68,290)	(69,997)	(71,747)	(73,541)	(75,379)	(77,264)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		(75,069)	(76,946)	(78,869)	(80,841)	(82,862)	(84,934)	(87,057)	(89,233)	(91,464)	(93,751)
Vacancy Loss - Commercial	n/a											
EFFECTIVE GROSS INCOME			2,607,872	2,673,069	2,739,895	2,808,393	2,878,603	2,950,568	3,024,332	3,099,940	3,177,439	3,256,875
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	60,548	62,667	64,861	67,131	69,480	71,912	74,429	77,034	79,730	82,521
Asset Management Fee	3.5%	per MOHCD policy	24,280	25,130	26,009	26,920	27,862	28,837	29,846	30,891	31,972	33,091
Sub-total Management Expenses			84,828	87,797	90,870	94,050	97,342	100,749	104,275	107,925	111,702	115,612
Salaries/Benefits												
Office Salaries	3.5%		39,353	40,730	42,156	43,631	45,158	46,739	48,375	50,068	51,820	53,634
Manager's Salary	3.5%		84,097	87,040	90,087	93,240	96,503	99,881	103,377	106,995	110,740	114,616
Health Insurance and Other Benefits	3.5%		69,760	72,202	74,729	77,344	80,051	82,853	85,753	88,754	91,861	95,076
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			193,210	199,972	206,971	214,215	221,713	229,473	237,504	245,817	254,421	263,325
Administration												
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%		10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		31,229	32,322	33,453	34,624	35,836	37,090	38,388	39,732	41,123	42,562
Audit Expense	3.5%		7,107	7,356	7,613	7,880	8,155	8,441	8,736	9,042	9,359	9,686
Bookkeeping/Accounting Services	3.5%		10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		12,785	13,232	13,696	14,175	14,671	15,185	15,716	16,266	16,835	17,425
Sub-total Administration Expenses			71,471	73,972	76,562	79,241	82,015	84,885	87,856	90,931	94,114	97,408
Utilities												
Electricity	3.5%		31,188	32,280	33,409	34,579	35,789	37,042	38,338	39,680	41,069	42,506
Water	3.5%		35,052	36,279	37,549	38,863	40,223	41,631	43,088	44,596	46,157	47,772
Gas	3.5%		20,217	20,925	21,657	22,415	23,199	24,011	24,852	25,722	26,622	27,554
Sewer	3.5%		68,724	71,129	73,619	76,196	78,862	81,623	84,479	87,436	90,496	93,664
Sub-total Utilities			155,181	160,612	166,234	172,052	178,074	184,306	190,757	197,434	204,344	211,496
Taxes and Licenses												
Real Estate Taxes	3.5%		3,000	3,105	3,214	3,326	3,443	3,563	3,688	3,817	3,950	4,089
Payroll Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses			3,000	3,105	3,214	3,326	3,443	3,563	3,688	3,817	3,950	4,089
Insurance												
Property and Liability Insurance	3.5%		128,389	132,883	137,534	142,347	147,329	152,486	157,823	163,347	169,064	174,981
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			128,389	132,883	137,534	142,347	147,329	152,486	157,823	163,347	169,064	174,981
Maintenance & Repair												
Payroll	3.5%		94,550	97,859	101,284	104,829	108,498	112,296	116,226	120,294	124,504	128,862
Supplies	3.5%		3,105	3,214	3,326	3,443	3,563	3,688	3,817	3,950	4,089	4,232
Contracts	3.5%		48,507	50,205	51,962	53,781	55,663	57,611	59,627	61,714	63,874	66,110
Garbage and Trash Removal	3.5%		54,579	56,489	58,466	60,513	62,631	64,823	67,092	69,440	71,870	74,386
Security Payroll/Contract	3.5%		74,664	77,277	79,982	82,781	85,679	88,677	91,781	94,993	98,318	101,759
HVAC Repairs and Maintenance	3.5%		1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363	1,411
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		8,000	8,280	8,570	8,870	9,180	9,501	9,834	10,178	10,534	10,903
Miscellaneous Operating and Maintenance Expenses	3.5%		68,448	70,844	73,323	75,890	78,546	81,295	84,140	87,085	90,133	93,288
Sub-total Maintenance & Repair Expenses			352,888	365,239	378,022	391,253	404,947	419,120	433,789	448,972	464,686	480,950
Supportive Services	3.5%		112,786	116,734	120,819	125,048	129,425	133,954	138,643	143,495	148,518	153,716
Commercial Expenses			-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			1,101,753	1,140,314	1,180,225	1,221,533	1,264,287	1,308,537	1,354,336	1,401,737	1,450,798	1,501,576
PUPA (w/o Reserves/GL Base Rent/Bond Fees)			15,967									
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
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Other Required Reserve 2 Deposit			1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			85,725	85,725	85,725	85,725	85,725	85,725	85,725	85,725	85,725	85,725
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			1,187,478	1,226,039	1,265,950	1,307,258	1,350,012	1,394,262	1,440,061	1,487,462	1,536,523	1,587,301
PUPA (w/ Reserves/GL Base Rent/Bond Fees)			17,210									
NET OPERATING INCOME (INCOME minus OP EXPENSES)			1,420,394	1,447,029	1,473,945	1,501,134	1,528,591	1,556,306	1,584,271	1,612,478	1,640,915	1,669,573
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			-	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			1,223,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993
CASH FLOW (NOI minus DEBT SERVICE)			196,401	181,036	207,952	235,141	262,598	290,313	318,278	346,485	374,922	403,580
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR: 1.16	1.14	1.16	1.19	1.21	1.23	1.25	1.27	1.3	1.32
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	24,270	21,900	22,667	23,460	24,281	25,131	26,010	26,921	27,863	28,838
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Payments			-									
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.	-									
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-									
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-									
TOTAL PAYMENTS PRECEDING MOHCD			29,270	26,900	27,667	28,460	29,281	30,131	31,010	31,921	32,863	33,838
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			167,131	154,136	180,285	206,682	233,317	260,182	287,268	314,564	342,059	369,742
Does Project have a MOHCD Residual Receipt Obligation?	Yes											
Will Project Defer Developer Fee?	No											
Residual Receipts split for all years. - Lender/Owner	67% / 33%											
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
Dist. Soft Debt Loans												
100.00%												
MOHCD Residual Receipts Amount Due		Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	111,421	102,757	120,190	137,788	155,544	173,455	191,512	209,709	228,040	246,495
Proposed MOHCD Residual Receipts Amount to Loan Repayment		per MOHCD policy	111,421	102,757	120,190	137,788	155,544	173,455	191,512	209,709	228,040	246,495
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)												
Owner Distributions/Incentive Management Fee			55,710	51,379	60,095	68,894	77,772	86,727	95,756	104,855	114,020	123,247
Other Distributions/Uses			55,710	51,379	60,095	68,894	77,772	86,727	95,756	104,855	114,020	123,247
Final Balance												



Sunnydale Block 7

Total # Units: 69

			Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			46306	46307	46308	46309	46310	46311	46312	46313	46314	46315
	% annual increase	Comments (related to annual inc assumptions)	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
INCOME												
Residential - Tenant Rents	2.5%		1,583,905	1,623,503	1,664,090	1,705,692	1,748,335	1,792,043	1,836,844	1,882,765	1,929,834	1,978,080
Residential - Tenant Assistance Payments (Non-LOSP)	2.5%		1,921,893	1,969,941	2,019,189	2,069,669	2,121,411	2,174,446	2,228,807	2,284,527	2,341,640	2,400,181
Commercial Space	2.5%		-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		7,788	7,983	8,182	8,387	8,597	8,811	9,032	9,258	9,489	9,726
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%		-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable										
Gross Potential Income			3,513,586	3,601,426	3,691,462	3,783,748	3,878,342	3,975,300	4,074,683	4,176,550	4,280,964	4,387,988
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(79,195)	(81,175)	(83,205)	(85,285)	(87,417)	(89,602)	(91,842)	(94,138)	(96,492)	(98,904)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		(96,095)	(98,497)	(100,959)	(103,483)	(106,071)	(108,722)	(111,440)	(114,226)	(117,082)	(120,009)
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			3,338,296	3,421,754	3,507,298	3,594,980	3,684,855	3,776,976	3,871,400	3,968,185	4,067,390	4,169,075
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	85,409	88,398	91,492	94,694	98,009	101,439	104,989	108,664	112,467	116,404
Asset Management Fee	3.5%	per MOHCD policy	34,249	35,448	36,689	37,973	39,302	40,677	42,101	43,575	45,100	46,678
Sub-total Management Expenses			119,658	123,846	128,181	132,667	137,311	142,116	147,091	152,239	157,567	163,082
Salaries/Benefits												
Office Salaries	3.5%		55,511	57,454	59,465	61,546	63,700	65,930	68,238	70,626	73,098	75,656
Manager's Salary	3.5%		118,827	122,779	127,076	131,524	136,127	140,892	145,823	150,927	156,209	161,677
Health Insurance and Other Benefits	3.5%		98,403	101,847	105,412	109,102	112,920	116,872	120,963	125,197	129,578	134,114
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			272,542	282,081	291,954	302,172	312,748	323,694	335,023	346,749	358,885	371,446
Administration												
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%		14,106	14,600	15,111	15,640	16,187	16,753	17,340	17,947	18,575	19,225
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		44,052	45,593	47,189	48,841	50,550	52,319	54,151	56,046	58,008	60,038
Audit Expense	3.5%		10,025	10,376	10,739	11,115	11,504	11,907	12,323	12,755	13,201	13,663
Bookkeeping/Accounting Services	3.5%		14,600	15,111	15,640	16,187	16,753	17,340	17,947	18,575	19,225	19,898
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		18,035	18,666	19,319	19,995	20,695	21,419	22,169	22,945	23,748	24,579
Sub-total Administration Expenses			100,817	104,345	107,998	111,778	115,690	119,739	123,930	128,267	132,755	137,403
Utilities												
Electricity	3.5%		43,994	45,534	47,127	48,777	50,484	52,251	54,080	55,972	57,931	59,959
Water	3.5%		49,444	51,175	52,966	54,820	56,738	58,724	60,780	62,907	65,109	67,388
Gas	3.5%		28,518	29,516	30,549	31,618	32,725	33,871	35,056	36,283	37,553	38,867
Sewer	3.5%		96,942	100,335	103,847	107,481	111,243	115,137	119,166	123,337	127,654	132,122
Sub-total Utilities			218,898	226,560	234,489	242,696	251,191	259,982	269,082	278,500	288,247	298,336
Taxes and Licenses												
Real Estate Taxes	3.5%		4,232	4,380	4,533	4,692	4,856	5,026	5,202	5,384	5,572	5,768
Payroll Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses			4,232	4,380	4,533	4,692	4,856	5,026	5,202	5,384	5,572	5,768
Insurance												
Property and Liability Insurance	3.5%		181,105	187,444	194,005	200,795	207,823	215,096	222,625	230,417	238,481	246,828
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			181,105	187,444	194,005	200,795	207,823	215,096	222,625	230,417	238,481	246,828
Maintenance & Repair												
Payroll	3.5%		133,372	138,040	142,872	147,872	153,048	158,404	163,948	169,687	175,626	181,772
Supplies	3.5%		4,380	4,533	4,692	4,856	5,026	5,202	5,384	5,572	5,768	5,969
Contracts	3.5%		68,424	70,819	73,297	75,863	78,518	81,266	84,110	87,054	90,101	93,255
Garbage and Trash Removal	3.5%		76,989	79,684	82,473	85,359	88,347	91,439	94,639	97,952	101,380	104,928
Security Payroll/Contract	3.5%		105,321	109,007	112,822	116,771	120,858	125,088	129,466	133,998	138,688	143,542
HVAC Repairs and Maintenance	3.5%		1,460	1,511	1,564	1,619	1,675	1,734	1,795	1,857	1,923	1,990
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		11,285	11,680	12,089	12,512	12,950	13,403	13,872	14,357	14,860	15,380
Miscellaneous Operating and Maintenance Expenses	3.5%		96,553	99,932	103,430	107,050	110,796	114,674	118,688	122,842	127,141	131,591
Sub-total Maintenance & Repair Expenses			497,783	515,206	533,238	551,901	571,218	591,210	611,903	633,319	655,486	678,428
Supportive Services	3.5%		159,096	164,664	170,427	176,392	182,566	188,956	195,569	202,414	209,499	216,831
Commercial Expenses			-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			1,554,131	1,608,526	1,664,824	1,723,093	1,783,402	1,845,821	1,910,424	1,977,289	2,046,494	2,118,122
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees		iple cells.										
Ground Lease Base Rent			15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
Other Required Reserve 2 Deposit			1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
Required Reserve Deposit/s, Commercial			-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			85,725	85,725	85,725	85,725	85,725	85,725	85,725	85,725	85,725	85,725
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			1,639,856	1,694,251	1,750,549	1,808,818	1,869,127	1,931,546	1,996,149	2,063,014	2,132,219	2,203,847
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			1,698,440	1,727,503	1,756,748	1,786,162	1,815,728	1,845,430	1,875,251	1,905,171	1,935,171	1,965,228
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		iple cells.										
Hard Debt - First Lender			1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993	1,223,993
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993	1,265,993
CASH FLOW (NOI minus DEBT SERVICE)			432,447	461,510	490,755	520,169	549,735	579,437	609,258	639,178	669,178	699,235
USES OF CASH FLOW BELOW (This row also shows DSCR.)		DSCR:	1.34	1.36	1.39	1.41	1.43	1.46	1.48	1.5	1.53	1.55
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		iple cells.										
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	29,847	30,892	31,973	33,092	34,251	35,449	36,690	37,974	39,303	40,679
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Payments												
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.										
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)												
TOTAL PAYMENTS PRECEDING MOHCD			34,847	35,892	36,973	38,092	39,251	40,449	41,690	42,974	44,303	45,679
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			397,600	425,618	453,782	482,076	510,484	538,988	567,568	596,204	624,874	653,556
Does Project have a MOHCD Residual Receipt Obligation?	Yes											
Will Project Defer Developer Fee?	No											
Residual Receipts split for all years. - Lender/Owner	67% / 33%											
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans		-	-	-	-	-	-	-	-	-	-
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	265,066	283,745	302,521	321,384	340,323	359,325	378,379	397,469	416,583	435,704
Proposed MOHCD Residual Receipts Amount to Loan Repayment			265,066	283,745	302,521	321,384	340,323	359,325	378,379	397,469	416,583	435,704